

EXECUTIVE SUMMARY

ACTION ITEM: The University of Arizona FY 2009 Capital Development Plan

ISSUE: The University of Arizona requests approval of the FY 2009 Capital Development Plan (CDP) and authorization to proceed with 10 new and resubmitted projects totaling \$798.4M.

BACKGROUND:

The University of Arizona requests approval of the FY 2009 Capital Development Plan in accordance with Arizona Board of Regents (ABOR) Policy Chapter VII. The plan is a comprehensive inventory of major capital projects approved by the Board that the University intends to complete within the next few years.

ABOR has approved the Stimulus Plan for Economic and Education Development (SPEED) for the university system. The University of Arizona is including the following four projects:

- 1) Environment and Natural Resources Building Phase II (ENRII)
- 2) Deferred Maintenance/Building Renewal Projects Phase I
- 3) Centennial Hall Renovations (a building on the National Register of Historic Places)
- 4) Phoenix Biomedical Campus (PBC)

CHANGES TO THE CAPITAL DEVELOPMENT PLAN:

- The University requests that the following projects be added to the University of Arizona FY 2009 Capital Development Plan. Approval of the plans would allow the University to initiate design on these projects. The Capital Development Plan Project Justification Reports for these projects are included.

1) Environment and Natural Resources Building Phase II (ENR II)

This project is the second stage of the multi-phase Environment and Natural Resources (ENR) Complex, which co-locates University and related Federal units. It is part of the University's long-term effort to promote collaborative, interdisciplinary research that focuses upon earth science and environmental programs. The proposed facility would accommodate the Office of Arid Lands Studies (OALS); the Department of Atmospheric Sciences/Institute for Atmospheric Physics (ATMO); the Institute for the Study of Planet Earth (ISPE); Geography and Regional Development (GRD); and the School of Natural Resources (SNR). Limited space will also be allocated on an interim basis for a part of the Mathematics department.

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2) Deferred Maintenance / Building Renewal Projects Phase I

The proposed project will address the significant backlog of deferred maintenance and building renewal needs of the University of Arizona. The FY 09 projects are planned to total \$38,409,861; projects, totaling \$92,290,139 for the subsequent two years of the SPEED will appear in the UA FY 2010-2012 Capital Improvement Plan.

3) Centennial Hall Renovation

Centennial Hall, constructed in 1936 as the UA Main Auditorium, is in need of renovation and upgrade. The requested funding would provide \$12 million of the estimated \$30 million in total improvements, with the balance anticipated through fund raising efforts.

4) Phoenix Biomedical Campus Phase 2

The need for Arizona to educate more healthcare professionals is well documented. Among the nation's fastest-growing states, Arizona suffers from a shortage of physicians, pharmacists as well as nurses and other health professionals. The overall concept for the PBC is to accommodate a student population of 1,078 full time students, 2,668 part time students and 491 full time faculty. Programs served by this project would include the UA College of Medicine with 150 full time students per year, the UA College of Pharmacy with 100 full time students per year, ASU's College of Nursing sending a student population of approximately 2400 students housed in its downtown campus to learn in the simulation laboratories proposed, ASU's Biomedical Informatics program with 100 full time and 340 part time students, and NAU's Occupational Therapy, Physical Therapy, and Physician's Assistant programs with an on campus student count of 255 students. This project includes the 360,000 gross square foot Health Sciences Education Building, which furnishes highly mediated classrooms, auditoriums, student laboratories, library, support spaces, clinical teaching exam rooms and simulation laboratories, The Wet Lab Research Building (270,000 gross square feet), Research Core Support Building (70,000 gross square feet), and Clinical Office Support Building (10,000 gross square feet) will provide additional research laboratory and service space to support expansion of the medical school program. A 380-space Parking Facility is also needed for the program. The total estimated budget of \$470,000,000 will be shared between the three universities. In its presently planned configuration, the UA portion of the tri-university partnership is 71 percent or \$333,700,000; ASU's share is 25 percent, and NAU's share is 4 percent.

- The FY 2009 Capital Development Plan incorporates a number of revisions since the Board approved the amended CDP adopted in December, 2007. Three projects were removed after receiving Project Approval: 1) Deferred Renovation, Building Renewal and Infrastructure Projects and Replacement of the Main Campus Cooling Tower; 2) Glen G. Curtis building at Yuma Agriculture Center and; 3) Student Recreation Expansion.
- Debt Ratio Impact: The projected debt ratio previously approved by the Board in the University's FY 2009-2011 Capital Improvement Plan (CIP) was: State (A.R.S.) 6.9%, and ABOR 9.8%. Pursuant to revisions to ABOR Policy 7-101.K and 7-102.D, the debt ratio for the current Capital Development Plan is estimated to be 6.60%, limit 8.0% for ABOR and

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State statutes. This includes projects listed in the CDP and projects that have received Project Approval. The projected ratio reflects the highest ratio within the CIP. The debt ratio estimate is derived from using financing assumptions to calculate annual debt services and the audit FY 2007 financial data as a base to project future expenditures.

