

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, November 13, 2024

10:00 a.m.

House Hearing Room 1



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
VICE-CHAIRMAN
LELA ALSTON
KEN BENNETT
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JAKE HOFFMAN

1716 WEST ADAMS
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JOSEPH CHAPLIK
LUPE CONTRERAS

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, November 13, 2024

10:00 A.M.

House Hearing Room 1

MEETING NOTICE

- Call to Order
- [Approval of Minutes of December 14, 2023.](#)
- 1. [ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2025 Building Renewal Allocation Plan.](#)
- 2. [ARIZONA DEPARTMENT OF CORRECTIONS - Review of FY 2025 Building Renewal Allocation Plan.](#)
- 3. [*ARIZONA GAME AND FISH - Review of FY 2025 Building Renewal and Capital Projects.](#)
- 4. [NORTHERN ARIZONA UNIVERSITY - Review of Capital Projects.](#)
- 5. [*ARIZONA STATE PARKS BOARD - Review of FY 2025 Capital Improvement Projects – State Parks Revenue Fund.](#)
- 6. [*RIO NUEVO - Presentation of Projects.](#)
- 7. ARIZONA DEPARTMENT OF TRANSPORTATION
 - [*A. Review of FY 2025 Building Renewal Allocation Plan.](#)
 - [*B. Vehicle Fueling Facilities.](#)

- * Consent Agenda - These items will be considered in one motion and no testimony will be taken.

The Chairman reserves the right to set the order of the agenda.

11/05/2024

JB

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 926-5491.



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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

December 14, 2023

The Chairman called the meeting to order at 3:22 p.m. Thursday, December 14, 2023 in Senate Hearing Room 1. The following were present:

Members:	Senator Kavanagh, Chairman Senator Alston Senator Bennett	Representative Livingston, Vice-Chairman Representative Chaplik Representative Contreras Representative Gress Representative Salman Representative Stahl-Hamilton (Temporary member in place of Representative Austin)
Absent:	Senator Borrelli Senator Diaz Senator Epstein Senator Hoffman	Representative Austin Representative Biasiucci

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of October 10, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

(Continued)

1A. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Flagstaff Aviation Hangar Fuel Improvements.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of its plan to spend \$320,000 from the General Fund as appropriated in the FY 2024 Capital Outlay Bill for the renovation of the Flagstaff aviation hangar. In addition, DPS plans to expend \$205,600 from the Border Security Fund to improve the fuel facilities at the Flagstaff aviation hangar. The JLBC Staff provided options.

1B. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Remote Housing Replacement.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of its plan to spend \$2,000,000 from the General Fund as appropriated in the FY 2023 Capital Outlay Bill for the purchase of 5 new housing units. The JLBC Staff provided options.

2. ARIZONA STATE UNIVERSTIY (ASU) - Review of Polytechnic Campus Utilities Expansion.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requested committee review of \$17,300,000 in system revenue bond issuances to construct a modular chiller plant on its Polytechnic (East) campus. ASU will fund debt service payments with tuition revenues. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.*
- B. *ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.*
- C. *On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

3. ARIZONA STATE PARKS BOARD (ASPB) - Review of Verde River State Park.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for land acquisition, capital projects and building renewal. The ASPB requested Committee review of \$7,000,000 of FY 2024 funding from the General Fund for the establishment of a new state park at the Verde River headwaters near Chino Valley. The JLBC Staff provided options and potential provisions:

- A. *Any contractual agreement with the Trust for Public Land shall require the transfer of the land parcel to state ownership upon completion of the purchase process.*
- B. *Within 90 days after acquiring land for a Verde River Headwaters state park, the Arizona State Parks Board shall submit a report to the JLBC Staff detailing the total cost of land acquisition, including matching funds. The report shall also include an expenditure plan for the \$1,000,000 in development costs and the anticipated total development costs of the park.*

(Continued)

Representative Livingston moved that the Committee give a favorable review of the agency requests in consent agenda items 1 through 3 with the JLBC Staff provisions. The motion carried.

Without objection, the meeting adjourned at 3:23 p.m.

Respectfully submitted:



Jennifer Burns, Secretary

Rebecca Perrera

Rebecca Perrera, Assistant Director



Senator John Kavanagh, Chairman



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Joint Committee on Capital Review

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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Destin Moss, Assistant Fiscal Analyst

SUBJECT: Arizona Department of Administration - Review of FY 2025 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Administration (ADOA) requests the Committee review its FY 2025 Building Renewal Allocation Plan. The FY 2025 budget appropriates \$19,000,000 from the Capital Outlay Stabilization Fund (COSF) for building renewal.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. Prior to expending the emergency contingency allocation of \$502,100, ADOA shall report the use of the funds to JLBC Staff.
- B. The department shall report to the Chairman and the JLBC Staff prior to reallocating monies between building renewal project categories.

A.R.S. § 41-794 requires ADOA to report quarterly on the status of all capital projects, such as building renewal projects, including its actual spending relative to its plan.

Key Points

- 1) The FY 2025 budget included \$19.0 million for ADOA building renewal, which ADOA proposes to allocate as follows:
 - \$5.8 million for HVAC, elevator, plumbing, and electrical upgrades.
 - \$4.8 million for parking lot/road, security, electrical, and other infrastructure upgrades.
 - \$3.9 million for roof replacements, paint, and other exterior upgrades to existing buildings.
 - \$1.6 million for fire and life safety projects.
 - \$1.5 million for preventative maintenance.
 - \$400,000 for space consolidation initiatives.
 - \$80,500 for ADA compliance projects.
 - \$314,600 for other expenses
 - \$502,100 for an emergency contingency.
- 2) ADOA's proposal lists potential projects within each category, but they do not include any specific dollar amounts for individual projects.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. ADOA is proposing to allocate its \$19.0 million appropriation to 7 different expenditure categories: Major Building Services, Infrastructure, Building Shell, Fire and Life Safety, Preventative Maintenance, Space Consolidation, and ADA compliance. Additionally, ADOA has allocated funding for administrative expenses and an emergency contingency.

The ADOA Building Renewal Allocation Plan lists potential projects within each category (see *Table 1*). The listed projects are not guaranteed funding, and new projects may be added as necessary.

Major Building Services Projects

A total of \$5.8 million will be allocated to major building services projects. Priorities include various HVAC, plumbing, electrical and elevator upgrades for state-owned buildings. Potential projects include the Department of Revenue building at 1600 W Monroe and the Executive Tower at 1700 W Washington.

Infrastructure Projects

A total of \$4.8 million will be allocated to infrastructure projects. This amount will be used to upgrade security systems, electrical systems, parking lots, and other equipment. ADOA identified potential projects at ADOA, Arizona Schools for the Deaf and Blind (ASDB) Tucson, the Department of Agriculture, and Department of Public Safety (DPS).

Building Shell Projects

A total of \$3.9 million will be allocated to building shell projects, which will include roof, window, paint and other building exterior upgrades. ADOA has identified 9 building priorities, including roof repairs at the Supreme Court, State House, and Executive Tower buildings, along with roof replacements for other state agencies including ASDB and DPS. ADOA included roof repairs at the State Senate in its expenditure plan, but the Senate recently had some roof patching that will allow the project to be deferred a year.

Fire and Life Safety Projects

A total of \$1.6 million will be allocated to fire and life safety system replacements. ADOA has identified 8 priorities at buildings used by ADOA, ASDB, DPS, the Supreme Court, and the Department of Economic Security (DES).

Preventative Maintenance Projects

A total of \$1.5 million is allocated for planned electrical, mechanical, fire, and plumbing maintenance on the Capitol Mall and Tucson Complex. As permitted by A.R.S. § 41-793.01D, ADOA may set aside up to 8% of its FY 2025 building renewal appropriation for preventative maintenance. This amount reflects 8% of the FY 2025 appropriation.

Space Consolidation Plan

The FY 2025 capital budget allows ADOA to spend its FY 2025 building renewal appropriation on projects related to retrofitting facilities for space consolidation initiatives. ADOA has allocated \$400,000 to further its consolidation efforts for multiple state agencies.

ADA Compliance Projects

A total of \$80,500 is allocated for statewide ADA compliance projects. ADOA has currently identified only one ADA compliance project priority at ASDB.

Other Expenses

Of the \$314,600 in other expenses, \$250,000 will be spent on contractors to better develop detailed scopes of work to implement projects in a cost-effective manner. An amount of \$64,600 will be allocated for a Construction Insurance Premium.

Emergency Contingency

A total of \$502,100 will be set aside as an emergency contingency. The Committee may consider a provision requiring that ADOA report on the use of these funds to JLBC Staff prior to expenditure.

Table 1	
FY 2025 Building Renewal Allocation Plan	
<u>Major Building Services Projects</u>	\$ 5,836,300
ADOA 1600 W Monroe HVAC Projects	
ADOA 701 E Jefferson St Elevator Rehabilitation	
ADOA 416 W Congress Air Handler Replacement	
ADOA 1700 W Washington St Executive Tower Projects	
DES Phoenix 4635 S Central Ave Cooling Towers Replacement	
<u>Infrastructure Projects</u>	\$ 4,830,000
ADOA Critical Security Infrastructure Upgrades	
ASDB Tucson Electrical Switchgear Upgrade	
Dept. of Agriculture Parking Lot Replacement	
DPS HQ Compound SES & Vault Equipment Replacement	
<u>Building Shell Projects</u>	\$ 3,910,000
ADOA 1700 W Washington St Executive Tower Roof Repairs	
ASDB Roof Repairs	
DPS Statewide Roof Repairs	
House of Representatives Roof Repairs	
Supreme Court Roof Repairs	
<u>Fire & Life Safety Projects</u>	\$ 1,606,600
ADOA 1030 N 32nd St Replace Fire Sprinklers	
ADOA 416 W Congress Replace Emergency Exit Lighting Signs	
ASDB Emergency Lighting Project	
DES Fire Alarm Wiring Replacement	
DPS Fire System Upgrades	
Supreme Court Cooling Tower Project	
<u>Preventative Maintenance Projects</u>	\$ 1,520,000
DHS ASH Cholla and Mesquite Bathroom Retrofits	
<u>Space Consolidation</u>	\$ 400,000
Miscellaneous Relocation, and Renovation Initiatives	
<u>ADA Compliance</u>	\$ 80,500
ADOA Capitol Mall and Tucson Complex Preventative Maintenance	
<u>Other Expenses</u>	
Building Renewal Project Scoping	250,000
Risk Management Insurance Premium	<u>64,600</u>
<i>Subtotal</i>	<i>\$ 314,600</i>
<u>Emergency Contingency</u>	\$ 502,100
 TOTAL	 \$19,000,000 ^{1/}

^{1/} Total does not sum due to rounding.

Katie Hobbs
Governor



Elizabeth
Alvarado-Thorson
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

General Services Division
100 NORTH FIFTEENTH AVENUE • SUITE B200
PHOENIX, ARIZONA 85007

September 5, 2024

The Honorable David Livingston, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable John Kavanagh, Vice Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007

Dear Representative Livingston and Senator Kavanagh:

Arizona Revised Statutes, Title 41, Section 1252, requires the Joint Committee on Capital Review (JCCR) to review the expenditure of all monies appropriated for building renewal. Laws 2024, Second Regular Session, Chapter 211, (HB2899) appropriated \$19,000,000 to the Arizona Department of Administration (ADOA) to allocate to the ADOA Building System for building renewal projects.

ADOA requests placement on JCCR's September 2024 agenda for review of ADOA's FY 2025 Building Renewal Allocation Plan for \$19,000,000 to the ADOA Building System.

To the extent possible, ADOA completes major maintenance and replacements to the building systems before failures occur. Given the years of deferred major maintenance of an aging building infrastructure, it is difficult, if not impossible, to anticipate the timing and nature of building component failure. In the event of one or more unexpected critical breakdowns or imminent failures, ADOA may redirect all or some monies from an allocation to address critical priorities.

If you have any questions regarding ADOA's FY 2025 ADOA Building System Building Renewal Allocation Plan, please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-361-1636.

The Honorable David Livingston, Chairman
The Honorable John Kavanagh, Vice Chairman
July 22, 2024
Page 2

Sincerely,

Elizabeth Alvarado-Thorson
Director

Attachments (1): FY2025-BR Allocation Plan Detail Write Up.pdf

cc:

Richard Stavneak, Director, JLBC Staff
Morgan Dorcheus, Assistant Director, JLBC Staff
Geoffrey Paulsen, Principal Fiscal Analyst, JLBC Staff
Sarah Brown, Director, OSPB
Will Palmisano, Assistant Director, OSPB
Rémy Gaudin Budget Analyst, OSPB
Ray DiCiccio, Deputy Director, ADOA
Michael Wisehart, Deputy Director, ADOA
Nola Barnes, Assistant Director, ADOA/GSD
Jacob Wingate, Chief Financial Officer, ADOA
Jimmy Arwood, Legislative Liaison, ADOA
John Hauptman, Deputy Assistant Director, ADOA/GSD

Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

FY 2025 Building Renewal Allocation Plan

Project Category	Allocation
Fire & Life Safety	\$ 1,606,550
Building Shell (Asset Preservation)	\$ 3,910,000
Major Building Services	\$ 5,836,250
Infrastructure	\$ 4,830,000
ADA Renovation	\$ 80,500
Project Scoping/Professional Services	\$ 250,000
Preventive Maintenance	\$ 1,520,000
Risk Management Construction Insurance Premium	\$ 64,600
Relocation & Renovation	\$400,000
Building Renewal Emergency & Contingency Allocation	\$ 502,100
Total FY 2025 Building Renewal Allocation Plan	\$ 19,000,000



Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

\$ 1,606,550 FIRE AND LIFE SAFETY SYSTEMS

The purpose of these projects is to improve or eliminate an impending condition that threatens life or property within the ADOA Building System. A.R.S. § 41-793.D. requires that the Arizona Department of Administration (ADOA) should give priority to fire and life safety projects. When fire alarm systems are out of commission for extended repair times, agencies must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. ADOA has been using Building Renewal allocations to upgrade fire alarm and suppression systems in the ADOA Building System that have exceeded their life expectancy, are functionally obsolete and in various stages of failure. This project will upgrade remaining fire alarm and suppression systems as necessary to bring state facilities into compliance with Federal, State, and local fire and life safety regulations.

Project deficiencies include:

- ADOA 1030 N 32nd St - Replace Fire Sprinklers
- ADOA 416 W Congress - Replace Emergency Exit Lighting Signs
- ASDB Emergency Lighting - Phoenix
- DES Fire Alarm Wiring Replacement- ATP Coolidge
- DPS Fire System Upgrades - Prescott
- DPS Fire System Upgrades - Sierra Vista
- DPS Statewide Replace Fire Panel
- SCT 1501 W Washington St - Cooling Tower Fall Arrest Installation

\$ 3,910,000 BUILDING SHELL

Building Shell improvements are to address deficiencies in existing roofs, exterior enclosures, walls, windows and/or doors. The deficiencies addressed here represent a small portion of the deteriorating exterior systems where continuing maintenance-based repairs are not cost effective nor prevent leaks. Neglect of exterior roofs, walls, windows and doors escalates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This project category is dedicated to proactively replacing failing roof and exterior systems throughout the ADOA Building System to mitigate negative impacts of interruption to mission critical functions and expensive "crisis-mode" abatements, emergency repairs, and replacements.

Project deficiencies include:

- ADOA 1700 W Washington St - Tower North 2nd Story Roof Replacement
- ADOA 1700 W Washington St - Tower Penthouse Roof Replacement
- ADOA 1700 W Washington St - Tower 9th Floor Roof Reseal/Recoat
- ASDB Elementary Roof Replacement - Tucson
- ASDB Middle School Roof Replacement - Tucson

Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

- DPS Statewide Shell Roof Repairs (Willcox, Bisbee, Ajo, Buckeye)
- LEG House of Representatives - Roof Repair/Replacement
- LEG Senate - Roof Repair/Replacement
- SCT 1501 W Washington St - Roof Coating

\$ 5,836,250 MAJOR BUILDING SERVICES

The deficiencies in the Major Building Services category reflect worsening conditions of HVAC, electrical, plumbing, and elevator components across the ADOA Building System.

Many of the HVAC systems include failing chillers, air handler units (AHUs), and cooling towers that are original to building construction. These systems have surpassed their useful lives and can no longer meet the cooling demands of the structures they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment.

HVAC and energy management system (EMS) controls throughout the ADOA Building System are lacking and/or equipped with disparate "front-ends," requiring multiple computers, workstations, and hardware to control HVAC systems. Some current HVAC system components are inefficient, lack interconnectivity, and are failing. Replacing and integrating multiple EMS into a single processing source will provide a centralized control of HVAC systems, reduce energy consumption, decrease equipment downtimes, and improve allocation of personnel resources. Failure to address aging and disparate systems may result in a shutdown of mission critical State services and expensive emergency basis procurements.

Plumbing systems throughout the ADOA Building System are original to building construction. These aging systems, in particular, the waste and vent piping, are failing at an increasing rate. Failure to replace deteriorating piping, especially the waste lines, will result in further damage to ceilings, walls, flooring and mechanical and electrical building systems.

Elevator control systems in the ADOA Building System are obsolete and replacement parts are not available. Failure of elevator controls will leave buildings without passenger or freight elevator services, creating out of compliance conditions for ADA requirements, increase emergency repair costs, and have a detrimental effect on operations.

Project deficiencies include:

- ADOA 1600 W Monroe- Repair Condensate Stack
- ADOA 1600 W Monroe- Replace Air Handlers Phase 1
- ADOA 1600 W Monroe- Replace Package Unit for Elevator Rooms
- ADOA 1600 W Monroe - Rehab 2 York Chillers
- ADOA 701 E Jefferson St - Elevator Rehabilitation

Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

- ADOA 416 W Congress - AHU Replacement
- ADOA 1700 W Washington St - Tower 9th Floor 50 ton Package Unit Replacement
- ADOA 1700 W Washington St - Tower Transformer Replacements
- DES Phoenix 4635 S Central Ave - Replace Cooling Towers

\$ 4,830,000 INFRASTRUCTURE

This project can include existing roadways, parking lots, sidewalks and walkways, electrical service entrances (SES) and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, communications, and security systems such as access control, locks, and camera devices. Many of these type systems have been in a “deferred indefinitely” status for many years and are in an exhausted state of deterioration. Parking lot surfaces have succumbed to long-term erosion, shifting, and settling caused by water penetration of the pavement base and extreme weather conditions exacerbated by the weight of passing traffic. Underground infrastructure for buildings can often be overlooked, however failure of these systems can shut down entire facilities and often require expensive reactive repairs.. The proposed allocation will address critical infrastructure needs throughout the ADOA Building System.

Project deficiencies include:

- ADOA Critical Security Infrastructure Upgrades
- ADOA 402 W Congress Service Entrance Section (SES) Replacement
- ASDB Upgrade Electrical Switchgear - Apache Bldg., Tucson
- AZDA Parking Lot Replacement - Yuma
- DPS HQ Compound Replace SES & Vault Equipment Phase 1

Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

\$ 80,500 ADA COMPLIANCE

There are numerous ADA deficiencies in the ADOA Building System that require remedy. Deficiencies include building access ramps, sidewalks, bathroom fixtures, drinking fountains, handrails, parking spaces, sites/amenities, and general reconfigurations of entrances and other areas in buildings to facilitate access to services and workplaces for persons with disabilities.

Project deficiencies include:

- ASDB Pedestrian Gate - Phoenix

\$ 250,000 PROJECT SCOPING/PROFESSIONAL SERVICES

This allocation is for scoping and design services for potential and emergency building renewal projects. Some of the building renewal requests ADOA receives for funding consideration have deficient, vague, or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ADOA in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of an agency project request.

\$ 1,520,000 PREVENTATIVE MAINTENANCE

ADOA plans to spend this allocation over two years on preventative maintenance for planned electrical, mechanical, fire, and plumbing maintenance for ADOA-managed facilities on the Capitol Mall and Tucson Complex.

\$ 64,600 RISK MANAGEMENT CONSTRUCTION INSURANCE PREMIUM

The ADOA General Services Division (GSD) pays a 0.34% Construction Insurance Premium from each fiscal year's building renewal appropriation to ADOA State Risk Management for Errors and Omissions (E&O) insurance premiums associated with Construction, Engineering and Architectural (A&E) services contracts.

