

**Katie Hobbs**  
Governor



**Ben Henderson**  
Interim Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

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October 13, 2023

Sarah Brown  
Director  
Governor's Office of Strategic Planning and Budgeting  
1700 West Washington Street, Sixth Floor  
Phoenix, Arizona 85007

Dear Director Brown:

Pursuant to A.R.S. § 41-793, the Arizona Department of Administration (ADOA) is submitting the FY 2025 ADOA Building System Capital Improvement Plan (CIP).

ADOA prepares the CIP on behalf of the ADOA Building System agencies and identifies and recommends proposals for new capital outlay, including fire and life safety, infrastructure, building shell and services, land acquisition, as well as forecasts two-year's full funding building renewal requirements.

ADOA prioritizes and makes CIP recommendations in the following order: (1) fire and life safety; (2) mission-critical to existing programs and services; and (3) preservation of State assets.

ADOA recommends full funding of the FY 2025 ADOA Building System Building Renewal Formula and several mission critical new capital projects recommendations. Recent years' increased appropriations and new funds source strategies have been useful in resolving critical capital issues; however, capital appropriations are still well below the need.

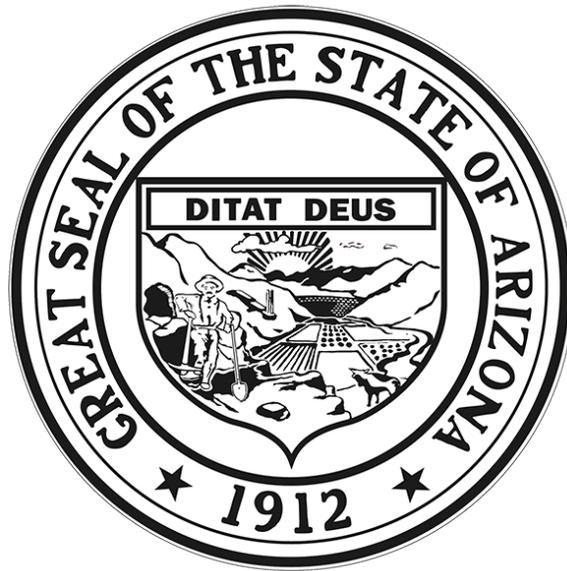
Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Alvarado-Thorson".

Elizabeth Alvarado-Thorson  
Cabinet Executive Officer  
Executive Deputy Director

Attachment

cc: John Owens, Operations & Policy Advisor, Office of the Governor  
Rebecca Dial, Deputy Director, OSPB  
Will Palmisano, Senior Budget Manager, OSPB  
Duncan Spilsbury, Budget Analyst, OSPB  
Ray Di Ciccio, Deputy Director, ADOA  
Michael Wisheart, Deputy Director, ADOA  
Jacob Wingate, Chief Financial Officer, ADOA  
Jimmy Arwood, Legislative Liaison, ADOA  
Nola Barnes, Assistant Director, ADOA/GSD  
John Hauptman, Deputy Assistant Director, ADOA/GSD



# ADOA BUILDING SYSTEM CAPITAL IMPROVEMENT PLAN

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FISCAL YEAR 2025

**KATIE HOBBS**  
GOVERNOR

**BEN HENDERSON**  
INTERIM DIRECTOR

PREPARED BY

**Arizona Department of Administration**  
General Services Division  
Planning and Construction Services

October 15, 2023

# FY 2025 ADOA Building System Capital Improvement Plan

## EXECUTIVE SUMMARY

**TABLE 4 – FY 2025 BUILDING RENEWAL FORMULA**

Funds	Agency	FY 2025 Formula	FY 2026 Formula	Gross Square Feet
Dedicated	Corrections, State Department of	\$40,383,755	\$39,994,455	8,851,190
Dedicated	Game and Fish Department, Arizona	\$1,794,989	\$1,777,685	981,016
Dedicated	Lottery Commission, Arizona State	\$218,174	\$216,071	47,600
<b>Dedicated Funds Source Agencies Total</b>		<b>\$42,396,918</b>	<b>\$41,988,211</b>	<b>9,879,806</b>
<b>Non-Dedicated Funds Source Agencies Total</b>		<b>\$62,158,403</b>	<b>\$61,559,196</b>	<b>12,733,791</b>
<b>Grand Total</b>		<b>\$ 104,555,320</b>	<b>\$ 103,547,407</b>	<b>22,613,597</b>

ADOA recommends full funding of the FY 2025 Building Renewal Formula

**TABLE 5 – FY 2025 CAPITAL PROJECT RECOMMENDATIONS**

Agency	Location	Project Name	Funds Source	Cost
ADOA	Capitol mall	1600 West Monroe Building Renovation - Design Only	General Fund	\$ 6,000,000
Corrections	Yuma	ASPC Yuma Fire Alarm Replacement	General Fund	\$ 8,500,000
Corrections	Statewide	Statewide HVAC Replacement	General Fund	\$ 5,870,000
ASDB	Tucson	Tucson Campus Consolidation	General Fund	\$ 10,049,000
Economic Security	Coolidge	Arizona Training Program Coolidge Campus Consolidation and Demolition	General Fund	\$ 1,500,000
Game & Fish	Statewide	AGFD 100% Building Renewal Formula Funding	CIF GF2203	\$ 1,795,000
Game & Fish	Statewide	AGFD Commission Owned Dams O&M	CIF GF2203	\$ 150,000
Game & Fish	Statewide	AGFD Property Maintenance	CIF GF2203	\$ 300,000
Game & Fish	Statewide	AGFD Hatcheries Maintenance	CIF GF2203	\$ 400,000
Game & Fish	Statewide	AGFD Dam Remediation	G&F GF2027	\$ 6,850,000
Game & Fish	Statewide	AGFD Bubbling Ponds Renovation	G&F GF2027	\$ 1,000,000
Game & Fish	Statewide	AGFD Statewide Hatchery Master Plan and Design	G&F GF2027	\$ 3,700,000
Health Services	State Hospital	ASH - Replace Video Surveillance System	General Fund	\$ 5,000,000
Parks & Trails	Statewide	ASPT 100% Building Renewal Formula Funding	SPRF	\$ 3,022,000
Parks & Trails	Yuma	ASPT Yuma Territorial Prison	SPRF	\$ 5,945,000
Parks & Trails	Red Rock	ASPT Red Rock Renovation	SPRF	\$ 4,000,000
Parks & Trails	San Rafael	ASPT San Rafael Renovation	SPRF	\$ 1,500,000
Parks & Trails	Statewide	ASPT Statewide Campground Improvements	SPRF	\$ 4,100,000
Parks & Trails	Statewide	ASPT Statewide Shade Structure Construction	SPRF	\$ 2,233,000
Parks & Trails	Statewide	ASPT Statewide Water Conservation	SPRF	\$ 1,339,000
Pioneers Home	Prescott	Arizona Pioneers' Home Cemetery Plot Expansion	General Fund	\$ 1,120,000
Public Safety	Kingman	New Kingman District Office	General Fund	\$ 9,500,000
Public Safety	Phoenix	Phoenix Encanto HQ Compound Electrical Upgrades	General Fund	\$ 7,382,000
Public Safety	Phoenix	New South Mountain District Office	General Fund	\$ 11,400,000
Public Safety	Phoenix	2222 W Encanto Blvd, Phoenix Building Acquisition	General Fund	\$ 6,100,000
Public Safety	Tucson	New Forbes District Office & Fusion Center	General Fund	\$ 4,100,000
			<b>Total Recommendations</b>	<b>\$ 112,855,000</b>

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## ADOA BUILDING SYSTEM AND CAPITAL IMPROVEMENT PLAN

The Arizona Department of Administration (ADOA) Building System was established pursuant to A.R.S. § 41-793, concurrent with the Arizona Board of Regents (ABOR) Building System and the Arizona Department of Transportation (ADOT) Building System. The ADOA Building System is the largest of the three and includes buildings occupied by 21 State agencies, boards, and commissions. All agencies in the ADOA Building System are directed by A.R.S. § 41-793 to provide an annual agency CIP to ADOA. Each Building System is responsible for submitting a Capital Improvement Plan (CIP) to the Governor by no later than October 15 of each year. The CIP includes proposals for State spending on land acquisition, capital projects, energy systems, energy management systems, and building renewal.

