

EXECUTIVE SUMMARY

Item Name: Annual Capital Plan (ACP), Including Waiver of ABOR Policy Requiring ACP Projects to Appear on a Previous Capital Improvement Plan (UArizona)

Action Item

Requested Action: The University of Arizona (UArizona) asks the board to approve its Annual Capital Plan (ACP), including waiver of ABOR Policy requiring ACP projects to appear in a previous Capital Improvement Plan (CIP). The ACP includes seven new projects and no resubmitted projects, which totals \$206.4 million, as described in this executive summary.

Background/History of Previous Board Action

- Five projects were submitted to the board as part of UArizona's FY 2023 – 2025 CIP:
 - Arizona Public Media Building
 - Arizona State Museum Renovation
 - Food Product & Safety Laboratory Renovation
 - Shantz Building Remodel – Research Renovation Project
 - UA Health Sciences Building 201 Remodel – 1st Floor Relocation / Expansion
 - Medical Imaging Admin & Faculty Office
- The following two projects have not appeared in a CIP, therefore a waiver of ABOR Policy is being requested:
 - Biomedical Sciences Partnership Building Shell Space Build-Out
 - Mining & Mineral Natural Resources Museum Renovation

Prior Year Activity

- One project totaling \$81 million was substantially completed within the last 12 months.
- Five projects totaling \$289 million began or continued construction activity in the last 12 months.
- Detail on completed and ongoing projects are listed in Exhibit 1.

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Overview and Alignment with Enterprise and University Goals and Objectives

- The UArizona ACP includes seven projects totaling \$206.4 million.
- UArizona has developed the ACP to align with university's campus master plan, and the system Enterprise and university strategic goals and objectives.
- The primary institutional priorities supported by the ACP include:
 - **Academic & Research Needs:** The educational and research programs contribute greatly to the quality of life and economic vitality of our state. However, it must continue to increase operational efficiencies and the number of degrees awarded while improving student success, retention and graduation rates.
 - **Student Support Requirements:** New facilities and student success programs must be provided to assure successful student recruitment, housing, socialization, retention and graduation.
 - **Campus Operations & Infrastructure Priorities:** Facilities must be kept in a safe, operational and maintainable condition. Campus buildings and utility systems must be efficient and cost-effective to maximize the use of operational funds over time. Infrastructure improvements should be made in district-wide increments, when possible, to maximize economies of scale and potential cost savings. Critical maintenance and renovations must not fall behind, even when state building renewal funds are not received.
 - **Life Safety & Code Compliance:** Life safety and code compliance issues must take highest priority to assure the safety of students, staff and visitors. Safety and code compliance issues must be resolved promptly.
 - **Community Service Opportunities:** Community service is a vital aspect of the university mission and is integral with most of the University's programs. The UArizona Land Grant status additionally increases the breadth of the community service to be provided.
 - **Construction Market Conditions:** While there is some recent calming, construction pricing escalation, supply chain interruptions, and labor shortages continue to increase construction costs. During this time, it is advisable to expedite design and construction processes to the extent reasonably possible to lock in prices and minimize cost impacts on the University and its students.
 - **Funding Sources & Financing Options:** Project funding and financing should be carefully considered for every individual project, to take advantage of windows of opportunity, to maximize the resources available with minimal impacts on

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tuition rates and to responsibly manage the assets of the University. The use of gift and State Appropriations should be optimized, and alternative funding approaches should be considered when appropriate. Impacts to tuition should be avoided when possible. Financial resources must be judiciously utilized to meet the highest institutional priorities and the University's financial strength and standing must be preserved.

Annual Capital Plan Projects

- The following lists the seven new projects proposed for ACP approval, including notations where an ABOR Policy waiver is requested:
 - Arizona Public Media Building
 - Arizona State Museum Renovation
 - Biomedical Sciences Partnership Building – 2nd Floor Shell Space Build-Out for the Center for Advanced Molecular and Immunological Therapies*
 - Food Product & Safety Laboratory Renovation
 - Mining & Mineral Natural Resources Museum Renovation*
 - UA Health Sciences Building 201 Remodel – 1st Floor Relocation / Expansion Medical Imaging Admin & Faculty Office
 - Shantz Building Remodel – Research Renovation Project

*As a result of the timing from new State appropriations, UArizona asks for board approval to bring the *Biomedical Sciences Partnership Building – 2nd Floor Shell Space Build-Out for the Center for Advanced Molecular and Immunological Therapies* and the *Mining & Mineral Natural Resources Museum* projects forward without having appeared on a previous CIP.

- Additional detail on project costs, financing, and scope can be found in the tables in Exhibits 2 and 3, and the individual project justification reports attached at the end.

Fiscal Impact and Management

- The UArizona ACP, if fully implemented, will cost a total of \$206.4 million.
- Of the total amount, \$105 million will be financed using debt.
- **Debt Ratio Impact:** The debt service associated with projects detailed above will increase the debt ratio by 0.08 percent. The projected highest debt ratio in FY 2024 is 5.3 percent excluding SPEED revenue bonds and 6.4 percent if including SPEED revenue bonds.

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- The tables in Exhibits 2 and 3 provide detail project financing, funding sources and debt ratio impact.

Other Projects

- UArizona anticipates submitting project financing approval for a Grand Challenges Research Building Tenant Improvement project totaling approximately \$7 million in the next year, at the same time as the project financing approvals of the three bond funded projects in this ACP.
- UArizona anticipates no additional third-party projects, component unit projects, and commercial long-term leases that require board approval to be entered into in the next year.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.2, each university shall submit an annual ACP for the upcoming 12-month period in accordance with the calendar and form approved by the executive director of the board.
- ACPs are reviewed by the Finance, Capital and Resources Committee and approved by the board.
- Approval of the ACP authorizes the university to seek legislative review for debt-funded or third-party projects, if applicable. A university cannot proceed with financing or execute construction contracts for a project until the committee has reviewed, and the board has approved the Individual Project and Financing phase.
- ABOR Policy 7-102.B.2.a.1 requires that projects be included in a CIP before they are included in an ACP, unless ABOR grants an exception to this requirement. UArizona seeks an exception to the policy for the *Biomedical Sciences Partnership Building – 2nd Floor Shell Space Build-Out for the Center for Advanced Molecular and Immunological Therapies* and the *Mining & Mineral Natural Resources Museum* projects, as a result of the timing from new State appropriations for these projects.

Committee Review and Recommendation

The Finance, Capital and Resources Committee reviewed this item at its September 15, 2022 meeting, and recommended forwarding the item to the full board for approval.

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EXHIBIT 1

UARIZONA CAPITAL PROJECT STATUS REPORT							
Project Name	Gross Square Feet	Total Budget	Direct Construction Budget	Percent Work Completed*	Percent to Gift Target	Date Last Board Approval	Original /Revised Occupancy Date
Applied Research Building / Campus Infrastructure	89,000	\$85,000,000 / \$16,000,000	\$62,000,000 / \$13,200,000	41% / 58%	NA	Nov 19	Jan 23
Grand Challenges Research Building	107,877	\$99,000,000	\$76,400,000	36%	NA	Nov 19	Jan 24
Chemistry Building Renovations	78,600	\$42,000,000	\$32,410,000	69%	NA	Nov 19	Dec 22
Andrew Weil Center for Integrative Medicine	29,400	\$23,000,000	\$19,020,000	9%	100%	Nov 19	Oct 23
Facilities Management Relocation and Consolidation Facility	70,000	\$24,000,000	\$18,690,000	97%	NA	Nov 19	Aug 22
Ongoing Project Totals		\$289,000,000	\$221,720,000				
Completed Projects							
Student Success District	201,346	\$81,000,000	\$66,100,000	99%	99%	Jun 17	Dec 21
Completed Project Totals		\$81,000,000	\$66,100,000				
				*As of July 31, 2022			

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EXHIBIT 2

UARIZONA ANNUAL CAPITAL PLAN								
PROJECT NAME	BOARD APPROVAL STATUS	GROSS SQUARE FOOTAGE	PROJECT COST	AMOUNT FINANCED	FUNDING METHOD	ANNUAL DEBT SERVICE	FINAL MATURITY	DEBT RATIO
NEW CAPITAL PROJECTS								
Arizona Public Media Building	CIP 2021	58,000	\$63,000,000		Gifts			
Shantz Building Remodel – Research Renovation Project	CIP 2021	86,980	\$65,000,000	\$65,000,000	Bonds	\$5,700,000		.05
Arizona State Museum Renovation Project	CIP 2021	122,191	\$30,000,000	\$30,000,000	Bonds	\$2,700,000		.02
UAHS Building 201 Remodel – 1 st Floor Relocation / Expansion Medical Imaging Admin & Faculty Offices	CIP 2021		\$10,000,000	\$10,000,000	Bonds	\$700,000		.01
BPSB – 2 nd Floor Shell Space Build-Out for CAMI	N/A	19,500	\$15,500,000		State			
Food Product & Safety Lab Renovation	CIP 2021		\$10,900,000		State			
Mining and Mineral Natural Resources Museum Renovation	N/A	30,315	\$12,000,000		State			
New Capital Projects Total			\$206,400,000	\$105,000,000		\$9,100,000		

