



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

January 21, 2025

The Chairman called the meeting to order at 9:33 a.m., Tuesday, January 21, 2025 in Senate Hearing Room 109. The following were present:

Members:	Senator Kavanagh, Chairman	Representative Livingston, Vice-Chairman
	Senator Alston	Representative Carbone
	Senator Kuby	Representative De Los Santos
	Senator Sundareshan	Representative Gress
		Representative Travers
		Representative Way
Absent:	Senator Finchem	Representative Stahl-Hamilton
	Senator Shamp	
Excused:	Senator Farnsworth	

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of December 18, 2024. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

1. ADOPTION OF COMMITTEE RULES AND REGULATIONS.

The Committee considered two technical changes to its rule and regulations. Rule 6 (5) was revised to match the existing statutory language that review of new capital projects is required if a project has a cost of MORE THAN \$250,000. The old rule language could be interpreted to apply to projects only with a specific cost of \$250,000. Rule 6 (14) was revised to update the old School Facilities Board reference to its current name, the School Facilities OVERSIGHT Board.

2A. UNIVERSITY OF ARIZONA (UA) - Review of the Center for Applied Molecular and Immunological Therapies (CAMI) Building.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA) requested Committee review of \$75,000,000 in bond issuances to construct a new research facility for the Center for Advanced Molecular and Immunological Therapies (CAMI) at UA's Phoenix Biomedical Core (PBC) campus. The JLBC Staff provided options and potential 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 operations and maintenance costs when the project is complete.*
- B. *UA 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, UA 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.*

2B. UNIVERSITY OF ARIZONA (UA) - Consider Approval of Deferred Maintenance Projects.

A.R.S. § 15-1671 requires Committee approval of any debt financed university capital projects paid for with funds from the university's Capital Infrastructure Fund (CIF). The University of Arizona (UA) requested Committee approval of \$45,000,000 in bond issuances for deferred maintenance projects on its Main Campus. The JLBC Staff provided options and potential provisions:

- A. *An approval by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.*
- B. *UA 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, UA shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date by type of building system, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

2C. UNIVERSITY OF ARIZONA (UA) - Review of UA Health Sciences Building 201 Renovation.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA) requested Committee review of \$10,700,000 in bond issuances to renovate the UA Health Sciences (UAHS) Building 201. UA will fund the debt service with UAHS local funds. The JLBC Staff provided options and potential provisions:

- A. *An favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.*

- B. *UA 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, UA 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.*

2D. UNIVERSITY OF ARIZONA (UA) - Review of Arizona Public Media Building.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA) requested Committee review of \$20,000,000 in bond issuances to construct a new facility for its Arizona Public Media (AZPM) building. UA will fund debt service payments and an additional \$43,000,000 in projects costs with AZPM gift revenue, for total project costs of \$63,000,000.

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.*
- B. *UA 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, UA 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.*

Representative Livingston moved that the Committee:

- *Adopt the committee rules and regulations as they appear in item 1.*
- *Approve item 2B and give a favorable review of item 2C with the standard university financing provisions.*
- *Give a favorable review of the Vice-Chairman's options for consent agenda items 2A and 2D with the expectation that the University of Arizona will not seek Committee review of additional bond financing for either project if additional resources are needed, including the standard university financing provisions.*

The motion carried by voice vote.

Without objection, the meeting adjourned at 9:34 a.m.

Respectfully submitted:

Jennifer Burns

Jennifer Burns, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, Chairman