### Building System Inventory

As of June 30, 2023, the Building System has an inventory of **4,620** structures comprised of **22,613,597** Gross Square Feet (GSF) and a calculated replacement value of **\$6,475,505,606** (see Table 1: ADOA Building System Inventory Fiscal Year Ending June 30, 2023). ADOA revises its Building System Inventory each year to include structure acquisitions and deletions as reported by Building System agencies, escalations or de-escalations of structure replacement values, and two fiscal years of forecasted building renewal requirements. The inventory also provides Marshall & Swift Construction Class, Construction Year, fire suppression system status, Facility Occupancy Category, and other allied information.

ADOA inspects structures and reports their status to the Governor's Office and the legislature once every four fiscal years. ADOA General Services Division, Planning & Construction Services section reports on the condition, maintenance, and utilization of buildings inspected during the prior fiscal year on an approximate schedule of 50% of buildings within the first two years and 50% of buildings in the following two years of the four-year cycle pursuant to A.R.S. § 41-793. ADOA incrementally carries out its statutory obligation to inspect building system structures as funding, staffing, and new capital projects inspections permit.

Many of the Building System's structures and major building components have exceeded their useful lives or succumbed to the effects of deferred maintenance. There are widespread deficiencies in fire and life safety systems, roofs, HVAC, electrical, plumbing, control systems, parking lots, and interior finishes. A chronic lack of funding for basic routine and capital maintenance is the genesis of the poor condition of the Building System. A future Capital Improvement Plan may include recommendations for capital outlay spending to conduct formalized facility condition analysis of targeted ADOA Building System mission critical structures for precise understanding of baseline conditions and ensure data driven capital outlay decision making.

*Building inspection reports are available for review by contacting ADOA Planning & Construction Services at Patrick.Holt@azdoa.gov.*

**Table I–ADOA Building System Inventory Fiscal Year Ending June 30, 2023**

Agency	Number of Structures	FY 2023 Replacement Value	FY 2025 Building Renewal Formula	FY 2026 Building Renewal Formula	Gross Square Feet
Administration, Arizona Department of	53	\$1,129,305,764	\$18,895,626	\$18,713,472	4,591,016
ADOA, Legislature	7	\$105,943,377	\$2,706,851	\$2,680,757	303,388
Agriculture, Arizona Department of	3	\$882,542	\$18,931	\$18,749	9,194
Corrections, State Department of	1,801	\$2,727,127,177	\$40,383,755	\$39,994,455	8,851,190
Deaf and the Blind, Arizona State Schools for the	49	\$170,502,292	\$3,098,748	\$3,068,877	509,799
Economic Security, Department of	102	\$176,473,705	\$4,285,894	\$4,244,578	603,346
Emergency and Military Affairs, Department of	360	\$454,065,820	\$8,689,539	\$8,605,772	2,512,000
Environmental Quality, Department of	1	\$495,180	\$6,473	\$6,411	500
Exposition & State Fair Board, Arizona	26	\$147,383,736	\$3,771,421	\$3,735,064	681,147
Forestry and Fire Management, Arizona Department of	4	\$2,467,842	\$50,959	\$50,467	12,206
Game and Fish Department, Arizona	628	\$138,451,314	\$1,794,989	\$1,777,685	981,016
Health Services, Department of	58	\$342,186,193	\$5,130,213	\$5,080,758	677,609
Historical Society of Arizona, Prescott	22	\$23,408,680	\$430,876	\$426,722	73,724
Historical Society, Arizona	25	\$70,067,287	\$1,534,129	\$1,519,340	204,042
Judiciary, Arizona Supreme Court	1	\$94,960,629	\$1,588,884	\$1,573,567	257,207
Juvenile Corrections, Department of	51	\$91,758,693	\$1,946,955	\$1,928,186	225,334
Lottery Commission, Arizona State	2	\$11,590,496	\$218,174	\$216,071	47,600
Parks Board, Arizona State	959	\$175,952,003	\$3,022,015	\$2,992,882	703,849
Pioneers Home, Arizona	10	\$18,719,463	\$465,044	\$460,561	66,140
Power Authority, Arizona	3	\$11,534,074	\$109,304	\$108,251	12,324
Public Safety, Department of	411	\$196,229,503	\$3,219,711	\$3,188,673	728,527
Veterans Services, Department of	44	\$385,999,835	\$3,186,831	\$3,156,110	562,439
<b>Grand Total</b>	<b>4,620</b>	<b>\$ 6,475,505,606</b>	<b>\$ 104,555,320</b>	<b>\$ 103,547,407</b>	<b>22,613,597</b>

## BUILDING RENEWAL & CAPITAL OUTLAY STABILIZATION FUND

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

### Building Renewal Formula

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

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

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

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

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

The Age Factor = Building Age/Life Expectancy of the building (n). For example, the ADOA Life Expectancy is 50 years, therefore n=1,275, which is derived by progressively compounding by addition, 1+2+3+4+5...49+50. Building renewal, on average, should cost no more than two-thirds of the cost of

new construction, thus creating the building renewal constant multiplier of 2/3.

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

### Building Renewal Funding and Deferred Maintenance

The legislature fully funded the Building System’s Building Renewal Formula only twice in the last 35 fiscal years (FY 1988, FY 2023). Full funding of the Building Renewal Formula is a reference to the cumulative amount of annual appropriation required to sustain a given year’s *current* facilities conditions, assuming all prior annual major maintenance requirements are completed. The utility of the Building Renewal Formula is limited, because chronic underfunding results in an annual accrual of the unfunded portion which the following year’s formula does not consider.

**As a result of 34 years of funding shortfalls carried forward year after year, the ADOA Building System has amassed over \$743 million (adjusted for inflation) of deferred capital maintenance.**

*(See Table 2: Building Renewal Allocation History)*

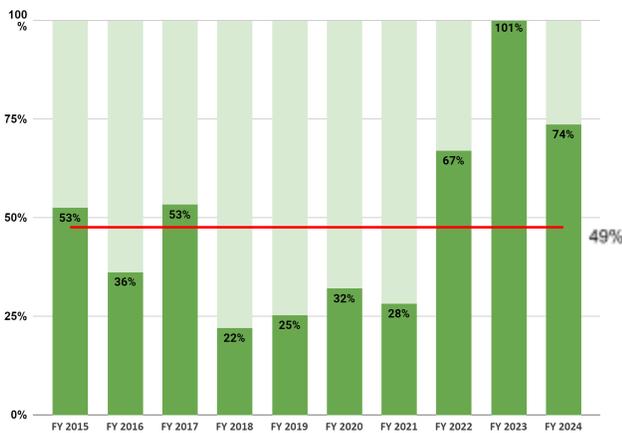
The real significance of the Building System’s deferred maintenance is not the estimated value; rather, it is the potential liability from building failures. The difficulty in predicting and preventing major equipment or system failures in the ADOA Building System’s aging facilities is surpassed only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

**The COSF Dilemma**

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

- ADOA collects COSF rent for approximately 1.9 million square feet yet COSF supports 4.9 million square feet in operating and maintenance expenses;
- Agencies in approximately 304,000 square feet directly benefit from COSF facilities operations services but are exempt from payment of COSF rents or even basic operating and maintenance costs;
- Many state agencies own and operate structures separately from ADOA and do not contribute to COSF revenue yet directly benefit from COSF building renewal appropriations;
- Methodology to establish COSF rent rates does not reflect standard building management practices – it merely supports a cash flow requirement;
- Appropriations exclusively from COSF will not stave off the negative effects of deferred maintenance;
- COSF building renewal appropriations are budgeted only after other expenditures are obligated, further promoting the vicious cycle of deferred maintenance.