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EXHIBIT 3

ARIZONA ANNUAL DEBT SERVICE BY FUNDING SOURCE									
PROJECT	AMOUNT FINANCED	TUITION	STUDENT FEES	INDIRECT COST RECOVERY	OTHER LOCAL FUNDS	STATE CAPITAL INFRASTRUCTURE	STATE LOTTERY	OTHER	TOTAL ANNUAL DEBT SERVICE
NEW CAPITAL PROJECT									
Shantz Building Remodel – Research Renovation Project	\$65,000,000	\$2,850,000				\$2,850,000			\$5,700,000
Arizona State Museum Renovation Project	\$30,000,000	\$1,350,000				\$1,350,000			\$2,700,000
UAHS Building 201 Remodel – 1 st Floor Relocation / Expansion / Medical Imaging Admin & Faculty Offices	\$10,000,000			\$700,000					\$700,000
Annual Debt Service Totals	\$105,000,000	\$4,200,000		\$700,000		\$4,200,000			\$9,100,000

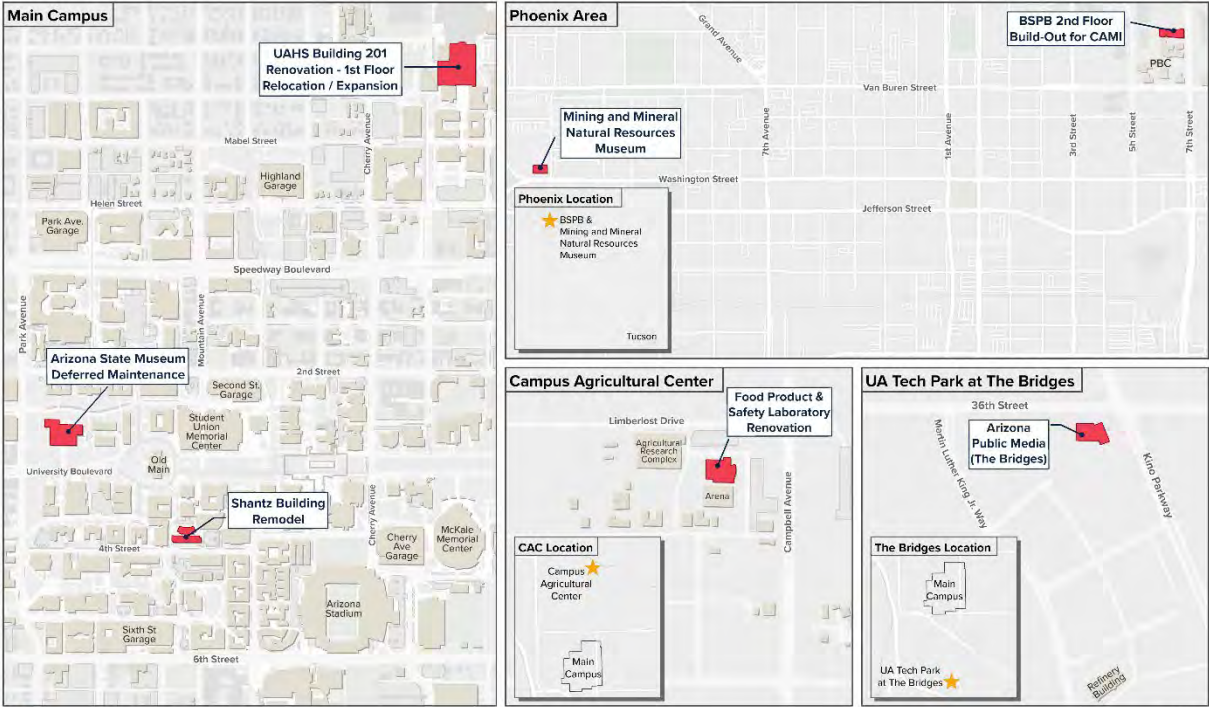
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EXHIBIT 3 (continued)

ANNUAL OPERATION AND MAINTENANCE BY FUNDING SOURCE									
PROJECT	TOTAL ANNUAL O&M	TUI	SFE	ICR	OLF	GFA	FGT	DFG	OTH
NEW CAPITAL PROJECT									
Arizona Public Media Building	\$462,200				\$462,200				
UAHS Building 201 Remodel – 1 st Floor Relocation / Expansion Medical Imaging Admin & Faculty Offices	\$136,900								\$136,900 F&A
BPSB – 2nd Floor Shell Space Build-Out for CAMI	\$140,100			\$140,100					
Mining and Mineral Resources Museum Renovation	\$251,370					\$251,370			
Annual O&M Totals	\$990,570			\$140,100	\$462,200	\$251,370			\$136,900
<small>TUI = Tuition SFE = Student Fees ICR = Indirect Cost Recovery OLF = Other Local Funds</small>				<small>GFA = General Fund Appropriation FGT = Federal Grant DFG = Debt Financed by Gifts OTH = Other</small>					

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EXHIBIT 4



UArizona Annual Capital Plan - Project Site Map
 FY2023



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EXHIBIT 5



2022 DEBT CAPACITY

PURPOSE

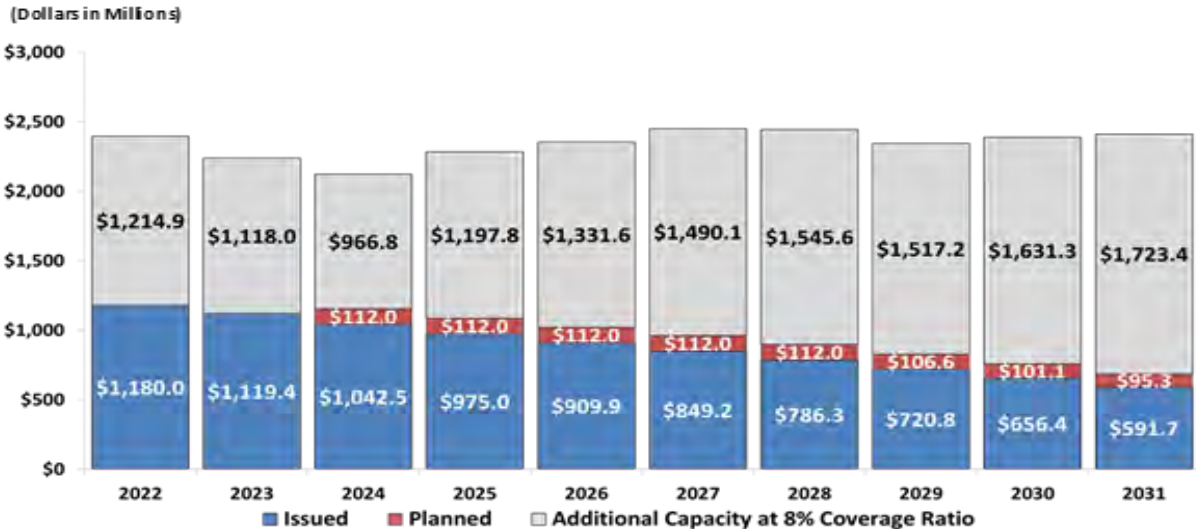
To demonstrate The University of Arizona’s ability to finance additional capital investment through debt instruments and to fund the related debt service (principal and interest).

PROJECTED DEBT CAPACITY

The debt capacity report includes four projects from the Annual Capital Plan (ACP): Shantz Building Deferred Maintenance and Research Renovation, Arizona State Museum Deferred Maintenance, UAHS Building 201 First Floor Relocation/Expansion, and Grand Challenges Research Building Tenant Improvements. With the financing of the projects listed, the projected highest debt ratio is 5.3 percent in FY 2024, relative to the ABOR policy and statutory debt limit of 8 percent. The University outstanding debt in that year is projected to be \$1.64 billion. The year with the highest debt service will be FY 2024 at \$124.3 million. The 5.3 percent ratio is within the range used by the bond rating firms to judge an institution’s creditworthiness to service debt.

<i>Maximum Projected Debt Service to Total Expenditures Excluding/ Including SPEED debt</i>
5.3% / 6.4%

UArizona projects outstanding debt (issued) to decline from \$1.2 billion in FY 2022 to \$591.7 million in FY 2031 as debt is retired. The planned debt includes financing of the projects listed in the paragraph above. Additional debt capacity represents debt that can be issued in any given year based on the statutory 8 percent debt ratio limit.



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FUTURE PROJECTS

Projects listed are from the current ACP and will be issued prior to the end of FY2024. These planned projects are included in the Debt Capacity assumptions.