Arizona Department of Administration (ADOA) Building System
FY 2025 Building Renewal Appropriation Allocation Plan

Laws 2024, Second Regular Session, Chapter 211, (HB 2899)
\$19,000,000

\$ 400,000 RELOCATION & RENOVATION

ADOA will expend monies from this allocation to facilitate ADOA's on-going multi-year compression planning and renovation efforts. This is a collaborative effort between ADOA and several state agencies to prioritize the backfill of larger and better maintained assets and eliminate inefficient, underutilized and decrepit facilities. Overarching goals for the program are to reduce the state's physical footprint, reduce deferred maintenance, create hoteling & collaborative workspace opportunities, and sustain the Capital Outlay Stabilization Fund (COSF).

To date, planning efforts have resulted in a reduction of over 740,000 square feet, \$10.1 Million in reduced rental obligations, and the reduction of over \$47 Million in deferred maintenance liability through demolition and renovation of ADOA facilities. These funds will support completion of agency/board relocations including, but not limited to the consolidation efforts at the AHCCCS building at 801 E Jefferson St and backfill of 1831 E Jefferson St.

\$ 502,100 BUILDING RENEWAL EMERGENCY/CONTINGENCY ALLOCATION

ADOA will expend monies from this allocation to repair or replace failed or failing fire and life safety, HVAC, plumbing, electrical, and other building systems in mission critical structures as the need arises.



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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Geoffrey Paulsen, Assistant Director

SUBJECT: Arizona Department of Corrections – Review of FY 2025 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The FY 2025 Capital Outlay Bill appropriated \$8,557,000 to the Arizona Department of Corrections (ADC) for building renewal. ADC's proposed expenditure plan includes a total of 17 projects across 8 prisons.

Committee Options

The Committee has at least the following 3 options:

1. A favorable review of the request.
2. A favorable review of \$7,639,600, which would exclude the funding to relocate utilities on the Butte Avenue bridge in Florence. (Chairman's Option)
3. An unfavorable review of the request.

Pursuant to A.R.S. § 41-794, ADC is required to submit quarterly reports to JLBC Staff on the status of all capital projects and capital expenditures for which monies are appropriated. These reports are intended to track each agency's actual expenditures on specific capital projects.

Key Points

- 1) The FY 2025 budget appropriated \$8.6 million to ADC for general building renewal. ADC's proposed expenditure plan includes:
 - a. \$5.0 million for roof repairs and replacements.
 - b. \$1.9 million for plumbing and water projects.
 - c. \$917,400 to relocate utilities on the Butte Avenue bridge in Florence.
 - d. \$750,000 to convert a kitchen into additional medical space.
 - e. \$20,600 for electrical upgrades.

Analysis

The FY 2025 Capital Outlay Bill appropriated \$8.6 million to ADC for general building renewal. Of this amount, \$5.9 million was appropriated from the Department of Corrections Building Renewal Fund and \$2.7 million was appropriated from the Prison Construction and Operations Fund.

This request includes a total of 17 individual projects, see *Table 1* for a summary of planned expenditures. For a detailed list of projects, please see the attached agency submission.

Roof Repairs and Replacements	\$ 4,973,000
Plumbing and Water Projects	1,896,000
Relocate Utilities on Butte Ave. Bridge	917,400
Convert Kitchen to Medical Space	750,000
Electrical Upgrades	<u>20,600</u>
Building Renewal Total	\$8,557,000

In FY 2024, ADC had \$20.4 million available for building renewal. ADC reports that \$8.4 million has been spent or encumbered through June 2024.

Butte Avenue Bridge

The FY 2022 budget appropriated \$1.0 million to the Department of Transportation (ADOT) to replace the Butte Avenue bridge between the Town of Florence and the Eyman Prison Complex. Given the closure of the Florence Prison Complex, the replacement bridge was intended to accommodate additional public safety and emergency access to the Eyman Prison Complex, which accepted additional inmates as part of the Florence closure process. ADOT transferred the \$1.0 million of funding to the Town of Florence in November 2021. The Town of Florence has not yet started the project to replace the bridge.

ADC's proposed plan would allocate an additional \$917,400 to relocate the utilities on the bridge. As part of the bridge replacement process, the utility project would entail temporarily relocating all utilities running across the bridge, including water, electricity, gas, sewer, and fiber optic cables. Once the bridge replacement is completed, this funding would then also permanently affix the utilities back onto the new bridge.

ADC reports that this \$917,400 amount reflects the full cost of the utilities relocation, but that the agency is in discussions with the Town of Florence to determine the state's share of the cost. As a result, the Committee may consider the Chairman's Option, which would give a favorable review to ADC's plan with the exception of the Butte Avenue bridge allocation. This issue would then be revisited by the Committee once the final state share is determined.

GP:jbu

Arizona Department of Corrections Rehabilitation & Reentry



KATIE HOBBS
GOVERNOR

701 E. Jefferson St.
PHOENIX, ARIZONA 85034
(602) 542-5497
corrections.az.gov



RYAN THORNELL
DIRECTOR

October 22, 2024

The Honorable John Kavanagh
Chairman, Joint Committee on Capital
Review
Arizona State Senate
1700 W. Washington
Phoenix, Arizona 85007

The Honorable David Livingston
Vice-Chairman, Joint Committee on Capital
Review
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Subject: Review of FY 2025 Building Renewal Appropriation

Dear Senator Kavanagh and Representative Livingston:

The Arizona Department of Corrections, Rehabilitation, and Reentry (ADCRR) requests placement on the next meeting agenda of the Joint Committee on Capital Review (JCCR) to review plans for the FY 2025 Building Renewal Appropriation. The enclosure summarizes the projects planned from this appropriation.

If I can provide additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Thornell".

Ryan Thornell
Director

Enclosure

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Geoffrey Paulsen, Assistant Director, Joint Legislative Budget Committee
Caroline Dudas, Budget Manager, Governor's Office of Strategic Planning and Budgeting
Juldich Louezi-Madingou, Budget Analyst I, Governor's Office of Strategic Planning and Budgeting

Arizona Department of Corrections Rehabilitation & Reentry

FY 2025 Building Renewal Projects
as of October 3, 2024

Priority	Location	Project Name	Project Description	Project Category	Other Funds	Project Costs
1	Lewis	Roofing repairs on all units	Repair roofing throughout complex	Superstructure & Exterior	Other Funds	\$650,000.00
2	Eyman	Meadows all housing units bathroom and shower repairs	Refurbish bathroom and showers	Major Building Service	Other Funds	\$196,000.00
3	Perryville	Santa Cruz - Remodel kitchen #13 into Medical space	Remodel kitchen #13 to medical space	Infrastructure & Building	Other Funds	\$750,000.00
4	Eyman	Butte Ave bridge	Utility relocation	Major Building Service	Other Funds	\$917,388.00
5	Tucson	Repair Roofs on Housing Unit (HU) 6 and complex administration complex	Repair Roofs on HU 6 and complex administration complex	Major Building Service	Other Funds	\$648,000.00
6	Eyman S	South Unit Inmate Housing Electrical Upgrade	Repair/replace existing electrical services in Dorms (6)	Major Building Service	Other Funds	\$20,612.00
7	Safford	Globe roofing replacements	Current roofing has reached the end of its service life	Superstructure & Exterior	Other Funds	\$425,000.00
8	Yuma	Cheyenne roof replacement	Replace all roofs on housing areas at Cheyenne	Superstructure & Exterior	Other Funds	\$1,250,000.00
9	Eyman	Complex WWTP aeration basin	Replace heads in aeration basin x 2	Infrastructure & Building	Other Funds	\$350,000.00
10	Yuma	Replace backflow Preventer	Replace worn out backflow preventers on all units where needed	Infrastructure & Building	Other Funds	\$250,000.00
11	Yuma	Complex Water and Waste Water Treatment Plant (WWTP) Supervisory Control and Data Acquisition (SCADA) System	Upgrade SCADA system at the Wastewater Treatment Plant	Infrastructure & Building	Other Funds	\$250,000.00
12	Yuma	Replace Vulcan Screw Press at WWTP	Replace worn out screw press at influent at WWTP	Infrastructure & Building	Other Funds	\$150,000.00
13	Tucson	SCADA system for chillers	Install SCADA	Special Construction	Other Funds	\$150,000.00
14	Lewis	Repair or replace Electrodialysis Reversal (EDR) - phase 2	Repair or replace components of EDR. Potable water treatment filtration system	Infrastructure & Building	Other Funds	\$550,000.00
15	GEO-Florence West	Florence West roof repairs	Repair roofs on housing areas at Florence West	Superstructure & Exterior	Other Funds	\$300,000.00
16	Eyman	Cook inmate housing x 8 roofs	Remove & repair/replace roofs	Infrastructure & Sitework	Other Funds	\$1,250,000.00
17	Douglas	Gila Roof Replacement	Replace existing roof of Gila Unit	Shell	Other Funds	\$450,000.00

FY 2025 BR Projects Total \$ **8,557,000.00**

FY 2025 ADCRR
Building Renewal \$8,557,000.00
Appropriation

Fund Sources: Building Renewal Fund (2551) \$5,864,300.00
Prison Construction and Operations Fund (2504) \$2,692,700.00
Total \$8,557,000.00



STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Senior Fiscal Analyst

SUBJECT: Arizona Game and Fish Department – Review of FY 2025 Building Renewal and Capital Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The Arizona Game and Fish Department (AGFD) requests the Committee review a total of \$3,314,800 for 32 projects, of which \$1,364,800 will be funded by a FY 2025 appropriation from the Game and Fish Fund and \$1,950,000 will be funded by federal grants and matching monies.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

- A. AGFD shall notify the Chairman and JLBC staff of the amount and purpose of any expenditures from the building renewal emergency allocation in its quarterly capital report. AGFD may proceed with an emergency repair made using this allocation prior to submitting this notification.

Analysis

FY 2025 Building Renewal Allocation Plan

The FY 2025 Capital Outlay Bill appropriated a total of \$1.8 million from the Game and Fish Fund for building renewal, which provides for the major maintenance and repair of state-owned buildings. AGFD

Key Points

- 1) AGFD is seeking a review of \$1.4 million for 28 projects from Game and Fish Fund monies appropriated in the FY 2025 budget for building renewal.
- 2) AGFD also is seeking review of \$2.0 million from federal and state monies for 4 other capital projects:
 - \$1.3 million for 3 capital projects at target ranges.
 - \$690,000 for a project to remove non-functioning fish barriers in the Black River.

requests review of \$1.4 million for 28 projects. Please see *Table 1* on the next page for a breakdown of AGFD's proposal.

Regional Office Projects

Regional offices serve as a base of operations for AGFD personnel in their respective geographical areas and typically employ around 30 employees. AGFD's FY 2025 Building Renewal plan includes \$284,000 for 5 projects at regional offices. This amount includes \$200,000 to replace the warehouse roof at the Flagstaff Office, \$51,000 to replace door locks and install automatic door openers at the Kingman office, \$18,000 for foundation work at the Pinetop Bunkhouse, and \$15,000 to replace the access door at the Pinetop Wolf Office.

Wildlife Areas and Other Properties

Wildlife areas are used for wildlife conservation and wildlife viewing and employ a full-time manager on-site. The plan includes \$351,000 for 9 projects at department-managed wildlife areas and other properties. These include:

- \$100,000 to replace damaged windows at the Cluff Ranch Wildlife Area in Graham County.
- \$125,000 for 2 projects at Horseshoe Ranch on the border of Maricopa and Yavapai counties. The main project will fund repairs at Horseshoe Ranch's main house.
- \$40,000 for repairs to the residence at the Department's Page property.
- \$86,000 for 5 projects at Sipe Wildlife Area in Apache County. Three of these projects are for repairs to the visitor center and the remaining two projects address plumbing and exterior issues at several buildings on the property.

Hatcheries

AGFD-owned fish hatcheries produce much of the sportfish stocked in Arizona lakes. The Department's plan includes \$314,000 for 12 projects at various hatcheries and associated facilities. This includes \$30,000 for a reverse osmosis water filter at Bubbling Ponds, \$92,000 for 4 projects at Canyon Creek Hatchery, \$75,000 to replace the roof at Pinetop Hatchery, \$25,000 to renovate 2 residences at Silver Creek, \$55,000 for 2 projects at Sterling Springs, and \$37,000 for shop repairs at Tonto Creek.

Maintenance and Emergency Allocations

The plan includes an allocation of \$120,000 reserved for emergency issues, an allocation of \$143,600 (8% of the building renewal appropriation) that can be used for preventative maintenance per statute, and \$152,200 for deposit to a fund that covers future cyclical maintenance expenses for the Game and Fish headquarters.

Table 1	
FY 2025 Building Renewal Plan	
<u>Regional Office Projects</u>	
Flagstaff – Warehouse Roof Replacement	\$ 200,000
Kingman – Door Lock Replacements	25,000
Kingman – ADA Automatic Door Openers	26,000
Pinetop – Bunkhouse Foundation Work	18,000
Pinetop – Wolf Office Access Door Replacement	<u>15,000</u>
Subtotal	\$ 284,000
<u>Wildlife Areas and Other Properties</u>	
Cluff Ranch Wildlife Area – Bunkhouse Window Replacement	\$ 100,000
Horseshoe Ranch – Water Softener	20,000
Horseshoe Ranch – Main House Interior/Exterior Repair	105,000
Page Property – Residence Repairs	40,000
Sipe Wildlife Area – Plumbing Replacement	15,000
Sipe Wildlife Area – Visitor Center Structural Repairs	30,000
Sipe Wildlife Area – Visitor Center Ductwork Replacement	8,000
Sipe Wildlife Area – Visitor Center Window Replacement	25,000
Sipe Wildlife Area – Exterior Building Repairs	<u>8,000</u>
Subtotal	\$ 351,000
<u>Hatcheries</u>	
Bubbling Ponds – Reverse Osmosis for Potable Water	\$ 30,000
Canyon Creek – Aeration Tower Leak Repair	30,000
Canyon Creek – Residence #3 Furnace Replacement	12,000
Canyon Creek – Fluorescent Light Replacement	20,000
Canyon Creek – Hydro Turbine Evaluation and Repair	30,000
Pinetop – Roof Replacement	75,000
Silver Creek – Residence #2 Perimeter Fence Replacement	15,000
Silver Creek – Residence #1 Bathroom Renovation	10,000
Sterling Springs – Roof Repair	40,000
Sterling Springs – Propane Pad Replacement	15,000
Tonto Creek – Repair/Replace Failed Electrical Outlets	25,000
Tonto Creek – Shop Repairs	<u>12,000</u>
Subtotal	\$ 314,000
<u>Maintenance and Emergency Allocations</u>	
Building Renewal Emergency Allocation	120,000
Preventative Maintenance	143,600
State Headquarters – Major Maintenance Fund	<u>152,200</u>
Subtotal	\$ 415,800
TOTAL ALL PROJECTS	\$1,364,800
Unallocated FY 2025 Building Renewal	\$ 430,200
Total	\$1,795,000

Additional Capital Projects

The department is seeking review of 4 capital projects totaling \$2.0 million that are funded by federal grants and matching monies. This is comprised of:

- \$1,260,000 from federal Pittman-Robertson Act grants. This funds 3 projects at shooting ranges:
 - \$700,000 to construct a 300-yard range at the Second Knoll Target Range near Show Low.
 - \$300,000 to improve the lighting at Ben Avery Shooting Facility.
 - \$260,000 to extract lead from and restore protective berms at Ben Avery.
- \$690,000 from federal Dingell-Johnson Act grants and National Fish Passage monies for a project to remove four damaged fish barriers in the west fork of the Black River in eastern Arizona near Mt. Baldy.

Both the Pittman-Robertson Act and Dingell-Johnson Act grant programs require states to fund at least 25% of project costs from locally generated revenue, with federal monies covering the remaining 75%. Each year, the Legislature appropriates \$3,058,000 from the Game and Fish Fund for AGFD to use as matching monies for these two grant programs. The National Fish Passage Program does not require grantees to match federal funds, but the U.S. Fish and Wildlife Service, which administers the program, prioritizes applicants paying for 50% or more of project costs.

NB: jbu



October 30, 2024

Representative David Livingston, Chairman
Joint Committee on Capital Review
Capitol Complex
1700 W. Washington
Phoenix, AZ 85007-2890

Re: Request for Placement on Joint Committee on Capital Review Agenda

Honorable Representative Livingston:

In accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review the Department's capital projects expenditure plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Hurst".

Joshua Hurst
Deputy Director

cc: Senator John Kavanagh, Vice Chair, JCCR
Richard Stavneak, Staff Director, JLBC
Sarah Brown, Director, OSPB

ARIZONA

azgfd.gov | 602.942.3000

5000 W. CAREFREE HIGHWAY, PHOENIX AZ 85086

GOVERNOR: KATIE HOBBS **COMMISSIONERS:** CHAIRMAN CLAY HERNANDEZ, TUCSON | MARSHA PETRIE SUE, SCOTTSDALE | JEFF BUCHANAN, PATAGONIA
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Arizona Game and Fish Department Building Renewal and Capital Projects Expenditure Plan Fiscal Year 2025

Overview: The Arizona Game and Fish Department (AGFD) manages over five hundred facilities statewide, encompassing administrative offices, sites, shooting ranges, actively and passively managed wildlife areas, dams, boating facilities, and other recreational enhancements. These facilities range in age from historic structures dating back to the 1930s to recently constructed operational and administrative buildings. Maintaining these assets is crucial for AGFD, necessitating a comprehensive maintenance program that includes scheduled replacement or renovation of major building systems and infrastructure. This approach minimizes costly repairs and extends the value and useful life of these critical assets. The following outlines AGFD's planned building renewal and capital projects for Fiscal Year 2025.

Arizona Game and Fish Department Building Renewal Project Descriptions

Project: Region 1 - Sipe Wildlife Area Plumbing Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: Many of the buildings at Sipe Wildlife Area have antiquated plumbing systems, utilizing old, corroding copper and steel pipes. The current condition of these pipes, combined with uninsulated water lines, poses ongoing risks of freezing and breakage. This not only results in periods of no water access but also causes significant damage to the buildings themselves. Upgrades are necessary to prevent these issues from recurring and to ensure reliable water supply and building preservation at the wildlife area.

Solution: AGFD will contract with a vendor to replace the existing piping with PEX, a non-corrosive material that significantly reduces the chances of leaks and contamination in the water supply system. PEX's ability to expand makes it more resilient to freezing compared to traditional copper and steel pipes. This upgrade is essential to enhance the reliability and safety of the plumbing infrastructure at the Sipe Wildlife Area, ensuring continued water supply and minimizing the risk of costly damages caused by pipe failures.

Cost Estimate: \$15,000

Impact of Not Approving this Request: AGFD is committed to maintaining a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Failure to approve this request will directly impact public and staff safety, as well as historical preservation. Given the current state of old, corroded pipes and uninsulated water lines, ongoing issues with freezing and pipe breakage will persist, leading to interruptions in water access and potential damage to the buildings. Addressing these infrastructure challenges is essential to ensure the safety and operational integrity of facilities at the Sipe Wildlife Area.



Project: Region 1 - Sipe Wildlife Area Visitor Center

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The Sipe Wildlife Area Visitor Center requires structural repairs and reinforcement, particularly on the south side where recent modifications have been made. Physical signs of building movement, including misaligned doors, sloping floors, and cracks in the walls, indicate significant foundation issues that require immediate attention.

Solution: AGFD will contract an evaluation of the building to pinpoint the exact causes of the shifting damage affecting interior walls, floors, and doors, as well as the exterior foundation. Following this assessment, a structural engineer will determine whether the current push piers or footings are failing, assess if the push piers are below the water table, identify areas where the foundation lacks support, and recommend the best course of action moving forward.

Cost Estimate: \$30,000

Impact of Not Approving this Request: AGFD is dedicated to maintaining a high-quality work environment for its employees and visitors, as well as actively managing habitat to conserve and protect Arizona's wildlife. Failure to properly repair the structural supports and foundation of the visitor center will lead to worsening damage from building shifts. Over time, current issues such as sinking floors, wall cracks, and misaligned doors will escalate, rendering the building unsafe and inoperable. This deterioration will significantly compromise the functionality, integrity, and historical preservation of the visitor center.