Approval of funding for SPEED projects will significantly impact the debt ratio, and may require discussion on adjusting the debt ratio limit to a more appropriate level.

Approval of a stimulus plan that differs from the current proposal may require the university to submit a modified Capital Development Plan.

At its May 27, 2008 meeting, the Capital Committee took action directing the three universities to incorporate a Veteran's preference and an Arizona based business preference for contractors to be used on capital projects. The proposed policy is subject to review by University and ABOR counsel.

RECOMMENDATION:

That The University of Arizona be, and hereby is, granted approval for the FY 2009 Capital Development Plan and authorization to proceed with the Environment and Natural Resources Building Phase II project; Deferred Maintenance/Building Renewal Projects Phase I; Renovation of Centennial Hall (a building on the National Register of Historic Places); and the Phoenix Biomedical Campus Phase 2 (PBC) project.

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**THE UNIVERSITY OF ARIZONA
 FY 2009 CAPITAL DEVELOPMENT PLAN**

Project	Project Cost	Funding Mechanism (1)	Annual Debt Svc. (2)	GSF	Annual O & M	Board Approval Status (3)
ACADEMIC/RESEARCH						
New Capital Project Proposals						
ENRII-Environment and Natural Resources Phase II	90,000,000	COP/SRB	6,469,000	150,000	1,606,068	CDP Pending
Deferred Maintenance / Building Renewal Projects Phase I	38,409,861	COP/SRB	2,796,200			CDP Pending
Centennial Hall Renovation	12,000,000	COP/SRB	866,000	85,881		CDP Pending
Phoenix Biomedical Campus Phase 2	333,700,000	COP/SRB	23,973,800	571,550	6,259,850	CIP 2006 CIP 2009 CDP Pending
Resubmitted Projects						
Bryant Bannister Tree-Ring Archive Facility	9,000,000	GIF	0	10,000	128,448	CDP 12/07
Veterinary Sciences Research Building	4,000,000	LF- (Ag. Endowment)	0	9,000	107,304	CDP 6/07
UA Science Center/ Arizona State Museum-Rio Nuevo (4)	130,000,000	OTH	0	111,111	946,100	CDP 1/04
Academic/Research Subtotal	617,109,861		34,105,000	937,542	9,047,770	
AUXILIARY/STUDENT FEE						
New Capital Project Proposals						
STUDENT AFFAIRS						
Previously Approved						
Sixth Street Residence Life Facilities	159,500,000	SRB	12,330,000	400,000	4,561,500	PIA 01/08
Residence Life Building Renewal III	17,700,000	SRB	1,505,000	N/A	N/A	PIA 09/06
Residence Life Building Renewal IV	4,170,000	SRB	354,000	N/A	N/A	PIA 09/06
Auxiliary Subtotal	181,370,000		14,189,000	400,000	4,561,500	
Student Fee Subtotal	-		-	-	-	
INFRASTRUCTURE						
New Capital Project Proposals						
Previously Approved						
Cumulative Totals	798,479,861		48,294,000	1,337,542	13,609,270	

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**THE UNIVERSITY OF ARIZONA
 FY 2009 CAPITAL DEVELOPMENT PLAN**

CAPITAL DEVELOPMENT PLAN FUNDING MECHANISM SUMMARY			
Fund Source Description	Code	Total Cost	Annual Debt Service
1. Certificates of Participation	COP		
2. System Revenue Bonds	SRB	\$655,479,861	\$48,294,000
3. State Appropriations	SAP		
4. Federal Grant	FGT		
5. Local Funds	LF	\$4,000,000	
6. Gifts	GIF	\$9,000,000	
7. Other	OTH	\$130,000,000	
	Total	\$798,479,861	\$48,294,000
CAPITAL DEVELOPMENT PLAN FUNDING SUMMARY			
Fund Source Description	Code	Total Cost	Annual Debt Service
1. 301 Funding	301		
2. Tuition	TUI	\$77,451,972	\$5,557,550
3. Auxiliary	AUX	\$181,370,000	\$14,189,000
4. Local Funds	LF	\$4,000,000	
5. Indirect Cost Recovery	ICR	\$33,370,000	\$2,397,350
6. General Funds	GFA	\$363,287,889	\$26,150,100
7. Research Infrastructure Appropriation (5)	RIA		
8. Debt Financed by Gifts	DFG		
9. Student Fee	SF		
10. Federal Grant	FGT		
11. Gifts	GIF	\$9,000,000	
12. Other	OTH	\$130,000,000	
	Total	\$798,479,861	\$48,294,000

Notes:

- 1) Funding Mechanism Codes: Certificates of Participation (COP), Federal Grant (FGT), Gifts (GIF), Other (OTH), State Appropriation (SAP), System Revenue Bonds (SRB), Local Funds (LF)
- 2) Debt Service: Debt Service: 20, 25 or 30 years, interest rate no higher than 6%. The debt service for Sixth Street Residence Life Facilities is calculated with 2 years of capitalized interest, 30 years maturity of 6% interest.
- 3) Board Approval Status Codes: CDP - Capital Development Plan, PIA - Project Implementation Approval, PA - Project Approval, Pending - requesting approval at the next board meeting.
- 4) Project to be funded by City of Tucson's Rio Nuevo TIF District. Therefore, UA will assume no debt service obligations.

