

ARIZONA

ADOA BUILDING SYSTEM CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2022

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FY 2022 ADOA Building System Capital Improvement Plan

EXECUTIVE SUMMARY

TABLE 4—FY 2022 BUILDING RENEWAL FORMULA

Funds	Agency	FY 2022 Formula	FY 2023 Formula	Gross Square Feet
Dedicated	Corrections, State Department of	\$ 28,070,079	\$ 28,673,024	8,791,234
Dedicated	Game and Fish Department, Arizona	\$ 1,213,426	\$ 1,239,490	859,189
Dedicated	Lottery Commission, Arizona State	\$ 152,755	\$ 156,037	47,600
Dedicated Funds Source Agencies		\$ 29,436,259	\$ 30,068,550	\$ 9,698,023
Non-Dedicated Funds Source Agencies		\$ 49,831,484	\$ 50,901,863	14,163,313
TOTAL		\$ 79,267,743	\$ 80,970,414	\$ 23,861,336

ADOA recommends full funding of the FY 2022 Building Renewal Formula.

TABLE 5—FY 2022 CAPITAL PROJECT RECOMMENDATIONS

Agency	Location	Project Name	Funds Source	Cost
ADOA	Capitol Mall	Historic State Capitol Comprehensive Building Restoration	General Fund	\$ 2,900,000
ADOA	Capitol Mall	Air Handler Upgrades at 1700 W Washington House & Senate Phase 2	General Fund	\$ 3,500,000
Corrections	ASPC-Eyman	Fire Systems Upgrades	General Fund	\$ 22,636,426
Corrections	ASPC-Eyman	Refurbish Pod, Cell and Shower Doors	General Fund	\$ 9,180,000
Deaf and the Blind	Tucson	Classroom Notification System Replacement	General Fund	\$ 300,000
Exposition and State Fair	Phoenix	Phase 3 Coliseum Fire Alarm	General Fund	\$ 1,000,000
Health Services	ASH	Demolish Granada, Wick and Juniper buildings	General Fund	\$ 3,150,000
Public Safety	Phoenix	New South Mountain District Office	General Fund	\$ 6,300,000
Public Safety	Statewide	Modular Housing and Office Replacements	General Fund	\$ 4,050,000
Total Recommendations				\$ 53,016,426

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ADOA BUILDING SYSTEM AND CAPITAL IMPROVEMENT PLAN

The Arizona Department of Administration (ADOA) Building System was established pursuant to A.R.S. § 41-793, concurrent with the Arizona Board of Regents (ABOR) Building System and the Arizona Department of Transportation (ADOT) Building System. The ADOA Building System is the largest of the three and includes buildings occupied by 23 State agencies, boards, and commissions. All agencies in the ADOA Building System are directed by A.R.S. § 41-793 to provide an annual agency CIP to ADOA. Each Building System is responsible for submitting a Capital Improvement Plan (CIP) to the Governor no later than October 15 of each year. The CIP includes proposals for State spending on land acquisition, capital projects, energy systems, energy management systems, and building renewal.

Building System Inventory

As of June 30, 2020, the Building System has an inventory of 4,557 structures comprised of 23,861,336 Gross Square Feet (GSF) and a calculated replacement value of \$5,189,698,313 (*see Table 1: ADOA Building System Inventory–FY 2020*). ADOA revises its Building System Inventory each year to include structure acquisitions and deletions as reported by Building System agencies, escalations or de-escalations of structure replacement values, and two fiscal years of forecasted building renewal requirements. The inventory also provides Marshall & Swift Construction Class, Construction Year, fire suppression/sprinkler system status, Facility Occupancy

Category, and other allied information.

ADOA inspects structures and reports their status to the Governor’s Office and the Legislature once every four fiscal years. ADOA General Services Division, Planning & Construction Services section reports on the condition, maintenance, and utilization of buildings inspected during the prior fiscal year on an approximate schedule of 50% of buildings within the first two years and 50% of buildings in the following two years of the four-year cycle pursuant to A.R.S. § 41-793. After the FY 2009 budget reductions, ADOA suspended its quadrennial inspections of the Building System. As of FY 2013, ADOA resumed inspections and is incrementally carrying out its statutory obligation to inspect building system structures as staffing and new capital projects inspections permit.

Many of the Building System’s structures and major building components have exceeded their useful lives or succumbed to the effects of deferred maintenance. There are widespread deficiencies in fire and life safety systems, roofs, HVAC, electrical, plumbing, control systems, parking lots, and interior finishes. A chronic lack of funding for basic routine and capital maintenance is the genesis of the poor condition of the Building System.

Building inspection reports are available for review by contacting ADOA Planning & Construction Services at 602-542-4438.

