

AMENDED EXECUTIVE SUMMARY – ACTION ITEM**ITEM 1.14: The University of Arizona Requests Approval of its Annual Capital Plan, Including Waiver of ABOR Policy 7-102 Requiring Committee Review and ACP Projects to Appear on a Previous Capital Improvement Plan**

Requested Action: University of Arizona asks the board to approve its Annual Capital Plan (ACP), including waiver of ABOR Policy requiring committee review and ACP projects to appear in the previous Capital Improvement Plan, as described in this executive summary and supporting documents. Excluding third-party projects, the ACP includes five (5) new projects and no resubmitted projects, which total \$160,950,000, \$150,000,000 of that total is anticipated to be financed; other funds are available to cover the remainder of the total cost.

Background

- No previous action
- Waiver requested

Prior Year Activity

- Three (3) projects totaling \$98,700,000 were substantially completed within the last 12 months.
- Five (5) projects totaling \$347,500,000 began or continued construction activity in the last 12 months.
- Details on completed and ongoing projects are listed in Exhibit 1.

Overview and Alignment with Enterprise and University Goals and Objectives

- The University of Arizona (U of A) has developed the ACP to align with the university's Campus Master Plan, system enterprise, and university strategic goals and objectives. The updated Master Plan is nearing completion.
- The primary institutional priorities supported by the ACP in the university's Strategic Imperatives include.
 - o **Success for Every Student**
Undergraduate and graduate students should experience a sense of belonging through representation, support, and access through a safe and inclusive environment, including online education. Learning should take a holistic approach by balancing all areas of excellence, including the arts, humanities, and sciences.
 - o **Research that Shapes the Future**
The university has a long tradition of achievement in the basic sciences and impactful research, which today extends to all aspects of the student experience

and community engagement. The institution takes pride in its strengths in climate and sustainability science, the arts, water resources, astronomy, humanities, social sciences, and many other fields.

o Engagement with our Communities to Create Opportunity

As a land-grant institution with influence across the state through its cooperative extension programs, U of A has a unique mission to embed itself in the communities it serves through a wide variety of influential research and activities.

Annual Capital Plan Projects

- The U of A ACP includes five (5) new projects totaling \$160,950,000.
- The following lists the new projects proposed for ACP approval, including notations where board policy waivers are requested:
 - o Deferred Maintenance (\$55,000,000 total cost, \$45,000,000 financed)
Waiver Requested
 - o Campus Technology Modernization (\$17,610,000 total cost to be financed) –
Waiver Requested
 - o Research Facility Modernization (\$52,320,000 total cost to be financed) –
Waiver Requested
 - o Campus Safety & Sustainability Initiative (\$15,000,000 total cost to be financed)
Waiver Requested
 - o Student Life, Culture and Learning Experience (\$21,020,000 total cost, \$20,070,000 to be financed) - Waiver Requested
- 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 U of A ACP, if fully implemented, will require an investment of \$160,950,000.
- Of the total amount, \$150,000,000 will be financed using debt. The total amount is debt financed through System Revenue Bonds.
- **Debt Ratio Impact:** The debt service associated with projects in the ACP will increase the debt ratio by 0.32 percent, excluding SPEED projects, and 0.32 percent including SPEED projects. The projected highest debt ratio, in FY 2029, will be 3.9 percent excluding SPEED revenue bonds and 5.0 percent if including SPEED revenue bonds.
- The tables in Exhibits 2 and 3 provide detailed project financing, funding sources, and debt ratio impacts.

Other Projects

- At this time, the U of A anticipates no third-party projects, component unit projects, and commercial long-term leases that require board approval to be entered into in the next year. Any such projects requiring board approval will be brought to the board pursuant to policy

Supporting Documents

- Exhibits 1-6

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 University Governance and Operations 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.
- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.
- Pursuant to ABOR Policy 7-102.B.2.a.(1), if a project has not appeared in the prior CIP, a waiver of this board policy can be requested in order for a project to appear on an ACP. U of A seeks an exception to this policy for all five of these projects because they are ready to proceed and support the institution's Strategic Imperatives and upcoming Campus Master Plan update.