	Project Budget	Amount Financed
Shantz Building- DM/Research Reno*	\$ 65,000,000	\$ 65,000,000
Arizona State Museum DM*	30,000,000	30,000,000
UAHS Bldg 201 First Floor	10,000,000	10,000,000
Grand Challenges Rsch Bldg TI	7,000,000	7,000,000
Total	\$ 112,000,000	\$ 112,000,000

* Includes funding from State Capital Appropriation HB 2547

CREDIT RATINGS

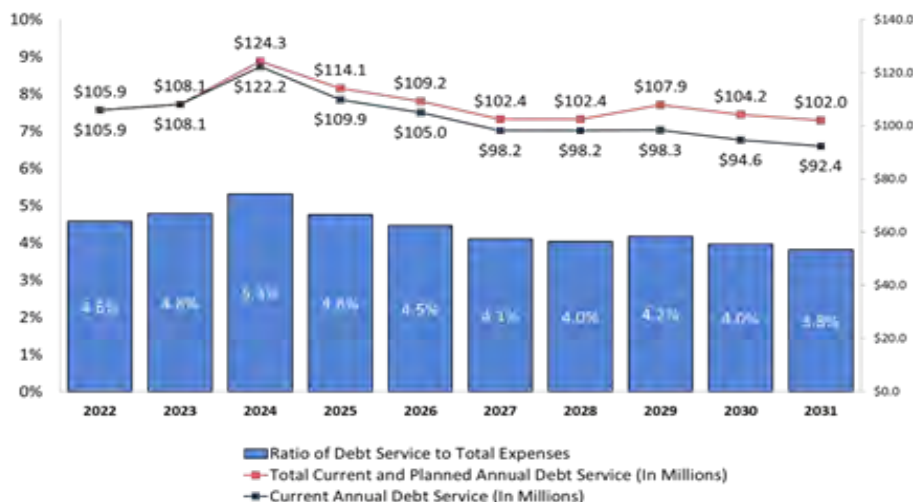
UA Arizona's current credit rating is Aa2 (Moody's) and AA- (S&P). Positive rating factors include UA Arizona as the flagship and land-grant institution, as well as its important role in the provision of medical education for the State of Arizona. The university continues to have growing and diverse research programs and sizable

Fiscal Year	Moody's		Standard & Poor's (S&P)	
	Rating	Outlook	Rating	Outlook
2017	Aa2	Stable	AA-	Stable
2018	Aa2	Stable	AA-	Stable
2019	Aa2	Stable	AA-	Stable
2020	Aa2	Stable	AA-	Stable
2021	Aa2	Negative	AA-	Stable
2022	Aa2	Negative	AA-	Stable

sponsored research funding with diverse sources. Offsetting factors include weakened operating performance, thinning, but adequate, debt service coverage, and high leverage compared to Moody's median peers.

RATIO OF DEBT SERVICE TO TOTAL EXPENSES

Annual debt service on System Revenue Bonds (SRBs) and Certificates of Participation (COPs) is projected to increase from \$105.9 million in FY 2022 to a maximum of \$124.3 million in FY 2024. The ratio of debt service to total expenses is projected to peak in FY 2024 at 5.3 percent relative to the 8 percent statutory limit. The peak planned debt ratio includes debt service for the projects listed on the previous page. The Stimulus Plan for Economic and Educational Development (SPEED) bonds are funded up to 80 percent by state lottery revenues, with the balance funded by the University. SPEED debt service is excluded from the statutory debt ratio. If SPEED debt were included, the debt ratio is projected to peak in FY 2024 at 6.4 percent. The maximum projected annual debt service including SPEED is \$150.0 million in FY 2024.



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**UArizona
Annual Capital Plan - Project Justification Report
Arizona Public Media Building**

Background/History of Previous Board Action

- Capital Improvement Plan FY 2023 – 2025 September 2021

Project Justification/Description/Scope

- **Project Description and Justification**

Arizona Public Media (AZPM) is the public broadcasting service of the University of Arizona. It is an editorially independent, member supported, not-for-profit public media organization provided by the University of Arizona as an educational and informational community service. AZPM exemplifies the goals and objectives of public media and furthers the land-grant mission of the University, serving all or parts of eleven Arizona counties with three public television program services (*PBS-HDTV*, *PBS Kids*, *PBS 6 PLUS*), four public radio services (*Classical 90.5*, *NPR 89.1*, *Jazz 89.1 HD2*, and the *BBC World Service 89.1 HD3*), and a variety of online services at azpm.org. In addition to delivering national programs from PBS, NPR, and the BBC, among others, AZPM produces 17 local newscasts each weekday, and award-winning public affairs programs, documentaries, and community engagement events for and about the people of Southern Arizona.

AZPM has for many years, been located in the basement and sub-basement of a classroom building on the main campus of the University of Arizona. While originally designed to support instructional television in the early 1960's, this space is not ideal for their current radio, television, and digital operations. The current facility has limited public facing presence and it is difficult space to update for the new technologies required to produce and deliver media content. Additionally, the work environment for AZPM's staff is compromised, as there is no access to natural daylight and the space is very compartmentalized, minimizing opportunities for teambuilding, collaboration, and communications.

A new, modern facility will better serve the needs and interests of the community, support the education and training of University of Arizona students, improve visibility and community access, and model the transparency aspect of journalism.

The facility will be designed specifically to meet current and future technical and broadcast requirements. The timing will support the replacement of much of AZPM's aging broadcast and production infrastructure in the new facility, as they transition to

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4K HDR production, in preparation for the conversion to a new television broadcast standard (*NextGen TV*).

- **Project Scope**

This project will provide a new facility for Arizona Public Media at The University of Arizona's Bridges Tech Park at 36th St. and Kino Parkway in Tucson, Arizona. The site is approximately 3.5 miles from the current facility on the main campus and will be accessible to students for internship, apprenticeship, and student employment opportunities. The building will provide modern workspaces designed specifically for the production and delivery of radio, television, and digital programming, create a visible presence to the community, and be accessible to donors and community members. The new facility will feature significantly improved work environments designed to best enable achievement of their mission, foster personal well-being, and facilitate improved student training opportunities, cross discipline communications and collaboration.

This project encompasses 58,000 Gross Square Feet (GSF), which includes 36,000 Net Assignable Square Feet (NASF).

Project Delivery Method and Process

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control as well as contractor design input and coordination throughout the project. This improves potentially adversarial project environments while still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.
- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.

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- The Design-Build Team was selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor was included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- This project is scheduled to commence Design Development during August 2022.
- Project construction is scheduled to commence during summer 2023 at the earliest and will be completed in approximately two years.

Project Cost

- This project encompasses 58,000 gross square feet (gsf), including 36,000 net assignable square feet (nasf).
- The construction cost for this project is \$48.4 million (\$834 per gross square foot) and the total project cost is \$63 million (\$1,086 per gross square foot).

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Const. \$/GSF
N/A*					

*No similar projects previously approved.

Fiscal Impact and Financing Plan

- The University plans to use \$63 million in gifts for the Arizona Public Media Building.
- The estimated annual Operations and Maintenance (O&M) cost for the project is \$462,200. The University plans to fund the O&M with Other Local Funds.

Debt Ratio Impact: The project will have no impact on the University’s debt ratios because no debt will be issued to finance this project.

Occupancy Plan

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- This facility will provide new space for Arizona Public Media. Some existing space will be released to be used for the educational mission. No existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology and third-party projects.

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**UArizona
Annual Capital Plan - Capital Project Information Summary
Arizona Public Media Building**

Project Description / Location:

This project will provide a new facility for Arizona Public Media and will be located at University of Arizona's Bridges at the Tech Park.

**FY 2023 Annual
Capital Plan**

Project Schedule (Beginning Month/Year):

Planning	Complete
Design	February 2022
Construction	July 2023
Occupancy	2025

Project Budget:

Total Project Cost	\$ 63,000,000
Total Project Cost per GSF	\$ 1,086
Direct Construction Cost - New	\$ 48,350,000
Construction Cost per GSF - New	\$ 834
Change in Annual Oper./Maint. Cost	
Utilities	\$ 182,700
Personnel	\$ 187,000
Other	\$ 92,500

Funding Sources:

Capital:	
• Gifts	\$ 63,000,000
Operation/Maintenance:	
• Other Local Funds	\$ 462,200

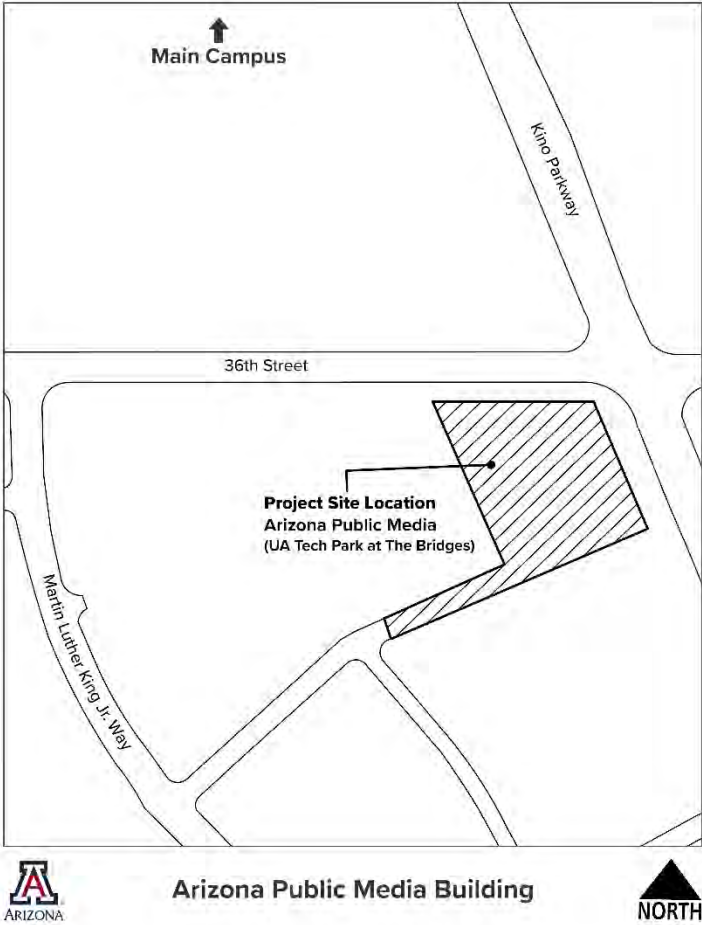
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**UArizona
Annual Capital Plan - Capital Project Budget Summary
Arizona Public Media Building**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan</u>
	September 2022
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 48,350,000
B. Renovation	\$ 0
C. Fixed Equipment	\$ 550,000
D. Site Development (exclude 2.E.)	\$ incl. in 2A
E. Parking & Landscaping	\$ incl. in 2A
F. Utilities Extensions	\$ incl. in 2A
G. Other (asbestos only)	\$ 0
Subtotal Construction Cost	\$ 48,900,000
3. Consultant Fees	
A. Construction Manager	\$ 500,000
B. Architect/Engineering Fees	\$ 4,350,000
C. Other (Programming, Special Const.)	\$ 350,000
Subtotal Consultant Fees	\$ 5,200,000
4. Furniture Fixtures and Equipment	\$ 2,000,000
5. Contingency, Design Phase	\$ 1,400,000
6. Contingency, Construction Phase	\$ 2,500,000
7. Parking Reserve	\$ N/A
8. Telecommunications Equipment	\$ 850,000
Subtotal Items 4-8	\$ 6,750,000
9. Additional University Costs	
A. Surveys and Tests	\$ 375,000
B. Move-in Costs	\$ 25,000
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 20,000
E. Univ. Facilities & Project Management	\$ 1,500,000
F. State Risk Mgt. Ins	\$ 230,000
Subtotal Additional University Costs	\$ 2,150,000
TOTAL CAPITAL COST	\$ 63,000,000