Table I–ADOA Building System Inventory Fiscal Year Ending June 30, 2020

Agency	Number of Structures	2020 Replacement Value	FY 2022 Building Renewal	FY 2023 Building Renewal	Gross Square Feet
Administration, Arizona Department of	58	\$879,958,540	\$13,802,166	\$14,098,637	4,601,931
ADOA, Legislature	7	\$80,919,989	\$2,057,888	\$2,102,091	303,388
Agriculture, Arizona Department of	5	\$724,027	\$14,203	\$14,509	10,154
AHCCCS	3	\$35,516,531	\$640,724	\$654,487	164,080
Corrections, State Department of	1,518	\$2,087,583,479	\$28,070,079	\$28,673,024	8,791,234
Deaf and the Blind, Arizona State Schools for the	49	\$130,230,355	\$2,198,083	\$2,245,298	509,799
Economic Security, Department of	106	\$136,445,741	\$3,243,997	\$3,313,678	612,445
Emergency and Military Affairs, Department of	562	\$569,783,250	\$9,198,778	\$9,396,367	3,721,978
Environmental Quality, Arizona Department of	1	\$2,036,673	\$50,052	\$51,127	4,504
Exposition & State Fair Board, Arizona	26	\$112,572,306	\$2,862,115	\$2,923,593	681,147
Forestry and Fire Management, Arizona Department of	4	\$1,884,948	\$35,731	\$36,498	12,206
Game and Fish Department, Arizona	482	\$95,240,910	\$1,213,426	\$1,239,490	859,189
Health Services, Department of	61	\$286,891,342	\$4,262,328	\$4,353,883	814,052
Historical Society of Arizona, Prescott	22	\$20,821,306	\$354,487	\$362,102	73,724
Historical Society, Arizona	23	\$54,479,553	\$1,159,024	\$1,183,920	208,572
Judiciary, Arizona Supreme Court	1	\$72,531,321	\$1,099,821	\$1,123,445	257,207
Juvenile Corrections, Department of	51	\$70,085,669	\$1,387,000	\$1,416,792	225,334
Lottery Commission, Arizona State	2	\$8,852,869	\$152,755	\$156,037	47,600
Parks Board, Arizona State	1,121	\$139,694,312	\$2,396,717	\$2,448,199	814,895
Pioneers Home, Arizona	10	\$14,298,003	\$353,119	\$360,704	66,140
Power Authority, Arizona	3	\$8,809,774	\$71,554	\$73,091	12,324
Public Safety, Department of	401	\$152,557,226	\$2,636,974	\$2,693,616	658,920
Veterans Services, Department of	40	\$227,780,191	\$2,006,697	\$2,049,800	410,413
Grand Total	4,556	\$5,189,698,313	\$79,267,717	\$80,970,388	23,861,236

BUILDING RENEWAL & CAPITAL OUTLAY STABILIZATION FUND

A.R.S. § 41-790 defines building renewal as “...major activities that involve the repair or reworking of a building and the supporting infrastructure that will result in maintaining a building’s expected useful life. Building renewal does not include new building additions, new infrastructure additions, landscaping and area beautification, routine preventative maintenance except as provided in section 41-793.01, subsection D, or demolition and removal of a building...” A.R.S. § 41-793.01(D) directs that ADOA may use up to 8% of the amount appropriated for routine preventative maintenance. Given the years of deferred major maintenance in the Building System, ADOA prioritizes building renewal projects over routine preventative maintenance, which is normally a routine operations function and funded expense.

Building Renewal Formula

A.R.S. § 41-793 directs ADOA to 1) determine the amount of appropriation required to fund building renewal on an annual basis according to a formula approved by the legislature; and 2) allocate appropriated building renewal monies to agencies of the Building System.

The building renewal formula approved by the Legislature is the Sherman-Dergis Formula developed in 1981 at the University of Michigan. In simple terms, the Sherman-Dergis Formula estimates at a high level the funding requirements for major maintenance over time. The basic premises are:

The formula to determine the annual appropriation required for building renewal for each building is based on construction costs and calculated as follows: Two-Thirds Building Value (BV) multiplied by the Building Age (BA), then divided by the Life Expectancy of the structure (n) or otherwise expressed as

$$\frac{2/3(BV)BA}{n}$$

The formula reflects the current year building replacement value by updating the original construction cost, using a national building cost index. ADOA uses the building cost index from the Marshall & Swift Valuation Service to reflect its current year building replacement value.

The Age Factor = Building Age/Life Expectancy of the building (n). For example, the ADOA Life Expectancy is 50 years, therefore n=1,275, which is derived by progressively compounding by addition,

1+2+3+4+5...49+50. Building renewal, on average, should cost no more than two-thirds of the cost of new construction, thus creating the building renewal constant multiplier of 2/3.

The formula recognizes that building renewal should cost less than building replacement and that older buildings require more building renewal (capital funding) than newer buildings. To accomplish this, ADOA incorporates a building’s life expectancy of 50 years into its age factor. The annual formula does not consider the accrued cost of deferred maintenance.

Building Renewal Funding and Deferred Maintenance

The Legislature fully funded the Building System’s Building Renewal Formula only once in the last 30 fiscal years (FY 1999). Full funding of the Building Renewal Formula is a reference to the cumulative amount of annual appropriation required to sustain a given year’s *current* facilities conditions, assuming all prior annual major maintenance requirements are completed. The utility of the Building Renewal Formula is limited because chronic underfunding results in an annual accrual of the unfunded portion, which the following year’s formula does not consider.

As a result of nearly 30 years of funding shortfalls carried forward year after year, the ADOA Building System has amassed \$739 million (adjusted for inflation) of deferred capital maintenance.