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ITEM 1.14 - SUPPORTING DOCUMENT/S

EXHIBIT 1

**U of A
CAPITAL PROJECT STATUS REPORT**

Project Name	Gross Square Feet	Total Budget	Direct Construction Budget	Percent Construction Completed	Percent to Gift Target	Date Last Board Approval	Original Revised Occupancy Date
PBC, CAMI	202,000	\$232,000,000	\$184,000,000	50%	N/A	Sep 2023	Oct 2027
Phoenix Mining and Mineral Natural Resources Museum Renovation	30,315	\$12,000,000	\$9,150,000	0%	N/A	Sep 2022	Mar 2028
Athletics Deferred Maintenance and Infrastructure Upgrades	N/A	\$50,000,000	\$42,500,000	5%	N/A	Sept 2025	June 2029
Student Experience and Student Union Deferred Maintenance	N/A	\$20,000,000	\$17,000,000	35%	N/A	Sept 2025	June 2029
Deferred Maintenance FY 2026	N/A	\$33,500,000	\$28,475,000	70%	N/A	Sept 2025	June 2027
Ongoing Project Totals		\$347,500,000	\$281,125,000				
COMPLETED PROJECTS							
Arizona Public Media New Facility	61,504	\$63,000,000	\$48,900,000	100%	74%	Jun 2023	Feb 2026
UAHS Building 201	16,500	\$10,700,000	\$7,150,000	100%	N/A	Sep 2022	Nov 2025
ECE Micro/Nano Renovation Project	15,500	\$25,000,000	\$19,720,539	100%	N/A	Sept 2024	Jan 2026
Completed Project Totals		\$98,700,000	\$75,770,539				

EXHIBIT 2

U OF A FY2027 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								
Deferred Maintenance	ACP FY 2027		\$55,000,000	\$45,000,000	System Revenue Bonds & CIF	\$2,900,000	2051	.10
Campus Technology Modernization	ACP FY 2027		\$17,610,000	\$17,610,000	System Revenue Bonds	\$1,100,000	2051	.04
Research Facility Modernization	ACP FY 2027		\$52,320,000	\$52,320,000	System Revenue Bonds	\$3,400,000	2051	.11
Campus Safety and Sustainability Initiative	ACP FY 2027		\$15,000,000	\$15,000,000	System Revenue Bonds	\$1,000,000	2051	.03
Student Life, Culture, and Learning Experience	ACP FY 2027		\$21,020,000	\$20,070,000	System Revenue Bonds	\$1,300,000	2051	.04
New Capital Project Totals			\$160,950,000	\$150,000,000		\$7,500,000		

EXHIBIT 3

U OF A 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									
Deferred Maintenance	\$45,000,000	\$2,900,000							\$2,900,000
Campus Technology Modernization	\$17,610,000	\$1,100,000							\$1,100,000
Research Facility Modernization	\$52,320,000	\$3,400,000							\$3,400,000
Campus Safety and Sustainability Initiative	\$15,000,000	\$1,000,000							\$1,000,000
Student Life, Culture, and Learning Experience	\$20,070,000	\$1,300,000							\$1,300,000
New Capital Project Annual Debt Service Total	\$150,000,000	\$9,700,000							\$9,700,000

EXHIBIT 3

U OF A ANNUAL OPERATION AND MAINTENANCE BY FUNDING SOURCE									
PROJECT	TOTAL ANNUAL O&M	TUI	SFE	ICR	OLF	GFA	FGT	DFG	OTH
NEW CAPITAL PROJECT									
Deferred Maintenance	N/A								
Campus Technology Modernization	N/A								
Research Facility Modernization	N/A								
Campus Safety and Sustainability Initiative	N/A								
Student Life, Culture, and Learning Experience	N/A								
New Project Annual O&M Totals	\$N/A								
TUI = Tuition SFE = Student Fees ICR = Indirect Cost Recovery OLF = Other Local Funds				GFA = General Fund Appropriation FGT = Federal Grant DFG = Debt Financed by Gifts OTH = Other					

EXHIBIT 4

PROJECT SITE MAP

The projects outlined in the ACP will encompass various campus-wide buildings.