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Project Site Map



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UArizona Annual Capital Plan – Project Justification Report Shantz Building Remodel - Research Renovation Project

Background/History of Previous Board Action

- Capital Improvement Plan FY 2023 – 2025 September 2021

Project Justification/Description/Scope

- **Project Description and Justification**

The proposed renovation of the Shantz Building has been identified on the deferred maintenance priority list. The strategic decision evaluated several aspects of the facility identifying deferred maintenance work in conjunction with the current building utilization, ability to use the renovated building as swing space for future building renovations, ranking on the deferred maintenance list, good basic building structure to support research, and the capacity to create a variety of spaces, including modernized research laboratories.

Modernization of the building will address strategic research needs along with the retention, attraction, and recruitment of high-level researchers to the University.

- **Project Scope**

Renovations of the six-story Shantz Building #38 to update all major mechanical, plumbing, and electrical systems and infrastructure; and to repurpose building programming to meet the University's strategic research initiatives.

Shantz currently supports approximately 30,000 GSF of wet laboratory space, which will be reimagined and transformed into a mix of wet, damp, and dry laboratories; support spaces, collaboration spaces, and offices to meet the needs of a 21st century university research institution.

This project encompasses 86,980 Gross Square Feet (GSF), which includes 57,955 Net Assignable Square Feet (NASF).

Project Delivery Method and Process

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control, save time through fast-track project scheduling while still providing contractor design

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input and coordination throughout the project, improving potentially adversarial project environments and still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.

- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.
- The Design-Build Team will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Project Programming is currently underway. This project is scheduled to commence the Design Phase Fall 2022.
- Project construction is scheduled to commence during early 2024 and will be completed during Summer 2025.

Project Cost

- This project encompasses 86,980 gross square feet (gsf), including 57,955 net assignable square feet (nasf).
- The construction cost for this project is \$46.5 million (\$534 per gross square foot), and the total project cost is \$65 million (\$747 per gross square foot).
- Comparable similar previously approved projects:

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Comparable Similar Previously Approved Projects					
Project	University	**Total Project Budget	Project GSF	**Total \$/GSF	**Const. \$/GSF
Bateman Physical Science Center Improvements (2021)	ASU	\$75,500,000 (\$60,000,000)	90,400	\$836 (\$664)	\$669 (\$531)
Biomedical Research Laboratory Building Improvements (2018)	ASU	\$60,000,000 (\$40,000,000)	112,000	\$535 (\$357)	\$381 (\$254)
Chemistry Building Renovation (2019)	UA	\$60,000,000 (\$42,000,000)	76,000	\$786 (\$550)	\$529 (\$370)
Thunderbird School of Global Management classroom & office (2019)	ASU	\$96,000,000 (\$67,000,000)	111,000	\$863 (\$604)	\$757 (\$530)

**** Note: Estimate of cost escalation to align to midpoint of construction.**

Fiscal Impact and Financing Plan

- UArizona plans to issue \$65 million of SRBs to finance the project. The annual debt service on the SRBs is estimated to be \$5.7 million based on a conservative budget of 3.75 percent interest rate for a 20-year maturity. The University plans to use state appropriations tied to the Capital Infrastructure Fund established in ARS 15-1671 to pay for half of the debt service and retained tuition matching funds to pay the other half. In FY 2023, the University’s budget for Tuition is \$743.8 million and Capital Infrastructure Fund appropriation is \$11.3 million. These sources fund debt service on other capital projects and have existing capacity to cover this project.
- When the bond is issued for the project, the University’s estimated outstanding debt at the end of the fiscal year will be \$1.64 billion. At the same time, the University would have retired \$88.8 million in debt principal.
- The Operations and Maintenance (O&M) cost for the project is already included in the University’s current budget.
- **Debt Ratio Impact:** The estimated annual debt service of \$5.7 million on this project’s SRBs would increase the UA debt ratio by .05 percent.

Occupancy Plan

- Research spaces will be updated to be more efficient and provide greater utilization per square foot area utilizing denser phenotypes of laboratory spaces. Underutilized portions of the building will be reprogrammed for appropriate space allocation based upon the strategic research strategy.

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- Current occupants will be vacated, either temporarily or permanently, to other facilities on campus and redistributed or reinstated back into the facility as determined by the programming and research needs.
- This facility may provide new space for new faculty. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

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**UArizona
 Annual Capital Plan - Capital Project Information Summary
 Shantz Building Remodel – Research Renovation Project**

Project Description / Location:

This project will renovate the six-story Shantz Building located at 1177 E. 4th Street.

FY 2023 Annual
 Capital Plan

<u>Project</u>	<u>Schedule</u>	<u>(Beginning</u>
<u>Month/Year)</u>		
Planning		Late 2022
Design		Early 2023
Construction		Early 2024
Occupancy		Fall 2025

Project Budget:

Total Project Cost	\$ 65,000,000
Total Project Cost per GSF	\$ 747
Direct Construction Cost - Renovation	\$ 46,500,000
Construction Cost per GSF - Renovation	\$ 534
Change in Annual Oper./Maint. Cost	
Utilities	\$ N/A
Personnel	\$ N/A
Other	\$ N/A

FUNDING SOURCES:

Capital:	
• System Revenue Bonds	\$ 65,000,000

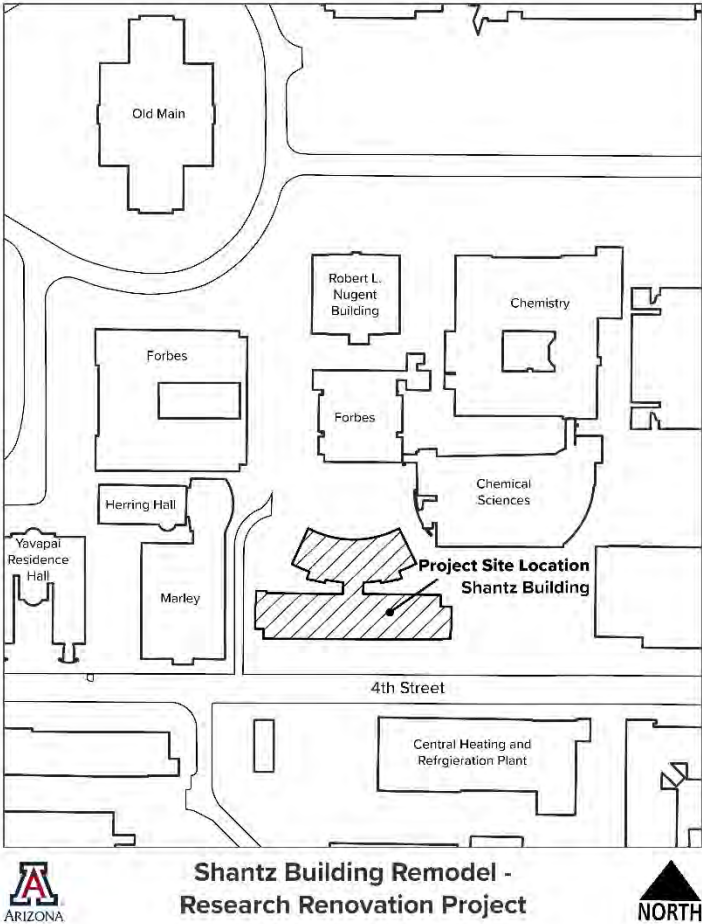
EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Budget Summary
Shantz Building Remodel – Research Renovation Project**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan September 2022</u>
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 0
B. Renovation	\$ 46,500,000
C. Fixed Equipment	\$ 1,000,000
D. Site Development (exclude 2.E.)	\$ 0
E. Parking & Landscaping	\$ 0
F. Utilities Extensions	\$ 0
G. Other (asbestos only)	\$ 1,000,000
Subtotal Construction Cost	\$ 48,500,000
3. Consultant Fees	
A. Construction Manager	\$ 1,000,000
B. Architect/Engineering Fees	\$ 5,500,000
C. Other (Programming, Special Const.)	\$ 250,000
Subtotal Consultant Fees	\$ 6,750,000
4. Furniture Fixtures and Equipment	\$ 2,000,000
5. Contingency, Design Phase	\$ 2,400,000
6. Contingency, Construction Phase	\$ 2,400,000
7. Parking Reserve	\$ 0
8. Telecommunications Equipment	\$ 1,000,000
Subtotal Items 4-8	\$ 7,800,000
9. Additional University Costs	
A. Surveys and Tests	\$ 120,000
B. Move-in Costs	\$ 50,000
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 50,000
E. Univ. Facilities & Project Management	\$ 1,500,000
F. State Risk Mgt. Ins	\$ 230,000
Subtotal Additional University Costs	\$ 1,950,000
TOTAL CAPITAL COST	\$ 65,000,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan – Project Site Location Map
Shantz Building Remodel – Research Renovation Project**



EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Justification Report
Arizona State Museum Deferred Maintenance/Renovation Project**

Previous Board Action

- Capital Improvement Plan FY 2023 – 2025 September 2021

Project Justification, Description, and Scope

- **Project Description and Justification**

Arizona State Museum (ASM) is a unit under the Office for Research, Innovation, and Impact. ASM's collections, which grow by 1,000 cubic feet per year, are housed in two buildings, ASM South (Building 30) and ASM North (Building 26). This deferred maintenance renovation project proposal is specifically for Building 26, which was constructed originally to house the UA Library in 1927 and has been occupied by ASM since 1977. The objective of this renovation project is to address deferred maintenance and long overdue upgrades to the electrical, fire protection, mechanical/HVAC, plumbing, civil, structural, and architectural building systems of ASM North that are required to ensure the safety, security, and preservation of ASM's collections.

ASM curates millions of objects and associated records for the State of Arizona in compliance with ARS §15-1631, ARS § 41-844 et seq., and Chapter 8 of the ABOR Policy Manual; and for the federal government in compliance with 36 CFR 79. Non-compliance with state and federal curation standards will prevent ASM from meeting its mission under state law and can negatively affect the institution's eligibility for future federal funding. Infrastructure upgrades are urgently needed for ASM to meet twenty-first century best practices for museum collections care, exhibitions, and public outreach; state and federal requirements for collections care and preservation; and university teaching, research, and service goals.

- **Project Scope**

A detailed Facilities Condition Assessment is being completed to prioritize all level 1, 2 and 3 Deferred Maintenance upgrades to the life and safety systems, Mechanical, Electrical and Plumbing systems and ADA upgrades.

This project encompasses 122,191 Gross Square Feet (GSF), which includes 84,703 Net Assignable Square Feet (NASF).

Project Delivery Method and Process

EXECUTIVE SUMMARY

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control, save time through fast-track project scheduling while still providing contractor design input and coordination throughout the project, improving potentially adversarial project environments and still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.
- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.
- The Design-Build Team will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Programming phase is underway. This project is scheduled to commence design phase during October 2022.
- Project construction is scheduled to commence during January 2023 and will be completed during June 2024.

Project Cost

- The project encompasses 122,191 gross square feet (gsf), including 84,703 net assignable square feet (nasf).
- The construction cost of this project is \$25.8 million (\$211 per gross square foot) and the total project cost is \$30 million (\$245 per gross square foot).

EXECUTIVE SUMMARY

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
Animal and Comparative Biomedical Sciences	University of Arizona	\$18,152,398	62,265	\$291.53	\$122.99
Steward Observatory	University of Arizona	\$11,092,247	129,107	\$85.92	\$69.30
Facilities Management Building	University of Arizona	\$24,000,000	70,000	\$342.86	\$267.00

Fiscal Impact and Financing Plan

- The University plans to issue \$30 million of SRBs to finance the project. The annual debt service on the SRBs is estimated to be \$2.7 million based on a conservative budget of 3.75 percent interest rate for a 20-year maturity. The University plans to use state appropriations tied to the Capital Infrastructure Fund established in ARS 15-1671 to pay for half of the debt service and retained tuition matching funds to pay the other half. In FY 2023, the University’s budget for Tuition is \$743.8 million and Capital Infrastructure Fund appropriation is \$11.3 million. These sources fund debt service on other capital projects and have existing capacity to cover this project.
- When the bond is issued for the project, the University’s estimated outstanding debt at the end of the fiscal year will be \$1.64 billion. At the same time, the University would have retired \$88.8 million in debt principal.
- The Operations and Maintenance (O&M) cost for the project is already included in the University’s current budget.
- **Debt Ratio Impact:** The estimated annual debt service of \$2.7 million on this project’s SRBs would increase the UA debt ratio by .02 percent.

Occupancy Plan

- Based on the number of staff working remotely, the project would commence with minimal traffic in the building. Outside public may be restricted during construction and care will need to be taken in addressing collections throughout the building and relocating throughout the building or Arizona State Museum South if needed.

EXECUTIVE SUMMARY

- This facility will provide new space for new faculty. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

EXECUTIVE SUMMARY

**UArizona
 Annual Capital Plan - Capital Project Information Summary
 Arizona State Museum Deferred Maintenance/Renovation Project**

Project Description / Location:

This project will address outstanding Deferred Maintenance needs and will be located at 1013 E. University.

FY 2023 Annual
 Capital Plan

Project Schedule (Beginning Month/Year):

Planning	June 2022
Design	October 2022
Construction	January 2023
Occupancy	July 2024

Project Budget:

Total Project Cost	\$ 30,000,000
Total Project Cost per GSF	\$ 245.52
Direct Construction Cost - Renovation	\$ 25,803,171
Construction Cost per GSF - Renovation	\$ 211.17
Change in Annual Oper./Maint. Cost	
Utilities	\$ N/A
Personnel	\$ N/A
Other	\$ N/A

Funding Sources:

Capital:	
• System Revenue Bonds	\$ 30,000,000
Operation/Maintenance:	
• Already in current budget	\$0

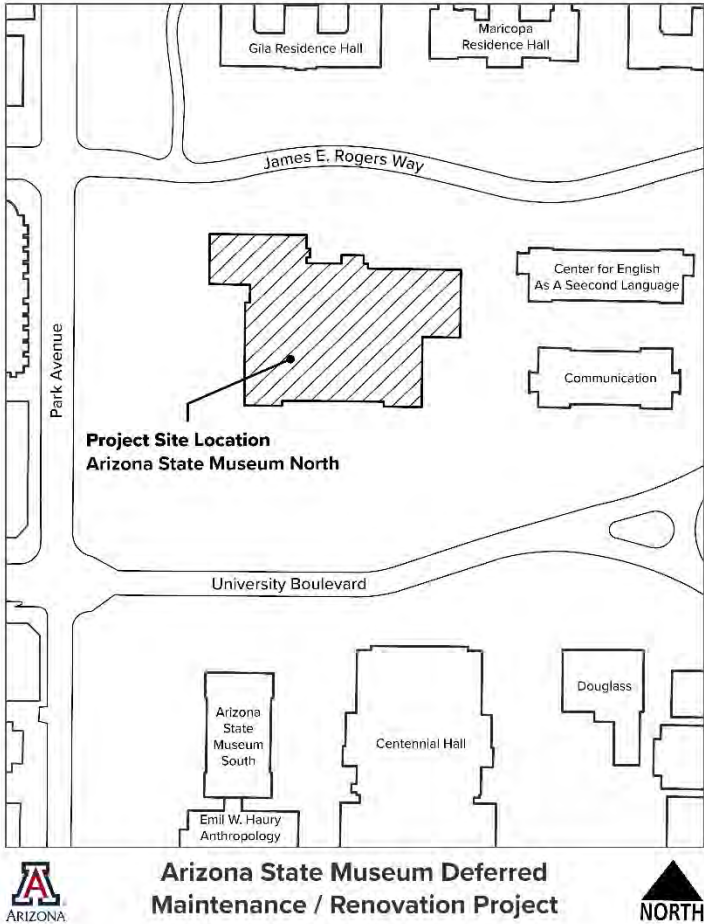
EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan – Capital Project Budget Summary
Arizona State Museum Renovation Project**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan</u>	<u>July 2022</u>
1. Land	\$	0
2. Construction Cost		
A. New Construction	\$	0
B. Renovation	\$	24,859,000
C. Fixed Equipment	\$	0
D. Site Development (exclude 2.E.)	\$	0
E. Parking & Landscaping	\$	0
F. Utilities Extensions	\$	0
G. Other (asbestos only)	\$	833,000
Subtotal Construction Cost	\$	25,692,000
3. Consultant Fees		
A. Construction Manager	\$	100,000
B. Architect/Engineering Fees	\$	1,898,000
C. Other (Programming, Special Const.)	\$	0
Subtotal Consultant Fees	\$	1,998,000
4. Furniture Fixtures and Equipment	\$	0
5. Contingency, Design Phase	\$	941,000
6. Contingency, Construction Phase	\$	1,159,000
7. Parking Reserve	\$	0
8. Telecommunications Equipment	\$	0
Subtotal Items 4-8	\$	2,100,000
9. Additional University Costs		
A. Surveys and Tests	\$	0
B. Move-in Costs	\$	0
C. Public Art	\$	0
D. Printing/Advertisement	\$	0
E. Univ. Facilities & Project Management	\$	100,000
F. State Risk Mgt. Ins	\$	110,000
Subtotal Additional University Costs	\$	210,000
TOTAL CAPITAL COST	\$	30,000,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Site Map
Arizona State Museum Renovation Project**



EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Justification Report
UAHS Building 201 Remodel – 1st Floor Relocation/Expansion Medical Imaging
Administration and Faculty Offices Renovation Project**

Background/History of Previous Board Action

- Capital Improvement Plan FY 2023 – 2025 September 2021

Project Justification/Description/Scope

- This project is a continuation of the University's ongoing plan to renovate existing space within Building 201 at University Arizona Health Sciences complex that has vacated by Banner Health.
- This project will renovate approximately 16,500 square feet of existing space on the 1st Floor of Building 201 recently vacated by Banner Health to provide administrative and faculty offices for the Department of Medical Imaging that will incorporate the latest thinking/design concepts regarding this type of space.