(See Table 2: ADOA Building System Building Renewal Allocation History & Deferred Maintenance Accrual)

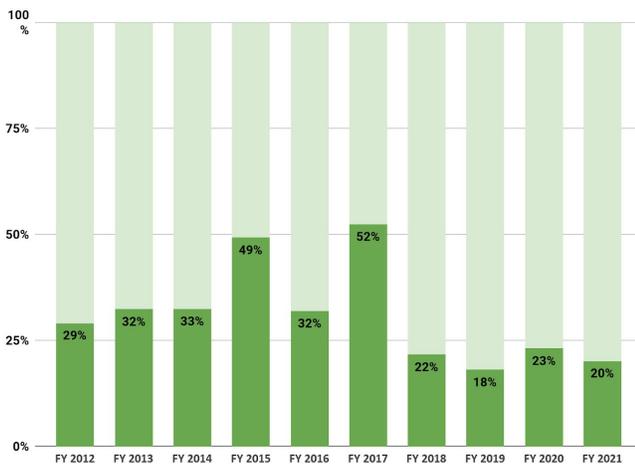
The real significance of the Building System’s deferred maintenance is not the estimated value; rather, it is the potential liability from building failures. The difficulty in predicting and preventing major equipment or system failures in the ADOA Building System’s aging facilities is surpassed only by the difficulty in dealing with these occurrences, both physically and financially, once they occur. Major equipment breakdowns, system failures, physical plant shutdowns, building finishes and contents damage are increasingly more common.

The COSF Dilemma

COSF is in a state of perpetual crisis generated by an array of problems, including:

- ADOA collects COSF rent for approximately 2 million square feet yet COSF supports 5.2 million square feet;
- tenants in approximately 334,000 square feet directly benefit from COSF facilities operations services but are exempt from payment of COSF rents or even basic operating and maintenance costs;
- 19 State agencies owning and operating structures separately from ADOA that benefit from COSF appropriations for building renewal and new capital do not contribute to COSF revenues;
- methodology to establish COSF rent rates does not reflect standard building management practices – it merely supports a cash flow requirement;
- appropriations exclusively from COSF will not stave off the negative effects of deferred maintenance;
- COSF appropriations for building renewal are budgeted only after other expenditures are obligated, further promoting the vicious cycle of deferred maintenance.

CHART 1—PERCENT OF BUILDING RENEWAL FORMULA APPROPRIATED: FY 2012–FY 2021



Failure to address these issues with appropriate funding creates undesirable environmental exposures, causes loss of productivity and inventory, increases expenditures in labor and mobilization fees, and further broadens the spectrum of accountability.

In order to quantify the long-term consequences of chronic underfunding of major maintenance, in June 2016 ADOA conducted a facility condition analysis of 3 million GSF of ADOA owned and/or managed buildings. The analysis, conducted by Abacus Project Management Inc. in conjunction with the Parsons Corporation, indicated that over 1.5 million GSF (36%) of the structures it assessed were in “below average,” “poor,” or “replacement” condition.

With each passing year, ADOA’s ability to fulfill its statutory role as the steward of the State’s building assets becomes increasingly unattainable. To offset this trend, ADOA is recommending full funding of the Building Renewal Formula for FY 2022. The average percentage of the building renewal formula funded in the past ten fiscal years (non-dedicated fund source agencies) is 31.1% (see *Chart 1—Percent of Building Renewal Formula Appropriated FY 2012–FY 2021*). In spite of the trending increase in building renewal appropriations from 2012 through 2017, the appropriations were still well below the need. Subsequently, since FY 2018 the average appropriation of 20.8% of the formula is a decrease of 31.7% from the 52.5% allocated in FY 2017. This ongoing reduction has increased the deferment of major maintenance requirements that continue to create highly disproportionate and expensive utility, repair, maintenance, and replacement expenditures in deteriorating and poorly performing facilities. The prolonged accrual of neglected building renewal has resulted in comprehensive multi-year phased scopes-of-work that are too expensive to allocate from the insufficient building renewal appropriations and too lengthy to complete in a two-year lapsing appropriations period. Increasingly, major maintenance projects ADOA might otherwise allocate from building renewal appropriations are appearing in the CIP as large individual capital outlay requests. ADOA recommends extending the building renewal two-year lapsing appropriation to a three-year lapsing appropriation.

Capital Outlay Stabilization Fund

Pursuant to A.R.S. § 41-791, ADOA manages or provides some type of operational support services to approximately 4.9 million GSF in the Capitol Mall, Phoenix Metro, Tucson, and Kingman areas, including office space, parking garages, mechanical structures, and laboratories. ADOA depends on appropriations of Capital Outlay Stabilization Fund (COSF) funds to cover the operating costs of ADOA managed buildings, including utilities, routine maintenance, grounds services, operating supplies, janitorial services, operations staff salaries, and building renewal.

A.R.S. § 41-792.01 establishes the COSF and allows ADOA to collect rents and tenant improvement charges from State agencies occupying State-owned space. The legislative budget process determines the COSF rental rate ADOA charges to State agencies. COSF monies are subject to appropriation and exempt from the provisions of A.R.S. § 35-190 relating to lapsing of appropriations. Aggressive competition for limited General Fund (GF) monies has led to shifting the burden of funding the operating costs of ADOA managed State-owned buildings *and* building renewal almost exclusively on COSF. Since FY 2000, COSF is the exclusive source of 59% of building renewal appropriations for non-dedicated fund source agencies.

A.R.S. § 41-792.01.K, exempts the Legislature from COSF rent. Over the past ten fiscal years, ADOA has spent over \$4 million of COSF funds in building renewal projects in the legislative buildings that are exempt from COSF rent.

In FY 2019, the Legislature approved an 11% adjustment in the COSF rental rate charged by ADOA. The FY 2020 Budget Procedures HB2747 (Laws 2019, Chapter 263) sets the FY 2020 COSF rental rate charged by ADOA at \$17.87 per rentable square foot for office space and \$6.43 per rentable square foot for storage space. While this will result in increased funding for the COSF, it still does not support full-service operations and maintenance, fully fund the Building System Building Renewal Formula, or address deferred maintenance and other unsupported appropriations.