**CHART 1–PERCENT OF BUILDING RENEWAL FORMULA APPROPRIATED: FY 2015–FY 2024**



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

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

With each passing year, ADOA’s ability to fulfill its statutory role as the steward of the State’s building assets becomes increasingly unattainable. To offset this trend, **ADOA is recommending full funding of the Building Renewal Formula for FY 2025.** The average percentage of the building renewal formula funded in the past ten fiscal years (non-dedicated fund source agencies) is 49% (see *Chart 1–Percent of Building Renewal Formula Appropriated FY 2015–FY 2024*). In spite of the recent increase in building renewal appropriations and the demolition of aged facilities, the appropriations for building renewal are still well below what is needed to fully address years of major maintenance deferral. The prolonged accrual of neglected building renewal has resulted in comprehensive multi-year phased scopes-of-work that are too expensive to allocate from the insufficient building renewal appropriations and too lengthy to complete in the previously required two-year lapsing appropriations period. Increasingly, major maintenance projects ADOA might otherwise allocate from building renewal appropriations are appearing in the CIP as large individual capital outlay requests.

In FY 2023 and FY 2024, the two-year lapsing appropriation period was removed as increased funding and recent supply chain issues have made it difficult to predict construction schedules and material lead times. ADOA recommends the continuation of non-lapsing appropriations for capital outlay until the purpose for which the appropriation was intended for can be completed.

**Capital Outlay Stabilization Fund**

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

A.R.S. § 41-792.01 establishes the COSF and allows ADOA to collect rents and tenant improvement charges from State agencies occupying State-owned space. The legislative budget process determines the COSF rental rate ADOA charges to State agencies. COSF monies are subject to appropriation and exempt from the provisions of A.R.S. § 35-190 relating to lapsing of appropriations. Until the FYs 2022 - 2024 General Fund (GF) building renewal appropriations to augment COSF appropriations, aggressive competition for limited GF monies in the budgeting process has shifted the burden of funding the operating costs of ADOA managed State-owned buildings and 58% of building renewal appropriations over the past decade almost exclusively on COSF.

A.R.S. § 41-792.01.K., exempts the Legislature from COSF rent. Over the past ten fiscal years, ADOA has spent over \$7.7 million of COSF building renewal appropriations on legislative buildings that are exempt from COSF rent.

Laws 2023, Chapter 146, Section 1 set the FY 2024 COSF rental rate charged by ADOA to state agencies at \$17.87 per rentable square foot (RSF) for office space and \$6.43 per RSF for storage space. The COSF rental rate does not support full-service operations and maintenance, fully fund the Building System Building Renewal Formula, address deferred maintenance liabilities, consider the requirements of A.R.S. § 41-791.01 relevant to ADOA powers and duties associated with facilities planning and construction, or the mandates of A.R.S. § 41-793 for capital planning and quadrennial inspections for utilization and condition of the ADOA Building System.

**FY 2025 ADOA Building Renewal Recommendation**

ADOA recommends full funding for the FY 2025 Building Renewal Formula, which is forecast to be \$104 million.

ADOA recognizes its recommendation will not fully achieve the goals of the Building Renewal Program nor forestall increasing deterioration of the Building System’s aging infrastructure due to the \$743 million of deferred maintenance. ADOA is using its annual appropriations to gradually rectify some of the most severe detrimental consequences of deferred maintenance neglect through targeted infrastructure demolition, repair, replacement, and renovation projects. An adverse policy decision for FY 2025 will further exacerbate Arizona’s legacy of persistent infrastructure failures, costly crisis mode expenses and liabilities associated with a run-to-fail major maintenance program.

<b>Total FY 2025 Building Renewal Request</b>	<b>\$ 155,761,885</b>
Non-Dedicated Fund Agencies	\$ 90,587,563
Dedicated Fund Agencies	\$ 65,174,322
<b>Total FY 2025 Building Renewal Formula</b>	<b>\$ 104,555,320</b>
Non-Dedicated Fund Agencies	\$ 62,158,403
Dedicated Fund Agencies	\$ 42,396,918
10-Year Average Annual Building Renewal Funding	\$ 37,516,140

**TABLE 2: BUILDING RENEWAL ALLOCATION HISTORY**

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

Fiscal Year	Building Renewal Formula	Appropriation	% of Formula Appropriated	Deferred Costs	Inflation Adjusted Deferred Costs
FY 1989	\$6,119,300	\$3,002,000	49%	\$3,117,300	\$5,950,926
FY 1990	\$6,226,100	\$3,184,000	51%	\$3,042,100	\$5,711,543
FY 1991	\$6,238,263	\$459,100	7%	\$5,779,163	\$10,668,335
FY 1992	\$6,804,200	\$807,334	12%	\$5,996,866	\$11,058,221
FY 1993	\$8,273,745	\$2,194,500	27%	\$6,079,245	\$11,197,969
FY 1994	\$8,607,379	\$3,051,600	35%	\$5,555,779	\$9,972,623
FY 1995	\$8,675,374	\$5,372,458	62%	\$3,302,916	\$5,773,497
FY 1996	\$9,079,255	\$8,171,400	90%	\$907,855	\$1,524,742
FY 1997	\$9,857,406	\$4,911,300	50%	\$4,946,106	\$7,968,177
FY 1998	\$12,598,637	\$6,210,700	49%	\$6,387,937	\$10,067,389
FY 1999	\$13,707,938	\$13,628,000	99%	\$79,938	\$123,184
FY 2000	\$15,925,783	\$3,403,400	21%	\$12,522,383	\$17,756,739
FY 2001	\$17,209,530	\$3,682,900	21%	\$13,526,630	\$18,964,335
FY 2002	\$18,100,303	\$6,464,400	36%	\$11,635,903	\$15,883,008
FY 2003	\$18,175,137	\$3,068,300	17%	\$15,106,837	\$20,092,093
FY 2004	\$19,252,520	\$3,500,000	18%	\$15,752,520	\$20,084,463
FY 2005	\$19,852,990	\$3,500,000	18%	\$16,352,990	\$19,116,645
FY 2006	\$22,864,835	\$3,400,000	15%	\$19,464,835	\$21,878,475
FY 2007	\$25,391,389	\$7,249,200	29%	\$18,142,189	\$18,632,028
FY 2008	\$27,584,100	\$7,257,100	26%	\$20,327,000	\$20,306,673
FY 2009	\$31,042,588	\$899,300	3%	\$30,143,288	\$30,143,288
FY 2010	\$33,056,002	\$1,000,000	3%	\$32,056,002	\$32,056,002
FY 2011	\$36,763,663	\$5,000,000	14%	\$31,763,663	\$31,852,601
FY 2012 <sup>1</sup>	\$38,109,130	\$11,100,000	29%	\$27,009,130	\$27,846,413
FY 2013 <sup>1/2</sup>	\$41,020,965	\$13,303,100	32%	\$27,717,865	\$28,189,069
FY 2014 <sup>1</sup>	\$43,036,312	\$14,000,000	33%	\$29,036,312	\$30,110,656
FY 2015 <sup>1</sup>	\$50,366,804	\$26,464,300	53%	\$23,902,504	\$24,476,164
FY 2016 <sup>1</sup>	\$53,665,760	\$19,464,300	36%	\$34,201,460	\$34,577,676
FY 2017 <sup>1</sup>	\$60,833,327	\$32,464,300	53%	\$28,369,027	\$28,341,793
FY 2018 <sup>1</sup>	\$62,348,429	\$13,764,300	22%	\$48,584,129	\$49,911,175
FY 2019 <sup>1</sup>	\$65,079,122	\$16,464,300	25.3%	\$48,614,822	\$50,874,925
FY2020 <sup>1/4</sup>	\$74,431,874	\$23,864,300	32.1%	\$39,579,107	\$40,014,477
FY2021 <sup>1</sup>	\$75,881,726	\$21,464,300	28.3%	\$54,417,426	\$55,560,192
FY2022 <sup>1</sup>	\$77,901,563	\$52,270,100	67.1%	\$25,631,463	\$28,732,870
FY2023 <sup>1</sup>	\$89,333,956	\$90,009,600	100.8%	-\$675,644	-\$797,098
FY2024 <sup>1/5</sup>	\$102,959,913	\$78,931,600	76.7%	-\$1,550,585	-\$1,535,637
	<b>\$1,221,851,818</b>	<b>\$518,473,292</b>	<b>39%</b>	<b>\$666,811,161</b>	<b>\$743,056,347</b>