Project: Region 1 - Sipe Wildlife Area Visitor Center Ductwork Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Fire & Life Safety

Need: The replacement of ductwork at the Sipe Wildlife Area visitor center is imperative due to its deteriorating condition and history of requiring frequent repairs. The current system, which includes the furnace, return, and the majority of ductwork located beneath the building in a cramped crawlspace, poses significant challenges for maintenance and repair. This confined space limits access and makes it difficult to conduct necessary repairs effectively. Moreover, the aged ductwork is prone to further deterioration, potentially leading to inefficiencies in heating and cooling, increased energy costs, and compromised indoor air quality. Addressing these issues proactively through replacement will not only enhance the operational efficiency of the HVAC system but also contribute to a healthier and more comfortable environment for employees and visitors at the visitor center.

Solution: AGFD will hire a general contractor to install a new filter base and one additional supply air duct. Additionally, all existing air ducts in the crawlspace will be thoroughly repaired and replaced to ensure optimal functionality and efficiency.

Cost Estimate: \$8,000

Impact of Not Approving this Request: AGFD is committed to providing a quality environment for employees and visitors while actively managing habitat to conserve Arizona's wildlife. Not approving this request would directly impact public safety and the visitor center's historical preservation. Contaminants such as mouse feces, dirt, dust, and debris circulate through the building due to damaged ducts in the crawlspace. Each furnace cycle exacerbates this issue, posing health risks to the public and staff. Historical preservation is jeopardized by the current ductwork's functionality. Failure to replace and repair it will lead to poor airflow and uneven heating, crucial for preventing frozen water pipes in winter. If the ductwork fails to maintain adequate warmth, the visitor center's historical integrity will suffer. Delaying this work will increase future costs and may compromise both employee safety and the building's historical structure.



Project: Region 1 - Sipe Wildlife Area Visitor Center Window Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The upper level of the visitor center includes sleeping quarters and a bathroom, used by employees and volunteers during wildlife conservation projects and meetings in the area. The windows on this floor are currently cracked and urgently require replacement to prevent future breakage, particularly on the south side where they are vulnerable to strong wind gusts.

Solution: AGFD will hire a general contractor to install the upstairs windows, beginning with those on the south side of the building, to proactively prevent future breakage.

Cost Estimate: \$25,000

Impact of Not Approving this Request: AGFD is dedicated to providing a high-quality work environment for its employees and visitors, and to actively managing habitat for the conservation and protection of Arizona's wildlife. The existing cracks in the windows, particularly on the south side of the building where strong wind gusts occur, pose a risk of eventual breakage. If these windows break, it will jeopardize both public health and the historical preservation of the Visitor Center. The upstairs sleeping quarters heighten public health concerns; window breakage would allow pests such as bats, rodents, birds, and bugs to enter, posing sanitation issues. Additionally, broken windows during storms could permit damaging elements into the building, threatening its interior and historical integrity. Preserving the building's structure and safeguarding it from external elements are crucial for maintaining its historical significance.



Project: Region 1 Sipe Wildlife Area Exterior Building Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: There are four buildings at Sipe Wildlife Area in need of exterior maintenance and repair, including the visitor center, well house, residence, and carriage house. All four buildings have shake siding, which requires protective treatments every one to three years.

In addition to the shake siding treatment, the visitor center has four wooden posts supporting the upper level balcony. These posts have become worn and degraded and are in need of maintenance.

Solution: AGFD will hire a contractor to apply protective treatments for the siding to help maintain the structural strength and stability of the wood by reducing cupping, cracking, and splitting caused by exposure to sun and rain. Additionally, some of the shake siding will be reattached or reinforced on the buildings and post maintenance will require sanding the posts and resealing them with an appropriate water-seal treatment.

Cost Estimate: \$8,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and actively managing habitats to conserve and protect Arizona's wildlife. Deferring this maintenance work could lead to structural failure over time and increase future costs to restore the buildings to safe and operational conditions. Not approving this request would directly impact the historical preservation of the buildings within the Sipe Wildlife Management Area. Without protective treatment applied to the exterior siding and the visitor center's wooden posts, these structures will start to degrade, buckle, and rot. This deterioration will result in a loss of their appearance, a shortened useful life, and a diminished ability to delay aging.



Project: Region 1 - Pinetop Hatchery Building Roof Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The old hatchery building, located on the Pinetop Regional Office property, was built in 1930 and is one of the first hatchery buildings in the state. It is currently used for rearing frogs in some of the old hatchery infrastructure and for storing regional equipment. The roof is currently covered with asphalt shingles that are past their useful life. Inside the building, there are several places where light can be seen coming through the roof. Without replacing the existing roof, it is likely that water damage will continue to affect the joists and support boards.

Solution: AGFD will hire a general contractor to replace the existing roof with a new metal roof.

Cost Estimate: \$75,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and actively managing habitats to conserve and protect Arizona's wildlife. Deferring this work will result in continued building degradation.



Project: Region 1 - Pinetop Regional Bunkhouse Foundation Work

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The Pinetop regional bunkhouse, built in 1930, is used to house interns and employees from out of the area when they are working within the region. This use saves the AGFD a significant amount of money annually that would otherwise be spent on hotel bills. Currently, the building needs work to address some foundation issues. On the east and south sides, dirt has accumulated against the wood sill boards that sit on the foundation blocks. This dirt retains moisture and likely attracts insects, causing the boards to rot.

Due to this issue, the region experienced a broken pipe under the bunkhouse that froze this winter, as cold air had direct access to the space beneath the floor. In this case, a portion of the sill board was completely rotted out and missing.

Additionally, the sink drain pipe has been pushed up by what used to be a tree near the foundation. This has resulted in a pipe that does not allow water to drain and instead holds water, creating a continuous freeze issue during the winter.

Solution: AGFD will hire a general contractor to rework the drainage around the building, pulling the dirt away from the foundation and sloping it away from the structure. Once this is done and the sill boards are exposed, a further evaluation can be conducted to determine the necessary measures to ensure the long-term management and structural integrity of the building. The repair would then be directed by the contractor. For the drain pipe, the stump needs to be removed, and the pipe needs to be reset to achieve a proper downhill slope.

Cost Estimate: \$18,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and to the active management of habitat to conserve and protect Arizona's wildlife. Deferral of this work could result in possible failure of the structure over time and will result in increased future costs to bring the building to safe and operating condition.



Project: Region 1 - Pinetop Wolf Office Access Door Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Interiors: Interior Construction Stairs; Finishes

Need: The Pinetop Wolf Office, built in 1930, is currently used for the statewide wolf program's needs. This office building features three primary offices, a small conference area, and a kitchen/lab. The two entry doors to this office are problematic as they do not close and latch without extra attention and an additional push. As a result, the doors sometimes remain unsecured overnight, potentially allowing unauthorized access.

Additionally, the bottom of one of the doors is damaged, creating a gap greater than 1 cm under the door. This gap permits outside air, rodents, and insects to enter the building freely.

Solution: AGFD will hire a contractor to replace both entry doors ensuring proper closing, locking and sealing.

Cost Estimate: \$15,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and the active management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in the security of the building will continue to be compromised.



Project: Region 2 - Flagstaff Regional Office Warehouse Roof Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The Flagstaff Regional Warehouse Roof has been leaking consistently during precipitation events for the past five years. As the building was built in 1991, the existing roof has met its life span and needs to be replaced. The building is 8,000 square feet lending to the high cost of replacement.

Solution: AGFD will hire a contractor to replace the existing roof with a new metal roof.

Cost Estimate: \$200,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors and to the active management of habitat to conserve and protect Arizona's wildlife. Deferring this work will result in continued building degradation.



Project: Region 3 - Kingman Regional Office Door Lock Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The locks on the Kingman Office bay doors (man door and rollups) and the back door need to be replaced. Some doors are currently unusable due to faulty locks. The existing locks use the old state dimple key system. Over the past ten years, staff have consulted with various vendors to replace or repair the locking mechanisms on these doors. Unfortunately, they have been informed that these mechanisms cannot be repaired and must be replaced.

Solution: AGFD will hire a contractor to replace the non operational locks on the doors.

Cost Estimate: \$25,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors and to the active management of habitat to conserve and protect Arizona's wildlife. If the project is not approved, the security of the facility may be compromised.



Project: Region 3 - Kingman Regional Office ADA Automatic Door Openers

Funding Source: Game and Fish Fund - Building Renewal

Category: ADA accessibility

Need: Since the building's construction, the doors have not met ADA compliance standards, lacking automatic door openers at the regional office. The absence of these openers has posed challenges for disabled individuals seeking ingress and egress without assistance. Installing automatic door openers would significantly enhance accessibility, ensuring that all disabled individuals can navigate the office independently and with greater ease.

Solution: AGFD will hire a contractor to install push button automatic door openers to make the entry doors ADA compliant.

Cost Estimate: \$26,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors and to the active management of habitat to conserve and protect Arizona's wildlife. If the project is not approved, the building entry doors will continue to be out of compliance with ADA policy and regulations.



Project: Region 5 - Cluff Ranch Wildlife Area Bunkhouse Window Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The windows in the Bunkhouse are outdated single-pane aluminum frames that require replacement. Both the frames and sills have deteriorated significantly, necessitating extensive repairs. Large gaps and voids between the window frames and the residence structure permit water and other elements to penetrate the walls, leading to additional damage.

During the 2021 ADOA state quadrennial inspection, the windows were noted as cracked with substantial open voids and gaps around the frames. The inspection highlighted the poor condition of the windows, frames, and sills.

Solution: AGFD will hire a contractor to replace the all damaged windows, frames and sills at the bunkhouse.

Cost Estimate: \$100,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work and living environment for its employees and to the active management of habitat to conserve and protect Arizona's wildlife. The exceedingly poor condition of the windows is leading to more damage to the historic adobe structure.



Project: Region 6 - Horseshoe Ranch Water Softener

Funding Source: Game and Fish Fund - Building Renewal

Category: Fire & Life Safety

Need: The necessity for a water softener is paramount given the extremely hard water on the property. Current water conditions pose challenges in maintaining fixtures, necessitating frequent repairs. Hard water significantly reduces the lifespan of water-related appliances and fixtures, such as water heaters, sinks, toilets, showerheads, and hose bibs, leading to escalated costs for parts, labor, and materials.

Moreover, hard water quickly clogs the RO system and water filters in the main house, severely diminishing their effectiveness and efficiency. This harsh water condition also accelerates the need for premature replacement of expensive filters, exceeding their expected lifespan.

Solution: AGFD will hire a contractor to install a high-quality water softener system. Installing a water softener will ensure the water system operates more efficiently, the fixtures and appliances last longer, and overall maintenance costs will be significantly reduced.

Cost Estimate: \$20,000

Impact of Not Approving this Request: AGFD is dedicated to maintaining a high-quality work environment for its employees and visitors, as well as actively managing habitats to conserve and protect Arizona's wildlife. Failure to approve the water softener installation project will perpetuate several adverse impacts on the property. The persistent hard water will continue to cause mineral buildup in fixtures and appliances, resulting in frequent breakdowns and ongoing maintenance needs.

Furthermore, the RO system and water filters will remain susceptible to rapid clogging, necessitating frequent and costly replacements. This situation could potentially compromise water quality and pose health risks. Without approval for the water softener project, the property will face persistent challenges related to hard water, resulting in increased expenses, diminished operational efficiency, and reduced quality of life for occupants.



Project: Region 6 - Horseshoe Ranch Main House Interior and Exterior Repair

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The main house/manager's residence at Horseshoe Ranch requires immediate repairs both inside and out due to extensive wear and damage. The wood eaves are severely dried out and splitting, increasing the risk of further deterioration. Unlike other buildings on the property, this house has not been repainted since purchasing the property over 10 years ago, resulting in faded and peeling paint. Additionally, large sections of stucco have broken off and cracked, creating openings for insects and rodents while also allowing water to penetrate the interior walls.

Externally, the outdated and ungrounded exterior outlets, many of which are over 60 years old, pose a safety hazard and need replacement. Internally, there are several cracks and areas where drywall is deteriorating due to previous leaks. The carpet and flooring throughout the house are worn and require replacement. Lastly, repainting the interior walls is necessary to restore their appearance and provide protection against further damage. Addressing these issues promptly is essential to preserve the house's structural integrity and ensure a safe and habitable environment.

Solution: AGFD will hire a general contractor to replace all damaged and rotten eave boards with new wood to restore structural integrity; repair all missing and damaged stucco and drywall, and seal entry points to prevent insects and rodents from entering; repaint both the interior and exterior of the house to harmonize with other buildings on the property; upgrade the exterior outlets to meet current code standards and ensure proper functionality; and replace the carpet and flooring throughout the house.

By implementing this comprehensive repair and renovation plan, the main house manager's residence will ensure a safe, functional, and aesthetically pleasing environment that is durable and comfortable for all occupants.

Cost Estimate: \$105,000

Impact of Not Approving this Request: AGFD is dedicated to maintaining a high-quality work environment for its employees and visitors, as well as actively managing habitats to conserve and protect Arizona's wildlife. Not approving this project will result in ongoing water damage to the building. The existing rodent and insect issues are likely to increase loose stucco creating new access points over time, raising the cost of extermination services. Additionally, reliance on external generators to power equipment will persist.

Project: Canyon Creek Aeration Tower Leak Repair



Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Sitework

Need: The aeration tower, situated beneath the hydro turbine, plays a crucial role in the hatchery's water delivery system, receiving the majority of the hatchery flow. This tower is essential for de-gassing and oxygenating water before it reaches the facility's fish production area. However, water leaks from the aeration tower into the generator room, posing a significant operational challenge.

Moreover, the fan responsible for forcing air into the tower is no longer functioning. This component is vital for maintaining the tower's efficiency in oxygenating the water. Addressing these issues is critical to ensure the continued effectiveness of the hatchery's water management system and the overall health and productivity of the fish population.

Solution: AGFD will hire a contractor to repair the leak on the aeration tower and replace the faulty fan.

Cost Estimate: \$30,000

Impact of Not Approving this Request: AGFD is dedicated to maintaining a high-quality work environment for its employees and visitors while actively managing habitats to conserve and protect Arizona's wildlife. Not approving this project will result in further degradation of the aeration tower, which could compromise the hatchery's water supply and the structural integrity of the hatchery building's walls and foundation. Additionally, this issue poses a safety hazard, as persistent water leakage keeps areas of the generator and electrical control room floors wet, promoting mold growth due to excessive moisture. Addressing these concerns promptly is essential to ensure the safety and efficiency of the facility.



Project: Page Property Residence Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: Acquired by the Department through the purchase of the Page Property in 2014, this residence is now exhibiting several areas of deterioration that require immediate attention. Water spots have appeared on the ceiling of one of the bedrooms, indicating a roof leak. With the last roof replacement date unknown, addressing this issue is imperative to prevent further damage. The storage shed roof is in dire need of replacement, as neglecting this could lead to significant structural damage and potential loss of stored items. Additionally, the kitchen floor tiles have exceeded their lifespan and are beginning to break apart, diminishing the residence's aesthetic appeal and posing a safety hazard. The ceiling tiles in the living room are falling and have also surpassed their useful life, which could lead to further deterioration of the ceiling structure and potential safety issues for occupants. Promptly addressing these concerns is crucial to maintaining the property's condition and ensuring a safe and comfortable living environment.

Solution: AGFD will hire a contractor to address the various issues with the residence and we recommend the following standard repair approaches. First, the house roof should be thoroughly inspected to identify the source of the leak. Based on the inspection findings, a decision can be made to either repair the specific area of the leak or replace the entire roof to ensure long-term durability and prevent future issues. Second, the roof on the storage shed should be completely replaced. Utilizing high-quality roofing materials will provide better protection against the elements and extend the lifespan of the shed. Third, the kitchen floor tiles need to be replaced with new, durable flooring. Options such as ceramic tiles, vinyl, or laminate should be considered for their longevity and ease of maintenance. Finally, the existing ceiling tiles in the living room should be removed and replaced with a new drywall ceiling. This will not only enhance the aesthetic appeal but also provide a more stable and lasting solution. Implementing these repairs using standard, high-quality materials and techniques will ensure the residence is restored to a safe, functional, and aesthetically pleasing condition.

Cost Estimate: \$40,000

Impact of Not Approving this Request: AGFD is committed to maintaining a high-quality work environment for its employees and visitors while actively managing habitats to conserve Arizona's wildlife. Failure to repair or replace the roofs will lead to further structural damage. Neglecting the kitchen floor poses a tripping hazard and can damage the subfloor, while not replacing ceiling tiles presents safety hazards from falling debris. Addressing these issues is crucial for ensuring a safe and functional environment.



Project: Silver Creek Hatchery Residence #2 Perimeter Fence Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Sitework

Need: The perimeter fence around the residence at Silver Creek Hatchery (SCH) Residence #2 is damaged and nonfunctional. The fence is necessary to clearly define the residence yard boundary from public access and the vehicle parking lot. A functional fence provides a safety buffer area for property residents and the public.

Solution: AGFD will remove the existing damaged fence and replace it with a 4-foot chain-link fence along the same path. This new fence will enhance security and delineate the residence boundary more effectively, ensuring a clear separation from public access areas and the vehicle parking lot. The upgraded fence will provide a robust safety buffer, enhancing the overall safety and privacy for the residents.

Cost Estimate: \$15,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, as well as actively managing habitats to conserve and protect Arizona's wildlife. Deferring the proposed boundary fence project will continue to allow damage to the staff residence yard and further degrade the hatchery residence property. Additionally, the safety of residents will remain a concern. Addressing these issues promptly is important to ensure the well-being of both the staff and the public.



Project: Tonto Creek Hatchery Repair/Replace Failed Electrical Outlets

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Sitework

Need: Electrical outlets and power have failed on multiple outdoor rearing units at the Tonto Creek Hatchery, preventing the use of electric fences to reduce predation and hindering general operations, including the use of scales, pumps, blowers, and power tools. This issue needs to be resolved to ensure the smooth functioning of operations and the welfare of the fish.

Solution: AGFD will hire a contractor to troubleshoot, replace, and repair electrical circuits and outlets for all outdoor rearing units. This project aims to restore full functionality to the electrical systems, ensuring the proper operation of electric fences, scales, pumps, blowers, and power tools. By addressing these issues, AGFD will enhance operational efficiency and ensure the welfare of the fish at the Tonto Creek Hatchery

Cost Estimate: \$25,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, as well as actively managing habitats to conserve and protect Arizona's wildlife. The current electrical issues at the Tonto Creek Hatchery are causing several significant problems, including loss of fish due to predation, increased fish stress, inability to meet annual fish stocking requests, and operational inefficiency. The lack of electric fences for predator mitigation further exacerbates these challenges. Addressing these electrical issues is crucial for maintaining effective operations and ensuring the welfare of the fish.



Project: Tonto Creek Hatchery Shop Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The double door on the exterior of the Tonto Creek Hatchery shop building, which provides access to the attic and storage loft, is severely damaged and failing. Replacing this door is necessary to maintain functionality and prevent water damage to the shop building.

Solution: AGFD will hire a contractor to replace or repair the double exterior door on the second story of the shop at Tonto Creek Hatchery and address any existing water damage. This project aims to restore functionality to the door, ensuring secure access to the attic and storage loft while preventing further deterioration and water intrusion into the shop building.

Cost Estimate: \$12,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, as well as actively managing habitats to conserve and protect Arizona's wildlife. Deferring this project will perpetuate damage to existing infrastructure, leading to operational inefficiencies and compromising the security of the building.



Project: Silver Creek Hatchery Residence #1 Bathroom

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The old shower/tub and fixtures are damaged, leaking, and at the end of their lifespan. It is essential to replace them promptly, especially for staff who are required to live onsite. Ensuring a functional and reliable bathing facility is crucial for maintaining the health and well-being of onsite staff members, contributing directly to their comfort and ability to carry out their duties effectively.

Solution: AGFD will plumb and install a new shower and tub at the specified location. To ensure quality workmanship and compliance with safety standards, AGFD will hire a contractor to complete the installation. This upgrade is crucial to provide necessary amenities for onsite staff, ensuring their comfort and well-being while fulfilling their responsibilities effectively.