FY 2022 ADOA Building Renewal Recommendation

ADOA recommends full funding for the FY 2022 Building Renewal Formula, which is forecast to be \$79.3 million .

ADOA recognizes its recommendation will not fully achieve the goals of the Building Renewal Program nor forestall increasing deterioration of the Building System’s aging infrastructure due to the \$739 million of deferred maintenance. ADOA is using its existing appropriations to gradually rectify some of the most severe detrimental consequences of deferred maintenance neglect through targeted infrastructure repair, replacement and renovation projects. An adverse policy decision for FY 2022 will further exacerbate Arizona’s legacy of persistent infrastructure failures, costly crisis mode expenses and the liabilities associated with a run-to-fail major maintenance program.

Total FY 2022 Building Renewal Request	\$ 830,418,300
Non-Dedicated Fund Agencies	\$ 333,333,972
Dedicated Fund Agencies	\$ 497,084,328
Total FY 2022 Building Renewal Formula	\$ 79,267,743
Non-Dedicated Fund Agencies	\$ 49,831,484
Dedicated Fund Agencies	\$ 29,436,259
10-Year Average Annual Building Renewal Funding	\$ 17,556,030

CHART 2—BUILDING RENEWAL REQUESTS BY TYPE

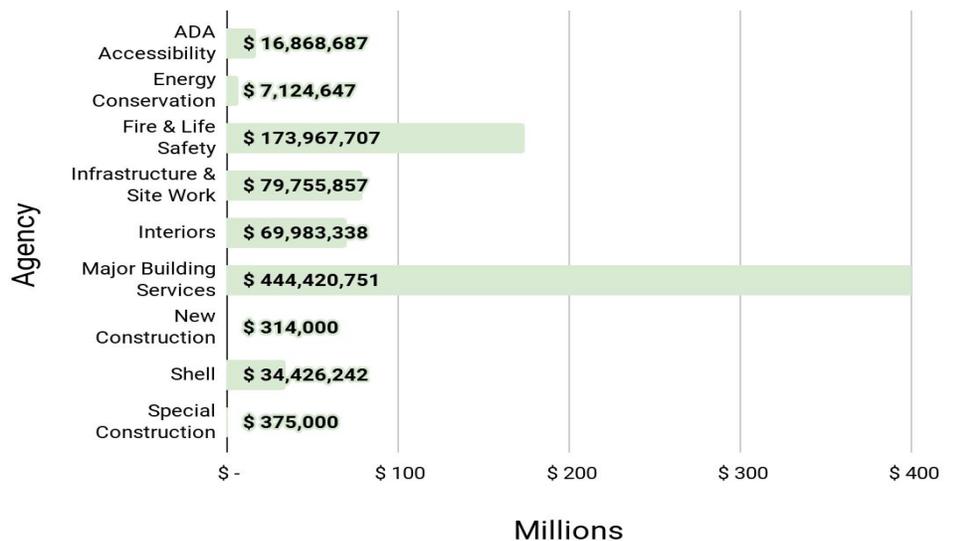


TABLE 2–BUILDING RENEWAL ALLOCATION HISTORY

(Excludes Dedicated Funds Source Agencies; Game & Fish and Lottery)

Fiscal Year	Building Renewal Formula	Appropriation	% of Formula Appropriated	Deferred Costs	Inflation Adjusted Deferred Costs
FY 1988	\$5,476,500	\$5,491,800	100%	-\$15,300	
FY 1989	\$6,119,300	\$3,002,000	49%	\$3,117,300	\$5,950,926
FY 1990	\$6,226,100	\$3,184,000	51%	\$3,042,100	\$5,711,543
FY 1991	\$6,238,263	\$459,100	7%	\$5,779,163	\$10,668,335
FY 1992	\$6,804,200	\$807,334	12%	\$5,996,866	\$11,058,221
FY 1993	\$8,273,745	\$2,194,500	27%	\$6,079,245	\$11,197,969
FY 1994	\$8,607,379	\$3,051,600	35%	\$5,555,779	\$9,972,623
FY 1995	\$8,675,374	\$5,372,458	62%	\$3,302,916	\$5,773,497
FY 1996	\$9,079,255	\$8,171,400	90%	\$907,855	\$1,524,742
FY 1997	\$9,857,406	\$4,911,300	50%	\$4,946,106	\$7,968,177
FY 1998	\$12,598,637	\$6,210,700	49%	\$6,387,937	\$10,067,389
FY 1999	\$13,707,938	\$13,628,000	99%	\$79,938	\$123,184
FY 2000	\$15,925,783	\$3,403,400	21%	\$12,522,383	\$17,756,739
FY 2001	\$17,209,530	\$3,682,900	21%	\$13,526,630	\$18,964,335
FY 2002	\$18,100,303	\$6,464,400	36%	\$11,635,903	\$15,883,008
FY 2003	\$18,175,137	\$3,068,300	17%	\$15,106,837	\$20,092,093
FY 2004	\$19,252,520	\$3,500,000	18%	\$15,752,520	\$20,084,463
FY 2005	\$19,852,990	\$3,500,000	18%	\$16,352,990	\$19,116,645
FY 2006	\$22,864,835	\$3,400,000	15%	\$19,464,835	\$21,878,475
FY 2007	\$25,391,389	\$7,249,200	29%	\$18,142,189	\$18,632,028
FY 2008	\$27,584,100	\$7,257,100	26%	\$20,327,000	\$20,306,673
FY 2009	\$31,042,588	\$899,300	3%	\$30,143,288	\$30,143,288
FY 2010	\$33,056,002	\$1,000,000	3%	\$32,056,002	\$32,056,002
FY 2011	\$36,763,663	\$5,000,000	14%	\$31,763,663	\$31,852,601
FY 2012 ¹	\$38,109,130	\$11,100,000	29%	\$27,009,130	\$27,846,413
FY 2013 ^{1/2}	\$41,020,965	\$13,303,100	32%	\$27,717,865	\$28,189,069
FY 2014 ¹	\$43,036,312	\$14,000,000	33%	\$29,036,312	\$30,110,656
FY 2015 ¹	\$53,665,760	\$26,464,300	49%	\$27,201,460	\$27,854,295
FY 2016 ¹	\$60,833,327	\$19,464,300	32%	\$41,369,027	\$41,824,086
FY 2017 ^{1/3}	\$61,843,644	\$32,464,300	52%	\$29,379,344	\$29,351,140
FY 2018 ¹	\$63,400,007	\$13,764,300	22%	\$49,635,707	\$50,991,476
FY 2019 ¹	\$66,247,845	\$12,000,000	18.1%	\$54,247,845	\$56,769,827
FY2020 ^{1/4}	\$73,413,138	\$17,000,000	23.2%	\$45,424,671	\$45,924,342
FY2021 ¹	\$79,267,743	\$16,000,000	20.2%	\$52,279,276	\$53,377,141
	\$888,453,065	\$280,469,092	35%	\$665,274,782	\$739,021,402