Project Delivery Method and Process

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control, save time through fast-track project scheduling while still providing contractor design input and coordination throughout the project, improving potentially adversarial project environments and still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.
- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.

EXECUTIVE SUMMARY

- The Design-Build Team will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Initial planning is currently underway. This project is scheduled to commence design in Dec 2022.
- Project construction is scheduled to commence during Dec 2023 and will be completed during Dec 2024.

Project Cost

- This project encompasses 16,500 gross square feet (gsf), including 11,500 net assignable square feet (nasf).
- The construction cost for this project is \$7.2 million (\$433 per gross square foot), and the total project cost is \$10 million (\$606 per gross square foot).
- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
UAHS Bldg 201 Renovations	UA	\$23,000,000	39,700	\$580/GSF	\$389/GSF
UA Administration Bldg Renovation	UA	\$2,200,000	3,800	\$579/GSF	\$382/GSF

Fiscal Impact and Financing Plan

- The University plans to issue \$10 million pf SRBs to finance the project. The annual debt service on the SRBs is estimated to be \$0.7 million based on a conservative budget of 3.75% interest rate for a 25-year maturity. The University plans to use indirect cost recovery funds to pay for the debt service. In FY2023, the University’s

EXECUTIVE SUMMARY

F&A budget is \$102.5 million. This source funds debt service on other capital projects and has existing capacity to cover this project.

- When the bond is issued for the project, the University's estimated outstanding debt at the end of the fiscal year will be \$1.64 billion. At the same time, the University would have retired \$88.8 million in debt principal.
- The estimated Operations and Maintenance (O&M) cost for the project is \$136,900. The University plans to fund the O&M with Facility & Administrative rate funds.
- **Debt Ratio Impact:** The estimated annual debt service of \$0.7 million on this project's SRBs would increase the UA debt ratio by .01 percent.

Occupancy Plan

- It is anticipated that approximately 13,000 gsf of space will be released for use by UAHS Physical Therapy Program.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Information Summary
UAHS Building 201 Remodel – 1st Floor Relocation/Expansion Medical Imaging
Administration and Faculty Offices Renovation Project**

Project Description / Location:

- This project will renovate approximately 16,500 square feet of existing space within Building 201 at University Arizona Health Sciences complex in Tucson that was vacated by Banner Health and will provide administrative and faculty offices for the Department of Medical Imaging that will incorporate the latest thinking/design concepts regarding this type of space.

FY 2023 Annual
Capital Plan

Project Schedule (Beginning Month/Year):

Planning	Sept 2022
Design	Dec 2022
Construction	Dec 2023
Occupancy	Dec 2024

Project Budget:

Total Project Cost	\$ 10,000,000
Total Project Cost per GSF	\$ 606
Direct Construction Cost - New	\$ 7,150,000
Construction Cost per GSF - New	\$ 433
Direct Construction Cost - Renovation	\$ 0
Construction Cost per GSF - Renovation	\$ 0
Change in Annual Oper./Maint. Cost	
Utilities	\$ 54,600
Personnel	\$ 55,100
Other	\$ 27,200

Funding Sources:

Capital:	
• SRB's	\$ 10,000,000
Operation/Maintenance:	
• F&A	\$ 136,900

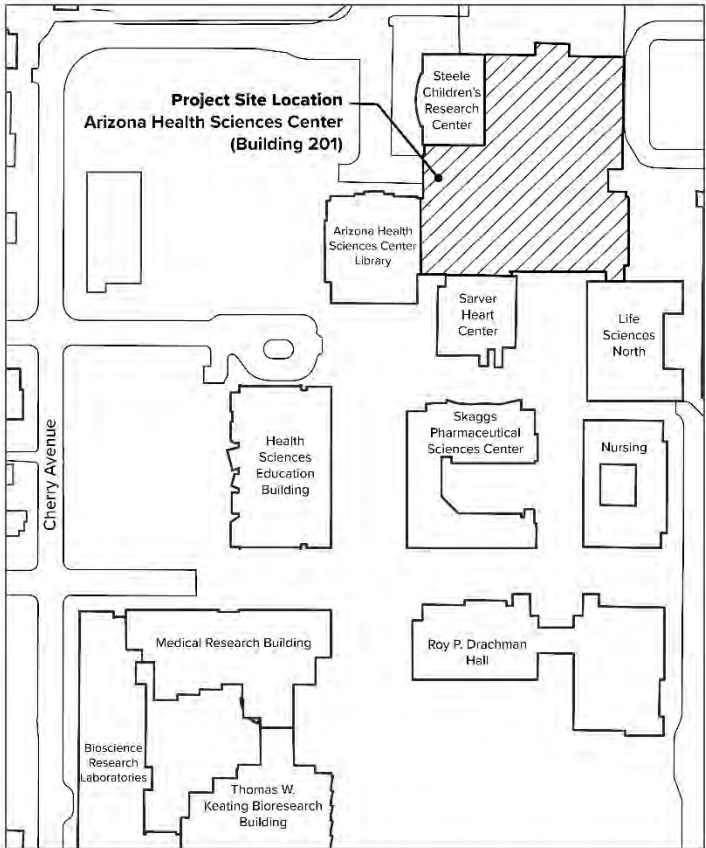
EXECUTIVE SUMMARY



**UArizona
Annual Capital Plan - Capital Project Budget Summary
UAHS Building 201 Remodel – 1st Floor Relocation/Expansion Medical Imaging
Administration and Faculty Offices Renovation Project**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan month year</u>
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 0
B. Renovation	\$ 7,150,000
C. Fixed Equipment	\$ 0
D. Site Development (exclude 2.E.)	\$ 0
E. Parking & Landscaping	\$ 0
F. Utilities Extensions	\$ 0
G. Other (asbestos only)	\$ 100,000
Subtotal Construction Cost	\$ 7,250,000
3. Consultant Fees	
A. Design Builder	\$ 108,000
B. Architect/Engineering Fees	\$ 795,000
C. Other (Programming, Special Consult.)	\$ 0
Subtotal Consultant Fees	\$ 903,000
4. Furniture Fixtures and Equipment	\$ 715,000
5. Contingency, Design Phase	\$ 216,000
6. Contingency, Construction Phase	\$ 362,000
7. Parking Reserve	\$ 0
8. Telecommunications Equipment	\$ 190,000
Subtotal Items 4-8	\$ 1,483,000
9. Additional University Costs	
A. Surveys and Tests	\$ 10,000
B. Move-in Costs	\$ 20,000
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 5,000
E. Univ. Facilities & Project Management	\$ 277,000
F. State Risk Mgt. Ins	\$ 52,000
Subtotal Additional University Costs	\$ 364,000
TOTAL CAPITAL COST	\$ 10,000,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Site Location Map
UAHS Building 201 Remodel – 1st Floor Relocation/Expansion Medical Imaging
Administration and Faculty Offices Renovation Project**



 **UAHS Building 201 Remodel 1st Floor Relocation / Expansion Medical Imaging Admin & Faculty Office** 

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Justification Report
BPSB – 2nd Floor Shell Space Build-Out for CAMI**

Background/History of Previous Board Action

- N/A

Project Justification/Description/Scope

- **Project Description and Justification**

The project will primarily build out the 2nd floor shell space in the Biomedical Sciences Partnership Building (BSPB) on the Phoenix Bioscience Core in downtown Phoenix to support the development of the University of Arizona Health Sciences Center for Advanced Molecular and Immunological Therapies (CAMI). The space will serve as the interim home for the Center while a new building is being planned north of the existing BSPB building. The space will house wet and dry research labs, a BSL3 lab, and some administrative office space to support faculty recruitment for the new Center.

Building on the University of Arizona's expertise and leadership in translational medicine and investigator initiated clinical trials established over the past two decades, the University has demonstrated its unique ability to lead the nation in advanced immunotherapies research. As a result, the University sought and received seed- funding support from the state to help establish CAMI. CAMI will be located in the state's capital city on UArizona's Phoenix Bioscience Core. This location will help facilitate strong connections with other Arizona research and clinical partners such as ASU, NAU, Mayo Clinic, and TGEN. All Arizonans will have access to CAMI-connected clinical trials through UArizona's state-wide clinical trials network. To do so, we will need to hire top researchers, fund high risk-high reward research projects, and build infrastructure necessary to support this critical research, including lab space and equipment.

- **Project Scope**

This project encompasses 19,500 Gross Square Feet (GSF), which includes 12,200 Net Assignable Square Feet (NASF).