Cost Estimate: \$10,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, as well as actively managing habitat to conserve and protect Arizona's wildlife. Without funding for this project, the ongoing degradation of the hatchery residence due to water damage will persist. Moreover, the non-functional bathroom will remain a significant inconvenience for staff and their families. Funding this project is essential to maintain infrastructure integrity and ensure a functional living environment for onsite personnel.



Project: Canyon Creek Hatchery Residence #3 Furnace Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The furnace in Residence #3 at Canyon Creek Hatchery is antiquated and does not operate effectively. This aging unit fails to maintain adequate temperatures during winter months due to malfunctioning and inefficiency. Given its age and energy inefficiency, replacing this furnace is crucial to ensure comfortable living conditions for onsite personnel. Addressing this issue promptly will not only enhance heating reliability but also contribute to energy conservation efforts at the facility.

Solution: AGFD will replace the current furnace with a new, energy-efficient unit. This upgrade is essential to improve heating effectiveness, reduce energy consumption, and enhance overall comfort in this residence.

Cost Estimate: \$12,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, as well as actively managing habitat to conserve and protect Arizona's wildlife. Failing to replace the unit could lead to a winter breakdown, potentially preventing HVAC professionals from accessing the facility for repairs. Additionally, it would result in continued excessive use of electricity and propane, both of which are limited resources during the winter months at Canyon Creek Hatchery.



Project: Canyon Creek Hatchery Fluorescent Light Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The Canyon Creek Hatchery shop is outfitted with 32, 4-foot fluorescent light fixtures. When these lights are switched on, they frequently exceed the system's power capacity, leading to facility-wide power outages that necessitate the activation of the backup propane generator. Moreover, three of the four rows of lighting lack individual switches, requiring manual operation from the breaker box to turn them on and off. Manually operating lights at the breaker box poses potential safety hazards

Solution: AGFD will replace all 32 light fixtures in the Canyon Creek Hatchery shop with energy-efficient LED fixtures. This upgrade includes installing proper wiring and individual switches for each fixture. This improvement not only enhances energy efficiency but also ensures reliable lighting that reduces strain on the electrical system, preventing facility-wide power outages and minimizing reliance on backup propane generators.

Cost Estimate: \$20,000

Impact of Not Approving this Request: AGFD is dedicated to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Failure to approve this project would hinder hatchery staff from fully utilizing the shop due to insufficient lighting, as the current fixtures are avoided due to excessive power consumption. Additionally, manually operating lights at the breaker box poses potential safety hazards to staff and infrastructure.



Project: Sterling Springs Hatchery Building Roof Repair

Funding Source: Game and Fish Fund - Building Renewal

Category: Fire & Life Safety

Need: Due to the angle of the roofing over the entrance at Sterling Springs Hatchery building, snow accumulates and periodically drops off where people walk to enter, posing a potential hazard. When the snow melts, runoff drains onto the pavement, creating overnight ice slicks along the walking paths. Last winter's snow buildup also caused damage to that end of the hatchery building, which now requires repair. Additionally, the deteriorating screen over the top vent is allowing leaves, pine needles, and other debris to fall into the troughs where young fish are housed.

Solution: AGFD will contract with a roofing company to construct an angled roof over the door of the hatchery building at Sterling Springs Hatchery to divert snow, ice, and runoff to an earthen area instead of the driveway where people walk. This improvement aims to enhance safety by minimizing hazards caused by falling snow and ice. The contractor will repair damage caused by last winter's snow buildup at that end of the hatchery building. Additionally, the top vent will be permanently screened to prevent leaves, pine needles, and debris from entering the troughs where young fish are housed, ensuring optimal conditions for their growth and health.

Cost Estimate: \$40,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Several incidents of individuals slipping on ice at this location have occurred, with fortunate outcomes that did not result in serious injury. Delaying repairs to the damage caused by last winter's heavy snows may lead to further structural damage to the roof and building, potentially increasing future repair costs.



Project: Bubbling Ponds Hatchery Reverse Osmosis for Potable Water

Funding Source: Game and Fish Fund - Building Renewal

Category: Fire & Life Safety

Need: The water supply for the Bass House, including the bunkhouse where interns and AGFD personnel stay, comes from Bass House Spring, which feeds into a pond. Although fenced with chain link, the pond remains largely open, making the water unsafe for drinking. Currently, residents of the bunkhouse are advised to bring their own drinking water, and signage in the kitchen area warns visitors that the water is non-potable. Ignoring these warnings poses a risk of bacterial infections affecting the intestines.

Solution: AGFD proposes installing a reverse osmosis system at the Bass House to ensure potable water for residents in the bunkhouse. This system will effectively purify the water, removing contaminants and making it safe for drinking. Ensuring a reliable source of clean water enhances the safety and convenience for personnel and visitors staying at the facility, supporting a healthier and more comfortable environment.

Cost Estimate: \$30,000

Impact of Not Approving this Request: AGFD is committed to maintaining a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. There is a risk of intestinal infection if the water is consumed directly. Providing a clean supply of drinking water at workstations would also enhance convenience for employees.



Project: Sterling Springs Hatchery Propane Pad Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: Sterling Springs Hatchery underwent renovations in 2019, which included installing a backup generator powered by propane. Due to frequent power outages, especially during winter, the 750-gallon propane tank can quickly deplete. Heating for the residence, office, and hatchery relies on propane, necessitating sufficient supply for both the generator and heaters. In FY23, an additional 500-gallon tank was acquired and placed on a concrete pad created during renovation using leftover concrete. This pad was poured directly on dirt without reinforcement. Amerigas inspected the tank, installed lines, and filled it before the first snowfall. However, ongoing moisture exposure has led to erosion of the concrete bottom and lead to cracking over time.

Solution: AGFD will remove the 500-gallon tank, construct a new 5' x 12' concrete pad with a depth of 6 inches, and reinstall the tank. This upgraded pad will provide a stable foundation, minimizing the risk of erosion and cracking due to moisture over time. AGFD will collaborate with Amerigas to ensure proper reinstallation and functionality of the tank, ensuring reliable propane supply for the residence, office, and hatchery building; as well as the backup generator during power outages, which is especially critical in winter months.

Cost Estimate: \$15,000

Impact of Not Approving this Request: AGFD is dedicated to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. The current pad on which the propane tank sits is susceptible to erosion and cracking due to snow and moisture. This deterioration could lead to the tank becoming unlevel, posing potential safety concerns.



Project: Canyon Creek Hatchery Hydro Turbine Evaluation and Repair

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: Canyon Creek Hatchery is powered by a hydro turbine, which is currently generating less than 9 KW of power instead of its rated 15 KW capacity. The discrepancy in power output between maximum hatchery flows of 2,400 GPM and low flows of 1450 GPM is only 1.3 KW, suggesting that the turbine is not fully utilizing the available flow or may be experiencing other issues affecting its efficiency. Ensuring an adequate power supply is crucial to support fish production and maintain facility operations at Canyon Creek Hatchery.

Solution: AGFD will contract with our contracted vendor to evaluate the efficiency of the hydro turbine at Canyon Creek Hatchery, troubleshoot any issues, and perform necessary adjustments and repairs. This comprehensive assessment aims to optimize the turbine's performance, ensuring it operates at its full capacity to meet the power demands required for fish production and facility operations. Addressing these issues promptly will enhance operational efficiency and reduce potential disruptions due to inadequate power supply.

Cost Estimate: \$30,000

Impact of Not Approving this Request: AGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. The current power production levels are insufficient to meet the electricity demands of essential fish culture equipment, including oxygen generators and UV sterilization, as well as the basic operational needs of the facility. Failure to restore the turbine to proper operating efficiency will adversely affect fish production and overall facility operations at Canyon Creek Hatchery.



Project: State Headquarters Major Maintenance Fund

Funding Source: Game and Fish Fund - Building Renewal

Need: As part of the lease purchase agreement for the AGFD Headquarters facility, AGFD committed to depositing a portion of its annual building renewal allocation into a sinking fund established through an indenture agreement with Wells Fargo Corporate Trust. This fund will cover future capital expenses associated with major cyclic maintenance items.

Project Description: Scheduled major maintenance items include:

- Administration Building Roof Maintenance – Foam Roof Sealant every 7 years; new roof in year 25.
- Interior Floors, Walls – Replace carpet flooring every 7 years; paint interior walls every 5 years; replace other flooring every 10 – 15 years.
- Building Systems – Assumes ongoing upgrades to lighting, HVAC (energy management), emergency generator, telecommunication and information systems; security/access control system; parking lights, fire detection and alarm system.
- HVAC – Anticipated replacement of chiller in year 25; air handler unit replacements in years 20-25; independent heat pump systems every 12 years.
- Asphalt Maintenance – Crack seal every 3 years; seal coat parking lots every 5 years; slurry seal main entry road every 5 years; mill and overlay parking lot and main entry road in year 20.

Cost Estimate: \$152,230

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility up to standard.

Arizona Game and Fish Department
Building Renewal and Capital Projects Expenditure Plan
Fiscal Year 2025



Project: AGFD Building Renewal Emergency Allocation

Funding Source: Game and Fish Fund - Building Renewal

Category: Emergency Allocation

Need: AGFD maintains more than five hundred facilities within its building and infrastructure system statewide, which includes administrative offices, administrative sites, shooting ranges, actively and passively managed wildlife areas, dams, boating facilities and other recreational improvements. Facilities range in age from historic structures constructed in the 1930's to recently constructed operational and administrative facilities. Given this maintenance burden, it is difficult to anticipate the timing and nature of all building component failures. In the event of unexpected critical breakdowns or imminent failures, AGFD requires the fiscal agility to remedy events in an expeditious manner.

Solution: AGFD will utilize the following expenditure categories to address unplanned emergencies.

1. **Emergency Maintenance and Repairs:** Unscheduled and unanticipated building system or equipment repairs requiring immediate response in order to maintain functionality of essential facilities and infrastructure.
2. **Corrective Maintenance:** These maintenance activities are typically related to health, safety or accessibility concerns as determined by the AGFD's Loss Prevention Coordinator or Engineering Staff and require a timely response.

The distribution of the Emergency Allocation of \$120,000 shall be addressed as follows:

- AGFD shall notify the Chairman and JLBC staff on an emergency maintenance and repair or corrective maintenance project on the respective quarterly report update. AGFD may proceed with an emergency repair made using this allocation, and provide an update at the next meeting of the Joint Committee on Capital Review at the direction of the chairman.

Cost Estimate: \$120,000

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility up to standard.



Project: AGFD Preventive Maintenance

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: Pursuant to A.R.S. 41-793.01, AGFD may spend up to 8% of its total building renewal appropriation on preventive maintenance which can include preventive maintenance contracts for items such as HVAC, backup power generators, pavement maintenance (small repairs), wastewater pump stations, and septic systems.

Project Description: Implement statewide preventive maintenance work on Arizona Game and Fish Commission owned facilities.

Cost Estimate: \$143,600

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility to standard.



Arizona Game and Fish Department Capital Project Descriptions:

Project: Second Knoll Target Range 300 Yard Range

Funding Source: Pittman-Robertson Section 4 Grant

Category: New Construction

Need: As Arizona's population continues to grow and outdoor recreation increases, there is a need for safe and designated shooting sites. The purpose of this project is to complete the 300 yard shooting range identified on the Second Knoll Target Range's master plan. Located just outside of Show Low, the range operates under a Special Use Permit (SUP) issued by the U.S. Forest Service. Since its opening in 2016, the facility has been developed in multiple phases. This project not only promotes responsible and safe shooting practices but also serves as a hub for recreational shooters, supporting the local economy and fostering a culture of safety and stewardship among outdoor enthusiasts.

With the construction of this new range, the facility will be the only public shooting range in the area that provides shooting opportunities at distances greater than 100 yards. The proposed shooting range is anticipated to serve a community of over 15,000 residents and support approximately 4,000 user days annually, offering a family-friendly, educational, and secure environment for shooting sports. The 300 yard range will offer a location for hunter sight-ins, sanctioned competitive shooting events, and other community-oriented activities aimed at promoting responsible firearm use, conservation and outdoor recreation.

Solution: AGFD will develop and build a structured venue in Eastern Arizona, where local residents and visitors will have access to a safe environment for firearm use within close proximity to their homes, enhancing community safety and recreational enjoyment.

Cost Estimate - \$700,000

Impact of Not Approving this Request: AGFD is dedicated to promoting safe shooting sports and delivering outstanding public service. Failure to approve this project could significantly reduce participation in safe shooting practices, directly conflicting with AGFD's mission to support and grow shooting sports. In addition, over 15,000 local residents would be affected. This project provides a family-friendly, educational, and secure environment for shooting sports enthusiasts. Without it, the community may lose a valuable resource that fosters safety, education, and responsible recreational activities, providing a family-friendly, educational, and secure environment for shooting sports enthusiasts.



Project: BASF Practical Pistol Lights Project

Funding Source: Pittman-Robertson Section 4 Grant

Category: Infrastructure & Building Site Work

Need: AGFD is committed to promoting safe shooting sports and providing excellent customer service. However, the current lighting and canopy at the Practical Pistol Bay are insufficient for its operational needs. Inadequate lighting compromises safety by failing to fully illuminate the entire range, particularly during evening hours, thereby restricting the range's use for weekly after-dark events. Upgrading the lighting system is crucial to enhance safety and maximize the range's effectiveness during nighttime activities.

Solution: AGFD is proposing updated lighting to fully illuminate the range, expanding training and utilization opportunities for the public and creating a safer environment for shooters. The project entails installing new light poles behind the existing canopy to provide comprehensive downrange illumination. Additionally, the plan includes modifying and upgrading the existing canopy lighting with energy-efficient LEDs to optimize short-range visibility. To support these improvements, the electrical systems will be modified to accommodate the new light poles. These upgrades aim to enhance safety and efficiency, ensuring a superior shooting experience for all users.

Cost Estimate: \$300,000

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees, and to active conservation efforts to protect Arizona's wildlife and habitats. Failure to approve the proposed lighting upgrades at the Practical Pistol Bay could lead to several negative impacts. Inadequate lighting will persist, posing significant safety risks and compromising shooter well-being. This lack of illumination will also restrict the range's use for after-dark events, limiting training and recreational opportunities for the public. Consequently, this may decrease participation in safe shooting practices and impede AGFD's efforts to promote shooting sports. Moreover, continued reliance on outdated lighting systems will result in higher energy consumption and operational costs, reducing overall efficiency and increasing maintenance expenses. Without these essential upgrades, the overall experience and safety of shooters will be compromised.



Project: Ben Avery Shooting Facility Frank DeSomma Range Berm Maintenance

Funding Source: Pittman-Robertson Section 4 Grant

Category: Fire & Life Safety

Need: AGFD promotes safe shooting sports. It is crucial to restore the Frank DeSomma Range berm to its original functionality and purpose. Addressing the accumulation of lead and the deterioration from ongoing use is essential. Over time, lead buildup compromises the integrity and safety of the berm. Periodic lead removal and berm reconstruction are necessary to comply with federal statutes and ensure a safe shooting environment for all participants. These measures are critical for maintaining the structural integrity of the berm and providing a secure and reliable range for all users.

Solution: AGFD will contract out the lead reclamation and restoration of the berms to their original height and specifications. The reclaimed lead will be sold and proceeds will be applied to the project, offsetting the overall costs of the project. The current contract provides a profit sharing rate of 15% to AGFD and would be considered range program income if the reclaimed amount exceeds the cost of the project. Because of the cost to complete earth moving activities, AGFD anticipates all the proceeds will be applied directly to the project to reduce costs. The reclamation process will strictly adhere to all applicable Resource Conservation and Recovery Act (RCRA), Clean Water Act (CWA), and Toxic Substances Control Act (TSCA) guidelines to ensure compliance and safety throughout the project.

Cost Estimate: \$260,000

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees, and to actively conserving Arizona's wildlife and habitats. If the proposed project for lead mining and berm restoration at the Frank DeSomma Range is not approved, several negative consequences are likely to occur. The berms will continue to deteriorate and accumulate lead, compromising their structural integrity and functionality. This poses increased safety risks for range users, as deteriorated berms may not effectively contain bullets. Moreover, failure to remove lead buildup can result in environmental contamination, potentially violating federal, state, and county regulations. The range may also incur higher maintenance costs over time and face legal and environmental repercussions. Ultimately, without these necessary improvements, the range's usability and safety for shooting activities will be significantly diminished.

Project: West Fork Black River Barrier Removal Project

Arizona Game and Fish Department
Building Renewal and Capital Projects Expenditure Plan
Fiscal Year 2025



Funding Source:

- Dingell-Johnson Federal Aid Grant Funding; Bipartisan Infrastructure Law National Fish Passage Funds; Heritage Funds; and grants.

Category: Special Construction

Need: This project aims to remove four non-functioning fish barriers on three tributaries of the West Fork of the Black River. Constructed between 1980 and 1996 using pipe, concrete, and rock gabion baskets, these barriers were designed to prevent nonnative trout from migrating upstream into Apache Trout recovery habitats. However, years of erosion and flooding have compromised their effectiveness. Removing these barriers and reconnecting the river with its tributaries will create a complex, branching stream system, enhancing population resiliency to catastrophic disturbances like high-intensity wildfires and drought.

Solution: AGFD will remove four non-functioning fish barriers creating an interconnected stream habitat. Complete designs for barrier removal and stream and riparian habitat restoration have been received. The removal, beginning in fall 2024 and spanning four to five years, will use heavy machinery and hand crews. Removal will follow four stages: clearing/grubbing, demolition/removal, excavation and earthfill, and habitat reconstruction.

Clearing/grubbing will remove large brush, trees, logs, stumps, vegetation, and rocks using heavy machinery and hand tools, with some repurposed for habitat reconstruction. Demolition/removal will break down and remove concrete and gabion baskets, with gabion rock staged for riverscape restoration. Excavation and earth fill will create a new channel, redirecting water flow and using excavated materials to plug the old channel. Habitat reconstruction will recolonize the area with native vegetation using containerized stock and seed. Channel restoration within the construction footprint will use rock and woody debris from earlier phases to induce meandering and create fish habitat. Exclusion fencing will protect seedlings and seeds from herbivores at this site.

Cost Estimate: \$690,000

Impact of Not Approving this Request: AGFD is committed to providing a productive and safe work environment for its employees, and to actively conserving Arizona’s wildlife and habitats. Failure to remove these barriers will result in negative impacts to native fish conservation efforts in the watershed. Furthermore, \$690,000 of Bipartisan Infrastructure Law National Fish Passage Fund grant funds for the project would be forfeited if these removals do not proceed as planned.