¹Includes a separate dedicated Building Renewal appropriation for ADC as follows: (\$4.6M in FY 2012 & FY 2013, \$5M in FY 2014, \$8.4M in FY 2015, \$5.4 million in FY 2016–FY 2021)

²Excludes \$1.7M allocated to Arizona Department of Health Services from building renewal appropriations for new capital.

³Excludes \$1.1M allocated to the Department of Juvenile Corrections from the Criminal Justice Enhancement Fund.

⁴Includes a \$11M deduction in deferred maintenance due to the demolition of obsolete buildings at 1510/1520 W Adams and 1275 Washington

TABLE 3–TWO-YEAR BUILDING RENEWAL FORMULA FORECAST

Agency	Two-Year Forecast	
	FY 2022 Renewal Formula	FY 2023 Renewal Formula
Corrections, State Department of ¹	\$ 28,070,079	\$ 28,673,024
Game and Fish Department, Arizona ²	\$ 1,213,426	\$ 1,239,490
Lottery Commission, Arizona State ²	\$ 152,755	\$ 156,037
Sub-Total Dedicated Funds Source Agencies:	\$ 29,436,259	\$ 30,068,550
Administration, Arizona Department of	\$ 13,802,166	\$ 14,098,637
ADOA, Legislature	\$ 2,057,888	\$ 2,102,091
Agriculture, Arizona Department of	\$ 14,203	\$ 14,509
AHCCCS	\$ 640,724	\$ 654,487
Deaf and the Blind, Arizona State Schools for the	\$ 2,198,083	\$ 2,245,298
Economic Security, Department of	\$ 3,243,997	\$ 3,313,678
Emergency and Military Affairs, Department of	\$ 9,198,778	\$ 9,396,367
Environmental Quality, Arizona Department of	\$ 50,052	\$ 51,127
Exposition & State Fair Board, Arizona	\$ 2,862,115	\$ 2,923,593
Forestry and Fire Management	\$ 35,731	\$ 36,498
Health Services, Department of	\$ 4,262,328	\$ 4,353,883
Historical Society, Arizona	\$ 354,487	\$ 362,102
Historical Society of Arizona, Prescott	\$ 1,159,024	\$ 1,183,920
Judiciary, Arizona Supreme Court	\$ 1,099,821	\$ 1,123,445
Juvenile Corrections, Department of	\$ 1,387,000	\$ 1,416,792
Parks Board, Arizona State	\$ 2,396,717	\$ 2,448,199
Pioneers' Home, Arizona	\$ 353,119	\$ 360,704
Power Authority	\$ 71,554	\$ 73,091
Public Safety, Department of	\$ 2,637,000	\$ 2,693,642
Veterans' Services, Department of	\$ 2,006,697	\$ 2,049,800
Sub-Total Non-Dedicated Funds Source Agencies:	\$ 49,831,484	\$ 50,901,863
Grand Total:	\$ 79,267,743	\$ 80,970,414

¹ Effective FY 2012 Department of Corrections is a dedicated funds source agency for Building Renewal

² Dedicated funds source agency

FY 2022 CAPITAL PROJECT RECOMMENDATIONS

ADDITIONS; RENOVATIONS; NEW CONSTRUCTION

Department Of Public Safety

South Mountain District Office

\$6.3 million

DPS needs to establish a South Mountain District Office for coverage of the South Mountain 202 Freeway, which opened in late 2019. The freeway extends from Interstate 10 at 51st Avenue, circumvents South Mountain, and reconnects to Interstate 10 at the intersection of the San Tan Freeway. The foregoing estimate includes land acquisition and construction.

Until a South Mountain District Office is constructed along the freeway, DPS will office and dispatch troopers from the Metro Phoenix Knuston District Office at 16th Street and University. Trooper response times from this location will be 30 to 45 minutes, which in an emergency situation is unacceptable and a detriment to public safety. Construction of the South Mountain District Office will significantly reduce response times, potentially saving lives.