EXECUTIVE SUMMARY

Project Delivery Method and Process

- This project is being delivered through the Construction Manager at Risk (CM@Risk) method. This approach was selected for the project because it can save time and cost through fast-track project scheduling, provides contractor design input and coordination throughout the project, improves potentially adversarial project environments and allows for the selection of the most qualified contractor leadership team for this project. Through peer-review of the CM@Risk's cost estimates at each phase, and low-bid subcontractor pricing for the actual construction work, this method also provides a high level of cost and quality control.
- The CM@Risk will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR policy. The design team has been selected through a similar ABOR process.

Project Status and Schedule

- Design is currently underway. This project is scheduled to commence the Design Development phase during August 2022, and complete design during December 2022.
- Project construction is scheduled to commence during January 2023 and will be completed during November 2023.

Project Cost

- This project encompasses 19,500 gross square feet (gsf), including 8,000 net assignable square feet (nasf) of wet lab space, and 3,200 nasf of dry lab/faculty space, and 1,000 nasf of administration space.
- The construction cost for this project is \$11.9 million (\$607 per gross square foot), and the total project cost is \$15.5 million (\$795 per gross square foot).
- Comparable similar previously approved projects:

EXECUTIVE SUMMARY

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
BSPB 3 rd /4 th Floor Finish Shell Space (2018)	UArizona	\$27,000,000	46,100 GSF	\$585/GSF	\$462/GSF
Research Laboratory Renovations (2021)	ASU	\$20,000,000	32,000 GSF	\$625/GSF	\$438/GSF
Research Laboratories and Faculty Start Up (2020)	ASU	\$20,000,000	40,000 GSF	\$500/GSF	\$350/GSF

Fiscal Impact and Financing Plan

- The University plans to use \$15.5 million in state general appropriation funds for the BSPB 2nd floor shell space build-out project. In FY 2023, the budget for the state general fund appropriation is \$316.1 million. This funding source included capacity for this project.
- The estimated Operations and Maintenance (O&M) cost for the project is \$140,100. The University plans to fund the O&M with indirect cost recovery revenues.
- **Debt Ratio Impact:** The project will have no impact on the University’s debt ratios because no debt will be issued to finance this project.

Occupancy Plan

- This facility will provide new space for new faculty. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

EXECUTIVE SUMMARY

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology and third-party projects.

EXECUTIVE SUMMARY

**UArizona
 Annual Capital Plan - Capital Project Information Summary
 BPSB – 2nd Floor Shell Space Build-Out for CAMI**

Project Description / Location:

This project will finish the shell space into administrative, dry, and wet lab research space for CAMI on the 2nd floor of the BSPB building and will be located on the Phoenix Bioscience Core in downtown Phoenix at 475 N. 5th Street, Phoenix, AZ 85004.

FY 2023 Annual
 Capital Plan

<u>Project</u>	<u>Schedule</u>	<u>(Beginning</u>
<u>Month/Year)</u>		
Planning	January 2022	
Design	June 2022	
Construction	January 2023	
Occupancy	December 2023	
Total Project Cost	\$15,500,000	
Total Project Cost per GSF	\$ 795	
Direct Construction Cost - New	\$11,850,000	
Construction Cost per GSF - New	\$607	
Change in Annual Oper./Maint. Cost		
Utilities	\$ 54,900	
Personnel	\$ 57,000	
Other	\$ 28,200	
Capital:		
• State General Appropriation	\$ 15,500,000	
Operation/Maintenance:		
• Indirect Cost Recovery	\$ 140,100	

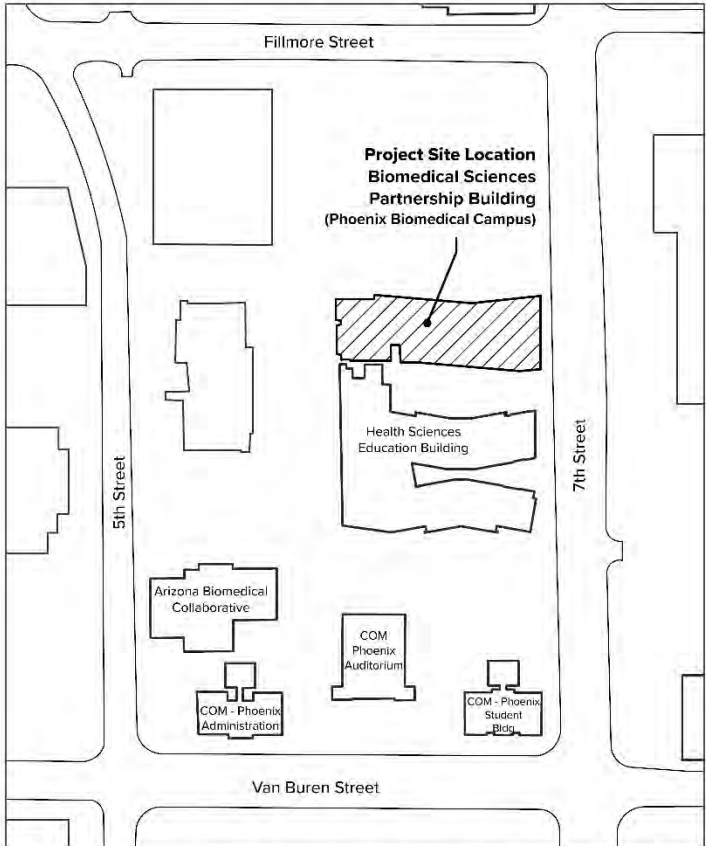
EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Budget Summary
BPSB – 2nd Floor Shell Space Build-Out for CAMI**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan September 2022</u>
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 11,850,000
B. Renovation	\$
C. Fixed Equipment	\$ 230,000
D. Site Development (exclude 2.E.)	\$
E. Parking & Landscaping	\$
F. Utilities Extensions	\$
G. Other (asbestos only)	\$
Subtotal Construction Cost	\$ 12,080,000
3. Consultant Fees	
A. Construction Manager	\$ 148,550
B. Architect/Engineering Fees	\$ 1,320,000
C. Other (Programming, Special Const.)	\$ 95,500
Subtotal Consultant Fees	\$ 1,564,000
4. Furniture Fixtures and Equipment	\$ 625,000
5. Contingency, Design Phase	\$ 203,600
6. Contingency, Construction Phase	\$ 356,400
7. Parking Reserve	\$ 0
8. Telecommunications Equipment	\$ 148,500
Subtotal Items 4-8	\$ 1,333,500
9. Additional University Costs	
A. Surveys and Tests	\$ 7,500
B. Move-in Costs	\$ 10,000
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 0
E. Univ. Facilities & Project Management	\$ 450,000
F. State Risk Mgt. Ins	\$ 55,000
Subtotal Additional University Costs	\$ 522,500
TOTAL CAPITAL COST	\$ 15,500,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Site Map
BPSB – 2nd Floor Shell Space Build-Out for CAMI**



**Biomedical Sciences Partnership Building
2nd Floor Shell Space Build-Out CAMI**



EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Justification Report
Food Product and Safety Lab Renovation (FPSL)**

Background/History of Previous Board Action

- Capital Improvement Plan FY 2023 – 2025 September 2021

Project Justification/Description/Scope

- The existing Food Product and Safety Lab has been in use since the 1970's and is in need of upgrading/renovating to meet current standards and fulfill the University's teaching, research and extension missions. The existing cooling equipment is 33 years old and is very energy inefficient. FPSL's research mission could be compromised if the equipment fails while running a trial. The thermal processing equipment dates to the 1970s and is out of date for today's teaching and research standards. The animal handling equipment/infrastructure needs to be upgraded to meet today's standards for animal welfare. A security/alarm system is needed to monitor and deter potential security threats. Truck handling will be improved to increase the facility's access efficiency.

Project Delivery Method and Process

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control, save time through fast-track project scheduling while still providing contractor design input and coordination throughout the project, improving potentially adversarial project environments and still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.
- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty

EXECUTIVE SUMMARY

items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.

- The Design-Build Team will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Planning phase is currently underway. This project is scheduled to commence design in Dec 2022.
- Project construction is scheduled to commence during Aug 2023, and will be completed during Aug 2024.

Project Cost

- This project encompasses 16,800 gross square feet (gsf), including 11,000 net assignable square feet (nasf)
- The construction cost for this project is \$6.3 million (\$374 per gross square foot), and the total project cost is \$10.9 million (\$648 per gross square foot).
- Comparable similar previously approved projects

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
N/A*					

*No similar projects previously approved.

Fiscal Impact and Financing Plan

- The University plans to use \$10.9 million in state funding from the New Economy Initiative to finance the project. This is a one-time capital outlay appropriation for this project.

EXECUTIVE SUMMARY

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.
- **Debt Ratio Impact:** The project will have no impact on the University's debt ratios because no debt will be issued to finance the project.

Occupancy Plan

- It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

EXECUTIVE SUMMARY

**UArizona
 Annual Capital Plan - Capital Project Information Summary
 Food Product and Safety Lab Renovation (FPSL)**

Project Description / Location:

This project will re-envision and renovate the existing FPSL to meet current animal welfare standards and fulfill the University’s teaching, research and extension missions. It will be located at the UArizona Campus Agricultural Center in Tucson.