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**THE UNIVERSITY OF ARIZONA
 FY 2009 CAPITAL DEVELOPMENT PLAN**

CAPITAL DEVELOPMENT PLAN DEBT SERVICE BY FUNDING SOURCE								
Project	Amount Financed	GIF	TUI	AUX	LF	ICR	GFA	SF
New Capital Project Proposals								
ENRII-Environment and Natural Resources Phase II	\$90,000,000		\$2,428,000				\$4,041,000	
Deferred Maintenance / Building Renewal Projects Phase I	\$38,409,861		\$559,200				\$2,237,000	
Centennial Hall Renovation	\$12,000,000		\$173,000				\$693,000	
Phoenix Biomedical Campus Phase 2	\$333,700,000		\$2,397,350			\$2,397,350	\$19,179,100	
New Projects Subtotal	\$474,109,861	\$0	\$5,557,550	\$0	\$0	\$2,397,350	\$26,150,100	\$0
Previously Approved								
Bryant Bannister Tree-Ring Archive Building	\$0							
UA Science Center/Arizona State Museum- Rio Nuevo	\$0							
Sixth Street Residence Life Facilities	\$159,500,000			\$12,330,000				
Veterinary Science Research Building	\$0							
Residence Life Bldg. Renewal Phase III	\$17,700,000			\$1,505,000				
Residence Life Bldg. Renewal Phase IV	\$4,170,000			\$354,000				
Previously Approved Projects Subtotal	\$181,370,000	\$0	\$0	\$14,189,000	\$0	\$0	\$0	\$0
Totals	\$655,479,861	\$0	\$5,557,550	\$14,189,000	\$0	\$2,397,350	\$26,150,100	\$0

Notes: *Debt Service: 20, 25 or 30 years, interest rate no higher than 6.0%.

- 1) Fund Source Codes: 301 Funding and/or Other (301 / OTH), Tuition (TUI), Auxiliary (AUX), Local Funds (LF), Indirect Cost Recovery (ICR), General Funds (GFA), Debt Financed by Gifts (DFG), Federal Grant (FGT), Gifts (GIF), Other (OTH), Student Fee (SF).
- 2) Veterinary Science Research Building: Funded through Agriculture Endowment (no debt financing)
- 3) The Sixth Street Residence Life Facilities project budget has been revised to \$159.5M. This new project budget will be reflected in the PA request to be submitted to ABOR in the near future.

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**THE UNIVERSITY OF ARIZONA
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CAPITAL DEVELOPMENT PLAN OPERATION & MAINTENANCE BY FUNDING SOURCE								
Project	Estimated O&M	301/OTH	TUI	AUX	LF	ICR	FGT	GFA
New Capital Project Proposals								
ENRII-Environment and Natural Resources Building Phase II	1,606,068							1,606,068
Deferred Maintenance / Building Renewal Projects Phase I	(2)							
Centennial Hall Renovation	(2)							
Phoenix Biomedical Campus Phase 2 (3)	6,259,850							6,259,850
New Projects Subtotal	7,865,918	0	0	0	0	0	0	7,865,918
Previously Approved								
Bryant Bannister Tree-Ring Archive Building	128,448							128,448
UA Science Center/Arizona State Museum-Rio Nuevo	946,100							946,100
Sixth Street Residence Life Facilities	4,561,500			4,561,500				
Veterinary Science Research Building	107,304				107,304			
Residence Life Bldg Renewal Phase III	(2)							
Residence Life Bldg Renewal Phase IV	(2)							
Previous Projects Subtotal	5,743,352	0	0	4,561,500	107,304	0	0	1,074,548
Totals	13,609,270	0	0	4,561,500	107,304	0	0	8,940,466

Note: 1) Fund Source Codes: 301 Funding (301), Tuition (TUI), Auxiliary (AUX, Local Funds (LF), Indirect Cost Recovery (ICR), General Funds (GFA) Other (OTH), Federal Grant (FGT)

2) There is no anticipated change in annual operation & maintenance costs associated with the Deferred Maintenance Project, Centennial Hall Renovation, Residence Life Building Renewal Phases III & IV, because potential savings are offset by higher utility rates.

3) Represents the University of Arizona share of the total O&M costs of \$8,816,317.