DPS already has 24 new State Trooper positions to cover the South Mountain Freeway. The 24 new troopers have to share the Metro Phoenix Knuston District Office office, training, meeting and planning space. DPS is designing shifts to eliminate the necessity for troopers to all be in the office at once; however, troopers end up working out of their vehicles to complete as much paperwork as necessary prior to going to the crowded office. Equipment and other needed resources have to be stored in conex containers or off site locations.

The South Mountain District Office will primarily support State Troopers and Criminal Investigations; however, DPS will also consolidate other related functions and supporting operations in the far southwest valley to the proposed facility.

Statewide Office and Remote Housing Replacement

\$4.05 million

To support Arizona's vast highway system, improve safety and provide emergency response, DPS Highway Patrol officers are stationed at reasonable travel intervals throughout the State. With great distances between Arizona's population centers, remote housing compounds are necessary. This request is part of an ongoing plan to improve existing remote housing units in rural Arizona. New housing units are more energy efficient and cost less to operate and maintain. Better living conditions offer incentives for Highway Patrol officers and their families to relocate to rural areas of the State.

DPS has approximately 60 units across the State. With a useful life of 20-25 years, approximately three units require replacement each year. Due to budget limitations, numerous units far exceed their useful life, with some units exceeding 50 years old. Older units are poorly insulated, no longer code compliant, and have rapidly deteriorating building systems. The burden for continuous "Band-Aid" fixes to these units is not cost effective and immediate replacement is required. The most critical remote housing locations that are recommended for replacement in FY 2022 include one unit in Gila Bend and three units in Quartzsite.

This is part of an ongoing plan to improve existing remote housing and administrative office space in rural Arizona. Like the remote housing needs, DPS requires office space throughout the state to satisfy operational needs. Many units have exceeded their useful life and require complete replacement. The most critical remote office locations recommended for replacement include Needle Mountain, Kayenta, Sanders, and Wickenburg.

Purchase and installation of new office units will provide adequate space, improve efficiencies, address code compliance concerns and reduce energy consumption.

FIRE AND LIFE SAFETY

Arizona Department Of Corrections, Rehabilitation And Reentry

ADCRR’s priorities for capital and building renewal improvements each year include the repair and/or replacement of doors and fire systems in ADCRR prison complexes throughout the State. The fire alarm, fire suppression and door systems in numerous prison complexes are inoperable, malfunctioning, unsupported and/or obsolete. Properly working door and fire systems are a basic and mandatory requirement for occupied spaces, and particularly so in a confined and secure environment.

Identification, prioritization and estimated costs for all projects submitted by ADCRR is the sole result of ADCRR’s internal capital planning process. Actual project scopes and design and construction costs will need to be determined once funding is available.

ADCRR has submitted a total of \$533 million worth of capital and building renewal projects for FY 2022. In response to expected budget constraints, ADOA is only recommending ADCRR’s top priority projects; however there are many other projects that, left unfunded, will continue to degrade safety, and subject staff and inmates to unnecessary risk.

Eyman Fire and Life Safety Projects	
Upgrade Fire Systems	\$ 16,580,000
Refurbish Doors	\$ 9,640,000
TOTAL	\$ 26,220,000

ASPC–Eyman Fire Systems Upgrade

\$16.58 million

ADCRR’s highest priority for FY 2022 is upgrading the fire systems at the Eyman Complex. The fire alarm and suppression system is not Class A fully addressable, as well as inoperable, malfunctioning, unsupported and obsolete. When fire alarm systems are out of commission for extended times, ADCRR must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. The existing situation is unacceptable and creates a threat to life and safety for staff and inmates.

ASPC–Eyman Refurbish Pod, Cell and Shower Doors
\$9.64 million

ADCRR’s second highest priority for FY 2022 is refurbishing of pod, cell and shower doors in the SMU and Browning Units at ASPC–Eyman. Door operating systems are worn, outdated and in need of constant maintenance. Years of abuse, vibration, and binding caused by dirt and dust and general wear and tear have taken their toll. The internal mechanisms are approaching end of life.

The doors systems and related components are needed to enhance the safety of staff and inmates. While these repairs cannot guarantee staff and inmate safety, the failure to implement these repairs degrades safety, placing staff and inmates at unnecessary risk.

Arizona State Schools For The Deaf And The Blind

Tucson Campus Replace Classroom Notification System

\$300,000

The ASDB Tucson Campus classroom notification system has failed. This is an essential building function that allows classrooms to quickly and effectively communicate with Deaf, Hard of Hearing, Blind, Visually Impaired and Multiply Disabled Severe Sensory Impacted (MDSSI) students and staff population..

In order to provide efficient emergency notification for life safety needs ASDB is requesting a new campus wide notification and bell system be installed. The system needs to allow for text and audio notification and can function for daily activities as well as emergency notification.

By replacing the notification system ASDB will be better able to provide real time communication to the disabled population. ASDB will be able to control a bell system to time class releases more effectively and to improve student rotation between classes. This will provide a safer and more efficient education experience.

Arizona Exposition & State Fair Board

Coliseum Fire Alarm - Phase 3

\$1.0 million

The International Fire Code (IFC-2012 Edition) adopted by the State of Arizona requires installed fire alarm systems to be operable when a building is occupied. The

fire alarm in the coliseum is over twenty years old and difficult to repair due to age and availability of parts. Replacement of the system will provide the Coliseum with an operable fire alarm system that complies with state fire code regulation. The system was engineered in Phase 2, Phase 3 is implementation of the plan. In addition to enhanced life safety, there will also be a cost savings benefit from the elimination of added expenses for Fire Watch staffing when the system periodically fails.