<sup>1</sup>Includes a separate Building Renewal appropriation for ADCRR

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

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

<sup>5</sup>Includes a \$25.6M deduction in deferred maintenance due to the demolition of obsolete buildings at 1601 and 1645 W Jefferson

**TABLE 3: TWO-YEAR BUILDING RENEWAL FORMULA FORECAST**

Agency	Two-Year Forecast	
	FY 2025 Renewal Formula	FY 2026 Renewal Formula
Corrections, State Department of <sup>1</sup>	\$ 40,383,755	\$ 39,994,455
Game and Fish Department, Arizona <sup>2</sup>	\$ 1,794,989	\$ 1,777,685
Lottery Commission, Arizona State <sup>2</sup>	\$ 218,174	\$ 216,071
<b>Sub-Total Dedicated Funds Source Agencies:</b>	<b>\$ 42,396,918</b>	<b>\$ 41,988,211</b>
Administration, Arizona Department of	\$ 18,895,626	\$ 18,713,472
ADOA, Legislature	\$ 2,706,851	\$ 2,680,757
Agriculture, Arizona Department of	\$ 18,931	\$ 18,749
Deaf and the Blind, Arizona State Schools for the	\$ 3,098,748	\$ 3,068,877
Economic Security, Department of	\$ 4,285,894	\$ 4,244,578
Emergency and Military Affairs, Department of	\$ 8,689,539	\$ 8,605,772
Environmental Quality, Department of	\$ 6,473	\$ 6,411
Exposition & State Fair Board, Arizona	\$ 3,771,421	\$ 3,735,064
Forestry and Fire Management	\$ 50,959	\$ 50,467
Health Services, Department of	\$ 5,130,213	\$ 5,080,758
Historical Society, Arizona	\$ 430,876	\$ 426,722
Historical Society of Arizona, Prescott	\$ 1,534,129	\$ 1,519,340
Judiciary, Arizona Supreme Court	\$ 1,588,884	\$ 1,573,567
Juvenile Corrections, Department of	\$ 1,946,955	\$ 1,928,186
Parks Board, Arizona State	\$ 3,022,015	\$ 2,992,882
Pioneers' Home, Arizona	\$ 465,044	\$ 460,561
Power Authority	\$ 109,304	\$ 108,251
Public Safety, Department of	\$ 3,219,711	\$ 3,188,673
Veterans' Services, Department of	\$ 3,186,831	\$ 3,156,110
<b>Sub-Total Non-Dedicated Funds Source Agencies:</b>	<b>\$ 62,158,403</b>	<b>\$ 61,559,196</b>
<b>Grand Total:</b>	<b>\$ 104,555,320</b>	<b>\$ 103,547,407</b>

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

<sup>2</sup> Dedicated funds source agency

## FY 2025 CAPITAL PROJECT RECOMMENDATIONS

### Arizona Department Of Administration

#### *Construction Procurement and Project Management Costs (Personnel Services and ERE)*

ADOA recommends including language in the FY 2025 Capital Outlay Bill to address the significant construction technical support services that the ADOA General Services Division (GSD) provides to the ADOA Building System agencies to ensure new capital outlay and other construction projects are properly procured and well managed. This does not apply to ADOA building renewal appropriations. Given the decade or more of agency attrition in construction related technical expertise many ADOA Building System agencies do not have skilled in-house personnel to address multi phase construction projects. Further, many agencies have limited or no delegated authority for construction procurements despite direct appropriations to agencies for capital outlay. When ADOA Building System agencies do not have internal expertise for the functions or are not authorized to pay for personnel services and ERE from appropriated capital outlay monies nor directed to supply agency operating monies to ADOA to perform the functions, the salary and ERE of the technical professionals to support ADOA Building System projects are subsidized by COSF operating appropriations. ADOA looks forward to an opportunity to discuss options to address this matter with the Governor's and Legislative budget offices.

#### *1600 West Monroe Full Renovation Design*

*\$6,000,000*

In FY 2025 the Arizona Department of Revenue will be relocated from 1600 W Monroe St into the newly renovated 1616 W Adams St office building. This will result in the vacancy of one of ADOA's largest office buildings on the Capitol Mall. The 1600 W Monroe St building was constructed in 1988 and is 184,900 RSF high rise office building comprising 9 stories plus 2 lower levels. ADOA is seeking a capital outlay appropriation to design a complete building renovation. ADOA utilizes a Facility Condition Index (FCI) rating system to assess the overall condition of buildings. This calculation is measured as a percentage based on the total deferred major maintenance dollar amount divided by the estimated replacement value of the building. For the 1600 W Monroe office building,

the FCI is currently 54% indicating poor condition and total renovation is required. The full renovation scope of work includes replacement of all major building systems including HVAC (Air handlers, ductwork, VAV boxes, controls, pumps, chillers, etc.), interior finishes (replacement of demountable wall system, paint, carpet, etc.), exterior shell work (windows, expansion joints, roof, etc.), infrastructure (electrical, cabling, site work, etc.), furniture, fixtures, equipment and architectural design. A design product will support construction cost estimates for a future capital outlay request for the construction phase of a full renovation.

### Arizona Department Of Corrections Rehabilitation and Reentry (ADCRR)

#### *Statewide HVAC Replacement*

*\$5,870,000*

ADCRR's priorities for capital and building renewal improvements each year include the repair and/or replacement of major building services and fire systems in State-wide ADCRR Arizona state prison complexes (ASPC). Identification, prioritization, and cost estimation of projects are exclusively a result of ADCRR's internal capital planning process. ADCRR determines actual project scopes of work and design and construction costs after funding is available.

ADCRR submitted over \$96 million of capital and building renewal projects for FY 2025. In response to expected budget constraints, ADOA is only recommending ADCRR's top priority projects; however, there are many other projects that if left unfunded, will continue to degrade safety, and subject staff and inmates to unnecessary risk.

The ADCRR has evaporative cooling units and HVAC systems in need of replacement and/or conversion to traditional HVAC units at various ASPC locations. The requested funding will replace multiple units in the following ASPCs: Pima Reentry Center (PRC), Tucson, Phoenix, Perryville, Eyman, Phoenix, Maricopa Reentry Center (MRC), Yuma, and Lewis.

## FY 2025 ADOA Building System Capital Improvement Plan

### ADCRR HVAC Replacements

Location	Project Description	Estimated Cost
PRC	A/C Upgrades	\$75,000
Tucson	Air Handler Replacement	\$125,000
Phoenix	Aspen HVAC Upgrade	\$525,000
Perryville	Complex - 4 A/C units for Complex Admin Bldg	\$150,000
Perryville	Complex - 4 A/C units for Cruz kitchen (Evap)	\$135,000
Perryville	Complex - 4 A/C units for Lumley kitchens (Evap)	\$135,000
Perryville	Complex - 4 A/C units for Maria kitchen (Evap)	\$155,000
Perryville	Complex - 4 A/C units for Pedro kitchen (Evap)	\$145,000
Eyman	Complex building C air handler replacement	\$400,000
Phoenix	Replace existing HVAC air handlers	\$525,000
MRC	Replace existing HVAC air handlers	\$1,000,000
Yuma	HVAC systems at Cheyenne Admin	\$500,000
Yuma	HVAC systems at Dakota Admin	\$500,000
Lewis	7 kitchens replace swamp with A/C (Evap)	\$1,500,000
<b>Total Project Cost</b>		<b>\$5,870,000</b>

### ASPC Yuma Fire Alarm Replacement

\$8,500,000

State law requires that ADOA Building System agencies should give priority to fire and life safety projects. One of ADCRR's FY 2025 priorities is replacing and upgrading the fire systems at ASPC Yuma. The fire alarm and suppression system is inoperable, unsupported, and obsolete. When fire alarm systems are out of commission for extended times, ADCRR must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. The existing situation is unacceptable and is a fire and life safety risk to staff and inmates.