Fiscal Year 2025-2026 Building Renewal Projects Expenditure Plan		
Building Renewal Projects Title	Funding Source	Cost Estimate

Arizona Game and Fish Department
 Building Renewal and Capital Projects Expenditure Plan
 Fiscal Year 2025



Region 1 - Sipe Wildlife Area Water Plumbing Replacement	Game and Fish Fund	\$15,000
Region 1 - Sipe Wildlife Area Visitor Center	Game and Fish Fund	\$30,000
Region 1 - Sipe Wildlife Area Visitor Center Ductwork Replacement	Game and Fish Fund	\$8,000
Region 1 - Sipe Wildlife Area Visitor Center Window Replacement	Game and Fish Fund	\$25,000
Region 1 - Sipe Wildlife Area Exterior Building Repairs	Game and Fish Fund	\$8,000
Region 1 - Pinetop Hatchery Building Roof Replacement	Game and Fish Fund	\$75,000
Region 1 - Pinetop Bunkhouse Foundation Work	Game and Fish Fund	\$18,000
Region 1 - Pinetop Wolf Office Access Door Replacement	Game and Fish Fund	\$15,000
Region 2 - Flagstaff Regional Office Warehouse Roof Replacement	Game and Fish Fund	\$200,000
Region 3 - Kingman Regional Office Door Lock Replacement	Game and Fish Fund	\$25,000
Region 3 - Kingman Regional Office ADA Automatic Door Openers	Game and Fish Fund	\$26,000
Region 5 - Cluff Ranch Wildlife Area Bunkhouse Window Replacement	Game and Fish Fund	\$100,000
Region 6 - Horseshoe Ranch Water Softener	Game and Fish Fund	\$20,000
Region 6 - Horseshoe Ranch Main House Interior and Exterior Repair	Game and Fish Fund	\$105,000
Canyon Creek Aeration Tower Leak Repair	Game and Fish Fund	\$30,000
Page Property Residence Repairs	Game and Fish Fund	\$40,000
Silver Creek Hatchery Residence #2 Perimeter Fence Replacement	Game and Fish Fund	\$15,000
Tonto Creek Hatchery Repair/Replace Failed Electrical Outlets	Game and Fish Fund	\$25,000
Tonto Creek Hatchery Shop Repairs	Game and Fish Fund	\$12,000
Silver Creek Hatchery Residence #1 Bathroom	Game and Fish Fund	\$10,000
Canyon Creek Hatchery Residence #3 Furnace Replacement	Game and Fish Fund	\$12,000
Canyon Creek Hatchery Fluorescent Light Replacement	Game and Fish Fund	\$20,000
Sterling Springs Hatchery Building Roof Repair	Game and Fish Fund	\$40,000
Bubbling Ponds Hatchery Reverse Osmosis for Potable Water	Game and Fish Fund	\$30,000
Sterling Springs Hatchery Propane Pad Replacement	Game and Fish Fund	\$15,000
Canyon Creek Hatchery Hydro Turbine Evaluation and Repair	Game and Fish Fund	\$30,000
State Headquarters Major Maintenance Fund	Game and Fish Fund	\$152,230
AGFD Building Renewal Emergency Allocation	Game and Fish Fund	\$120,000
AGFD Preventive Maintenance	Game and Fish Fund	\$143,600
Building Renewal Projects Total:		\$1,364,830

Arizona Game and Fish Department
 Building Renewal and Capital Projects Expenditure Plan
 Fiscal Year 2025



Fiscal Year 2025-2026 Capital Projects Expenditure Plan

Capital Projects Title	Funding Source	Cost Estimate
Second Knoll Target Range 300 Yard Range	Pittman-Robertson Section 4 Grant	\$700,000
BASF Practical Pistol Lights Project	Pittman-Robertson Section 4 Grant	\$300,000
BASF Frank DeSomma Range Berm Maintenance	Pittman-Robertson Section 4 Grant	\$260,000
West Fork Black River Barrier Removal Project	Dingell-Johnson Federal Aid Grant / National Fish Passage Funds / Heritage Funds	\$690,000
Capital Projects Total:		\$1,950,000

Funding note: The Wildlife and Sportfish Restoration Program provides funds to state fish and wildlife agencies derived from excise taxes on sporting equipment in accordance with the Pittman-Robertson and Dingell-Johnson acts. Grant funds are available for projects outlined in those respective acts including the restoration, conservation, management, and enhancement of wildlife and their habitats as well as projects to promote outdoor recreation, including the safe operation and maintenance of publicly accessible shooting ranges.

Arizona Game and Fish Department
Building Renewal and Capital Projects Expenditure Plan
Fiscal Year 2025



STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 6, 2024
TO: Members of the Joint Committee on Capital Review
FROM: Ethan Scheider, Assistant Fiscal Analyst
SUBJECT: Northern Arizona University – Review of Capital Projects

Request

A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). Northern Arizona University (NAU) requests committee review of \$5,041,400 for capital improvement projects funded via CIF cash.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the capital projects.
2. An unfavorable review of the capital projects.

Under either option, the Committee may also consider the following standard university financing provisions:

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.
- B. On or before October 15 of each year until completion of the projects, NAU shall report to the JLBC Staff on the status and expenditures of the capital projects. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the projects.

Key Points

- 1) NAU plans to complete capital projects which would be funded using \$5.0 from the university's FY 2025 CIF appropriation.
- 2) The projects consist of:
 - \$3.2 million for deferred maintenance with the mechanical system at the Biological Sciences building.
 - \$825,000 for deferred maintenance with the mechanical and HVAC systems at various STEM buildings.
 - \$545,000 for security and safety upgrades at various STEM buildings
 - \$491,000 for renovations including building modernization and deferred maintenance at the Physical Sciences Building.

Analysis

NAU is proposing 4 capital projects:

- NAU will spend \$3.2 million in the second phase of the Biological Sciences building renovation, which includes improvements to the building's mechanical system and other deferred maintenance projects. The first phase of this renovation addressed the heating and cooling systems and utilized \$4.8 million from the University's FY 2023 CIF appropriation. Phase 2 would address window replacement, as well as interior finishes in classrooms and offices, plumbing systems, and modernization of the elevators and bathrooms. NAU expects the project to be completed by August 2025.
- NAU will spend \$825,000 for HVAC deferred maintenance and mechanical system retrofits at the Wettaw Engineering, Science Lab Facility, and Science & Health STEM buildings. NAU states that several of the HVAC systems at these buildings are not functioning well and need repair. NAU expects to complete the projects by August 2025.
- NAU will spend \$545,000 for security and safety improvements to multiple STEM buildings. These improvements include the installation of security cameras and electronic access control at the Science Lab Facility, Bioscience Annex, Physical Sciences, and Biological Sciences Buildings. NAU expects to complete the projects by the end of 2024.
- NAU will spend \$491,000 on the first phase of the Physical Sciences building renovation, which includes replacing individual cooling units with a district cooling system that utilizes chilled water to cool the building. NAU states that future phases of the renovation would address the heating systems, flooring and window replacement, and hazardous material abatement. NAU expects the project to be completed by May 2025.

Financing

NAU plans to pay cash for the projects using the entirety of its \$5.0 million FY 2025 CIF Appropriation.

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 to FY 2043 for new university research facilities, building renewal, or other capital construction projects. The law appropriates \$27.0 million to the universities in FY 2019 and increases the appropriation each year thereafter by 2.0% or the rate of inflation, whichever is less. The FY 2025 appropriations are allocated to each university as follows:

- ASU: \$13,300,700
- NAU: \$5,041,400
- UA: \$11,766,600
- **Total: \$30,108,700**

The universities may use these monies for debt service on infrastructure long-term financing and for cash construction costs. New debt issued under this program may not exceed \$1.0 billion.

Under the law, each university's General Fund appropriation is deposited into a newly-created Capital Infrastructure Fund (CIF). Each university must match any General Fund contributions to its fund that are used for debt service payments at a 1:1 rate. In this instance, there is no match requirement as NAU is not using its appropriation to issue debt.

CIF cash projects are subject to review rather than approval.

ES:JBU

Northern Arizona University
Office of the Senior Vice President
Of Business Operations
PO Box 4132, Flagstaff, AZ 86011
Tel 928-523-4240 Fax 928-523-0332
www.nau.edu



September 16, 2024

The Honorable David Livingston, Chair
Joint Committee on Capital Review
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007



Dear Representative Livingston:

Pursuant to Arizona Revised Statute §15-1671 Northern Arizona University submits this letter on the proposed use of University Capital Infrastructure monies for Fiscal Year 2025.

NAU is appreciative of the state's investment in Arizona's public universities' infrastructure through the ongoing allocation of the Capital Infrastructure Funds (CIF) funds. In previous years, NAU has used CIF funds to address several deferred maintenance projects spanning four buildings on the Flagstaff Campus in the North Science Corridor. Those projects were favorably reviewed by the Joint Committee on Capital Review (JCCR) with the most recent project reviewed in September 2023. NAU now requests favorable review to use the Fiscal Year 2025 allocation of \$5.0M to fund renovations in the Biological Sciences building as well as several deferred maintenance, energy retrofit and electronic card access projects in STEM buildings as detailed in the attached materials.

Thank you for your consideration. If you have any questions, please feel free to contact me at (928) 523-4240 or bjorn.flugstad@nau.edu.

Sincerely,

A handwritten signature in black ink that reads "Bjorn Flugstad".

Bjorn Flugstad
Senior Vice President, Chief Financial Officer

Attachment

cc: Richard Stavneak, Director, JLBC
Ethan Scheider, JLBC Fiscal Analyst
Brigham Lee, OSPB, Budget Analyst
Chad Sampson, ABOR, Executive Director
Bradley Kendrex, ABOR, Vice President for Finance & Administration
Jose Luis Cruz Rivera, NAU, President
Katy Yanez, NAU, Vice President of Government Affairs and Community Relations

FY25 State Capital Infrastructure Funds

Biological Sciences Renovations – Phase 2

Project Scope

The Biological Sciences building utilized FY23 CIF funds to make substantial improvements to deferred maintenance with the mechanical system. This Phase 2 will complete the necessary deferred maintenance and capital renewal items by allocating \$3.2M to address new window systems, interior finish needs in the classrooms and offices (flooring, paint, and lighting), updates to plumbing systems, and modernize elevators and bathrooms. This project would complete the most critical renovations for Biology, giving it a refreshed look and feel along with the previous mechanical improvements.

Project Justification

The Biological Sciences 2021 Facility Condition Assessment indicated that the original 1967 elevator is in poor condition and in need of renovation. Further, the Phase 1 renovation removed over 50 window-mounted AC units but was unable to address replacing the window system, which is original to the 1967 construction and in deteriorated condition. This building is utilized for both research, academic, and office space. A modern aesthetic with the renovation of the public spaces will provide a more comfortable environment for the NAU population.

Estimated Project Cost:

\$3.18M

Basis of Cost Estimate:

The phase 1 contractor provided a high-level cost estimate that was used in the development of this estimate. The final estimate will be received by the construction firm after a design is solidified.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

This renovation is built to NAU's Design Guidelines and Technical Standards which prescribes longevity and durability of systems. A low-cost design approach in areas that cannot be "seen" runs counter to the building framework utilized at NAU, and in the end, is usually much more costly in maintenance.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project is a renovation of the building. The renovation of this space is a cost-effective solution to maintain the square footage on campus as opposed to building a new building of similar square footage and will reduce the deferred maintenance costs on campus.

Timeline

Procurement of a JOC team will begin shortly after funding approval. Design will commence by end of 2024. Construction will begin during summer break 2025. Completion date is August 2025 before school resumes.

STEM Buildings Maintenance and Energy Retrofits

Project Scope

This project includes work at four of NAU's STEM buildings: Building 88 – Wettaw, Building 69 – Engineering, Building 17 – Science Lab Facility, and Building 36 – Science & Health Building. The work includes HVAC deferred maintenance work as well as retrofits to mechanical systems for energy efficiencies.

Project Justification

Several of the systems at these buildings are not functioning and require critical repairs, including a failed steam valve at Wettaw and a cooling coil at Science Lab Facility. Other scope components will modernize mechanical systems, yielding greater energy efficiency, including retrofits at the Science & Health building which are the result of a retro-commissioning study.

Estimated Project Cost:

\$0.825M

Basis of Cost Estimate:

These costs are based on contractor's estimates. Final costs are dependent on timeline and final designs.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

This renovation is built to NAU's Design Guidelines and Technical Standards which prescribes longevity and durability of systems. Mechanical renovations consider energy efficiency and sustainability goals. A low-cost design approach in areas that cannot be "seen" undermines the philosophy of building at NAU, and in the end, is usually much more costly in maintenance and in remedial corrective action.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project encompasses renovations at multiple facilities. New construction is not applicable.

Timeline

Procurement of the job order contractors and design professional firms (where necessary) will begin shortly after funding approval. Design will commence by end of 2024. Construction will begin at the conclusion of the spring semester in May 2025. Completion date is prior to the fall semester in August 2025.

STEM Building Electronic Card Access Install

Project Scope

This security and safety project will install security cameras and electronic access control at multiple buildings across campus, specific to STEM function buildings, including 17 – Science Lab Facility, 18A – Bioscience Annex, 19-Physical Sciences, and 21-Biological Sciences.

Project Justification

Building safety and security is paramount to the success of the students, faculty, and staff on campus. Electronic access and security cameras are a more effective method of building security over the traditional lock and key as this approach offers enhanced security including preventing unauthorized access, access tracking and audit trails, and integration into other smart technologies. Further, maintenance and operations efforts are reduced by removing the need to have an individual physically lock and unlock the exterior doors every day.

Estimated Project Cost:

\$0.545M

Basis of Cost Estimate:

The estimated project cost is derived from a contractor's estimate.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

The conservative expectation of useful life for the hardware is 10 years considering the outdoor elements, technology updates, functionality, and compatibility.

Project Delivery

This project will utilize a electronic safety and security vendor procured under a purchase order in accordance with ABOR policy.

Renovation vs. new construction:

This project is a modification to existing buildings for safety and security enhancements. New construction is not applicable.

Timeline

Completion date is expected for Winter 2024, pending hardware lead time.

Physical Sciences Renovation – Phase 1

Project Scope

This deferred maintenance project is identified as multi-phased project that will address necessary capital renewal for building modernization, as well as deferred maintenance identified in the facility condition assessments. This first phase will address long standing building comfort issues and energy efficiency by adding chilled water and bring cooling to the building. Future phases, dependent on funding availability, will address: heating equipment and distribution systems, hazardous material abatement, outdated flooring and windows.

Project Justification

This building is in need of a district cooling system to adequately address the issues for temperature and energy efficiency. There are standalone, individual cooling units of varying size in sporadic distribution throughout the space. This is energy efficient and difficult to maintain. A cooling system tied to the campus chilled water is the most energy efficient way to cool spaces for occupant comfort.

Estimated Project Cost:

\$0.491M

Basis of Cost Estimate:

The estimated project cost is derived from a contractor's estimate. The final price will be received after a design is solidified.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

This renovation is built to NAU's Design Guidelines and Technical Standards which prescribes longevity and durability of systems. Mechanical renovations consider energy efficiency and sustainability goals. A low-cost design approach in areas that cannot be "seen" undermines the philosophy of building at NAU, and in the end, is usually much more costly in maintenance and in remedial corrective action.

Project Delivery

This project will utilize a job order contractor delivery method.

Renovation vs. new construction:

This project is a renovation of the building. New construction is not applicable.

Timeline

Procurement of a job order contracting team will begin shortly after funding approval. Design will commence by end of 2024. Construction will begin at the conclusion of the spring semester in May 2025. Completion date is prior to the fall semester in August 2025.



STATE OF ARIZONA

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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Senior Fiscal Analyst

SUBJECT: Arizona State Parks Board - Review of FY 2025 Capital Improvement Projects – State Parks Revenue Fund

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. The Arizona State Parks Board (ASPB) requests Committee review of \$3,022,000 of FY 2025 funding from the State Parks Revenue Fund for major repair and maintenance projects.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

- A. Prior to ASPB reallocating monies between the 9 listed project categories, ASPB shall report the proposed expenditure plan to the Committee Chairman and JLBC Staff.

A.R.S. § 41-794 requires ASPB to report quarterly on the status of all appropriated capital projects, such as building renewal projects, including actual spending.

Key Points

- 1) The Arizona State Parks Board (ASPB) is seeking review of \$3.0 million from the State Parks Revenue Fund for various capital projects and statewide building renewal in FY 2025.
- 2) ASPB would allocate its funding to 9 different categories, including \$1.0 million for infrastructure, \$600,000 for fire and life safety and \$500,000 for building shell issues.

Analysis

The FY 2025 budget includes \$3.0 million from the State Parks Revenue Fund for ASPB capital improvements, which funds 100% of the Board's agency-specific building renewal formula. ASPB may use the funding for major maintenance and building renewal, including projects for water/wastewater facilities, septic tanks, roofing repairs, and structural stabilization.

As outlined in *Table 1* on the next page, ASPB requests the Committee review the following expenditure plan. ASPB's plan lists potential projects within each category, but does not list the estimated costs of any individual project. Projects that are currently listed are not guaranteed funding, and new projects may be added as necessary.

1. Fire and Life Safety

\$600,000 will be used for fire and life safety projects statewide. These may include fire alarm replacements at Tombstone and Tubac Presidio state parks, replacement of electrical equipment for fire pumps at Red Rock, security system updates at Riordan Mansion, and rock fall protection at Tonto Natural Bridge.

2. Building Shell

\$500,000 will be allocated to statewide building shell projects with a focus on proactively replacing failing roof and exterior systems. These projects may include roof replacements at Picacho Peak and Patagonia Lake, upgrades for Tonto Natural Bridge barn and residences, door replacements at Lyman Lake, Red Rock Museum window repairs, and other exterior building repairs at Jerome.

3. Major Building Services

\$250,000 will go towards statewide major building service projects with a focus on HVAC, electrical, plumbing, and structural components. These projects may include HVAC and heating equipment repairs at 5 state parks and the replacement of a sump pump at Tubac Presidio.

4. Building Interiors

\$250,000 will fund projects such as the replacement of worn interior flooring at MacFarland and Slide Rock, and remodeling 5 restrooms at Lyman Lake.

5. Special Construction/Hazard Abatement

\$25,000 will be used for special construction and hazardous abatement projects. ASPB has indicated that these monies may go to repairing or replacing boat docks at Dankworth Pond and Lake Havasu.

6. Americans with Disabilities Act (ADA) Compliance

\$25,000 will be allocated to install ramps, sidewalks, and other facilities to bring ASPB's public facilities into compliance with the ADA. ASPB did not specify any projects within this category.

7. Infrastructure

\$1.0 million will fund infrastructure improvements at various state parks. ASPB will prioritize upgrading water and wastewater piping as well as installing light fixtures at parks with increased

overnight occupancy. ASPB has indicated that they are pursuing projects related to sewage and water/wastewater lines at Roper Lake, Lake Havasu, Fool Hollow Lake, Buckskin Mountain, Verde River, and Tubac Presidio. In addition, projects may include jetty repairs at Cattail Cove, erosion repairs at Dankworth Pond, sign replacements at Homolovi Monument, and Tubac Presidio sidewalk repairs.

8. Preventative Maintenance

\$241,800 will go toward preventative maintenance projects for a wide range of equipment, including but not limited to HVAC, electrical, wastewater, and pest control systems. ASPB did not specify any allocations within this category.

9. Project Scoping and Design

The remaining \$130,200 will be used to advance the scoping and design efforts of potential and emergency projects.

ASPB FY 2025 Capital Improvement Projects	
<u>Project Type</u>	
Fire and Life Safety	\$ 600,000
Building Shell	500,000
Major Building Services	250,000
Building Interiors	250,000
Special Construction/Hazard Abatement	25,000
ADA Compliance	25,000
Infrastructure	1,000,000
Preventative Maintenance	241,800
Project Scoping and Design	<u>130,200</u>
Total Request	\$3,022,000

NB:jbu



Katie Hobbs
Governor

ARIZONA
STATE PARKS & TRAILS

Bob Broscheid
Executive Director



October 29, 2024

The Honorable Representative David Livingston, Chairman
Chairman, Joint Committee on Capital Review
Arizona State House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

RE: Arizona State Parks Board FY25 Capital Projects for the Joint Committee on Capital Review

Dear Representative Livingston:

The Arizona State Parks Board (Arizona State Parks & Trails - ASPT) respectfully requests to be placed on the agenda of the next Joint Committee on Capital Review (JCCR) meeting being held November 2024 for review of funding to complete the projects outlined in the table on the following pages.

ASPT is requesting Committee review on these capital projects pursuant to A.R.S § 41-1252(A)(4) & (C). Upon such review, ASPT will proceed with construction activities for these projects.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact Tom Kmetz, Chief of Development, at 602-542-6920.

Sincerely,

Robert Broscheid
Executive Director
Arizona State Parks Board

cc: The Honorable Senator John Kavanagh, Chairman, JLBC
Sarah Brown, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, JLBC Director
Nate Belcher, JLBC Analyst
Rudy Cen, OSPB Budget Analyst
Mark Weise, Assistant Director Operations & Development
Kevin Brock, Assistant Director Chief Financial Officer



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Bob Broscheid
Executive Director



Arizona State Parks & Trails
Capital Improvement Projects Appropriations
Brief project descriptions follow below

CIP Project	FY25
Capital Improvements - Major Maintenance	\$3,022,000

Capital Improvements- Major Maintenance

CATAGORY CODES	
Fire & Life Safety	\$ 600,000
Shell: Superstructure; Exterior Walls & Roofing	\$ 500,000
Major Building Services	\$ 250,000
Interiors: Interior Construction Stairs; Finishes	\$ 250,000
Special Construction & controls; Hazardous Abatement	\$ 25,000
ADA accessibility	\$ 25,000
Infrastructure & Building Sitework	\$ 1,000,000
Preventative maintenance	\$ 241,760
Other Projects	\$ 130,240
Total	\$ 3,022,000

Fire and Life Safety Projects

The purpose of these projects is to improve or eliminate an impending condition that threatens life or property within the ASPT Building System or infrastructure statewide. ASPT utilizes the ADOA Quadrennial reports, State Fire Marshall Report, and Risk Management assessments to help priorities improvement; in addition to self-identification of areas of concern. Types of projects can include, but not limited to: Fire alarm systems, fire suppression systems, security alarm systems, air quality systems, water supply for fire suppression and potable quality, wastewater treatment and compliance, security systems such as access control, locks, and camera devices and footage storage systems, and building egress routes.