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FY 2009 CAPITAL DEVELOPMENT PLAN-PROJECT JUSTIFICATION REPORT

The University of Arizona – Environment & Natural Resources – Phase II (ENRII)

1. Project Need:

ENR II is part of The University of Arizona long-term effort to promote interdisciplinary research that focuses upon earth science and environmental programs. A key aspect of the ENR II facility is to create an atmosphere of scientific collaboration and interdisciplinary research. Units to be located in this facility are the Office of Arid Lands Studies (OALS), the Department of Atmospheric Sciences/Institute for Atmospheric Physics (ATMO), the Institute for the Study of Planet Earth (ISPE), Geography and Regional Development (GRD), and the School of Natural Resources (SNR). Limited space will also be allocated on an interim basis for a part of the Mathematics department.

Since 1998, the Arizona District Office of the USGS Water Resources Discipline and a portion of the USGS Western Mineral Resources Team have shared the Dennis DeConcini Environment and Natural Resources Building (ENR I) with the National Oceanic and Atmospheric Administration (NOAA) National Weather Service. The ENR I was constructed with Federal funds appropriated to The University of Arizona (through the General Services Administration) in the mid-1990s, and is owned and operated by The University of Arizona. Establishing a central facility creates a collaborative environment in which varied disciplines can flourish in an atmosphere conducive to scientific cooperation.

ENR II first appeared in the University FY 1996 Capital Improvement Plan approved by the Board in September 1994 and has remained part of the capital plan since. The Board granted the authority to negotiate a ground lease in June 1997 to complete the project via a private/public partnership. This was subsequently canceled when one Federal partner removed itself from the program.

A renewed ENR II will reinforce The University of Arizona interdisciplinary initiatives in Environment and Society and it will provide the means to achieve unprecedented synergy in these areas. Further details are provided in Section 5 below.

2. Programming and Design Costs, and Exceptions (if required) to Achieve Project Implementation:

Programming and design costs for the project through schematic design are anticipated to exceed the limits defined in ABOR Policy, Chapter VII (7-107.D.3). The University requests approval to incur project programming and design costs over the \$500,000 threshold.

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3. Estimated Project Scope and Cost:

The estimated \$90 million facility will provide approximately 90,000 net assignable square feet (nasf), or 150,000 gross square feet (gsf), on the southwest campus area, directly connected to the existing ENR I (number 120) building. The major functional areas include office space, research laboratory space (no wet labs), and common program support space. Interim space for Mathematics will ultimately be vacated to enable utilization by the other programmed units.

Proposed Program – Net Assignable Square Feet

Program Area	Office	Research	Other	Total
Atmospheric Sciences/Mathematics*	17,000	0	0	17,000
Geography & Regional Development	6,010	10,990	0	17,000
Institute for the Study of Planet Earth	9,000	6,000	5,000	20,000
Office of Arid Lands Studies	11,576	1,924	0	13,500
School of Natural Resources	14,084	8,416	0	22,500
Total				90,000

* Targeted as interim use for Mathematics with Atmospheric Sciences as ultimate user.

4. Conformance with ABOR Space Guidelines:

Completion of the ENR II project will be in conformance with applicable ABOR Space Guidelines.

5. Project Compliance with Mission, Strategic Plans, Campus Master Development Plans and Community Input Process:

The Earth Science and Environmental Program goals focus on optimizing The University of Arizona approach in earth and environmental science in ways that will enhance research, education and the application of knowledge by society. The findings show a strong need for additional facilities and support for the proposed Environment & Natural Resources Phase II facility. Capitalizing on existing core disciplinary strengths will further establish the University of Arizona as a preeminent institution in basic earth science and environmental programs research, student training, and application of environmental knowledge to problems of regional, national and global significance.

According to the 2003 report, *Positioning Arizona and Its Research Universities: Science and Technology Core Competencies Assessment*, prepared by the Battelle Memorial Institute,

“Arizona’s strongest core competency by far is the ecological sciences.”

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The report's definition of "ecological sciences" includes primarily arid/semi-arid lands ecology, remote sensing and urban environmental systems, and hydrology and water resources. The report identified these research areas as "worthy of state recognition and nurturing," and acknowledged that the return to the economy of Arizona would be substantial.

All five University units (ISPE, OALS, SNR, GRD and ATMO) to be housed in ENR II are committed to building and maintaining permanent partnerships between University and Federal partners (e.g., US Geological Survey, National Oceanic and Atmospheric Administration, U.S. Department of Agriculture, NASA, and Environmental Protection Agency). These units interact extensively in applications-based scientific research on climate variability and impacts over annual to millennial time scales. They share a strong interest in problems associated with arid lands around the world. Understanding the biophysical and societal dynamics of arid regions, as well as of drought in the world's dry lands, are priorities for all of these units.