EXHIBIT 5



2026 DEBT

CAPACITY

PURPOSE

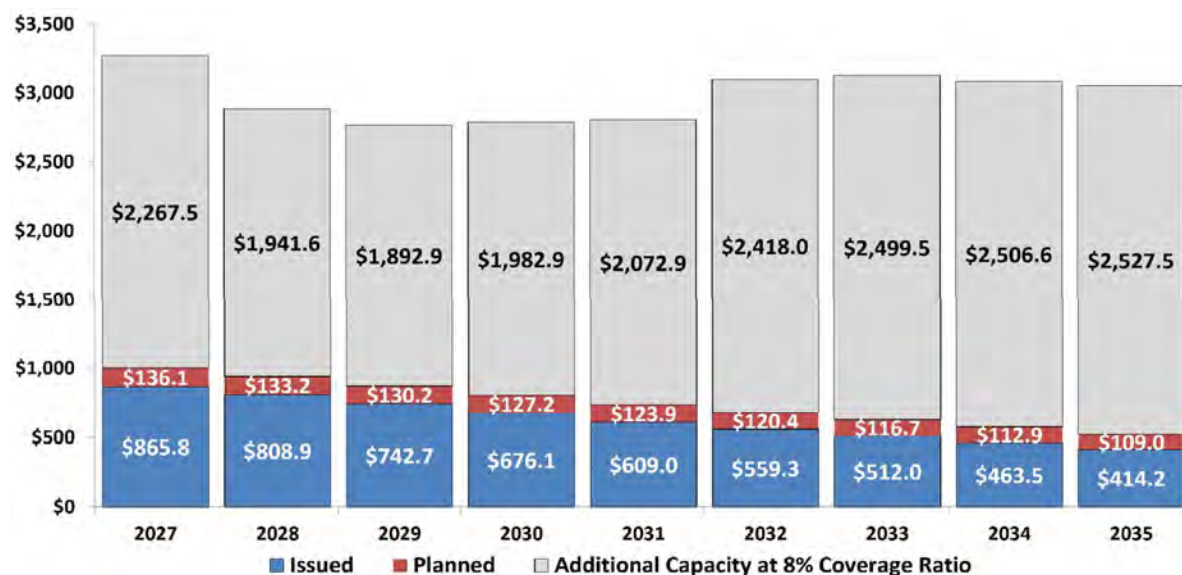
To demonstrate the University of Arizona's ability to finance additional capital investment through debt instruments and to fund the related debt service (principal and interest).

PROJECTED DEBT CAPACITY

Maximum Projected Debt Service to Total Expenditures Excluding/Including SPEED debt
3.9% / 5.0%

The debt capacity report includes 5 projects from the Annual Capital Plan (ACP): Deferred Maintenance, Campus Technology Modernization, Research Facility Modernization, Campus Safety & Sustainability, and Student Life, Culture, and Learning Experience. With the financing of the projects listed, the projected highest debt ratio is 3.9 percent in FY 2029, relative to the ABOR policy and statutory debt limit of 8 percent. The University outstanding debt in that year is projected to be \$1.41 billion. The year with the highest debt service will be FY 2029 at \$116.2 million. The 3.9 percent ratio is within the range used by the bond rating firms to judge an institution's creditworthiness to service debt.

University of Arizona projects outstanding debt excluding SPEED (issued) to decline from \$865.8 million in FY 2027 to \$414.2 million in FY 2035 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 the given year based on the statutory 8 percent debt ratio limit.



FUTURE PROJECTS

	Project Budget	Amount to Finance
Research Facility Modernization	\$52,320,000	\$52,320,000
Deferred Maintenance*	\$55,000,000	\$45,000,000
Student Life, Culture, and Learning Experience	\$21,020,000	\$20,070,000
Campus Technology Modernization	\$17,610,000	\$17,610,000
Campus Safety & Sustainability Initiatives	<u>\$15,000,000</u>	<u>\$15,000,000</u>
Total	\$160,950,000	\$150,000,000
* Includes funding from State Capital Appropriation HB2547 (2017)		

CREDIT RATINGS

The University of Arizona's current credit rating is Aa3 (Moody's) and AA- (S&P). Positive rating factors include U of A as the flagship and land-grant institution, as well

Fiscal Year	Moody's		Standard & Poor's	
	Rating	Outlook	Rating	Outlook
2022	Aa2	Negative	AA-	Stable
2023	Aa2	Stable	AA-	Stable
2024	Aa2	Negative	AA-	Negative
2025	Aa3	Stable	AA-	Negative
2026	Aa3	Stable	AA-	Stable

as its important role in the provision of medical education for the State of Arizona. The university continues to have diverse research programs and sizable sponsored research funding with diverse sources. Offsetting factors include weakened operating performance, uncertain federal environment, thinning 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 reach a maximum of \$116.2 million in FY 2029. The ratio of debt service to total expenses is projected to peak in FY 2028 at 3.7 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 financed 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 2028 at 4.9 percent. The maximum projected annual debt service, including SPEED, is \$142.3 million in FY 2029.