Potential Projects may include but not limited to:

- Redrock electrical to support fire pumps
- Tombstone Fire Alarm replacement
- Tubac Presidio fire alarm
- Riordan Mansion Security system
- Tonto Natural bridge land shift and rock fall protection



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Bob Broscheid
Executive Director



Building Shell Projects

Building Shell improvements are to address deficiencies in existing roofs, exterior enclosures, walls, windows and/or doors. The deficiencies addressed here represent a small portion of the deteriorating exterior systems where continuing maintenance-based repairs are not cost effective nor prevent leaks. Neglect of exterior roofs, walls, windows and doors escalates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This project category is dedicated to proactively replacing failing roof and exterior systems throughout the ASPT Building System to mitigate negative impacts of interruption to mission critical functions and expensive "crisis-mode" abatements, emergency repairs, and replacements.

Potential Projects may include but not limited to:

- Picacho Peak shop roof, insulation
- Tonto Natural bridge residences
- Red Rock museum Window repairs
- Tonto Natural bridge barn repairs
- Jerome exterior repairs
- Patagonia Lake visitor center roof
- Lyman Lake door replacements

Major Building Services Projects

The deficiencies in the Major Building Services category reflect worsening conditions of HVAC, electrical, plumbing, and structural components across the ASPT Building System. Many of the systems are original to building construction. These systems have surpassed their useful lives and can no longer meet the demands of the facilities they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment. Failure to address aging and dilapidating systems may result in a shutdown of mission critical State services and expensive emergency basis procurements. Numerous systems throughout the ASPT Building System are original to building construction. These aging systems, in particular, the waste and vent piping, are failing at an increasing rate. Failure to replace deteriorating piping, especially the waste lines, will result in further damage to ceilings, walls, flooring and mechanical and electrical building systems.

Potential Projects may include but not limited to:

- Patagonia Lake HVAC units
- Lyman Lake water heater units
- MacFarland HVAC units
- Fort Verde Fire Place repairs
- Riordan Mansion East furnace replacement
- Tubac Presidio sump pump

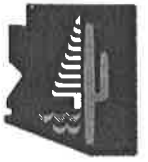


Katie Hobbs
Governor

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Bob Broscheid
Executive Director



Building Interior Projects

Replacement of worn interior flooring, stairway treading, and wall finishes have been in a "deferred indefinitely" status for many years. Many floor coverings, many over 20 years old, have long been in a deferred status and are in such poor condition they require immediate attention to avert or eliminate safety hazards. Conditions inside ASPT buildings include floor coverings completely worn through, ongoing patch maintenance, extensive damage to common hallway walls, missing or damaged ceiling tiles, stains, unraveling seams and tears, delaminating stairway treads, unsuccessful duct tape repairs, and extensive rippling. Paint is not matching and faded, as well as, wall marked and scrapped. ASPT will use these funds to provide a safe and presentable work environment for all ASPT employees and visitors.

Potential Projects may include but not limited to:

- Slide Rock Restroom floors
- Lyman Lake restroom remodels (5)
- MacFarland Flooring
- Jerome apartment renovations

Infrastructure Projects

Projects can include existing roadways, parking lots, sidewalks and walkways, electrical service entrances (SES) and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, and communications. Many of these type systems have been in a "deferred indefinitely" status for many years and are in an exhausted state of deterioration. Water and Wastewater infrastructure systems throughout the ASPT park's system are original to construction. These aging systems are failing at an increasing rate. Failure to replace deteriorating piping, will result in further damage to State property and may create an environmental impact or reporting condition. Many areas are not properly light to provide safe routes for park customers and staff since many of ASPT parks have overnight park occupancy.

Potential Projects may include but not limited to:

- Roper Lake backflow preventor replacement
- Cattail cove jetty repairs
- Lake Havasu water line valve replacement
- Fool Hollow Lake sewer lift station
- Buckskin Mountain storm water corrections
- Dankworth Pond erosion repairs
- Verde River septic system repair/replacement
- Homolovi Monument Sign replacement
- Tubac Presidio Sewer line repairs
- Tubac sidewalk repairs

Special Construction & controls: Hazardous Abatement

This will be for special construction and hazardous abatement priority projects. This can include, but not limited to, design and implementation of shoreline stabilization efforts to prevent continued



Katie Hobbs
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erosion at ASPT's water parks; marina repair for maintenance for break walls and or dredging efforts; as well as repairing and/or replacing dilapidated boat docks causing safety, liability, or long-term maintenance issues; repair or replacement of boat ramps. This also consists of building/infrastructure or special construction and hazardous abatement mitigation effort of existing sites.

Potential Projects may include but not limited to:

- Dankworth Pond dock repairs
- Lake Havasu Dock repair/replacement

ADA Accessibility Projects

There are numerous ADA deficiencies in the ASPT Park's System that require remedy. Deficiencies include building access ramps, sidewalks, bathroom fixtures, drinking fountains, handrails, parking spaces, sites/amenities, and general reconfigurations of entrances and other areas in buildings to allow facilitate access to services and workplaces for persons with disabilities. In addition, many recreational areas within the ASPT system need to be ADA compliant.

Preventative Maintenance Projects

Preventive maintenance which can include preventive maintenance contracts for HVAC, backup power generators, pavement maintenance (small repairs), wastewater pump stations, septic systems, Termite treatment, etc.

Other Projects - Building Renewal Project Scoping

This is for scoping and design services for potential and emergency projects. Some of the requests received for funding consideration have deficient, vague, or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ASPT in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of current and future project request.



STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Jack Brown, Deputy Director

SUBJECT: Rio Nuevo District - Presentation of Projects

Request

A.R.S. § 48-4203E requires the Rio Nuevo Multipurpose Facilities District (District) to present to the Committee any construction project (or other improvement to real property) with a cost of more than \$500,000. Under this statutory requirement, the District reports once annually to the Committee on qualifying projects. For FY 2024, the District has allocated funds to 4 projects above this \$500,000 threshold and has agreed to spend a combined \$6,492,000 on these projects.

Key Points

- 1) The Rio Nuevo District receives a diversion of sales tax revenue within a specific area of Tucson to finance development projects.
- 2) The district has funded 4 major projects during FY 2024 with a combined district contribution of \$6.5 million.
- 3) Including private sector contributions, these 4 projects have a total cost of \$24.2 million.
- 4) The projects include a new grocery store project, a mixed-use development and 2 restaurant developments.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the presentation.
2. An unfavorable review of the presentation.

Analysis

During FY 2024, the District has allocated funding for 4 projects exceeding \$500,000:

1. Trader Joe's Grocery Store Project

Private developers plan to build a new commercial building for lease to the Trader Joe's grocery store chain. The District will provide 40% of the funds (\$4.0 million) for the \$10 million of total costs. The District estimates the location will generate \$480,000 of new sales tax annually which will be retained by the District.

2. Treasury 1929 Project

The owners of the 1929 Valley National Bank building in downtown Tucson plan to convert the lobby into entertainment and restaurant space. The District will provide 12% of the funds (\$1.4 million) for the \$12 million in tenant improvement construction costs. The District estimates the improved space will generate \$524,000 of new sales tax annually which will be retained by the District.

3. De Novo Restaurant

A restaurant group plans to improve a vacant section of the ground floor in the Transamerica building in downtown Tucson. The District will provide 50% of the funds (\$580,000) for the \$1.2 million in tenant improvements for the restaurant construction. The District estimates the restaurant will generate \$938,800 of total additional sales tax that will be retained by the District over the next 5 years.

4. Empire Pizza Restaurant Expansion

The District has agreed to fund \$512,000 worth of improvements for this restaurant to triple its existing venue size. The District estimates the new business activity from the restaurant expansion will generate \$295,400 in additional sales tax each year retained by the District.

Background

Tucson voters approved Proposition 400 in November 1999, establishing the Rio Nuevo Multipurpose Facilities District. The District receives a diversion of sales tax revenue to finance the development of a multipurpose facility and other projects. The District has distributed funds to renovate the Tucson Convention Center, along with allocating monies to other development projects. The District stretches east from Downtown Tucson along the retail-intensive Broadway Corridor.

The District was originally authorized from 1999 to 2009, however, the District's authorization has been extended multiple times. Most recently, Laws 2018, Chapter 138 extended the District to July 1, 2035, or upon the completion of authorized debt service payments, whichever occurs later. Chapter 138 requires that any construction project (or other improvement to real property) with a cost of more than \$500,000 be presented to the Committee.

JB:kp

The Honorable John Kavanaugh, Chairman
Joint Legislative Committee on Capital Review
Arizona State Senate
1700 West Washing Street
Phoenix, AZ 85007

September 23, 2024

Re: Rio Nuevo District Annual Report

Dear Senator Kavanaugh,

A.R.S. §48-4203(E)(3) requires the Rio Nuevo District (District) to present annually to the Joint Legislative Committee on Capital Review (JCCR) any contract, executed construction project, or other improvement to real property with an expense of more than \$500,000. Such presentation is for review and oversight, not project approval.

In accordance with the statute, the JCCR can take any of three options:

1. A favorable review of the information presented;
2. An unfavorable review of the information presented; or
3. Take no action since there is no statutory approval requirement.

For the period July 1, 2023 – June 30, 2024, the District invested in the attached projects that would require notice to the JCCR. Last year, our report was accepted without appearing before the committee. However, we are happy to appear before your committee to discuss the attached update if requested.

We have also listed all FY24 projects under \$500,000 so the committee can see the extent of our small business growth, an integral and indispensable part of the District's value and commitment to the local economy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fletcher J. McCusker'.

Fletcher J. McCusker
Chairman, Rio Nuevo District Board

Rio Nuevo District Update FY2024 Projects Over \$500,000

Fiscal year 2024 set new District records. It was our highest revenue year, collecting \$18.6M. By comparison, the tax receipts in 2014 were \$9.05M. The Rio Nuevo District receives roughly 25% of the TPT tax collected by ADOR for businesses with the district boundaries. The State receives an equal amount, and the City of Tucson receives approximately a quarter as well. Consequently, the total annual state tax payment in the district has grown from \$29M in 2014 to approximately \$52M last year, at a time when retail sales tax is down in virtually every other jurisdiction.

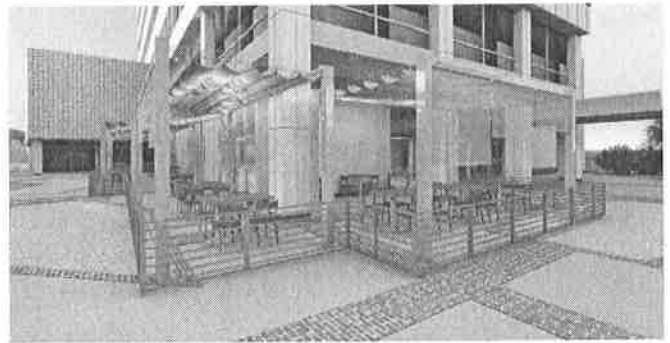
Since 2012, the District's focus has been on public/private partnerships and investments into small owner operated businesses, an approach that continues to revitalize what was once a blighted downtown. The original version of Rio Nuevo, 1999-2009, was entirely focused on government owned and operated facilities and issued nearly \$200M of bond debt only to collapse after ten years, having never built anything. Those original plans included an aquarium, a science center, a recreated convent, an Indian Village, the Mission Garden, and other projects that were all abandoned due to the westside site being the original Tucson area un-remediated landfill. The state legislature seized District control in 2010 after which the current board transitioned to the current public, private, partnership model.

Since then, the District has attracted over a billion dollars of private investments and has been identified by the Arizona Auditor General ¹as one of the most successful Tax Increment Finance (TIF) entities in the country. This update focuses on the projected launched and the work done from July 1, 2023 – June 30, 2024.

¹ 2022 [Arizona Auditor General Report](#)

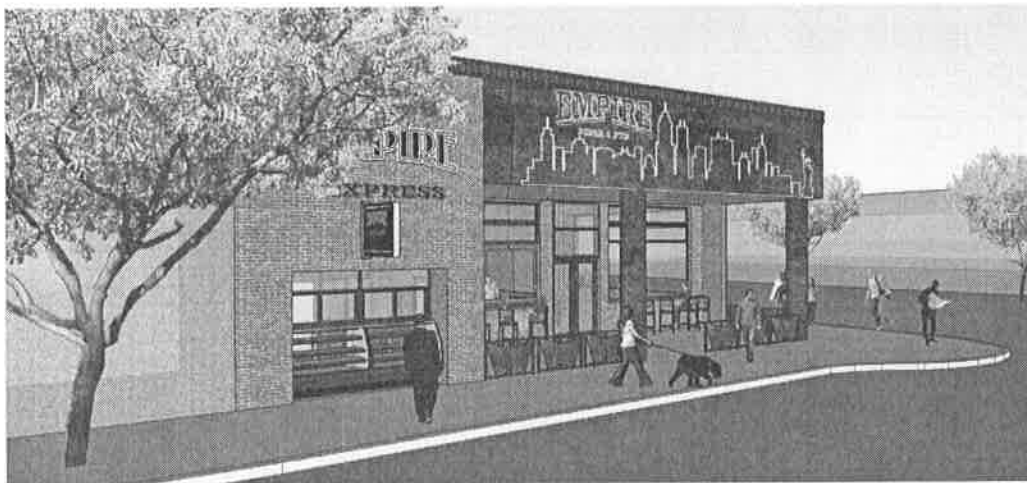
Project 1 – De Novo Restaurant

The TransAmerica Building stands on the northwest corner of Alameda and Church just north of the new Alfie Norville Gem and Mineral Museum (in the historic Pima County Courthouse) and east of the Tucson Museum of Art. Despite this enticing location and the presence of several floors of active businesses and professional offices, it has had vacant ground floor restaurant space for years. In response to a request from an experienced group of restaurateurs the District has committed \$580k toward a remodel budget of \$1,160,000 in tenant improvements to build a kitchen, dining room, and outdoor patio. The 5-year annual revenue estimates are \$10M producing \$938,757 in sales tax.



Project 2 – Empire Pizza Expansion

This popular downtown pizza venue has acquired additional space next door that will triple not only the venue size but its revenue as well. In response to the owner's request, the District has agreed to invest \$512,000. It is anticipated that this expansion will add incremental annual revenue of \$3.4M and \$295,445 in annual incremental sales tax.



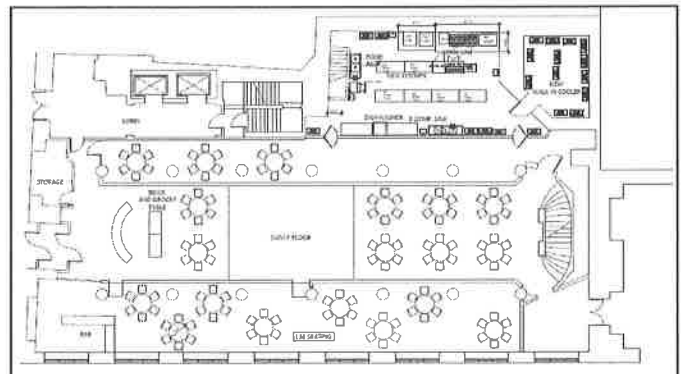
Project 3 – Trader Joe’s

A successful milestone of any revitalized urban environment is achieved when developers bring grocery stores into historically blighted areas. Working with private developers, the District has made a commitment to build and lease a new store to this very popular boutique grocery chain on what is now an underutilized parking lot and abandoned dollar store. The total project cost is estimated at \$10M and the District has made a commitment of up to \$4M with projected annual local revenues of \$30M. Sales taxes are forecast to be approximately \$480,000 annually all of which will be 100% new.



Project 4 – Treasury 1929

The extraordinary and historic lobby of the circa 1929 Valley National Bank building is being converted into a restaurant after being vacant for over a year. The District is working with the building owners to incentivize one of Tucson’s best restaurateurs to convert the iconic lobby space into an entertainment, food and beverage venue. The total project costs are projected to be \$12M with the District providing \$1.4M to assist in this repurposing. Revenue estimates for the remodel are \$6M annually producing approximately \$523,957 of annual state sales tax, all of which will be new.



Projects under \$500,000

Project	RN District Commitment	Total Project Cost
BATA Patio	\$178,000	\$356,000
Chela's	\$8,665	\$17,330
Herbert's Deli	\$116,000	\$351,743
La Estrella Bakery	\$200,000	\$400,000
Miss Saigon	\$384,635	\$708,000
MSA Annex Commissary	\$116,000	\$299,519
Playground Restaurant	\$373,411	\$864,000
Roadrunner Coffee	\$65,000	\$260,000
Thunder Bacon Burger	\$25,000	\$50,000
TOTAL	\$1,466,711	\$3,306,592

Thank you,

Rio Nuevo District



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LUPE CONTRERAS

DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2025 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) is requesting that the Committee review its \$22,540,100 FY 2025 Building Renewal Allocation Plan.

ADOT has allocated \$22,082,800 from the State Highway Fund among 224 projects, leaving a contingency balance of \$854,300, \$600,000 for statewide building inventory, and \$40,000 for project management support. ADOT has also allocated \$457,300 from the State Aviation Fund for 16 projects, with no contingency funding.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

A.R.S. § 41-794 requires ADOT to report quarterly on the status of all nonhighway construction capital projects, such as building renewal projects, including its actual spending relative to its plan.

Key Points

- 1) ADOT Building Renewal projects span a range of categories including remodeling, safety improvements, compliance, and roofing replacements.
- 2) The \$22.1 million State Highway Fund and \$457,300 State Aviation Fund Building Renewal appropriations equate to 100% of the respective formula requirement.
- 3) The largest expenditures include \$7.1 million for building systems (HVAC, electrical, plumbing), \$4.2 million for infrastructure (sewers, wells, parking lots), and \$3.6 million for remodeling.
- 4) ADOT's proposal consists of 224 separate projects from the State Highway Fund and 16 separate projects from the State Aviation Fund.

Analysis

The FY 2025 Capital Outlay Bill appropriated a total of \$22.5 million for ADOT building renewal in FY 2025, including \$22.1 million from the State Highway Fund and \$457,300 from the State Aviation Fund. The FY 2025 Building Renewal appropriation represents 100% of the amount generated by the building renewal formula for the ADOT Building System and 100% for the Grand Canyon Airport building renewal formula for FY 2025. The formula is based on the square footage and replacement cost of existing buildings.

ADOT expects to allocate the Building Renewal monies from the State Highway Fund in the following categories for 224 projects:

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Fire/Life/Safety	16	\$580,000	2%
Roof Repairs/Replacement	28	2,474,000	11%
Exterior Preservation (Doors, Windows, Siding)	51	2,071,300	9%
Building Systems (HVAC, Electrical, Plumbing)	62	7,013,600	32%
Interior Finishes (Paint, Carpet, Tile)	17	864,000	4%
Remodels and Reconfigurations	12	3,394,000	15%
Americans with Disabilities Act	2	40,000	1%
Infrastructure (Sewers, Wells, Parking Lots)	36	4,151,600	19%
Project Management Support	N/A	40,000	1%
Statewide Building Inventory	N/A	600,000	2%
Contingency	N/A	854,300	4%
Total	224	\$22,082,800	100%

Of the 224 State Highway Fund projects, the 24 building projects shown in *Table 2* have a cost of \$200,000 or more.