COMPREHENSIVE BUILDING RESTORATION

Arizona Department Of Administration

Historic State Capitol Comprehensive Building Renewal

\$2.9 million

Shell	\$ 750,000
Major Building Services	\$ 1,050,000
Building Infrastructure	\$ 1,100,000
Total	\$ 2,900,000

ADOA is recommending a capital appropriation of \$2.9 million to address the most serious building shell, building services and infrastructure deficiencies at the historic Capitol Building. The most serious deficiencies fall into three categories: Building Shell, Major Building Services and Building Infrastructure.

While these recommendations are technically considered building renewal projects, the overall scope of the deficiencies can best be addressed by packaging the projects together into a capital appropriation.

ADOA recommends these critical building renewal projects be funded through a general fund appropriation.

BUILDING SHELL PROJECTS

Stabilize and Restore Facade

The masonry exterior of the historic State Capitol building is constructed entirely of Arizona stone products quarried from the Salt River Mountains, Yavapai County, and Camelback Mountain. Over time, the effects of deferred maintenance has caused the original masonry elements to become unstable and subject to failure. Failure of the masonry can be typified by water leaking into the interior and pieces of stone falling off the building. These failures can pose a potential hazard for the integrity of the structure as well possible injury (or worse) to pedestrians.

A thorough condition analysis first needs to be conducted to create a stabilization and restoration plan followed by implementation of the project.

Restore Copper Dome

The copper dome on the historic State Capitol building is in itself a symbol of the state. Originally, the dome was made of painted galvanized steel. When the building was renovated in the early 1980’s Arizona copper producers provided copper for the dome. At that time it was treated with Incracoat—a special clear finish—to maintain the original bright, copper finish.

Recently, ADOA conducted a study of the inconsistency of the finish on the existing copper surface. The study indicated the inconsistent finish was due to uneven application of the copper sealer and sun exposure on the north side of the Dome. ADOA then investigated multiple options to restore the copper surface. One option was to chemically clean the surface, but the level of oxidation was so deep that the results were highly inconsistent. The other option was to sand the surface, but it was determined that sanding would cut through the base metal and cause holes in the roof. The recommended option is to replace the dome using a copper colored curved tee metal roof panel system.

Capitol Dome-recent condition



BUILDING SERVICES PROJECTS

Replace failing plumbing fixtures

Plumbing fixtures throughout the building are aged and obsolete, not in compliance with contemporary plumbing codes for water efficiency and accessibility. Along with the replacement of failing water supply lines and sanitary waste lines, new fixtures will need to be installed.

Replace failing water supply lines

Water supply lines in the building need to be replaced. The aged supply lines can fail at any time and at any location throughout the building. The result of failure would be water leaks that could result in damage to ceilings, walls, flooring and mechanical and electrical systems and most significantly, cause damage to the irreplaceable historical state artifacts housed in the building.

BUILDING INFRASTRUCTURE PROJECTS

Replace failing sanitary waste lines

The sanitary waste lines in the historic State Capitol are subject to failing at an increasing rate as they continue to age. Failure to replace waste lines and vent pipe, will result in damage to not only ceilings, walls, flooring and mechanical and electrical building systems, but will also jeopardize the historic artifacts and ephemera housed in the building. In addition, rusting and cracking of the existing cast iron piping can result in the release of sewer gases.

Replace failing service entrance section and electrical panels

The main distribution panel and switchgear assembly has reached or exceeded its design life and need to be replaced. Failure to replace this equipment in a timely manner could result in arc flash or blast that could cause serious injury and would require costly emergency repair. This project will promote reliable electrical service. In addition, deficiencies in the electrical distribution network

should also be rectified. Such remedies include, but are not limited to, installing additional circuits, replacing worn switches and receptacles, replacing circuit breakers, and updating panel directories.

BUILDING SERVICES

Arizona Department Of Administration

Rooftop Air Handler Upgrades at 1700 W Washington House and Senate; Phase 2

\$3.5 million

The ADOA is requesting a \$3.5 million capital appropriation to fund Phase 2 of major upgrades to rooftop air handler systems at the House and Senate buildings.

Phase 1 of the project—upgrades to the basement air handlers—was funded in FY 2020 with \$1.0 million appropriated from the Public Building Land Fund and supplemented with \$800,000 from COSF Building Renewal. The requested appropriation will fund the replacement of the rooftop air handler units at both the House and the Senate (see Figure 1).

The installation of air handler units includes heat exchangers, blowers, filters, humidifiers, vibration isolators, sensors, switches, actuators, control systems and other associated equipment, as well as rental of portable air handler units during construction as necessary.

The replacement of aged and inefficient HVAC systems will generate energy savings, protect assets, and provide a climate controlled environment for mission-critical functions.

Figure 1—Phase 2 House and Senate Air Handlers



BUILDING DEMOLITION

Arizona Department Of Health Services

Demolish Abandoned Buildings at the Arizona State Hospital Campus

\$2.0 million

The Granada, Wick and Juniper buildings, built in the 1950's, were abandoned when the Forensic Hospital was opened in 2013. Presently, the Department of Health Services (DHS) does not have adequate funding to maintain the obsolete and failing buildings. As they are, the buildings are a health and safety hazard as they continue to deteriorate, provide unwelcomed animal habitat, present fire hazards and endanger the health and safety of the surrounding neighborhood. Considering the condition, DHS has no future plans for these obsolete buildings. Once cleared, the site of approximately 10 acres could be used for the Psychiatric Center of Excellence or other suitable opportunities. It is estimated that an appropriate use could lease the site for at least \$260,000 per year.

