

Capital Outlay

| Capital Outlay Funding | |
|-------------------------------|------------------------------------|
| <u>Fund Type</u> | HB 1500/ SB 900 2016-18 |
| VPBA/VCBA GF-Supported Bonds | \$270.8 |
| 9(c) Revenue Bonds | 13.6 |
| 9(d) NGF Revenue Bonds | 121.3 |
| Nongeneral Fund Cash | <u>25.0</u> |
| Total | \$430.7 |

The proposed capital outlay amendments to the FY 2016-18 biennial budget total \$430.7 million from all funds.

Descriptions of the General Fund Supported Debt Projects

- **Department of Alcoholic Beverage Control**
 - *Acquire or Construct Central Office and Warehouse Facility.* Proposes \$104.8 million in VPBA tax-supported bonds to acquire or construct a new warehouse and administrative building on a site to be determined. Language provides that the debt service on the bonds is to be paid from appropriations to the Treasury Board, and that upon completion of the project, the existing warehouse and central office facility is to be sold at fair market value. Under the proposed language, ABC would be able to undertake this project through any process authorized by law, including but not limited to the Public-Private Educational Facilities and Infrastructure Act (PPEA), a capital lease, or design-build process. The agency name is clarified to include the authority (scheduled to occur in 2018).
- **Central Capital Outlay**
 - *Supplant General Fund Projects.* Proposes \$94.7 million in VCBA tax-supported bonds to supplant general funds for previously authorized higher education projects from Chapter 665 of the 2015 Acts of Assembly. In addition, language in

this item authorizes the reversion of \$33.8 million GF from the capital outlay planning pool and project balances.

- ***Equipment for Projects Nearing Completion.*** Recommends \$19.6 million in tax-supported bonds to purchase furnishings and equipment for projects scheduled to come on-line in FY 2018. The table below lists the eligible projects:

| Equipment for Projects Nearing Completion | |
|--|--|
| <u>Agency</u> | <u>Project Title</u> |
| Department of Conservation and Recreation | Construct Widewater State Park |
| Department of Conservation and Recreation | Renovate Historic Building, Walnut Valley Farm, Chippokes Plantation State Park |
| Woodrow Wilson Rehab. Center | Renovate Anderson Vocational Bldg., Phase II |
| Virginia Tech | Renovate or Renew Academic Buildings |
| Virginia State University | Replace Lockett Hall |
| Longwood University | Construct Admissions Building |
| Virginia Cooperative Extension and Agricultural Experiment Station | Improve Kentland Facilities, Phase I |
| Virginia Community College System | Replace Anderson Hall, Virginia Western |
| Virginia Community College System | Replace Academic and Administration Building, Eastern Shore |
| Virginia Community College System | Renovate Engineering and Industrial Technology Building, Danville |
| Virginia Community College System | Construct Student Services and Learning Resources Center, Southside Virginia |
| Virginia Community College System | Renovate Bird Hall and Renovate / Expand Nicholas Center, Chester Campus, John Tyler |
| Virginia Institute of Marine Science | Construct Facilities Management Building |
| Department of Corrections | Acquire Richmond P & P Office |

- ***Capital Outlay Pool Supplements and New Projects.*** Proposes \$37.9 million in VPBA and VCBA tax-supported bonds, of which \$20.9 million supplements six projects from three previously authorized capital pools and \$17.0 million finances two new projects. The two new projects are the Buckingham Wastewater Treatment Plant at Department of Corrections and Main Hall Exterior Repairs at the VSDB. Both were considered during the 2016 Session but not funded. In addition, language requires the VSDB to submit a plan to the Secretary of

Education to address the school's declining enrollment and the current and future uses of Main Hall. The plan must be approved by the Governor before any funding for the Main Hall project is released.

- *Maintenance Reserve Supplement and Language.* Proposes about \$1.0 million in VPBA bonds for the Department of Military Affairs with language allowing maintenance reserve to be used to install fire safety systems in readiness centers. Other maintenance reserve language would provide authority to Gunston Hall to utilize up to 20 percent of its maintenance reserve allocation to restore, repair or renew exhibits.

