



Report of the Subcommittee on Capital Outlay

Senate Finance Committee
Virginia General Assembly

February 6, 2011

**REPORT OF THE SUBCOMMITTEE ON
CAPITAL OUTLAY
On Senate Bill 800, as Introduced
(February 6, 2011)**

Mr. Chairman:

As you are aware, the General Assembly has authorized over \$2.5 billion in general fund supported capital projects since 2008. Until the beginning of this session, most of us believed that most -- if not all -- of the more than \$1.0 billion in projects authorized last year would need to wait years before construction could begin. The changes in the definition of the Commonwealth's debt capacity that have been adopted by the Governor should allow many of these projects to move forward in the next year.

With that as background, we felt that it is prudent to allow some of the backlog of projects to begin construction before authorizing more. There are, however, a number of actions that still require approval by the Finance Committee and we recommend them to you in this report. These actions fall into three broad categories:

1. \$525.2 million for new construction and renovation projects to be funded from Virginia Public Building Authority and Virginia College Building Authority bond proceeds. Among these are:
 - Renovation of the historic Rotunda at the University of Virginia, and
 - Long overdue renovation and construction of key buildings at the seat of government, in Richmond.
2. \$4.0 million general fund for preplanning of 15 capital projects, including the top 10 priorities of the Virginia Community College system.
3. \$284.1 million for nongeneral fund supported projects, mostly at institutions of higher education.

We are aware that many of you are interested in specific capital projects. As is the practice since adoption of the capital outlay process reforms in 2008, specific amounts for each project are not shown. This allows us to receive the most competitive bids from contractors. However, a detailed spreadsheet is available for your review.

Mr. Chairman, we believe that our recommended amendments set out a sound approach for the Commonwealth's capital program. It is our hope it will be your pleasure to adopt them.

Respectfully Submitted,

The Honorable Henry L. Marsh, III, Chairman

The Honorable Charles J. Colgan

The Honorable Emmett W. Hanger, Jr.

The Honorable John C. Watkins

The Honorable L. Louise Lucas

**CAPITAL OUTLAY SUBCOMMITTEE
SPREADSHEET
(SB 800)**

Capital Outlay Subcommittee Report

2011 Session

Line #	Title	FY 2012		
		GF/GF Bonds	NGF	Total
1				
2	EDUCATION: HIGHER EDUCATION			
3	Christopher Newport University			
4	CNU: Student Success Center	0	1,000,000	1,000,000
5	CNU: Residential Dining Facility	0	1,515,000	1,515,000
6	CNU: Parking Deck and Surface Lot	Language	0	0
7	CNU: Ratcliffe Hall Addition	0	Language	0
8	CNU: Construct Bell Tower	0	2,500,000	2,500,000
9	Richard Bland College			
10	RBC: Lease Ernst Hall	Language	0	0
11	Norfolk State University			
12	NSU: Light Rail Land Transfer	Language	0	0
13	Radford University			
14	University Of Mary Washington			
15	UMW: Construct Dining and Student Center	0	45,000,000	45,000,000
16	UMW: Property Acquisition	0	5,000,000	5,000,000
17	UMW: Dining Hall Lease	Language	0	0
18	University Of Virginia			
19	Virginia Commonwealth University			
20	Authorize Transfer of Funding to Operating Budget	Language	0	0
21	Restrict VCU costs to asphalt removal. City responsible for grading, etc.	Language	0	0
22	VCU: Ackell Residence Center	Language	0	0
23	PUBLIC SAFETY			
24	Department Of Corrections			
25	DOC: Planning - Goochland Waterline	1,927,000	0	1,927,000
26	TRANSPORTATION			
27	Virginia Port Authority			
28	Authorize Construction-New Warehouse	0	6,500,000	6,500,000
29	CENTRAL APPROPRIATIONS			
30	Accelerate Issuance for Projects with Completed Planning	Language	0	0
31	New GF-Supported Bond Project Authorizations	525,156,148	51,866,077	577,022,225
32	1 DGS: VSDB Staunton			
33	2 DGS: Seat of Government Renovation and Construction			
34	Renovate 9th Street Office Building			
35	Construct New Office Building at 9th & Broad			
36	Parking Deck (140 Spaces for General Assembly)			
37	Renovate GAB			
38	3 CNU: Band Rehearsal Hall and Connector			
39	4 CWM: Brafferton Hall			
40	5 GMU: Human and Health Services Building			
41	6 GMU: Prince William Life Sciences			
42	7 LU: Stevens Hall (Nursing)			
43	8 NSU: Campus Improvements			
44	9 RU: Renovate Carilion Roanoke Community Hospital for the Nursing Program			
45	10 UVA: Rotunda Renovation			
46	11 VMI: Corps Physical Training Facilities			
47	12 RHEC: Renovate Roanoke Higher Educ			
48	13 DOC: Augusta Wastewater Treatment Plant			