FY 2023 Annual
 Capital Plan

Project Schedule (Beginning Month/Year):

Planning	Sept 2022
Design	Dec 2022
Construction	Aug 2023
Occupancy	Sept 2024

Project Budget:

Total Project Cost	\$ 10,900,000
Total Project Cost per GSF	\$ 648
Direct Construction Cost - New	\$ 6,300,000
Construction Cost per GSF - New	\$ 374
Direct Construction Cost - Renovation	\$ 0
Construction Cost per GSF - Renovation	\$ 0
Change in Annual Oper./Maint. Cost	
Utilities	\$ N/A
Personnel	\$N/A
Other	\$N/A

Funding Sources:

Capital:

- State Funding \$ 10,900,000

Operation/Maintenance:

- Already in current budget \$ 0

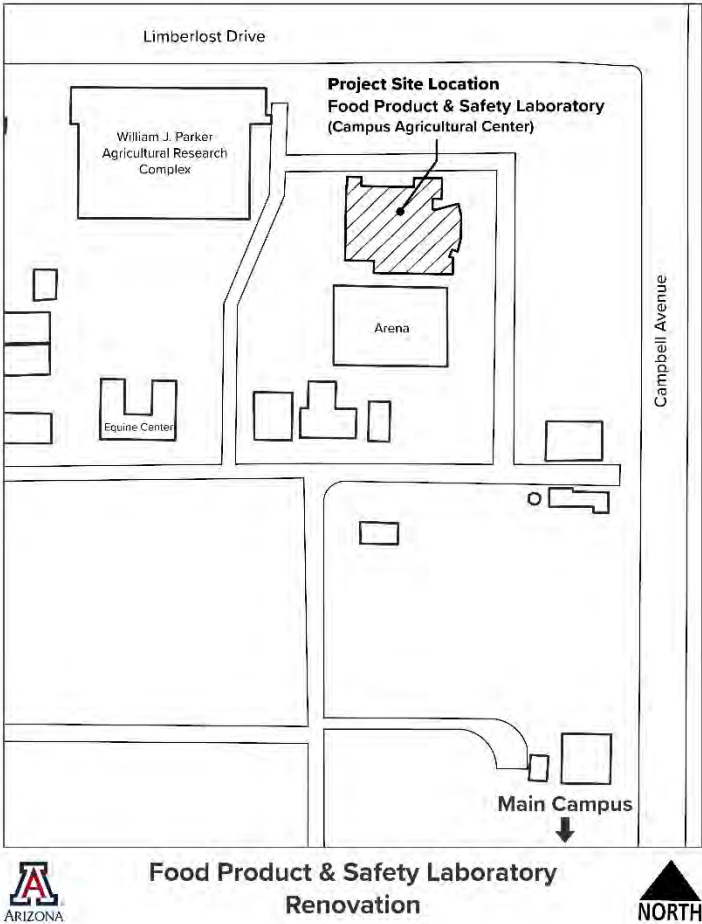
EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Budget Summary
Food Product and Safety Lab Renovation (FPSL)**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan month year</u>
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 0
B. Renovation	\$ 6,300,000
C. Fixed Equipment	\$ 1,500,000
D. Site Development (exclude 2.E.)	\$ 500,000
E. Parking & Landscaping	\$ 0
F. Utilities Extensions	\$ 500,000
G. Other (asbestos only)	\$ 0
Subtotal Construction Cost	\$ 8,800,000
3. Consultant Fees	
A. Design Builder	\$ 100,000
B. Architect/Engineering Fees	\$ 730,000
C. Other (Programming, Special Consult.)	\$ 00
Subtotal Consultant Fees	\$ 830,000
4. Furniture Fixtures and Equipment	\$
5. Contingency, Design Phase	\$ 350,000
6. Contingency, Construction Phase	\$ 350,000
7. Parking Reserve	\$ 0
8. Telecommunications Equipment	\$ 100,000
Subtotal Items 4-8	\$ 800,000
9. Additional University Costs	
A. Surveys and Tests	\$ 9,000
B. Move-in Costs	\$ 0
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 1,000
E. Univ. Facilities & Project Management	\$ 400,000
F. State Risk Mgt. Ins	\$ 60,000
Subtotal Additional University Costs	\$ 471,000
TOTAL CAPITAL COST	\$ 10,900,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Site Location Map
Food Product and Safety Lab Renovation (FPSL)**



EXECUTIVE SUMMARY

UArizona Annual Capital Plan - Project Justification Report Mining and Mineral Natural Resources Museum Renovation

Background/History of Previous Board Action

- N/A

Project Justification/Description/Scope

- In the FY 2023 Arizona State Budget, funds in the amount of \$12M were appropriated to provide capital improvements to the Mining Mineral and Natural Resources Museum (MMNRE) in Phoenix. These improvements would allow the UArizona to begin the process of planning and developing a re-envisioned museum at the site to help promote the university's activities as they pertain in the areas of mining mineral and natural resources. The title for the property will be conveyed to UArizona this fiscal year.
- SB 1731 states that "The University of Arizona shall operate, manage and maintain the mining, mineral and natural resources educational museum at the location consistent with title 27, chapter 1, article 1, Arizona Revised Statutes." The broad scope of the MMNRE museum provides opportunities to explore exhibits and outreach in the areas of mining, sustainable natural resources including water and energy, agriculture, rangelands, deserts, and forests. Since the building is in close proximity to the State capitol, many opportunities exist to showcase the University of Arizona's innovation and impact in these areas. The new museum will help to expose potential students and other visitors to the opportunities available at the UArizona.

Project Delivery Method and Process

- This project is being delivered through a Design-Build (D-B) delivery method. This approach was selected for this project because it can provide early cost control, save time through fast-track project scheduling while still providing contractor design input and coordination throughout the project, improving potentially adversarial project environments and still allowing for the selection of the most qualified architect-contractor team for this project. Through peer review of the D-B's cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.
- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder

EXECUTIVE SUMMARY

is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.

- The Design-Build Team will be selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor will be included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Planning phase is currently underway. This project is scheduled to commence Design phase during December 2022.
- Project construction is scheduled to commence during November 2023, and will be completed during February 2025.

Project Cost

- This project encompasses 30,315 gross square feet (gsf), including 13,500 net assignable square feet (nasf) of exhibit space, and 7,000nasf of office and support spaces.
- The construction cost for this project is \$9,150,000 (\$302 per gross square foot), and the total project cost is \$12,000,000 (\$396 per gross square foot).

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
N/A*					

*No similar projects previously approved

Fiscal Impact and Financing Plan

EXECUTIVE SUMMARY

- The University plans to use \$12 million in state general appropriation funds for MMNRE. In FY 2023, the budget for the state general fund appropriation is \$316.1 million. This funding source included capacity for this project.
- The estimated Operations and Maintenance (O&M) cost for the project is \$251,370. The University plans to fund the O&M with state general fund appropriations.
- **Debt Ratio Impact:** The project will have no impact on the University's debt ratios because no debt will be issued to finance this project

Occupancy Plan

- This facility will provide new space for the university. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of \$10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Information Summary**

Project Description / Location:

This project will provide capital improvements to the Mining Mineral and Natural Resources Museum (MMNRE) in Phoenix.

FY 2023 Annual
Capital Plan

Project Schedule (Beginning Month/Year):

Planning	August 2022
Design	December 2022
Construction	November 2023
Occupancy	February 2025

Project Budget:

Total Project Cost	\$ 12,000,000
Total Project Cost per GSF	\$ 396
Direct Construction Cost - Renovation	\$ 9,150,000
Construction Cost per GSF - Renovation	\$ 302
Change in Annual Oper./Maint. Cost	
Utilities	\$ 100,170
Personnel	\$ 101,200
Other	\$ 50,000

Funding Sources:

Capital:

- State Appropriations \$12,000.000

Operation/Maintenance:

- State General Fund
Appropriation \$ 251,370

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Capital Project Budget Summary
Mining and Mineral Natural Resources Museum Renovation**

<u>Date of Budget Estimate</u>	<u>FY 2023 Annual Capital Plan September 2022</u>
1. Land	\$ 0
2. Construction Cost	
A. New Construction	\$ 0
B. Renovation	\$ 9,150,000
C. Fixed Equipment	\$ 265,000
D. Site Development (exclude 2.E.)	\$ 0
E. Parking & Landscaping	\$ 0
F. Utilities Extensions	\$ 0
G. Other (asbestos only)	\$ 100,000
Subtotal Construction Cost	\$ 9,515,000
3. Consultant Fees	
A. Construction Manager	\$ 950,000
B. Architect/Engineering Fees	\$ 0
C. Other (Programming, Special Consult.)	\$ 0
Subtotal Consultant Fees	\$ 950,000
4. Furniture Fixtures and Equipment	\$ 550,000
5. Contingency, Design Phase	\$ 285,000
6. Contingency, Construction Phase	\$ 285,000
7. Parking Reserve	\$ 0
8. Telecommunications Equipment	\$ 165,000
Subtotal Items 4-8	\$ 1,285,000
9. Additional University Costs	
A. Surveys and Tests	\$ 20,000
B. Move-in Costs	\$ 10,000
C. Public Art	\$ 0
D. Printing/Advertisement	\$ 5,000
E. Univ. Facilities & Project Management	\$ 175,000
F. State Risk Mgt. Ins	\$ 40,000
Subtotal Additional University Costs	\$ 250,000
TOTAL CAPITAL COST	\$ 12,000,000

EXECUTIVE SUMMARY

**UArizona
Annual Capital Plan - Project Site Location Map
Mining and Mineral Natural Resources Museum Renovation**