## Arizona State Schools for the Deaf and Blind (ASDB)

### Tucson Campus Consolidation

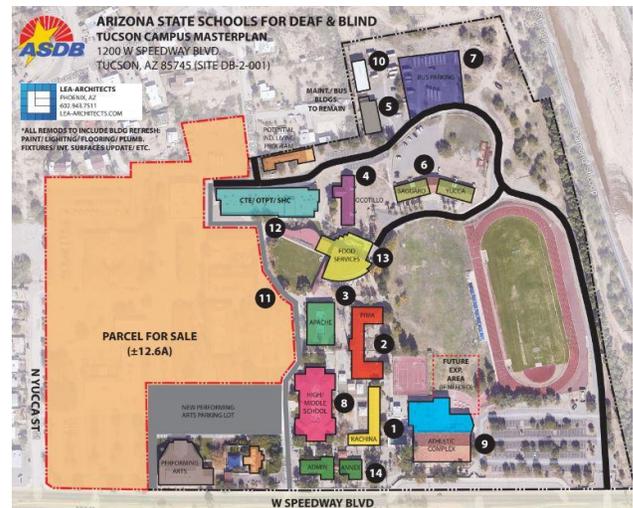
\$10,049,000

In 2022 the Office of the Auditor General completed a Sunset Audit of ASDB and included a recommendation for a long-range capital plan to address underutilization of

the Tucson campus.

The Tucson campus was originally designed to accommodate over 350 students; however, the student population has declined drastically over the years to a student population of < 150 students on campus at any time. The decreasing student trend has compelled ASDB to reduce its Tucson campus footprint by half. Many ASDB students live on campus during the school year in a dormitory style setting.

In 2023 ASDB consulted with LEA Architecture to initiate a Tucson Campus Master Plan to determine the most logical and cost effective approach to accomplish a campus consolidation over a three-year period, including renovation and repurposing underutilized buildings. The Master Plan proposes a campus reduction of approximately 45%. The objective of the consolidation effort is a potential sale of the west portion of the campus. This request identifies three renovation projects to initiate the campus consolidation efforts.



ASDB Tucson Campus; Kachina #1/yellow, Pima #2/red, Apache #3/green

### Kachina Classroom Building Renovation

ASDB proposes to renovate the Kachina Classroom to accommodate the ASDB Tucson Business Services and IT Departments, which are currently housed in the Apache Dormitory. The Business Services and IT teams include accounting functions, purchasing, and student accounts. The Kachina Classroom has not been significantly renovated since its original 1963 construction date and requires modifications to achieve conversion into office space.



**Apache Dormitory Conversion to Elementary School**

Upon relocation of ASDB’s business functions to the newly renovated Kachina Classroom, ASDB proposes to renovate the Apache Dormitory to a “new” K-5 elementary school. The Apache Dormitory square footage meets size and design requirements for an appropriate conversion to classrooms. The renovation is expected to reduce ASDB operating costs. Subsequently, ASDP will repurpose its current elementary school to a “new” middle school and high school in a future phase of campus consolidation.



**Pima Dormitory Centralization**

The campus dormitories are decentralized into five separate student dormitories set apart on the basis of student genders and ages. The separation of the dormitories is inefficient in terms of student monitoring, support, and labor. It is particularly difficult for ASDB to recruit and retain appropriate personnel to support the decentralized dormitories.

ASDB proposes to renovate the 14,000 square foot Pima Dormitory to centralize students into a single dormitory and set apart living arrangements based on disability type and genders. The centralization will achieve desired outcomes of reduced campus footprint, improved operational efficiency and hiring goals, and enhanced student monitoring, support, safety and security.



**Department of Economic Security (DES)**

***Division of Developmental Disabilities (DDD),  
Arizona Training Program Coolidge (ATPC)  
Campus Consolidation and Demolition***

*\$1,500,000*

Originally named the Arizona Children’s Colony, ATPC first opened its doors on March 19, 1952. Back in the 1950s, parents had few options to address the needs of a child born with a developmental or intellectual disability. Fewer options were available if the child also had severe medical needs.

Renamed the Arizona Training Program in Coolidge in 1970, the facility consists of dozens of buildings situated over 87 acres. Since its inception, ATPC has provided its residents with 24/7 residential care, including medical services, vocational training, meals, and recreational activities. The ATPC has served more than 3,000 children and adults. At its peak, it was home to 1,200 Arizonans with intellectual or developmental disabilities and many of the residents have lived at ATPC their entire lives. The ATPC DDD does not accept new residents and its current population is 52.

As APTC’s resident population diminishes, DES will consolidate its serviceable housing and administrative buildings and demolish underutilized and dilapidated buildings starting at the north end of the ATPC campus. DES has a plan to remove the buildings and associated infrastructure with priority to the following: Sandpiper, Professional Services Building, Mesquite, Ironwood, 10, 20, 30 Oasis, and 106, 107, 108, 109, 110 Cottonwood. This project will reduce ATPC operational costs associated with securing attractive nuisance and safety hazards of deteriorated buildings and eliminate the associated risks to staff, residents, and the public.

**Department of Health Services (DHS)**

***Arizona State Hospital (ASH) - Replace Video Surveillance System***

***Convert Operating Appropriation to Non-Lapsing Capital Outlay Appropriation***

*\$5,000,000*

The ASH campus is located on 93 acres at 24th St and Van Buren St, in Phoenix. Pursuant to A.R.S. § 36-201 and 36-217, ASH provides long-term, inpatient psychiatric care to Arizonans with severe mental illnesses who are

under court order for treatment. The hospital operates programs in a Joint Commission accredited, 260-bed facility. The ASH campus is a full confinement, 24-hours locked facility, comprising three distinct programs, which includes the Civil Hospital, the Forensic Hospital, and the Arizona Community Protection and Treatment Center.

Because patients with severe mental illness are more likely to exhibit erratic and unpredictable behavior, inpatient violence is not uncommon. All three programs operate with high security protocols and use video cameras for surveillance of inpatients and staff for their safety. The three campuses operate a combination of disparate camera monitoring and storing platforms introduced at different phases of the hospital's history.

ADOA is project managing a multi-phase video security system replacement project initiated in FY 2022. To date, project funding is available through ASH's operating budget appropriations over several fiscal years resulting in additional efforts of ASH and ADOA to justify the carry over of lapsing operating appropriations into the next fiscal year. The remaining scope of work is expected to take another two years to complete due to the constraints of working in an high security inpatient facility for the severely mentally, the logistics of inpatient movement from construction areas, and the inherent long lead times for audio/visual equipment and infrastructure materials in the post COVID Pandemic supply chain. Infrastructure components, such as the electrical Service Entrance Section (SES) were recently forecasted to take up to 80 weeks to manufacture and deliver to the site. In light of the estimated lead times and multi-year completion of the remaining scope of work, the request is to convert the project funding to a non-lapsing capital outlay appropriation.

As of October 2023, \$8,100,000 is obligated and held as contingency to finish the project. Cash flow projections and project schedule indicate the FY 2024 year end balance of operating appropriations monies is approximately \$5,000,000. ADOA requests the balance of project monies are appropriated as non-lapsing capital outlay.