**U of A Annual Capital Plan
Project Justification Report
Deferred Maintenance FY 2027**

Background

- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will be addressing campus-wide Deferred Maintenance (DM) needs at a total cost of \$55,000,000 (\$42M general DM, \$13M utility infrastructure). These needs include fire alarm upgrades, elevator code compliance, electrical code compliance, roof replacement, plumbing upgrades, street repairs, ADA compliance, generators, building automation upgrades and utility infrastructure upgrades.
- Addressing Deferred Maintenance needs and aging building infrastructure is part of the University's Capital Plan. In addition, analyzing and addressing the Deferred Maintenance prioritized needs of all mechanical, electrical, plumbing, and life and safety items allow for the continuity of operations at U of A. The renovations will all last 25-30 plus years before needing to be replaced.
- The age of replacement for HVAC upgrades, building automation systems, plumbing, elevator, and roofs ranges at least 30 plus years. Maintenance has been performed on all mechanical, electrical, plumbing, and life safety equipment on a daily, monthly, and annual basis. Routine repairs are completed as needed and annual preventative maintenance also takes place on all equipment. These deferred maintenance projects are addressing mechanical/electrical/plumbing/life and safety and not addressing complete building replacement. In essence by replacing, we are extending the life of the buildings for decades.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The construction cost for this project is \$46,750,000 and the total project cost is \$55,000,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects

Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
HVAC	University of Arizona	\$12,778,581	1,933,039	\$6.61	\$5.67
Fire Safety	University of Arizona	\$7,283,000	401,085	\$18.16	\$15.56
Building Automation	University of Arizona	\$1,100,000	130,963	\$8.40	\$7.20
Campus Streets /Painting	University of Arizona	\$2,724,341	527,708	\$5.16	\$4.43
Elevator	University of Arizona	\$2,401,361	258,739	\$9.28	\$7.96
ADA & Asbestos Compliance	University of Arizona	\$200,000			
Generators	University of Arizona	\$3,454,400	274,596	\$15.58	\$10.78
Roof Repairs	University of Arizona	\$500,000	24,263	\$20.61	\$17.66
Plumbing/H e at Exchangers	University of Arizona	\$4,889,908	1,976,834	\$2.47	\$2.12
Electrical Code	University of Arizona	\$2,666,710	126,076	\$21.15	\$18.13
Utility Infrastructure	University of Arizona	13,001,699	99,937	\$130.10	\$111.51
Outlying Properties	University of Arizona	\$4,000,000	90,000	\$44.44	\$38.10

Fiscal Impact and Financing Plan

- U of A plans to finance \$45,000,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be \$2,900,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.
- The remaining \$10,000,000 will be paid for with state appropriations tied to the Capital Infrastructure Fund established in ARS 15-1671.
- The Operations and Maintenance (O&M) cost for the project is already included in the

University's current budget.

- U of A will:
 - (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.10 percent, excluding SPEED projects, and 0.10 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

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 ACP, including new construction, renovation, infrastructure, information technology and third-party projects.

U of A
Capital Project Information
Summary FY 2027 Deferred
Maintenance

Project Description / Location:

This project will address Deferred Maintenance at various locations on campus.