- **Other Standalone Tax-Supported Bond Projects**

- *Department of Behavioral Health and Developmental Services.* Proposes \$7.0 million in VPBA tax-supported bonds for infrastructure repairs at state facilities. Similar requests in the 2016 Session were not funded as part of the legislative bond program.
- *Department of Military Affairs.* Proposes \$3.0 million in VPBA tax-supported bonds for blanket property acquisition authority for readiness centers. In addition, \$323,000 in VPBA bonds is proposed to support the renovation of the Roanoke Field Maintenance Shop.
- *Department of General Services.* Proposes \$2.5 million in VPBA tax-supported bonds to repair the exterior building envelope of the Main Street Centre.

- **New Project Planning.** Proposes use of the central planning fund for four new projects. Two projects to renovate the Monroe Office Building and replace Central State Hospital were both considered but not included in the funding or planning queue approved by the General Assembly in the 2016 Session. The other two projects would replace the training academy at the Department of State Police and renovate the Watson Theater and Activities Building at the Woodrow Wilson Workforce and Rehabilitation Center. It is unclear whether any of these projects would supersede the planning projects contained in capital bond program legislation from the 2016 Session. In addition, other proposed capital outlay budget balancing actions would revert about half of the central planning pool.

- **Projects Supported with 9(c) Revenue Bonds.**

- *Renovate Dormitories at College of William and Mary.* Proposes a total of \$13.6 million for dormitory renovations at the College of William and Mary.

- *Utilize Excess 9(c) Bond Proceeds for Dormitory Repairs at Virginia State University.* Proposes language to allow Virginia State University to spend \$5.3 million in excess bond proceeds from the sale of 9(c) revenue bonds for two previous dorm projects. The excess proceeds will be used to make repairs and improvements to other campus residence halls.
- **Projects Supported with 9(d) Revenue Bonds.** Recommends a total of \$121.3 million for the following list of projects supported by 9(d) revenue bonds:

| 9(d) Revenue Bonds | | |
|-----------------------------|--|----------------------|
| <u>Institution</u> | <u>Project Title</u> | <u>Amount</u> |
| College of William and Mary | Construct West Utilities Plant | \$14,986,000 |
| Virginia Tech | Renovate Holden Hall | 17,500,000 |
| Virginia Tech | Construct Central Chiller, Phase II | 9,797,000 |
| Virginia Tech | Construct VT Carilion Research Addition | 23,793,000 |
| Longwood University | Replace Steam Distribution System | 3,192,000 |
| James Madison University | Construct West Campus Parking Deck | 7,000,000 |
| Old Dominion University | Foreman Field Stadium | <u>45,000,000</u> |
| Total | | \$121,268,000 |

- **Other Projects Supported with Nongeneral Fund Cash.** Proposes a total of \$25.0 million NGF for the following list of projects supported by agency nongeneral funds:

| Nongeneral Fund Supported Projects | | |
|---|---|---------------------|
| <u>Agency</u> | <u>Project Title</u> | <u>Amount</u> |
| Department of Military Affairs | Renovate Roanoke Field Maintenance Shop | \$1,000,000 |
| Department of Conservation and Recreation | Acquire State Parks Property | 1,000,000 |
| Department of Conservation and Recreation | Acquire Natural Area Preserves Property | 2,680,000 |
| James Madison University | Construct West Campus Parking Deck | 7,000,000 |
| Old Dominion University | Foreman Field Stadium | 10,000,000 |
| Virginia State University | Addition to M.T. Carter Building | <u>3,350,000</u> |
| Total | | \$25,030,000 |

Language Amendments

- **General Conditions.** Language is proposed to allow the Director, Department of Planning and Budget, after consultation with the Six-Year Capital Outlay Plan Advisory Committee, the authority to transfer bond appropriations and bond proceeds between and among capital pool projects.
- **Department of State Police.** Language is proposed to allow the Department to use up to \$3.4 million from the existing appropriation for the STARS radio system project to upgrade and replace STARS equipment.
- **Department of Transportation.** Proposes language to market, sell or convey property currently occupied by the Hampton Roads District Headquarters. The language also allows for leasing authority as necessary to continue operations.
- **Solar Projects Language.** Proposes language to allow Department of Corrections, Department of Forestry and Department of Juvenile Justice to place third-party solar projects on state property.
- **2016 Bond Program Project Management.** Proposes language to allow for the management of nine capital projects contained in the 2016 bond program that maximize

the use of the nongeneral fund portion of each project prior to the use of tax-supported bond financing.

- **Capital Leases.** Proposes language to authorize the Department of General Services to enter into capital leases on behalf of DMV for a customer service center in Loudoun County and on behalf of the Department of Corrections for probation and parole space needs in Chesterfield County.