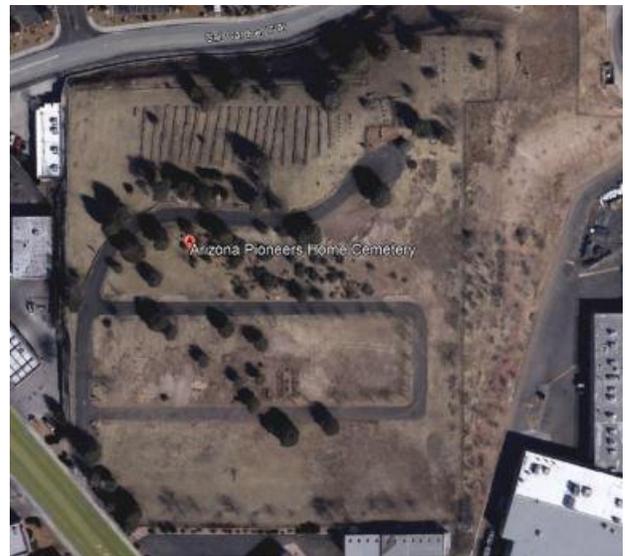
**Arizona Pioneers' Home**  
***Cemetery Plot Expansion***

*\$1,120,000*

The Arizona Pioneers' Home is a state-funded, licensed assisted living facility in Prescott with specific eligibility requirements for residency. The Home provides care and

services to qualified individuals living independently or who require assistance. The Arizona Pioneers' Home opened its doors in 1911, pursuant to a 1909 territorial statute, and today can care for up to 125 residents. The Arizona Pioneers' Home is also charged with the management of the Arizona Pioneers' Home Cemetery.

The Arizona Pioneers' Home Cemetery is a much sought after location for a loved one's final disposition. In contrast to occupancy eligibility requirements for the Arizona Pioneers' Home, ADOA is informed that there are no eligibility requirements for interment in the cemetery. The Arizona Pioneers' Home estimates by the end of calendar year 2023, all of the available cemetery plots will have been exhausted. The Arizona Pioneers' Home requests capital outlay to expand into the last section of vacant land at the south side of the cemetery and construct approximately a few hundred additional cremations vaults and single or companion casket placements (numbers of each to be determined).



**Department of Public Safety (DPS)**

***New Kingman District Office***

*\$9,500,000*

The DPS Kingman District Office was constructed in 1966 and the very small 2,717 GSF main building and 1,092 GSF supporting buildings do not suit the functional and technological needs of modern law enforcement units working out of the facilities. The footprint of the current complex is small and outdated with an aging infrastructure that does not accommodate installation of current law

## FY 2025 ADOA Building System Capital Improvement Plan

enforcement technologies. The DPS' law enforcement programs have expanded exponentially into cross functional work groups that include the Highway Patrol, K-9, Commercial Vehicle Enforcement, the Gang & Immigration Intelligence Team Enforcement Mission (GITEM), and Criminal Investigations.

DPS is requesting construction of an approximate 14,500 square foot multi-functional district office on the DPS owned property to the west of the existing district office on the same parcel that is sufficiently sized to construct a new office and maintain concurrent operations in the old facilities. The proposed appropriation request includes design, sitework, furniture, fixtures, and equipment (FF&E), construction, and existing facilities demolition.

The new district office will house the units in a new complex that will include a training room, booking cells, a garage, and a public meeting area.



### ***Phoenix Encanto Headquarters Compound Electrical Upgrades***

*\$7,382,000*

In 2023, DPS, with ADOA assistance, retained the services of a professional consultant to assess the condition of the major electrical distribution equipment at the DPS Encanto Headquarters Compound. The assessment defined a comprehensive scope of work and included recommendations and prioritization for replacement of aging and non-code compliant electrical distribution equipment such as switchboards, step-down transformers,

panelboards, and associated feeders. The recommendations are as follows:

#### **DPS Phoenix Electrical Upgrades Costs**

<b>Building</b>	<b>Priority</b>	<b>Equipment</b>	<b>Estimated Costs</b>
Compound	1	SES & Equipment in Vault	\$ 1,526,900
		Buildings Fed from Vault	\$ 1,810,800
<b>Compound Sub-Total</b>			<b>\$ 3,337,700</b>
CI Building	2	Building Electrical Distribution System	\$ 704,300
Crime Lab	3	Building Electrical Distribution System	\$ 1,684,000
HQ Building	4	Building Electrical Distribution System	\$ 1,656,000
<b>Support Buildings Sub-Total</b>			<b>\$ 4,044,300</b>
<b>Grand Total</b>			<b>\$ 7,382,000</b>

The electrical services to the Compound are fed by a 4000A Service Entrance Section (SES) that is at least 50 years old. The electrical equipment is critical to the operational needs of Arizona's 24/7, 365-days-a-year primarily law enforcement agency. If the SES equipment fails there is a strong possibility that it may not return quickly or at all to an operational status without significant repairs or emergency replacement. SES equipment tends to be a long lead order item custom built to the environment it services.

The SES #2 serving the Criminal Investigations Building appears to have been installed as part of a service upgrade in 2004 that doubled the capacity from 800A to 1600A; however, the associated installed panel board is not consistent with current electrical codes. An electrical fault incident might result in the panelboard and associated circuit breakers sustaining damage that render the panelboard and/or breaker inoperable. The 800A downstream "old SES," as well as its downstream electrical distribution, has surpassed its 25 years useful life. The Crime Lab Building SES was installed in 1995, which dates the equipment at approximately 27 years; 2 years past its 25 years useful life. The Headquarters Building is fed by a 2000A SES installed circa 1986, which dates the equipment at approximately 36 years; 11 years past its 25 years useful life.

***New South Mountain District Office***

*\$11,400,000*

The DPS is requesting an appropriation to establish a South Mountain District Office for coverage of the South Mountain Loop 202 Freeway that opened in late 2019. The freeway extends from Interstate 10 at 51st Avenue, loops South around the South Mountain Preserve to an interchange with Interstate 10, East of 48th Street.

DPS’ District Offices are needed at strategic locations along the valley’s freeway system to support mission critical functions and support emergency response times. Until a South Mountain District Office is constructed along the South Mountain Loop 202 Freeway, DPS will continue to office and dispatch troopers from the Metro Phoenix Knuston District Office at 16th Street and University Dr with enforcement response times of approximately 30 to 45 minutes, which in an emergency situation, is a detriment to public safety. Construction of the South Mountain District Office will significantly reduce response times, potentially saving lives.

The foregoing cost estimate includes land acquisition, design, and construction of an approximately 9,000 square foot facility.

***2222 W Encanto Blvd, Phoenix Building Acquisition***

*\$6,100,000*



DPS has been party to a private sector lease of approximately 90,000 RSF at 2222 W Encanto Blvd for over two decades. The leased facility - “The Sheinfeld Building” - is immediately adjacent to DPS’ State-owned Encanto Headquarters Compound. DPS is a “captive” long term tenant of the facility given the proximity to DPS’ mission critical Headquarters Compound. DPS expends over \$1.5 million annually in base rental, operating, and re-payment of a \$3 million tenant improvement loan for the premises fronted by the landlord in 2014. The term of the lease expires April 30, 2029. The building houses DPS’ primarily public facing services of various licenses, fingerprinting, vehicle impound hearings, and criminal history records. The

Highway Patrol, biometrics, creative services, sex offender unit, access integrity unit, concealed weapons permitting, and SWAT are also housed in the leased facility.

The current lease includes an Option to Purchase the building for a fixed purchase price of \$6 million, not including escrow, which is over 30% less than the September 2023 Broker’s Opinion of Value (BOV) of approximately \$9 million. DPS’ Option to Purchase price is less than the approximate \$7.25 million in lease payments DPS will expend between July 1, 2024 and the expiration of the lease and Option to Purchase on April 30, 2029. At lease expiration, the lease rate is anticipated to increase and the terms of a renewed or new lease may not include an Option to Purchase the building.