FY 2027 Annual Capital Plan
October 2026

Project Schedule (Beginning Month/Year):

Planning	N/A
Design	N/A
Construction	October 2026
Occupancy	June 2028

Project Budget:

Total Project Cost	\$ 55,000,000
Total Project Cost per GSF	N/A
Direct Construction Cost	\$46,750,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	

Funding Sources:

Capital:

- | | |
|---|--------------|
| • System Revenue Bonds | \$45,000,000 |
| • Capital Infrastructure Fund (ARS 15-1671) | \$10,000,000 |

Operation/Maintenance:	N/A
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U of A
Capital Project Budget Summary
FY 2027 Deferred Maintenance

<u>Date of Budget Estimate</u>		<u>FY 2026 Annual Capital Plan</u>	
			<u>Sept 2026</u>
1.	Land	\$	
2.	Construction Cost		
A.	New Construction	\$	
B.	Renovation	\$	46,750,000
C.	Fixed Equipment	\$	
D.	Site Development (exclude 2.E.)	\$	
E.	Parking & Landscaping	\$	
F.	Utilities Extensions	\$	
G.	Other (asbestos only)	\$	
	Subtotal Construction Cost	\$	46,750,000
3.	Consultant Fees		
A.	Construction Manager	\$	410,000
B.	Architect/Engineering Fees	\$	1,235,000
C.	Other (Programming, Special Consult.)	\$	575,000
	Subtotal Consultant Fees	\$	2,220,000
4.	Furniture Fixtures and Equipment	\$	2,500,000
5.	Contingency, Design Phase	\$	490,000
6.	Contingency, Construction Phase	\$	2,460,000
7.	Parking Reserve	\$	
8.	Telecommunications Equipment	\$	
	Subtotal Items 4-8	\$	5,450,000
9.	Additional University Costs		
A.	Surveys and Tests	\$	
B.	Move-in Costs	\$	
C.	Public Art	\$	
D.	Printing/Advertisement	\$	
E.	Univ. Facilities & Project Management	\$	330,000
F.	State Risk Mgt. Ins	\$	250,000
	Subtotal Additional University Costs	\$	580,000
TOTAL CAPITAL COST		\$	55,000,000

U of A
Project Site Location Map
FY 2027 Deferred Maintenance

This project will encompass various buildings campus-wide.

U of A
Project Justification Report
FY 2027 Campus Technology Modernization

Background

- No previous board action. This project has been included in the Annual Capital Plan (ACP) submitted at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will be addressing a technology refresh and network modernization to provide a secure, reliable, high-performance network that supports teaching, research, and university operations campus-wide. The project will address aging technology, improve connectivity and resilience and establish a capable structure to support future growth and emerging technologies.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire Tucson main campus and will impact every building with the upgrades.
- The construction cost for this project is \$15,000,000 and the total project cost is \$17,610,000.
- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects

Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
IT Network and Classroom Tech Upgrades	University of Arizona	\$6,000,00	N/A	N/A	N/A

Fiscal Impact and Financing Plan

- U of A plans to finance \$17,610,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be \$1,100,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.
- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.
- U of A will:
 - (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.04 percent, excluding SPEED projects, and 0.04 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize network disruptions.

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 ACP, including new construction, renovation, infrastructure, information technology, and third-party projects.

U of A
Capital Project Information Summary
FY 2027 Campus Technology Modernization

Project Description / Location:

This project will address campus-wide technology modernization at various buildings.

FY 2027 Annual Capital Plan
October 2026

Project Schedule (Beginning Month/Year):	
Planning	N/A
Design	N/A
Construction	October 2026
Occupancy	June 2028
Project Budget:	
Total Project Cost	\$17,610,000
Total Project Cost per GSF	N/A
Direct Construction Cost	\$ 15,000,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A

Utilities
Personnel
Other

Funding Sources:

Capital:

- System Revenue Bonds \$17,610,000
- Institutional Funds \$0

Operation/Maintenance: N/A

U of A
Capital Project Budget Summary
FY 2027 Campus Technology Modernization

<u>Date of Budget Estimate</u>		<u>FY 2026 Annual Capital Plan</u>	
		<u>Sept 2026</u>	
1.	Land	\$	
2.	Construction Cost		
A.	New Construction	\$	
B.	Renovation	\$	
C.	Fixed Equipment	\$	15,000,000
D.	Site Development (exclude 2.E.)	\$	
E.	Parking & Landscaping	\$	
F.	Utilities Extensions	\$	
G.	Other (asbestos only)	\$	
	Subtotal Construction Cost	\$	15,000,000
3.	Consultant Fees		
A.	Construction Manager	\$	
B.	Architect/Engineering Fees	\$	
C.	Other (Programming, Special Consult.)	\$	1,000,000
	Subtotal Consultant Fees	\$	1,000,000
4.	Furniture Fixtures and Equipment	\$	610,000
5.	Contingency, Design Phase	\$	500,000
6.	Contingency, Construction Phase	\$	
7.	Parking Reserve	\$	
8.	Telecommunications Equipment	\$	500,000
	Subtotal Items 4-8	\$	1,610,000
9.	Additional University Costs		
A.	Surveys and Tests	\$	
B.	Move-in Costs	\$	
C.	Public Art	\$	
D.	Printing/Advertisement	\$	
E.	Univ. Facilities & Project Management	\$	
F.	State Risk Mgt. Ins	\$	
	Subtotal Additional University Costs	\$	
TOTAL CAPITAL COST		\$	17,610,000