The five units are all engaged in research and product development focused on applications of remotely sensed data, Geographic Information Systems (GIS) technology, and fire science and environmental monitoring. ENR II provides a place where science-based response to societal needs, particularly the sharing of scientific knowledge and technologies, can occur. Each unit brings a unique strength to the facility, which is illustrated in their mission statements.

- The Institute for the Study of Planet Earth (ISPE) has a mission to work across The University of Arizona campus to foster both disciplinary and interdisciplinary research relating to the environment of the Earth, from local to global scales, and to determine how this environment is likely to change in coming seasons, years, and decades. The ISPE encourages interdisciplinary research and education on and off campus, as well as with users of environmental knowledge and information. One of ISPE's main goals is to forge new paradigms in University partnership with society's decision-makers.
- The Office of Arid Lands Studies (OALS) undertakes interdisciplinary, strategic research that address local, state, national, and international problems related to understanding, regenerating, and managing the world's arid lands. Included in the spectrum of OALS research activities are remote sensing, natural resource development and management, desertification monitoring and control, water conservation and reuse, and traditional but increasing web-based information services.
- The School of Natural Resources (SNR) is dedicated to generating and distributing knowledge related to all aspects of natural and managed environments including the use of their services and products. The SNR provides instruction, research and extension/outreach in a range of disciplines related to the conservation and management of renewable natural resources. The academic environment in the School allows students to integrate physical and biological sciences with socio-economic and political factors necessary for the conservation, protection and management of plant and animal species,

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biotic communities, ecosystems and landscapes. Academic programs provide undergraduate and graduate education that allows graduates to assume leadership positions in agencies and organizations that manage and administer natural resources in Arizona and the nation. Research by School scientists provides the foundation of knowledge and management skills necessary to manage our valuable natural resources, with considerable integration of disciplinary resources within The University of Arizona and through cooperation with Federal and State agencies and non-government organizations. Interdisciplinary research and education are facilitated by several laboratories and cooperative research units.

- The Department of Geography and Regional Development (GRD) carries out research teaching and outreach across five core areas. GRD's Human-Environment program pursues and innovates diverse approaches to tackle current problems such as changing water policy, disturbed ecosystems, invasive and exotic plant invasions, wildfires, urban growth problems, arid lands management, and air pollution. GRD's Critical Human geography program focuses on theory and policy issues in economic, political, urban, and cultural geography, as well as in development. GRD's Regional Development program concentrates on population geography, economic geography, and urban geography as they intersect regional development and regional science. GRD's Physical Geography program examines systems and processes, both natural and human-caused, which are involved in environmental change at global, regional and local scales. All of these programs are supported by a technical program in Geographic Information Systems and Satellite Remote Sensing, along with new approaches in web-based technology, decision support science, and geo-visualization.
- The Department of Atmospheric Sciences (ATMO), which includes the Institute for Atmospheric Physics, encompasses a wide range of topics that all tie together under one common theme: the Earth-Atmosphere system. From long-term climate variability to day-to-day local forecasting, ATMO strives to explore and understand the dynamic nature of the Earth-Atmosphere system. ATMO researchers utilize some of the most complex weather and climate models available, and the department collaborates with Federal and private groups to advance knowledge and applications related to the atmosphere.

The project is located near the northwest corner of Sixth Street and Fremont Avenue, and will be sited on the existing parking lot directly east of ENR I. The Master Plan/Concept Design Phase Report for the Environment and Natural Resources Building, completed by Hoover Berg Desmond, February 1994, provides the implementation strategy for the multi-phase development of the complex, and furnishes a framework for the integration of the facilities within the University campus environment. These plans are consistent with the current update of the University's Comprehensive Campus Plan.

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6. Fiscal Impact and Financing Plan:

Total Project Budget:	\$90,000,000
Source of Funds:	Construction Stimulus Package
Operations & Maintenance	\$1,606,068
Annual Debt Service:	\$7,040,000
Debt Service Funding Sources:	80% State of Arizona/20% University of Arizona-Tuition

7. Backfill/Use Plan:

A backfill plan will be developed in conjunction with the design effort. Approximately 70,000 nsaf of permanent and lease space will be evaluated for reassignment to match functional requirements with available space. Future assignments will be made through the University's Space Committee.

8. Alternatives:

Among the other alternatives considered and subsequently rejected by The University of Arizona were the "no project" option, the possibility of identifying existing University space to house the various units, and an infill construction approach. The "no project" option is not feasible due to lack of the opportunity to share space with Federal units with the desire on both sides to engage in complementary, collaborative research activities. Presently, there is not enough contiguous space available on campus to accommodate University units without new construction. Finally, infill construction at multiple locations does not support the collaborative activities necessary in the program.

9. Related Projects or Proposals:

Future expansion of the Environment & Natural Resources Complex (ENR III, ENR IV) is anticipated given the strengths of the current programs and the possibilities for Federal and other support in the future.