ADOA has intervened on behalf of DPS to resolve property management issues with the landlord on a routine basis and project managed maintenance and the landlord’s obligated roof replacement to ensure the landlord performed its lease obligations.

ADOA recommends a capital outlay appropriation from an appropriate fund source to DPS for its purchase of the building.

***New Forbes Southern District Office & Fusion Center, Tucson***

*\$4,100,000*

**DPS Forbes Southern District Office Capital Improvements**

<b>Item</b>	<b>Estimated Costs</b>
Perimeter Block Wall	\$1,600,000
Vehicle & Pedestrian Gates	\$200,000
Multiple Agency Communications Tower	\$1,100,000
Major Building Services	\$1,200,000
<b>Total Estimated Project Costs</b>	<b>\$4,100,000</b>

In FY 2023 DPS purchased a 57,401 square foot building that sits on a 162,440 square foot parcel of land and has an adjacent parcel, 111,503 SF, for future growth (both parcels total 6.29 acres). The new location requires major capital improvements in order to fulfill mission critical functions in the Tucson area including a perimeter wall, vehicle & pedestrian gates, a multiple agency communications tower, and major building system upgrades (electrical, HVAC).

The multi-agency communication tower will serve the Tucson area and operate the statewide OPCOMM radio system to communicate with law enforcement personnel.

Due to the need for safety and security of the 24/7 operation of the facility, an eight-foot block wall and security gates are required to keep the people and property safe. This facility will also house a secure site that is used as an Emergency Operations Center (EOC) that monitors activities of interest to law enforcement agencies. A high degree of security is required to maintain this site.

The installation of these key improvements will support the growing Department needs for the Tucson District Office and Fusion Center.

DPS plans to retain the former Southern District Headquarters at 6401 S Tucson Blvd, in Tucson for other DPS operations.

### **Arizona Game and Fish Department (AGFD) Capital and Building Renewal**

The AGFD requests capital and building renewal project appropriations in FY 2025 from two AGFD dedicated funds sources- the Game and Fish Fund and the Capital Improvement Fund. For AGFD to use the monies for the purposes intended, the monies are appropriated in the annual Capital Outlay Bill. The identification, prioritization, and estimated costs for AGFD submitted projects herein are the sole result of AGFD's internal capital planning. AGFD will determine actual project scopes, design, and construction costs once appropriations are available to the agency.

ADOA recommends full funding of AGFD's Building Renewal Formula and funding for six new capital projects:

#### ***AGFD 100% Building Renewal Formula FY 2025***

*\$1,795,000*

AGFD requests full funding of its FY 2025 Building Renewal Formula from the Game and Fish Fund. AGFD maintains 628 structures, totaling over 981,000 GSF, with an estimated replacement value of approximately \$138 million. Facilities range in age and type including historic structures constructed in the 1930's on its wildlife areas to modern residences and operational facilities at fish hatcheries.

#### ***AGFD Dams Operations and Maintenance***

*\$150,000*

The AGFD is requesting \$150,000 from its Capital Improvement Fund for mandated operations and maintenance activities of 36 owned dams and the Salt River Diversion Dam for which AGFD is responsible to operate and maintain pursuant to an intergovernmental agreement with other parties including the Arizona Department of Water Resources, Dam Safety Division.

The intent of this request is to establish supplemental dedicated funding for dam related life safety projects and hazards mitigation and its routine operations and maintenance of its dams. The life safety repairs and hazard mitigation modifications to AGFD dams ensure the safety of the public, prevent loss of life and property, and preserve fishery and recreational resources.

#### ***AGFD Property Maintenance***

*\$300,000*

The AGFD is requesting \$300,000 from its Capital Improvement Fund for operation and maintenance of owned or operated properties. The intent of this request is to establish dedicated funding to achieve restoration objectives and/or supplement base operations and maintenance funding for existing properties.

#### ***AGFD Hatcheries Maintenance***

*\$400,000*

The AGFD is requesting \$400,000 from its Capital Improvement Fund to supplement operation and maintenance costs at its six fish hatcheries. The intent of this request is to establish dedicated funding to achieve immediate maintenance objectives for these facilities.

AGFD hatcheries contribute \$1.4 billion of fisheries-related economic impact to Arizona stocking Arizona lakes and rivers with approximately 450,000 lbs of sportfish per year. The primary funding for AGFD hatchery operations and maintenance are federal grant monies derived from an excise tax on angler sporting goods. Over the past several years this funding has remained flat and is currently showing a decline. As a result, critical maintenance activities are being deferred, impacting productivity of the hatcheries.

***AGFD Dam Remediation***

*\$6,850,000*

The AGFD is requesting \$6,850,000 from the Game and Fish Fund for several dam remediation efforts including a dam risk portfolio assessment, an alternatives analysis for the Fools Hollow Recreation Area Dam, and design/construction of mitigation measures at the Black Canyon Dam.

The AGFD owns 36 dams and one intergovernmental agreement requiring AGFD to operate and maintain the Salt River Diversion Dam. Many of AGFD's dams were constructed in the 1950's and 1960's and others were acquired with land acquisitions. Over the years, urban development downstream of some of the dams has increased. As development downstream of AGFD's dams has intensified, so has the requirement for a higher classification dam to mitigate hazards and protect against loss of lives and or serious economic damages, also known as hazard creep. This request proposes the following:

Dam Risk Assessments - Review and assessment of AGFD's 36 dams to prioritize risk levels on the basis of existing conditions, including hazards and failure modes analysis.

Fool Hollow Recreation Area Dam Alternatives Analysis - The alternatives analysis is needed after the foregoing hazards and failure modes analysis is completed. The failure modes analysis prioritizes the life safety and property hazards most likely to happen if a dam were to fail. The alternatives will be reviewed to select the best alternative to remediate, mitigate, and prevent losses.

Black Canyon Dam Design/Construction - An engineering consultant with input from ADWR and AGFD will provide more than one hazard mitigation design alternatives. The final construction design will depend on which alternative is selected. The consultant will assist AGFD to secure the required permits and comply with environmental regulations to construct the dam modifications.

***AGFD Bubbling Ponds Hatchery (BPH)***

***Renovation***

*\$1,000,000*

The AGFD is requesting \$1 million from the Game and Fish Fund to complete renovations at BPH. The AGFD has identified multiple maintenance and modification requirements to improve sportfish and native fish

propagation capacity. In order for AGFD to continue to use the seven upper ponds for trout production, each pond will be reshaped, liners replaced, catch kettles installed, and water pipes inspected and repaired. In addition to the pond work, a multispecies fish culture building has been previously constructed for sportfish and native fish reproduction. The remaining improvements for the fish culture building include piping, a recirculation system, and UV disinfection system. AGFD must complete design for the deep water pipeline, inflow water "T"s, and UV filtration before pipe work can begin.

***AGFD Statewide Hatchery Master Plan and Design***

*\$3,700,000*

The AGFD is requesting \$3,700,000 from the Game and Fish Fund for master planning and design of five hatcheries. The scope of work consists of the following:

Part I - Design Concept Plans (30% design) for four existing hatcheries: Page Springs Hatchery (originally constructed 1938, last renovated in 1990), Tonto Creek Hatchery (originally constructed 1937, last renovated in 1992), Canyon Creek Hatchery (originally constructed 1970, last renovated in 1992), and Silver Creek Hatchery (constructed in 1978, last renovated 1990).

Each of the hatcheries raises multiple species of trout and provides public recreational angling opportunities. The hatcheries have not been renovated in decades and there are many crucial maintenance needs and upgrades necessary to sustain hatchery operations. Modifying and modernizing hatcheries, including improvements to hatchery biosecurity, is critical to maintain and improve fish culture operations and prevent exposures to Aquatic Invasive Species.