U of A
Project Site Location Map
FY 2027 Campus Technology Modernization

This project will encompass various buildings campus-wide.

U of A
Project Justification Report
FY 2027 Research Facility Modernization

Background

- No previous board action was taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will address aging research facilities by modernizing existing laboratory spaces to better support current and future academic and research needs, while upgrading mechanical, electrical, and plumbing infrastructure.
- The projects will be implemented in phases across multiple buildings on campus to minimize disruption to ongoing research. Key aspects of the renovations include:
 - o Replacement of outdated laboratory equipment and supporting utility infrastructure to accommodate current needs and future growth.
 - o Modernization of laboratory interiors, including finishes, casework and workstations.
 - o Reconfiguration of spaces to support flexible teaching methods and collaborative research.
 - o Upgrades to life safety systems, accessibility, and code compliance.
 - o Enhancements to technology and building automation systems.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main campus and will impact various building locations.
- The construction cost for this project is \$44,472,000 and the total project cost is \$52,320,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects

Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
Vet Sciences (Bldg 90) MEP Renovation	University of Arizona	\$18,084,816	62,265	\$290.44	\$232.35
Chemistry Building Renovation/Expansion	University of Arizona	\$70,000,000	76,000	\$906	\$609

Fiscal Impact and Financing Plan

- U of A plans to finance \$52,320,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be \$3,400,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and has existing capacity to cover this project.
- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.
- U of A will:
 - (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.11 percent, excluding SPEED projects, and 0.11 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

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 ACP, including new construction, renovation, infrastructure, information technology, and third-party projects.

U of A
Capital Project Information Summary
FY 2027 Research Facility Modernization

Project Description / Location:

This project will address campus-wide research building modernization at various locations.

FY 2027 Annual Capital Plan
October 2026

<u>Project Schedule (Beginning Month/Year):</u>	
Planning	October 2026
Design	March 2027
Construction	October 2027
Occupancy	June 2028
<u>Project Budget:</u>	
Total Project Cost	\$ 52,320,000
Total Project Cost per GSF	N/A
Direct Construction Cost	\$ 44,472,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A

Utilities
Personnel
Other

Funding Sources:

Capital:

- System Revenue Bonds \$52,320,000
- Institutional Funds \$0

Operation/Maintenance: N/A

U of A
Capital Project Budget Summary
FY 2027 Research Facility Modernization

		FY 2026 Annual Capital Plan	
<u>Date of Budget Estimate</u>		<u>Sept 2026</u>	
1.	Land	\$	
2.	Construction Cost	\$	
A.	New Construction	\$	
B.	Renovation	\$	44,472,000
C.	Fixed Equipment	\$	
D.	Site Development (exclude 2.E.)	\$	
E.	Parking & Landscaping	\$	
F.	Utilities Extensions	\$	
G.	Other (asbestos only)	\$	
	Subtotal Construction Cost	\$	44,472,000
3.	Consultant Fees		
A.	Construction Manager	\$	390,000
B.	Architect/Engineering Fees	\$	1,170,000
C.	Other (Programming, Special Consult.)	\$	545,000
	Subtotal Consultant Fees	\$	2,105,000
4.	Furniture Fixtures and Equipment	\$	2,380,000
5.	Contingency, Design Phase	\$	470,000
6.	Contingency, Construction Phase	\$	2,343,000
7.	Parking Reserve	\$	
8.	Telecommunications Equipment	\$	
	Subtotal Items 4-8	\$	5,193,000
9.	Additional University Costs		
A.	Surveys and Tests	\$	
B.	Move-in Costs	\$	
C.	Public Art	\$	
D.	Printing/Advertisement	\$	
E.	Univ. Facilities & Project Management	\$	315,000
F.	State Risk Mgt. Ins	\$	235,000
	Subtotal Additional University Costs	\$	550,000
TOTAL CAPITAL COST		\$	52,320,000

U of A
Project Site Location Map
FY 2027 Research Facility Modernization

This project will encompass various buildings campus-wide.