ENR I space is leased to the USGS under Memorandum-of-Understanding and Cooperative Agreements. Under the twenty-year lease, USGS only pays for building operations and maintenance. The current USGS presence in ENR I is about 105 people and the USGS is assigned additional space in the Biological Sciences East Building and at The University of Arizona Desert Laboratory on Tumamoc Hill.

10. Building Quality and Longevity

ENR II will be owned, operated, and maintained by The University of Arizona, and located in a highly visible location on an arterial street. In order to conform to The University of Arizona Comprehensive Campus Plan and Design & Construction standards, the building should be designed and constructed to an institutional-quality level that exceeds a fifty-year

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life span. The building is conceived as a home-base for a multidisciplinary, collaborative research effort in environmental studies. As such, it should be designed to a superior level of sustainable design criteria to achieve the best life cycle value.

This building will be designed to connect to the existing ENR I building, and will therefore require similar, high-quality exterior finishes and structural connections. Some remodel work will need to occur in the existing building to facilitate this connection. The building should be designed to accommodate program flexibility for many years of service.

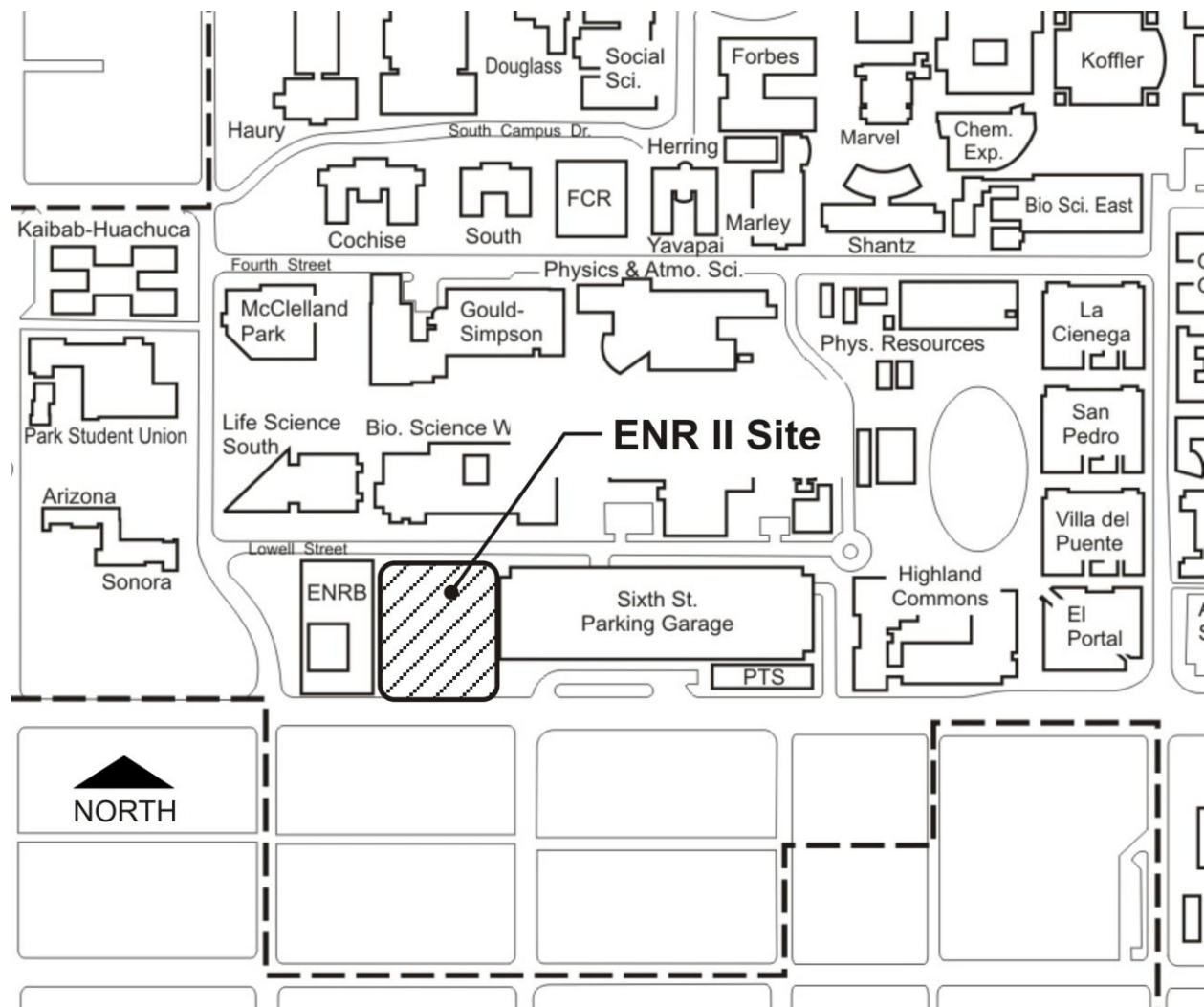
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FY 2009 CAPITAL DEVELOPMENT PLAN-PROJECT JUSTIFICATION REPORT