Part II - Complete the design for the future Cold Springs Hatchery. The 30% design of the hatchery is complete. The AGFD acquired the Cold Springs Ranch Property in 2019, with plans to construct a hatchery for the propagation and conservation of Gila trout.

***Arizona State Parks and Trails (ASPT) Capital and Building Renewal***

The ASPT operates and maintains 32 parks comprising 959 structures of 703,000 GSF and a replacement value estimated at \$176 million. ASPT is requesting all funds be

appropriated out of the State Parks Revenue Fund. ADOA recommends full funding of the following:

***ASPT 100% Building Renewal Formula***

*\$3,022,000*

The ASPT requests full funding of its Building Renewal Formula from the State Parks Revenue Fund. The identification, prioritization, and estimated costs for all projects submitted by ASPT are the sole result of its internal capital planning and ASPT will determine actual project scopes, design, and construction costs once funding is available. ASPT has re-focused on establishing capital and building renewal project priorities based upon current need due to years of deferred maintenance. ASPT personnel are prioritizing projects on the basis of internal facility and infrastructure assessments at each park for current and future years.

***ASPT Yuma Territorial Prison Renovation***

*\$5,945,000*

The Yuma Territorial Prison was constructed of adobe in 1876. ASPT received a \$750,000 appropriation in FY 2024 to perform historic and structural evaluations needed for repairs. The historical nature of the facilities requires coordination with the State Historic Preservation Office (SHPO) and consultation of architects and construction professionals with historic preservation expertise. A contractor will perform repairs based on the historic preservation recommendations. ASPT’s request is intended to cover the estimated cost of the historic preservation repairs.

***ASPT Red Rock State Park House of Apache Fire Renovation***

*\$4,000,000*

This House of Apache Fire was built circa 1950 and is located at Red Rock Park. The project will remodel the interior of the house to include upgrades to electrical, plumbing, and ventilation systems, lower risk of fire, and reduce current and future operations and maintenance costs. Once the project is complete visitors will have opportunities to access the House of Apache Fire and engage in tours, experience interpretive information, and participate in events (i.e., weddings, etc). ADOA is currently designing a wastewater project to support the

facility.

***ASPT San Rafael State Park McClintock Ranch House Renovation***

*\$1,500,000*

The McClintock Ranch House was built circa 1900 and the renovations are intended to preserve the facility for future visitation. The project will design and install electrical, plumbing, and ADA modifications to the historic ranch house. The renovation will lower the fire risk and reduce current and future operations and maintenance costs.



***ASPT Statewide Campground Improvements***

*\$4,100,000*

This proposed project will upgrade electrical service to campsites at multiple parks at numerous ASPT campgrounds. Campground electrical systems are of varying ages. The proposed electrical upgrades will reduce the maintenance requirements, provide more reliable electrical connections for visitors, and upgrade electrical service to meet the power requirements of newer recreational vehicles. In addition to electrical improvements, the proposed improvements will include installing new or replacing water and wastewater connections at campsites where needed and if monies remain, ASPT will address fire pits, picnic tables, shade structures, and tent and recreational vehicle pads.

***ASPT Statewide Shade Structure Construction***

*\$2,233,000*

The proposed project will add sun shade structures at multiple parks at key locations such as along hiking trails to improve visitor experience and provide heat refuge. ASPT will prioritize construction based on visitor volumes and consider natural surroundings, wildlife, and cultural resources. The shade structure material and size is

dependent on the park locations, natural surroundings, and anticipated uses.

***ASPT Statewide Water Conservation***

*\$1,339,000*

The proposed project will reduce water consumption at

State parks. This proposed project will install water conservation plumbing fixtures for reduced water consumption. Many ASPT facilities are of an older nature and plumbing fixtures have exceeded their useful lives and do not meet current water conservation standards. ASTP will investigate and implement, where practicable, new technology for conservation of ground water.

**TABLE 4 – FY 2025 BUILDING RENEWAL FORMULA**

Funds	Agency	FY 2025 Formula	FY 2026 Formula	Gross Square Feet
Dedicated	Corrections, State Department of	\$40,383,755	\$39,994,455	8,851,190
Dedicated	Game and Fish Department, Arizona	\$1,794,989	\$1,777,685	981,016
Dedicated	Lottery Commission, Arizona State	\$218,174	\$216,071	47,600
<b>Dedicated Funds Source Agencies Total</b>		<b>\$42,396,918</b>	<b>\$41,988,211</b>	<b>9,879,806</b>
<b>Non-Dedicated Funds Source Agencies Total</b>		<b>\$62,158,403</b>	<b>\$61,559,196</b>	<b>12,733,791</b>
<b>Grand Total</b>		<b>\$ 104,555,320</b>	<b>\$ 103,547,407</b>	<b>22,613,597</b>

ADOA recommends full funding of the FY 2025 Building Renewal Formula

**TABLE 5 – FY 2025 CAPITAL PROJECT RECOMMENDATIONS**

Agency	Location	Project Name	Funds Source	Cost
ADOA	Capitol mall	1600 West Monroe Building Renovation - Design Only	General Fund	\$ 6,000,000
Corrections	Yuma	ASPC Yuma Fire Alarm Replacement	General Fund	\$ 8,500,000
Corrections	Statewide	Statewide HVAC Replacement	General Fund	\$ 5,870,000
ASDB	Tucson	Tucson Campus Consolidation	General Fund	\$ 10,049,000
Economic Security	Coolidge	Arizona Training Program Coolidge Campus Consolidation and Demolition	General Fund	\$ 1,500,000
Game & Fish	Statewide	AGFD 100% Building Renewal Formula Funding	CIF GF2203	\$ 1,795,000
Game & Fish	Statewide	AGFD Commission Owned Dams O&M	CIF GF2203	\$ 150,000
Game & Fish	Statewide	AGFD Property Maintenance	CIF GF2203	\$ 300,000
Game & Fish	Statewide	AGFD Hatcheries Maintenance	CIF GF2203	\$ 400,000
Game & Fish	Statewide	AGFD Dam Remediation	G&F GF2027	\$ 6,850,000
Game & Fish	Statewide	AGFD Bubbling Ponds Renovation	G&F GF2027	\$ 1,000,000
Game & Fish	Statewide	AGFD Statewide Hatchery Master Plan and Design	G&F GF2027	\$ 3,700,000
Health Services	State Hospital	ASH - Replace Video Surveillance System	General Fund	\$ 5,000,000
Parks & Trails	Statewide	ASPT 100% Building Renewal Formula Funding	SPRF	\$ 3,022,000
Parks & Trails	Yuma	ASPT Yuma Territorial Prison	SPRF	\$ 5,945,000
Parks & Trails	Red Rock	ASPT Red Rock Renovation	SPRF	\$ 4,000,000
Parks & Trails	San Rafael	ASPT San Rafael Renovation	SPRF	\$ 1,500,000
Parks & Trails	Statewide	ASPT Statewide Campground Improvements	SPRF	\$ 4,100,000
Parks & Trails	Statewide	ASPT Statewide Shade Structure Construction	SPRF	\$ 2,233,000
Parks & Trails	Statewide	ASPT Statewide Water Conservation	SPRF	\$ 1,339,000
Pioneers Home	Prescott	Arizona Pioneers' Home Cemetery Plot Expansion	General Fund	\$ 1,120,000
Public Safety	Kingman	New Kingman District Office	General Fund	\$ 9,500,000
Public Safety	Phoenix	Phoenix Encanto HQ Compound Electrical Upgrades	General Fund	\$ 7,382,000
Public Safety	Phoenix	New South Mountain District Office	General Fund	\$ 11,400,000
Public Safety	Phoenix	2222 W Encanto Blvd, Phoenix Building Acquisition	General Fund	\$ 6,100,000
Public Safety	Tucson	New Forbes District Office & Fusion Center	General Fund	\$ 4,100,000
			<b>Total Recommendations</b>	<b>\$ 112,855,000</b>