U of A Project Justification Report FY 2027 Campus Safety & Sustainability Initiative

Background

- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will address safety and sustainability campus-wide through numerous initiatives led by the Office of Public Safety and the Office of Sustainability. The following project initiatives have been identified, but are not limited to:
 - o Modernize fragmented legacy video management, security cameras, access control, and alarm systems, leveraging existing technology investments wherever possible.
 - o Establish a modern, scalable, integrated security infrastructure that supports real-time situational awareness and coordinated public safety operations.
 - o Improve campus safety and operational efficiency through enhanced system interoperability, advanced analytics, and automation.
 - o Create a flexible foundation for future security technology by enabling efficient system integrations.
 - o Prioritize sustainability projects within the campus master plan, including water conservation measures, lighting retrofits, fume hood modernization, HVAC and building automation upgrades, and other energy-efficiency improvements that reduce utility consumption.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- The project is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main campus and will impact various building locations.

- The construction cost for this project is \$12,750,000 and the total project cost is \$15,000,000.
- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects

Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
N/A	University of Arizona	N/A	N/A	N/A	N/A

Fiscal Impact and Financing Plan

- U of A plans to finance \$15,000,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be \$1,000,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.
- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.
- U of A will:
 - (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.03 percent, excluding SPEED projects, and 0.03 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

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 ACP, including new construction, renovation, infrastructure, information technology, and third-party projects.

U of A
Capital Project Information Summary
FY 2027 Campus Safety and Sustainability Initiative

Project Description / Location:

This project will address the entire campus through enhanced public safety and sustainability initiatives.

FY 2027 Annual Capital Plan
October 2026

Project Schedule (Beginning Month/Year):

Planning	October 2026
Design	March 2027
Construction	September 2027
Occupancy	June 2028

Project Budget:

Total Project Cost	\$ 15,000,000
Total Project Cost per GSF	N/A
Direct Construction Cost	\$12,750,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	

Funding Sources:

Capital:

- | | |
|------------------------|--------------|
| • System Revenue Bonds | \$15,000,000 |
| • Institutional Funds | \$0 |

Operation/Maintenance:	N/A
------------------------	-----

U of A
Capital Project Budget Summary
FY 2027 Campus Safety and Sustainability Initiative

<u>Date of Budget Estimate</u>		<u>FY 2026 Annual Capital Plan</u>	
		<u>Sept 2026</u>	
1.	Land	\$	
2.	Construction Cost		
A.	New Construction	\$	
B.	Renovation	\$	12,750,000
C.	Fixed Equipment	\$	
D.	Site Development (exclude 2.E.)	\$	
E.	Parking & Landscaping	\$	
F.	Utilities Extensions	\$	
G.	Other (asbestos only)	\$	
Subtotal Construction Cost		\$	12,750,000
3.	Consultant Fees		
A.	Construction Manager	\$	110,000
B.	Architect/Engineering Fees	\$	335,000
C.	Other (Programming, Special Consult.)	\$	155,000
Subtotal Consultant Fees		\$	600,000
4.	Furniture Fixtures and Equipment	\$	685,000
5.	Contingency, Design Phase	\$	135,000
6.	Contingency, Construction Phase	\$	670,000
7.	Parking Reserve	\$	
8.	Telecommunications Equipment	\$	
Subtotal Items 4-8		\$	1,490,000
9.	Additional University Costs		
A.	Surveys and Tests	\$	
B.	Move-in Costs	\$	
C.	Public Art	\$	
D.	Printing/Advertisement	\$	
E.	Univ. Facilities & Project Management	\$	90,000
F.	State Risk Mgt. Ins	\$	70,000
Subtotal Additional University Costs		\$	160,000
TOTAL CAPITAL COST		\$	15,000,000

U of A
Project Site Location Map
FY 2027 Campus Safety & Sustainability Initiative

This project will encompass various buildings campus-wide.