APPROPRIATION EXTENSION

One Year Extension of FY 2020 Building Renewal and Public Building Land Fund Appropriations due to COVID related project delays

Due to the COVID-19 pandemic, ADOA has experienced serious delays to the FY 2020 Building Renewal project schedule. These schedule disruptions have proven to be due to production delays, supply chain disruptions, limited and unpredictable access to project sites, labor disruptions and other as yet unknown and unknowable ramifications of the pandemic. For these reasons, ADOA is requesting a one year time extension to the FY 2020 Building Renewal and Public Building Land Fund appropriations.

In addition to general disruptions, there are certain air handler

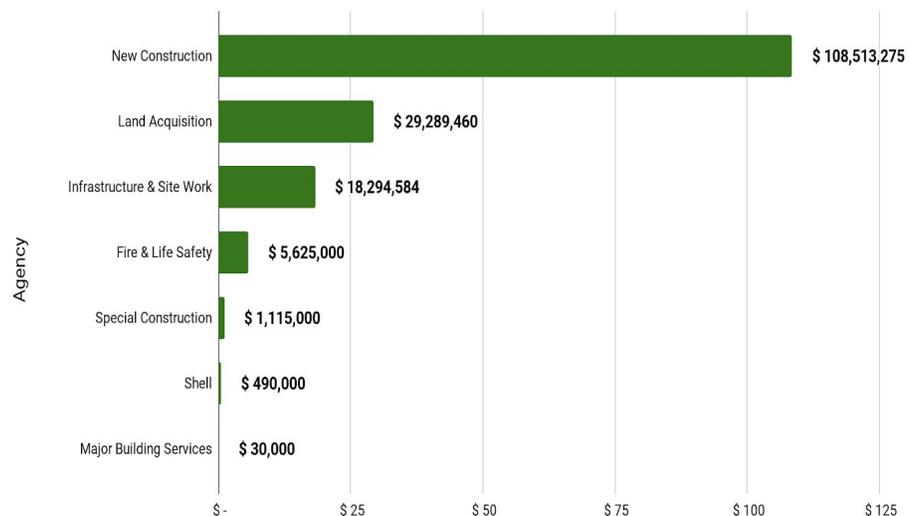
projects that have been impacted in such a manner that it will be impossible to complete construction within the limits of the FY 2020 appropriation schedule.

Air handler projects traditionally need to be completed in the cooler months, normally starting in November. This allows ADOA to complete the projects without the considerable added cost of renting and operating temporary cooling facilities.

The projects are Phase 1 of the air handler replacements at the House and Senate buildings and the Executive Tower. The original schedule calls for construction of these projects to commence in November 2020, which would place final completion of the projects well within the appropriation timetable.

Subsequent to scheduling the work to demolish the existing air handlers and install new air handlers in the House and the Senate buildings, ADOA was informed by Legislative Council that due to Covid related concerns, that schedule could not proceed. Without being able to start the work in November 2020, the next window of opportunity to complete the work would not be available until November 2021. Unfortunately, that is after the expiration of the project funding appropriation. For these specific projects and in consideration of the possibilities of further unforeseen circumstances, ADOA is requesting the appropriation extension for one year.

CHART 3-CAPITAL REQUESTS BY PROJECT TYPE



Total Capital Requests: \$163,357,319

TABLE 4–FY 2022 BUILDING RENEWAL FORMULA

Funds	Agency	FY 2022 Formula	FY 2023 Formula	Gross Square Feet
Dedicated	Corrections, State Department of	\$ 28,070,079	\$ 28,673,024	8,791,234
Dedicated	Game and Fish Department, Arizona	\$ 1,213,426	\$ 1,239,490	859,189
Dedicated	Lottery Commission, Arizona State	\$ 152,755	\$ 156,037	47,600
Dedicated Funds Source Agencies		\$ 29,436,259	\$ 30,068,550	\$ 9,698,023
Non-Dedicated Funds Source Agencies		\$ 49,831,484	\$ 50,901,863	14,163,313
TOTAL		\$ 79,267,743	\$ 80,970,414	\$ 23,861,336

TABLE 5–FY 2022 CAPITAL PROJECT RECOMMENDATIONS

Agency	Location	Project Name	Funds Source	Cost
ADOA	Capitol Mall	Historic State Capitol Comprehensive Building Restoration	General Fund	\$ 2,900,000
ADOA	Capitol Mall	Air Handler Upgrades at 1700 W Washington House & Senate Phase 2	General Fund	\$ 3,500,000
Corrections	ASPC-Eyman	Fire Systems Upgrades	General Fund	\$ 22,636,426
Corrections	ASPC-Eyman	Refurbish Pod, Cell and Shower Doors	General Fund	\$ 9,180,000
Deaf and the Blind	Tucson	Classroom Notification System Replacement	General Fund	\$ 300,000
Exposition and State Fair	Phoenix	Phase 3 Coliseum Fire Alarm	General Fund	\$ 1,000,000
Health Services	ASH	Demolish Granada, Wick and Juniper buildings	General Fund	\$ 3,150,000
Public Safety	Phoenix	New South Mountain District Office	General Fund	\$ 6,300,000
Public Safety	Statewide	Modular Housing and Office Replacements	General Fund	\$ 4,050,000
Total Recommendations				\$ 53,016,426