The University of Arizona – Environment and Natural Resources Building Phase II

Project Location Map



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FY 2009 CAPITAL DEVELOPMENT PLAN-PROJECT JUSTIFICATION REPORT

The University of Arizona – Deferred Maintenance / Building Renewal Projects Phase 1

1. Project Need:

Arizona's public university campuses are in a serious state of disrepair because critical maintenance needs have been deferred due to lack of state funding. UA currently faces a maintenance backlog in excess of \$130 million. Since 1998, the university has submitted building renewal requests exceeding \$274.9 million while only \$43.5 million was funded. There were five consecutive years in which no funding was provided. An ad hoc approach to maintenance can no longer deal with this growing problem.

2. Programming and Design Costs to Achieve Project Implementation:

Programming and design costs for the project through schematic design are not anticipated to exceed the limits defined in ABOR Policy, Chapter VII (7-107.D.3).

3. Project Scope and Cost:

This project will address the significant backlog of deferred maintenance and building renewal needs of the university, including academic growth-oriented needs and classroom renovations. The total budget for Deferred Maintenance/Building Renewal projects is \$130,700,000 with funding to be phased over three years between FY2009-FY2011. The budget for the first phase of building renewal projects is \$38,409,861. UA is currently preparing a comprehensive plan for the first phase and will provide more detail to the board at Project Implementation Approval as required. The second and third phases of the project, totaling \$92,290,139, will appear in the FY 2010-2012 UA Capital Improvement Plan. The ability to move forward with this project is dependent upon the outcome of legislative budget deliberations. Without legislative support, these projects will lack funding needed to proceed.

4. Project Compliance with Space Standards:

The project will be in conformance with applicable ABOR Space Guidelines.

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5. Project Compliance with Mission, Strategic Plan, Master Plan and Community Input Process:

This project supports the university's mission by extending the useful life of university facilities, and providing the space and resources necessary to accommodate current and incoming students, faculty, and staff. In addition, this project is in compliance with the UA Comprehensive Campus Plan by assuring the continued excellence of the University's buildings and open spaces.

6. Fiscal Impact and Financial Plan:

The funding source for this project would be Certificates of Participation/System Revenue Bonds. The debt service would be paid by General Fund Appropriation and Tuition. The current proposal to the state assumes 20 percent from the university and 80 percent from state appropriations in the SPEED package.

This project is not anticipated to increase current Operations & Maintenance costs.

7. Backfill Plan:

Not applicable to this project.

8. Alternatives:

UA has very few alternatives to this project, since deferred maintenance and building renewal needs must be resolved for university facilities to continue to operate in a safe and effective manner.

9. Related Projects or Proposals:

This is an ongoing effort to assure the appropriate treatment and full utilization of University facilities.

10. Building Quality and Longevity:

This project is intended to improve the quality and extend the longevity of existing campus facilities.

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FY 2009 CAPITAL DEVELOPMENT PLAN-PROJECT JUSTIFICATION REPORT

The University of Arizona – Renovation of Centennial Hall

1. Project Need:

Historic Centennial Hall, formerly the UA Main Auditorium, is the University's largest performance venue, seating 2450 patrons. It was constructed in 1936 and is on the National Register of Historic Places. It serves southern Arizona as an on-campus center for the arts and culture. Centennial Hall is a multipurpose performance hall and is used for many University events such as commencement, and it is a venue for professional and diverse productions such as dance, theatre, and music. It was renovated and expanded 1985 and is again in need of renovation and upgrade to remain functional and competitive in its second century of service. This phase of the project will address the most critical needs and create a priority list for the potential of future donations.

2. Programming and Design Costs to Achieve Project Implementation:

Programming and design cost for the project through schematic design are not anticipated to exceed the limits defined in ABOR Policy, Chapter VII (7-107.D.3).

3. Project Scope and Cost:

This \$12 million renovation and expansion will address the most critical needs of patrons, performance and support. The renovations will include improving seating and sight lines, acoustics/sound, adding restrooms, and improving point of sale opportunities. This project will also prioritize future improvement opportunities for potential donors including amenities such as additional rehearsal, lecture and lounge space, and will investigate improved loading dock, lighting and parking opportunities.

4. Conformance with ABOR Space Guidelines:

The project will be in conformance with applicable ABOR Space Guidelines.

5. Project Compliance with Mission, Strategic Plans, Campus Master Development Plans and Community Input Process:

This project complies with the mission and strategic plan of the University by ensuring that the facility continues to be useful for the purposes intended for the University, students, faculty, staff and the community.