U of A Project Justification Report FY 2027 Student Life, Culture, and Learning Experience

Background

- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will address facilities and modernize student spaces, cultural venues, and classrooms to enhance the student experience and quality of life on campus. By investing in three different types of spaces, U of A will modernize existing facilities and create opportunities for a more well-rounded and enhanced experience throughout students' time at the University.
 - o **Student Spaces:** Remodel student gathering spaces where students can gather, eat, stay active, and collaborate with their peers, promoting a healthy balance between academic and social life.
 - o **Cultural Venues:** Upgrade museums, galleries, and other cultural facilities to enhance the experience for both students and the broader community.
 - o **Classroom Modernization:** Upgrade and modernize outdated classrooms and infrastructure to align with evolving teaching and learning styles, creating an environment conducive to student success.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- The project is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main (Tucson) campus, Phoenix Bioscience Core Campus, and will impact various building locations.
- The construction cost for this project is \$17,867,000 and the total project cost is \$21,020,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects

Project	University	Total Project Budget	Project GSF	Total \$/GSF	Constr. \$/GSF
Modern Languages Classroom	University of Arizona	\$3,600,000	4,754	\$757.26	\$643.69
Bolo Cafe, HSIB	University of Arizona	\$5,810,346	3,705	\$1,568.24	\$1,348.37

Fiscal Impact and Financing Plan

- U of A plans to finance \$20,070,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be \$1,300,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.
- The remaining \$950,000 will be paid for with \$550,000 in institutional sources and \$400,000 in grant funds.
- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.
- U of A will:
 - (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.04 percent, excluding SPEED projects, and 0.04 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

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 ACP, including new construction, renovation, infrastructure, information technology, and third-party projects.

U of A
Capital Project Information Summary
FY 2027 Student Life, Culture, and Learning Experience

Project Description / Location:

This project will modernize buildings campus-wide, focusing on student experience.

FY 2027 Annual Capital Plan

October 2026

<u>Project Schedule (Beginning Month/Year):</u>	
Planning	October 2026
Design	March 2027
Construction	October 2027
Occupancy	June 2028
<u>Project Budget:</u>	
Total Project Cost	\$ 21,020,000
Total Project Cost per GSF	N/A
Direct Construction Cost	\$ 17,867,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A

Utilities
Personnel
Other

Funding Sources:

Capital:

- System Revenue Bonds \$20,070,000
- Institutional Funds \$550,000
- Grant Funds \$400,000

Operation/Maintenance:

N/A

U of A
Capital Project Budget Summary
FY 2027 Student Life, Culture, and Learning Experience

<u>Date of Budget Estimate</u>		<u>FY 2026 Annual Capital Plan</u>	
		<u>Sept 2026</u>	
1.	Land	\$	
2.	Construction Cost		
A.	New Construction	\$	
B.	Renovation	\$	17,867,000
C.	Fixed Equipment	\$	
D.	Site Development (exclude 2.E.)	\$	
E.	Parking & Landscaping	\$	
F.	Utilities Extensions	\$	
G.	Other (asbestos only)	\$	
	Subtotal Construction Cost	\$	17,867,000
3.	Consultant Fees		
A.	Construction Manager	\$	163,000
B.	Architect/Engineering Fees	\$	470,000
C.	Other (Programming, Special Consult.)	\$	220,000
	Subtotal Consultant Fees	\$	853,000
4.	Furniture Fixtures and Equipment	\$	955,000
5.	Contingency, Design Phase	\$	185,000
6.	Contingency, Construction Phase	\$	940,000
7.	Parking Reserve	\$	
8.	Telecommunications Equipment	\$	
	Subtotal Items 4-8	\$	2,080,000
9.	Additional University Costs	\$	
A.	Surveys and Tests		
B.	Move-in Costs	\$	
C.	Public Art	\$	
D.	Printing/Advertisement	\$	
E.	Univ. Facilities & Project Management	\$	125,000
F.	State Risk Mgt. Ins	\$	95,000
	Subtotal Additional University Costs	\$	220,000
TOTAL CAPITAL COST		\$	21,020,000

U of A
Project Site Location Map
FY 2027 Student Life, Culture, and Learning Experience

This project will encompass various buildings campus-wide.