Major State Highway Fund Building Renewal Projects	
<u>Project</u>	<u>Allocation</u>
Roof Repairs/Replacement	
<i>Administration Building 1005B – Repair roof deck</i>	\$975,000
Exterior Preservation (Doors, Windows, Siding)	
<i>Little Antelope Maintenance Yard 3208 – Repair siding, roll up & man doors</i>	310,000
Building Systems (HVAC, Electrical, Plumbing)	
<i>Administration Building 1005B – Install electrical switch gear and panel</i>	575,000
<i>Nogales Port of Entry Building 2270 – Replace HVAC system</i>	200,000
<i>Equipment Services Building 1755 – Repair electrical system</i>	200,000
<i>Superior Maintenance Yard 2075 – Replace HVAC system</i>	250,000
<i>Flagstaff Offices Building 3884 – Replace dust collection system</i>	1,300,000
<i>Flagstaff Offices Building 3884 – Repair electrical service</i>	350,000
<i>Flagstaff Offices Building 3884 – Repair HVAC</i>	450,000
<i>West Phoenix MVD Building 1651 – Replace main floor air handler unit</i>	200,000
<i>Cottonwood MVD Building 3098 – Replace HVAC equipment</i>	200,000
Interior Finishes (Paint, Carpet, Tile)	
<i>Central Material Lab Building 1121 – Replace epoxy flooring</i>	300,000
Remodeling and Reconfigurations	
<i>Administration Building 1005B – Reconfigure office lobby</i>	750,000
<i>St. George Port of Entry Building 3194 – Renovate CSR area</i>	400,000
<i>Equipment Services Building 1754 – Renovate first floor restrooms</i>	250,000
<i>Engineering Building 1004 – Design 1st floor renovations</i>	394,000
<i>Engineering Building 1004 – Renovate 1st floor restrooms</i>	275,000
<i>East Flagstaff Maintenance Yard – Renovate restrooms and breakroom</i>	500,000
<i>Winslow West Yard Building 3227 – Renovate building</i>	350,000
Infrastructure (Sewers, Wells, Parking Lots)	
<i>Administration Building 1005B – Relocate underground utilities</i>	700,000
<i>West Phoenix MVD – Install perimeter fencing and gates</i>	400,000
<i>Tucson North MVD – Reseal and restripe south parking lot</i>	330,000
<i>Sacaton Rest Area – Install screens and grinder pump system (site septic)</i>	330,000
<i>Statewide – Repair site wells, gas, water and wastewater system deficiencies</i>	300,000
Total	\$10,289,000

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund for 16 projects at the state-owned Grand Canyon Airport in the following categories:

<u>Category</u>	<u>Projects</u>	<u>State Aviation Fund</u>	<u>% of Total</u>
Fire/Life Safety	2	\$20,000	4%
Roof/Repairs Replacement	1	10,000	2%
Exterior Preservation (Doors, Windows, Siding)	2	46,300	10%
Building Systems (HVAC, Electrical, Plumbing)	4	71,000	16%
Interior Finishes (Paint, Carpet, Tile)	2	20,000	4%
Reconfigure or Remodel	1	250,000	55%
Americans with Disabilities Act	1	10,000	2%
Infrastructure	<u>3</u>	<u>30,000</u>	<u>7%</u>
Total	16	\$457,300	100%

The attached materials submitted by ADOT list each project and its estimated cost.

JJ:Jbu

September 30, 2024

The Honorable John Kavanagh
Chairman, Joint Committee on Capital Review
1716 West Adams
Phoenix, AZ 85007



Dear Senator Kavanagh:

Pursuant to Laws 2024, Second Regular Session, Chapter 211 (HB2899), Section 2, the Arizona Department of Transportation (ADOT) received an FY 2025 Building Renewal appropriation of \$22,082,800 from the State Highway Fund and \$457,300 from the State Aviation Fund. A.R.S. § 41-1252 requires JCCR review of expenditure plans for building renewal monies prior to expenditure. ADOT respectfully requests placement on the next meeting agenda of the JCCR for review of its FY 2025 Building Renewal Allocation.

The following summary outlines ADOT's FY 2025 Building Renewal by major category:

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE/LIFE/SAFETY	\$580,000	\$20,000
CATEGORY 2 - ROOFS	\$2,474,000	\$10,000
CATEGORY 3 - PRESERVATION OF ASSET	\$2,071,300	\$46,300
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$7,013,600	\$71,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$864,000	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$3,394,000	\$250,000
CATEGORY 7 - ADA COMPLIANCE	\$40,000	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$4,151,600	\$30,000
PROJECT MANAGEMENT SUPPORT	\$40,000	\$0
STATEWIDE BUILDING INVENTORY	\$600,000	\$0
CONTINGENCY	\$854,300	\$0
Total FY 2025 Building Renewal	\$22,082,800	\$457,300

Attached is a listing of FY 2025 Building Renewal projects by major category and fund.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact David Bolter, ADOT Budget Manager, at (602) 712-8917.

Sincerely,



Jennifer Toth
Director

Enclosure

cc: The Honorable David Livingston, Vice-Chairman, JCCR
Sarah Brown, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee (JLBC)
Jordan Johnston, JLBC Analyst
Elizabeth Selby, OSPB Analyst
Floyd Roehrich, Jr, PE, ADOT Director's Office, Deputy Director-Business Enterprise
Teri Kennedy, ADOT Administrative Services Director
John Hetzel, ADOT Facilities Manager
jlbcwebmaster@azleg.gov

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE/LIFE/SAFETY	\$580,000	\$20,000
CATEGORY 2 - ROOFS	\$2,474,000	\$10,000
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CATEGORY 5 - INTERIOR BUILDING FINISHES	\$864,000	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$3,394,000	\$250,000
CATEGORY 7 - ADA COMPLIANCE	\$40,000	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$4,151,600	\$30,000
PROJECT MANAGEMENT SUPPORT	\$40,000	\$0
STATEWIDE BUILDING INVENTORY	\$600,000	\$0
CONTINGENCY	\$854,300	\$0
Total FY 2025 Building Renewal	\$22,082,800	\$457,300

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description

STATE HIGHWAY FUND (SHF)

CATEGORY 1 - FIRE/LIFE/SAFETY

SALT RIVER COMPLEX, Bldg. 1341 Equipment Shop - Replace FACP & devices
Capital Mall Shop, Bldg. 1032 Office/Equipment Services - Replace fire riser, sprinkler heads and devices
QUARTZSITE MAINT. YARD, Bldg. 2258 Fuel Station - Install ladders to fuel containment
YUMA MAINT & ADMIN COMPLEX- Repair/replace 3 fire hydrants
WILLCOX MAINT YARD #2, Bldg. 2586 OFFICE / CONSTRUCTION / MODULAR - Replace fire alarm panel & devices
WILLCOX MAINT YARD #2, Bldg. 2587 LABORATORY / MODULAR - Replace fire alarm panel & devices
SAFFORD ANNEX COMPLEX, Bldg. 2139 OFFICE / CONSTRUCTION / MODULAR - Replace fire alarm panel & devices
NOGALES MAINT. YARD, Bldg. 2171 OFFICE / EQUIPMENT STORAGE - Replace fire alarm panels & devices
KINGMAN COMPLEX, Bldg. 3033 OFFICE / MAINTENANCE / MODULAR - Replace fire alarm panel & devices
WEST PHOENIX MVD, Bldg. 1651 Office - Replace fire riser
CHANDLER MVD- Repair & replace fire line valves and backflow preventer
TRAFFIC OPNS CENTER, Bldg. 1711 Office - Repair fire damper
State Wide- ADOT statewide - Mold abatement & repair
State Wide- ADOT statewide - Lead paint abatement & repair
State Wide- ADOT statewide - Asbestos abatement & repair
State Wide- ADOT statewide - Repair fire alarm & suppression systems

TOTAL CATEGORY 1 - FIRE/LIFE/SAFETY

CATEGORY 2 - ROOFS

ADMIN BLDG, Bldg. 1005B Office - Repair roof deck
PHX CONST DIST -SURVEY OFFICE, Bldg. 1181 Office/Modular - Repair / replace roof
SAFFORD MAINT YARD, Bldg. 2132 FACILITIES SHOP - Repair, recoat roof
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Replace roof access
FREDONIA PORT OF ENTRY, Bldg. 3215 OFFICE / POE - Repair and replace roof
KINGMAN PORT OF ENTRY, Bldg. 3698 CANOPY / INSPECTION - Repair roof drainage
AGUA FRIA HWY MAINT, Bldg. 1613 Storage/Equipment - Repair / replace roof
PHOENIX DISTRICT HDQ., Bldg. 1706 Canopy - Repair / replace roof
PHOENIX DISTRICT HDQ., Bldg. 1708 Canopy - Repair / replace roof
PHOENIX DISTRICT HDQ., Bldg. 1716 Canopy/Annex - Repair / replace roof
PHOENIX DISTRICT HDQ., Bldg. 1717 Canopy - Repair / replace roof
DURANGO MAINT. YARD, Bldg. 1790 Parking Structure #4 - Repair / replace roof
YUMA MAINT & ADMIN COMPLEX, Bldg. 2031 STORAGE / EQUIPMENT - Repair / replace roof
COOLIDGE MAINT / MVD COMPLEX, Bldg. 2388 CANOPY - Repair / replace roof
YOUNG MAINT CAMP, Bldg. 2093 OFFICE / MAINTENANCE - Repair / replace roof
YOUNG MAINT CAMP, Bldg. 2094 STORAGE / EQUIPMENT - Repair / replace roof
YOUNG MAINT CAMP, Bldg. 2213 WATER SYSTEM / PUMP HOUSE - Repair / replace roof
YOUNG MAINT CAMP, Bldg. 2424 FUEL STATION - Repair / replace roof
TONTON BASIN MAINT CAMP, Bldg. 2227 WATER SYSTEM / WELL HOUSE - Repair / replace roof
MULE MT. STORAGE SITE, Bldg. 2117 STORAGE / SAND - Repair / replace roof
THREWAY (CLIFTON) MAINT / MVD COMPLEX, Bldg. 2143 OFFICE / EQUIPMENT STORAGE - Repair / replace roof
THREWAY (CLIFTON) MAINT / MVD COMPLEX, Bldg. 2204 STORAGE / SAND - Repair / replace roof
FLYING "V" MAINT. YARD, Bldg. 3238 STORAGE / EQUIPMENT - Repair / replace roof
MANY FARMS MAINT.YARD, Bldg. 3728 FUEL STATION - Repair / replace roof
SELIGMAN YARD, Bldg. 3543 STORAGE / SPREADER - Install roof
TEEC NOS POS MAINT. YARD, Bldg. 3876 STORAGE / DEICER - Repair / replace roof
BOUSE WASH REST AREA, Bldg. 2223 WATER SYSTEM / PUMP HOUSE - Repair / replace roof
State Wide- ADOT statewide - Repair roofs

TOTAL CATEGORY 2 - ROOFS

CATEGORY 3 - PRESERVATION OF ASSET

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description

STATE HIGHWAY FUND (SHF)

FACILITIES MGT WAREHOUSE, Bldg. 1003 Office/Shop - Replace roof access ladder
DOUGLAS POE/TRUCK INSPECTION STATION, Bldg. 2676 INSPECTION BAY / OFFICES - Repair / replace exterior doors, replace walkway
FREDONIA PORT OF ENTRY, Bldg. 3215 OFFICE / POE - Repair & paint exterior, upgrade exterior lighting
FREDONIA PORT OF ENTRY, Bldg. 3216 STORAGE - Repair & paint exterior, upgrade exterior lighting
EQUIPMENT SERVICES, Bldg. 1754 Equipment Shop/Light Duty - Repair & paint roll-up doors
EQUIPMENT SERVICES, Bldg. 1755 Equipment Shop/Heavy Duty - Repair & paint roll-up doors
EQUIPMENT SERVICES, Bldg. 1769 Wash Rack - Repair & paint exterior, and upgrade lighting
DOUGLAS MAINTENANCE YARD, Bldg. 2123 EQUIPMENT SHOP - Repair & paint exterior
TUCSON OPERATIONS YARD, Bldg. 2186 EQUIPMENT SHOP - Remove rusting connex, relocate evaporative cooler
TUCSON OPERATIONS YARD, Bldg. 2186 EQUIPMENT SHOP - Replace wall and ceiling insulation
PRESCOTT VALLEY YARD, Bldg. 3070 WASH RACK - Repair door frames
Springerville Maint. Yard, Bldg. 3323 Equipment Shop - Replace windows and rollup doors
NORTH PHOENIX MAINT. YARD, Bldg. 1257 Wash Rack - Upgrade lighting
AGUA FRIA HWY MAINT, Bldg. 1612 Storage/Equipment - Repair & paint exterior
PHOENIX DISTRICT HDQ., Bldg. 1702 Office/Landscaping Maint/Modular - Repair & paint exterior and doors
DURANGO MAINT. YARD, Bldg. 1780 Storage - Repair / replace metal sheeting, repair & paint structural steel
GILA BEND MAINT. YARD, Bldg. 2639 OFFICE / MAINTENANCE / MODULAR - Repair & paint exterior and doors
CASA GRANDE CONSTR YARD, Bldg. 2064 OFFICE / S & S - Repair & paint exterior and doors
CASA GRANDE CONSTR YARD, Bldg. 2067 LABORATORY / MODULAR - Repair & paint exterior and doors
CASA GRANDE CONSTR YARD, Bldg. 2371 CANOPY - Repair & paint exterior
CASA GRANDE MAINT YARD, Bldg. 2069 OFFICE / SHOP - Replace windows
SUPERIOR MAINT YARD, Bldg. 2396 RAMADA - Repair & paint exterior
GLOBE OPERATIONS YARD, Bldg. 2077 OFFICE / DISTRICT - Repair fascia stucco
GLOBE OPERATIONS YARD, Bldg. 2581 STORAGE / TANK / FUEL - Replace access ladders to fuel tanks
YOUNG MAINT CAMP, Bldg. 2093 OFFICE / MAINTENANCE - Repair & paint exterior and doors
ST. DAVID MAINT YARD, Bldg. 2115 OFFICE / EQUIPMENT STORAGE - Repair & paint exterior and doors
SAFFORD MAINT YARD, Bldg. 2131 OFFICE / EQUIPMENT STORAGE - Install bird netting for health reasons
CHAMBERS MAINT.YARD, Bldg. 3059 STORAGE / SPREADER / OLD - Repair & paint exterior
CHAMBERS MAINT.YARD, Bldg. 3386 STORAGE / SPREADER - Repair & paint exterior
COLCORD MAINT. YARD, Bldg. 3597 STORAGE / SPREADER - Repair & paint exterior
CORDES JCT. MAINT.YARD, Bldg. 3803 - Repair & paint exterior and doors
FLYING "V" MAINT. YARD, Bldg. 3238 STORAGE / EQUIPMENT - Replace windows
FORT ROCK MAINT. YARD, Bldg. 3062 WATER SYSTEM / PUMP HOUSE - Repair & paint exterior and doors
FORT ROCK MAINT. YARD, Bldg. 3499 OFFICE / MAINTENANCE / MODULAR - Repair & paint exterior and doors
FORT ROCK MAINT. YARD, Bldg. 3550 STORAGE / TANK / FUEL - Repair & paint exterior and doors
FORT ROCK MAINT. YARD, Bldg. 3658 WATER SYSTEM / WELL HOUSE - Repair & paint exterior and doors
INDIAN PINE MAINT. YARD, Bldg. 3303 Storage / Deicer - Repair concrete containment area phase 2
KAYENTA MAINT.YARD, Bldg. 3341 STORAGE / DEICER - Repair & paint exterior
LITTLE ANTELOPE MAINT. YARD, Bldg. 3208 STORAGE / DEICER - Repair corroded siding, roll up & man doors
PAGE YARD, Bldg. 3296 STORAGE / SPREADER - Repair & paint exterior
SHOW LOW YARD, Bldg. 3517 STORAGE / TANK / CHEMICAL - Repair Concrete Containment Area
TEEC NOS POS MAINT. YARD, Bldg. 3372 OFFICE / EQUIPMENT STORAGE - Repair & paint exterior
CHANDLER MVD, Bldg. 1921 Office/MVD - Repair & paint exterior and doors
CHANDLER MVD, Bldg. 1922 Canopy - Repair & paint exterior
CHANDLER MVD, Bldg. 1923 Canopy - Repair & paint exterior
CHANDLER MVD, Bldg. 1924 Canopy/Inspection - Repair & paint exterior
CASA GRANDE MVD, Bldg. 2070 OFFICE / MVD - Upgrade windows
COOLIDGE MAINT / MVD COMPLEX, Bldg. 2071 OFFICE / MVD - Replace windows
KINGMAN COMPLEX, Bldg. 3051 OFFICE / MVD - Repair 30 building expansion joints
State Wide- ADOT statewide - Repair doors, windows & other exterior features and surfaces
State Wide- ADOT statewide - Repaint/repair exterior surfaces

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description

STATE HIGHWAY FUND (SHF)

TOTAL CATEGORY 3 - PRESERVATION OF ASSET

CATEGORY 4 - MAJOR BUILDING SYSTEMS

OLD M V D, Bldg. 1001C Office/Modular - Replace six HVAC units
ADMIN BLDG, Bldg. 1005B Office - Install new electrical switch gear and distribution panels
ADMIN BLDG, Bldg. 1005A Office - Repair leaking chilled water piping
DOUGLAS POE/TRUCK INSPECTION STATION, Bldg. 2675 OFFICE/POE - Replace UPS batteries
NOGALES PORT OF ENTRY, Bldg. 2270 INSPECTION BAY / OFFICES - Replace HVAC system
NOGALES PORT OF ENTRY, Bldg. 2270 INSPECTION BAY / OFFICES - Replace inspection pit netting
NOGALES PORT OF ENTRY, Bldg. 2270 INSPECTION BAY / OFFICES - Replace inspection pit sump pumps
FREDONIA PORT OF ENTRY, Bldg. 3215 OFFICE / POE - Replace HVAC unit
ST. GEORGE PORT OF ENTRY, Bldg. 3194 OFFICE / POE - Replace HVAC (4 units)
EQUIPMENT SERVICES, Bldg. 1754 Equipment Shop/Light Duty - Plumbing repairs
EQUIPMENT SERVICES, Bldg. 1755 Equipment Shop/Heavy Duty - Repair electrical system
EQUIPMENT SERVICES, Bldg. 1755 Equipment Shop/Heavy Duty - Plumbing repairs
EQUIPMENT SERVICES, Bldg. 1755 Equipment Shop/Heavy Duty - Repair HVAC
SAFFORD MAINT YARD, Bldg. 2702 EQUIPMENT SHOP - Repair HVAC system
TUCSON OPERATIONS YARD, Bldg. 2192 STORAGE / PAINT - Repair electrical & HVAC systems
PAYSON YARD, Bldg. 3137 EQUIPMENT SHOP - Replace interior lighting
PRESCOTT VALLEY YARD, Bldg. 3071 STORAGE / EQUIPMENT - Replace lighting
PRESCOTT VALLEY YARD, Bldg. 3265 STORAGE / SPREADER - Replace lighting
ENGINEERING BLDG, Bldg. 1004 Office - Replace chiller valve vault, install additional valves
DURANGO MAINT. YARD, Bldg. 1725 Storage/Supplies - Repair / replace evaporative coolers
WICKENBURG MAINT.YARD, Bldg. 1820 - Repair fuel station electrical connections
QUARTZSITE MAINT. YARD, Bldg. 2256 Storage - Replace exterior and interior lighting
CASA GRANDE MAINT YARD, Bldg. 2069 OFFICE / SHOP - Replace floor drains
SUPERIOR MAINT YARD, Bldg. 2075 STORAGE / EQUIPMENT - Replace HVAC system
ROOSEVELT MAINT YARD, Bldg. 1001A OFFICE - Upgrade Electrical Systems
YOUNG MAINT CAMP, Bldg. 2093 OFFICE / MAINTENANCE - Replace heat pump
SAFFORD MAINT YARD, Bldg. 2596 STORAGE / DEICER - Replace magnesium chloride tank
SAFFORD DIST OFFICE COMPLEX, Bldg. 2134 OFFICE / DISTRICT - Furnish Acfor IT distribution room
THREWAY (CLIFTON) MAINT / MVD COMPLEX, Bldg. 2701 WASH RACK - Replace water pressure tank
GREY PEAK MAINT CAMP, Bldg. 2145 RESIDENCE 2/2 - Repair / replace septic system
CAMP VERDE MAINT. YARD, Bldg. 3632 STORAGE - Replace interior lighting with LED
COLCORD MAINT. YARD, Bldg. 3846 STORAGE / LIQUID DEICER - Renovate containment area
CORDES JCT. MAINT.YARD, Bldg. 3801 OFFICE COMPLEX - Install propane shut-off valve at building
HOLBROOK YARD, Bldg. 3245 LABORATORY - Replace 5 ton HVAC unit
OAK CREEK RIM MAINT.YARD, Bldg. 3128 STORAGE / EQUIPMENT - Replace septic system
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Replace dust collection system
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Repair electrical service
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Repair HVAC
AVONDALE MVD, Bldg. 1602 Office - Upgrade interior lighting
WEST PHOENIX MVD, Bldg. 1651 Office - Replace main floor air handler unit
CASA GRANDE MVD, Bldg. 2218 INSPECTION BAY - Replace evaporative cooler
COOLIDGE MAINT / MVD COMPLEX, Bldg. 2071 OFFICE / MVD - Repair HVAC
COTTONWOOD MVD, Bldg. 3098 OFFICE / MVD - Replace HVAC equipment
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Repair water line in restroom, install pressure tank
EHRENBERG REST AREA, Bldg. 2225 Water System/Pump House - Repair electrical equipment
PAINTED CLIFFS REST AREA- Install site wide reverse osmosis unit
MCGUIREVILLE REST AREA, Bldg. 3647 WASTE WATER SYSTEM - Renovate lift station with new pumps, piping, and controls
MCGUIREVILLE REST AREA- Replace electrical power to pond aerators