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6. Fiscal Impact and Financing Plan:

The funding source for this project would be Certificates of Participation/System Revenue Bonds. The debt service would be paid by General Fund Appropriation and Tuition. The current proposal to the state assumes 20 percent would be provided by the University and 80 percent from appropriations in the Construction Stimulus Package.

The operations and maintenance would remain unchanged.

7. Backfill/Use Plan:

Not applicable to this project

8. Alternatives:

There are no other spaces currently on campus that can fill the need that this space provides.

9. Related Projects or Proposals:

This project will also prioritize future improvement opportunities for potential donors including amenities such as additional rehearsal, lecture and lounge space, and will investigate improved loading dock, lighting and parking opportunities.

10. Building Quality and Longevity:

Centennial Hall is an icon of the University of Arizona and on the National Register of Historic Places. It is within the historic core of campus and is built of durable materials. This renovation will address aspects of functional obsolescence and will provide systems upgrades and amenities that will satisfy the needs of contemporary productions and provide an experience commensurate with the expectations and needs of today's audiences.

EXECUTIVE SUMMARY

Arizona Board of Regents

FY 2009 CAPITAL DEVELOPMENT PLAN-PROJECT JUSTIFICATION REPORT

The University of Arizona – Phoenix Biomedical Campus Phase 2

1. Project Need:

Prospects for the health and well-being of Arizona's resident's are increasingly threatened by the cost of health care and its implications for access. Arizona faces its own unique set of health related issues: one of the nation's fastest growing populations; a large retiree population; a rapidly growing, under-served, low income population; and special concerns of our Native American population. The state's three universities must address these issues in collaboration by educating increasing numbers of healthcare providers and by investing in biomedical and public health research. This is the vision of the Phoenix Biomedical Campus (PBC).

The need for Arizona to educate more healthcare professionals is well documented. Among the nation's fastest-growing states, Arizona suffers from a shortage of physicians, pharmacists as well as nurses and other health professionals.

The overall concept for the PBC is to accommodate a student population of 1,078 full time students, 2,668 part time students and 491 full time faculty. Programs served would include the UA College of Medicine with 150 full time students per year, the UA College of Pharmacy with 100 full time students per year, ASU's College of Nursing sending a student population of approximately 2400 students housed in its downtown campus to learn in the simulation laboratories proposed, ASU's Biomedical informatics program with 100 full time and 340 part time students, and NAU's Occupational Therapy, Physical Therapy, and Physician's Assistant programs with an on campus student count of 255 students.

2. Programming and Design Costs to Achieve Project Implementation:

Programming and design costs for the project through schematic design are not anticipated to exceed the limits defined in ABOR Policy, Chapter VII (7-107.D.3).

3. Project Scope and Cost:

Phase 2 development of the PBC will add 805,000 square feet and will include the facilities listed in the table below.

EXECUTIVE SUMMARY

Phoenix Biomedical Campus	Square Feet
Health Sciences Education Building	360,000
Wet Lab Research Building	270,000
Research Core Support Building	70,000
Clinical Office Support	10,000
380-Space Parking Facility	95,000
Total	805,000

The total estimated budget of \$470,000,000 will be shared between the three universities. UA's portion of the tri-university partnership is 71 percent or \$333,700,000; ASU's share is 25 percent, and NAU's share is 4 percent.

4. Project Compliance with Space Standards:

The project will be in conformance with applicable ABOR Space Guidelines.

5. Project Compliance with Mission, Strategic Plan, Master Plan and Community Input Process:

This project supports the university's mission by providing the space and resources necessary to accommodate current and incoming students, faculty, and staff.

6. Fiscal Impact and Financial Plan:

The funding source for this project would be Certificates of Participation/System Revenue Bonds. The current proposal to the state as part of the SPEED program assumes 20 percent of the costs from the universities and 80 percent from state appropriations. In the current scope UA would have financial responsibility for 71 percent of the capital and operating costs of the new facilities. The UA portion of the debt service would be paid by Certificates of Participation and General Fund.

Operations & Maintenance funding costs of \$8,816,317 per year would be pursued through the standard legislative appropriations process for new facility support. The UA share of the cost is \$6,259,850.

7. Backfill Plan:

A backfill plan is not applicable to this project.

EXECUTIVE SUMMARY

8. Alternatives:

There are no alternatives that will address the critical shortage of healthcare professionals in Arizona. The absence of a fully developed College of Medicine in Phoenix disadvantages Phoenix and Arizona now and will adversely influence the quality of health care and the environment for continued development of Arizona's biotechnology industry. A significantly expanded presence of the UA's College of Medicine in Phoenix, with two synergistically related campuses, involving faculty from the universities is the best strategic choice to advance Arizona's healthcare needs.

9. Related Projects or Proposals:

All PBC projects are being planned and designed under the guidance of the Phoenix Biomedical Campus Comprehensive Development Plan.

10. Building Quality and Longevity

The subject buildings will be designed and built to be state of the art facilities with a long and productive project life.