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description

STATE HIGHWAY FUND (SHF)

MCGUIREVILLE REST AREA- Rehab wastewater lagoon
State Wide- ADOT statewide - Retrofit unserviceable light fixtures
State Wide- ADOT statewide - Repair elevator systems
State Wide- ADOT statewide - Repair plumbing systems
State Wide- ADOT statewide - Repair electrical systems
State Wide- ADOT statewide - Service building electrical systems
State Wide- ADOT statewide - Repair HVAC systems
State Wide- ADOT statewide - HVAC control systems
State Wide- ADOT statewide - Repair HVAC systems in ASD buildings
State Wide- ADOT statewide - Repair HVAC systems in ECD buildings
State Wide- ADOT statewide - Repair HVAC systems in EQS buildings
State Wide- ADOT statewide - Repair HVAC systems in IDO buildings
State Wide- ADOT statewide - Repair HVAC systems in MVD buildings
State Wide- ADOT statewide - Repair HVAC systems in TSMO buildings

TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS

CATEGORY 5 - INTERIOR BUILDING FINISHES

HUMAN RESOURCES DEV. CENTER, Bldg. 1161 Office/Training - Paint hallway walls
TUCSON REGIONAL MVD, Bldg. 2150 OFFICE / MVD - Reconfigure ECD customer service area
FREDONIA PORT OF ENTRY, Bldg. 3215 OFFICE / POE - Repair & paint interior; replace flooring
TEEC NOS POS PORT OF ENTRY, Bldg. 3364 OFFICE / MVD / MODULAR - Repair casework workstations
TEEC NOS POS PORT OF ENTRY, Bldg. 3364 OFFICE / MVD / MODULAR - Replace flooring
CENTRAL (MATERIALS) LAB, Bldg. 1121 Laboratory - Replace epoxy flooring
PHOENIX DISTRICT HDQ., Bldg. 1701 Office/Lab - Replace laboratory HVAC & access door (stainless steel)
QUARTZSITE MAINT. YARD, Bldg. 2010 Storage/Equipment-Repair, replace wall and ceiling insulation as needed
COLCORD MAINT. YARD, Bldg. 3186 OFFICE / EQUIPMENT STORAGE - Replace failing concrete flooring
FREDONIA MAINT. YARD, Bldg. 3219 OFFICE / EQUIPMENT STORAGE - Replace unserviceable floor tile in offices
N.W. PHOENIX REGIONAL MVD, Bldg. 1431 Office/MVD - Repair & paint interior
CLAYPOOL MVD, Bldg. 2076 OFFICE / MVD - Replace flooring
TUCSON REGIONAL MVD, Bldg. 2150 OFFICE / MVD - Replace 2nd floor covering
TUCSON COMMERCIAL DL, Bldg. 2159 OFFICE / MVD / CDL - Renovate lobby
State Wide- ADOT statewide - Repair/replace casework
State Wide- ADOT statewide - Repaint/repair interior surfaces
State Wide- ADOT statewide - Repair/replace flooring

TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES

CATEGORY 6 - RECONFIGURE OR REMODEL

OLD M V D, Bldg. 1001C Office/Modular - Relocate modular to Yuma phase 2
ADMIN BLDG, Bldg. 1005B Office - Reconfigure office lobby
ST. GEORGE PORT OF ENTRY, Bldg. 3194 OFFICE / POE - Renovate CSR area
EQUIPMENT SERVICES, Bldg. 1754 Equipment Shop/Light Duty - Renovate first floor restrooms
ENGINEERING BLDG, Bldg. 1004 Office - Design renovation of first floor offices & restrooms
ENGINEERING BLDG 1004 Office-Renovate basement restroom
ENGINEERING BLDG 1004 Office-Renovate first floor restrooms
EAST FLAGSTAFF MAINT. YARD, Bldg. 3173 OFFICE / EQUIPMENT STORAGE - Renovate restrooms and break area
SHOW LOW YARD, Bldg. 3275 OFFICE / MAINTENANCE - Renovate building (phase 2)
WINSLOW WEST YARD, Bldg. 3227 OFFICE / MVD - Renovate building
TRAFFIC SIGNAL SIGNS & STRIPING YARD, Bldg. 1746 Shop/S & S/Interstate - Convert office space to storage
State Wide- ADOT statewide - Perform general repairs

TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description

STATE HIGHWAY FUND (SHF)

CATEGORY 7 - ADA COMPLIANCE

COOLIDGE MAINT / MVD COMPLEX, Bldg. 2071 OFFICE / MVD - Replace ADA ramp

State Wide- ADOT statewide - ADA compliance repairs/renovations

TOTAL CATEGORY 7 - ADA COMPLIANCE

CATEGORY 8 - INFRASTRUCTURE

ADMIN BLDG, Bldg. 1005B Office - Relocate underground utilities

NOGALES PORT OF ENTRY- Upgrade site drainage to prevent flooding in credential booths

SPRINGVILLE PORT OF ENTRY- Modify site utilities

SALT RIVER COMPLEX- Improve site drainage

AGUA FRIA HWY MAINT- Improve site drainage

WICKENBURG MAINT.YARD, Bldg. 1817 - Repair site electrical equipment

GLOBE OPERATIONS YARD, Bldg. 2583 WATER SYSTEM / TANK - Replace water storage tank

GLOBE OPERATIONS YARD- Replace entrance fence gates

PARKER CREEK MAINT CAMP- Upgrade site security lighting

YOUNG MAINT CAMP- Upgrade site security lighting

TONTO BASIN MAINT CAMP- Repair concrete culverts

TONTO BASIN MAINT CAMP- Upgrade site security lighting

TUCSON OPERATIONS YARD- Reconstruct drainage channel

ASHFORK MAINT. YARD, Bldg. 3497 HISTORIC BUILDING - Improve site drainage to prevent flooding

FREDONIA MAINT. YARD- Upgrade site and building exterior lighting

GANADO MAINT. YARD- Place 3' wide x 60' long concrete sidewalk from mechanical room to wash bay

LITTLE ANTELOPE MAINT. YARD- Repair / replace pavement

LITTLE ANTELOPE MAINT. YARD, Bldg. 3506 WATER SYSTEM / TANK - Replace water storage tank and truck fill piping

TEMPE MVD- Upgrade site and building exterior lighting

WEST PHOENIX MVD- Repair and seal pavement

WEST PHOENIX MVD- Install perimeter fencing and gates

TUCSON COMMERCIAL DL- Reseal and restripe test track and parking

NOGALES MVD- Repair / repave pavement and walkways, repair / replace site fencing

TUCSON NORTH MVD- Reseal and restripe south parking lot

PRESCOTT PIONEER PARK- Repair, seal and restripe pavement

SHOWLOW YARD- Repair, seal and stripe motor cycle test track

WINDOW ROCK- Repair retention wall

BOUSE WASH REST AREA- Replace reverse osmosis system and chlorinator

BURNT WELL REST AREA- Replace reverse osmosis systems

SACATON REST AREA- Install screens and grinder pump system (site septic)

SONOITA MAINTENANCE YARD- Replace reverse osmosis systems

SONOITA MAINTENANCE YARD- Install new water storage tank

METEOR CRATER REST AREA- Rehab wastewater lagoon

State Wide- ADOT statewide - Repair fencing, gates & barrier walls

State Wide- ADOT statewide - Repair parking lot pavements/curbing/stripping

State Wide- ADOT statewide - Repair site wells, gas, water and wastewater system deficiencies

TOTAL CATEGORY 8 - INFRASTRUCTURE

TOTAL OF ALL SHF PROJECTS REQUESTED

PROJECT MANAGEMENT SUPPORT

ADOT Statewide - Conduct building inventory

CONTINGENCY

TOTAL AUTHORIZED SHF FUNDS

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2025 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description

STATE HIGHWAY FUND (SHF)

SUMMARY BY CATEGORY

- CATEGORY 1 - FIRE/LIFE/SAFETY
- CATEGORY 2 - ROOFS
- CATEGORY 3 - PRESERVATION OF ASSET
- CATEGORY 4 - MAJOR BUILDING SYSTEMS
- CATEGORY 5 - INTERIOR BUILDING FINISHES
- CATEGORY 6 - RECONFIGURE OR REMODEL
- CATEGORY 7 - ADA COMPLIANCE
- CATEGORY 8 - INFRASTRUCTURE
- PROJECT MANAGEMENT SUPPORT
- STATEWIDE BUILDING INVENTORY
- CONTINGENCY
- TOTAL AUTHORIZED SHF FUNDS**

ARIZONA DEPARTMENT OF TRANSPORTATION
 FY 2025 BUILDING RENEWAL ALLOCATION
 BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
STATE AVIATION FUND	
CATEGORY 1 - FIRE/LIFE/SAFETY	
GRAND CANYON AIRPORT- Repair fire alarm & sprinkler systems	\$10,000
GRAND CANYON AIRPORT- Abate asbestos, lead paint & environmental hazards	\$10,000
TOTAL CATEGORY 1 - FIRE/LIFE/SAFETY	<u>\$20,000</u>
CATEGORY 2 - ROOFS	
GRAND CANYON AIRPORT- Repair roofs	\$10,000
TOTAL CATEGORY 2 - ROOFS	<u>\$10,000</u>
CATEGORY 3 - PRESERVATION OF ASSET	
GRAND CANYON AIRPORT- Repaint/repair exterior surfaces & doors	\$36,300
GRAND CANYON AIRPORT- Replace/repair windows	\$10,000
TOTAL CATEGORY 3 - PRESERVATION OF ASSET	<u>\$46,300</u>
CATEGORY 4 - MAJOR BUILDING SYSTEMS	
GRAND CANYON AIRPORT- Repair elevator	\$5,000
GRAND CANYON AIRPORT- Repair electrical systems	\$6,000
GRAND CANYON AIRPORT- Repair plumbing	\$10,000
GRAND CANYON AIRPORT- Repair / replace HVAC systems	\$50,000
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	<u>\$71,000</u>
CATEGORY 5 - INTERIOR BUILDING FINISHES	
GRAND CANYON AIRPORT- Replace/repair flooring	\$10,000
GRAND CANYON AIRPORT- Repaint/repair interior	\$10,000
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	<u>\$20,000</u>
CATEGORY 6 - RECONFIGURE OR REMODEL	
GRAND CANYON AIRPORT- General repairs	\$250,000
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	<u>\$250,000</u>
CATEGORY 7 - ADA COMPLIANCE	
GRAND CANYON AIRPORT, Bldg. - Repair ADA	\$10,000
TOTAL CATEGORY 7 - ADA COMPLIANCE	<u>\$10,000</u>
CATEGORY 8 - INFRASTRUCTURE	
GRAND CANYON AIRPORT- Repair water & waste water systems	\$10,000
GRAND CANYON AIRPORT- Repair / replace pavement, sidewalks, & signage	\$10,000
GRAND CANYON AIRPORT- Repair / replace fence, gates & barrier walls	\$10,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	<u>\$30,000</u>
TOTAL OF ALL STATE AVIATION FUND PROJECTS REQUESTED	\$457,300
PROJECT MANAGEMENT SUPPORT	0
CONTINGENCY	0
TOTAL AUTHORIZED STATE AVIATION FUNDS	<u>\$457,300</u>

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE/LIFE/SAFETY	\$20,000
CATEGORY 2 - ROOFS	\$10,000
CATEGORY 3 - PRESERVATION OF ASSET	\$46,300
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$71,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$250,000
CATEGORY 7 - ADA COMPLIANCE	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$30,000
PROJECT MANAGEMENT SUPPORT	\$0
CONTINGENCY	\$0
TOTAL AUTHORIZED STATE AVIATION FUNDS	<u>\$457,300</u>



STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 6, 2024

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Transportation – Vehicle Fueling Facilities

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. The Arizona Department of Transportation (ADOT) is requesting review of \$9,088,200 appropriated from the State Highway Fund in FY 2025 for increased costs associated with the replacement of vehicle fueling facilities that received appropriations in prior years.

The Committee previously favorably reviewed a total of \$7,798,100 in prior years (\$1,800,000 in FY 2022, \$3,398,100 in FY 2023, and \$2,600,000 in FY 2024) from the State Highway Fund for the replacement of vehicle fueling facilities at the following locations: Flagstaff, Kingman, Needle Mountain, Tucson, Willcox, Three Points, St. David, Springerville, Chambers, and Holbrook. The additional \$9,088,200 was appropriated for increased costs of the replacements.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following Chairman's provision:

- A. By 10 days before the next JCCR meeting, the department shall report the following information to the Chairman and JLBC Staff: the projected beginning construction date and the projected completion date of each of the 10 fueling facility projects. ADOT shall update this information on each of the 10 fueling facilities in their quarterly capital report until the completion of the projects.

Key Points

- 1) ADOT manages 57 vehicle fueling facilities across the state, with an average lifecycle of 30 years.
- 2) ADOT is proposing to spend a total of \$16.9 million to replace 10 vehicle fueling facilities at the following locations: Flagstaff, Kingman, Needle Mountain, Tucson, Willcox, Three Points, St. David, Springerville, Chambers, and Holbrook.
- 3) Of this amount, \$7.1 million was appropriated in prior years and previously reviewed by the Committee. The remaining \$9.1 million was appropriated in FY 2025 to fund the difference between ADOT's original estimates and the bids received for replacements.

Analysis

ADOT manages 57 vehicle fueling facilities located throughout the state. The department reports that the average lifecycle for a typical fueling system is 30 years. Currently, ADOT has 16 of 57 fuel facilities that have fueling equipment that is more than 30 years old with single wall tanks.

ADOT plans to spend a total of \$16.9 million to replace 10 vehicle fueling facilities located in Flagstaff, Kingman, Needle Mountain, Tucson, Willcox, Three Points, St. David, Springerville, Chambers, and Holbrook. Of this amount, \$7.1 million is from prior year appropriations that previously received a favorable review by the Committee. The remaining \$9.1 million was appropriated in FY 2025 to fund increased cost estimates. *Table 1* below provides the expenditure plan for the total \$16.9 million in appropriations for vehicle fueling replacements by location grouping.

Location	Cost Estimate
FY 2022 Flagstaff, Kingman, Needle Mountain	\$ 4,412,400
FY 2023 Tucson, Willcox, Three Points, St. David	7,098,800
FY 2024 Springerville, Chambers, Holbrook	<u>5,375,100</u>
Total Appropriated Budget	\$16,886,300

As shown in the table, location groupings received initial funding from FY 2022 through FY 2024. In addition, the cost estimates in the table include the allocation of the \$9.1 million appropriated in FY 2025 across the location groupings. ADOT states that bids received for these projects were considerably higher than their original cost estimates, and the \$9.1 million will be sufficient to cover the remaining costs.

These fueling facilities will replace the aging underground fuel tanks with modern, above ground tanks that include new covered dispenser islands. The department states that the underground tanks are prone to leaking while the new, above ground tanks will minimize environmental exposures.

JJ: JBu

August 19, 2024



The Honorable David Livingston
Chairman, Joint Committee on Capital Review
1716 West Adams
Phoenix, AZ 85007

Dear Representative Livingston:

The Arizona Department of Transportation (ADOT) respectfully requests to be placed on the agenda of the next Joint Committee on Capital Review (JCCR) meeting for review of the following project:

Capital Improvement Project	Previously Appropriated and Reviewed by JCCR Amounts	FY 2025 Capital Appropriation	Total Appropriated Amounts
Additional vehicle fueling replacement funding for facilities located in Flagstaff, Needle Mountain, Kingman, Tucson, Willcox, Three Points, Saint David, Springerville, Chambers and Holbrook	\$7,798,100	\$9,088,200	\$16,886,300

State Wide Fuel Facility Replacements

ADOT was previously appropriated Capital funding in FY 2022, FY 2023, FY 2024 to support the replacement of aging statewide fueling facilities by removing underground “leak-prone” fuel tanks, installing modern above ground tanks, and building new covered dispenser islands. This effort modernizes critical fueling operations statewide and minimizes environmental exposures for ADOT after experiencing two underground fuel leaks in Avondale and Needle Mountain.

Fiscal Year	Facilities and Project Status	Lapse Date	Appropriation
FY 2022 FY 2023 Supplemental	Flagstaff, Needle Mountain, and Kingman <i>Construction documents complete; statutory review complete; bids received</i>	06/30/2025	\$ 1,800,000 + \$ 371,200 \$ 2,171,200
FY 2023	Tucson, Three Points, Willcox, and St. David <i>Construction documents 90% complete; preparing for statutory review submittal</i>	N/A	\$ 3,026,900
FY 2024	Springerville, Chambers, and Holbrook <i>Project design starting; team site visit scheduled</i>	N/A	\$ 2,600,000
	Total		\$7,798,100

In the summer of 2023 (FY 2024) the Flagstaff, Needle Mountain, and Kingman fueling facilities were publicly bid by ADOT Procurement and the resulting bids, received in early September 2023, were considerably over the original project appropriation. An evaluation of the bid results indicated construction industry escalations experienced in FY 2022, FY 2023, and FY 2024 were insufficiently accounted for in the original project cost estimations. Additional escalation factors inherent to uncontrollable market conditions within the fuel industry providing the very specialized equipment and components required also contributed to the bid overages.

The general construction industry experienced inflation of more than 20% per year in FY 2022 and FY 2023. In FY 2024, the average was approximately 15% and similar inflation is expected in FY 2025.

The additional FY 2025 funding of \$9,088,200 to support the current estimated cost of these projects is shown below. However, the allocations among the projects may change based on market conditions:

Appropriation	FY 2022 - FY 2024 Appropriations	FY 2025 Appropriation	Grand Total
FY 2022 Flagstaff / Kingman / Needle Mountain ¹	\$2,171,200	\$2,241,200	\$4,412,400
FY 2023 Tucson / Willcox / Three Points / St. David	\$3,026,900	\$4,071,900	\$7,098,800
FY 2024 Springerville / Chambers / Holbrook	\$2,600,000	\$2,775,100	\$5,375,100
Total	\$7,798,100	\$9,088,200	\$16,886,300

¹The original FY 2022 appropriation was \$1,800,000, in FY 2023 an additional \$371,200 was appropriated due to inflation.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact David Bolter, ADOT Budget Manager, at (602) 712-8917.

Sincerely,



Jennifer Toth
Director

Cc: The Honorable John Kavanagh, Vice-Chairman, JCCR
 Sarah Brown, Director, Office of Strategic Planning and Budgeting
 Richard Stavneak, Director, Joint Legislative Budget Committee (JLBC)
 Jordan Johnston, JLBC Analyst
 Zachary Harris, OSPB Budget Manager
 Floyd Roehrich, Jr, PE, ADOT Director's Office, Deputy Director-Business Enterprise
 Teri Kennedy, ADOT Administrative Services Director
 John Hetzel, ADOT Facilities Manager
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