Capital Outlay Subcommittee Report

2011 Session

Line #	Title	FY 2012		
		GF/GF Bonds	NGF	Total
49	14 DSP: Castlewood BCI Office			
50	Equipment for New Buildings	6,675,000	0	6,675,000
51	1 JMU: Equipment - Biotechnology/Centennial Hall			
52	2 RU: Equipment - School of Business			
53	Preplanning 15 Projects	4,000,000	0	4,000,000
54	1 CWM: Renovate Tyler Hall Preplanning			
55	2 NSU: Renovate E. L. Hamm Building			
56	3 VCU: Virginia Treatment Center for Children			
57	4 DBHDS: SVP III			
58	5 CCO: VCCS Preplanning			
59	6 Construct Phase III Building, Midlothian Campus, John Tyler Community College			
60	7 Construct Phase VII Academic Building, Annandale Campus, Northern Virginia			
61	8 Construct Science and Engineering Building, Chesapeake Campus, Tidewater			
62	9 Renovate Bayside Building (Bldg. B), Virginia Beach Campus, Tidewater			
63	10 Construct New Classroom and Administration (Student Services Support) Building, Blue Ridge			
64	11 Renovate Building B, Parham Road Campus, J. Sargeant Reynolds			
65	12 Renovate Phase I Academic/Administration Building, Eastern Shore			
66	13 Renovate Main Building, Middletown Campus, Lord Fairfax			
67	14 Renovate Engineering and Industrial Technology Building, Danville			
68	15 Renovate Post Phase III Academic Building (Reynolds Building), Loudoun Campus, Northern Virginia			
69	9(D) Revenue Bonds			
70	Amends 9(d) Table-Include Mary Washington	Language	0	0
71	CCO: Ackell Residence Center	Language	0	0
72	PART IV: GENERAL PROVISIONS			0
73	Increase Cap for Energy Conservation Projects	Language	0	0
74	Increase Cap on NGF Projects from \$1 million to \$2 million	Language	0	0
75		537,758,148	113,381,077	651,139,225
76				
77	OPERATING AMENDMENT			
78	SCHEV: 2 FTE & 6-Year Planning Funds (SB 1371)	0	290,000	290,000
79				

**CAPITAL OUTLAY SUBCOMMITTEE
MAJOR LANGUAGE AMENDMENTS
(SB 800)**

Education: Higher Education	FY 10-11	FY 11-12	
State Council Of Higher Education	\$0	\$290,000	NGF
For Virginia	0.00	2.00	FTE

Language:

Page 137, line 14, strike "\$64,523,955" and insert "\$64,813,955".

Page 142, following line 36, insert:

"O.1. Higher Education Coordination and Review includes an internal service fund to support review of capital project review. This internal service fund shall consist of fees imposed upon capital projects approved for institutions of higher education for the review of proposed capital outlay projects. The estimated total amount to be collected by this fund is a sum sufficient estimated at \$290,000 in the second year.

2. In administering this internal service fund, the State Council of Higher Education for Virginia shall provide capital project review services to institutions of higher education and produce capital project analysis work products for the Department of Planning and Budget, and the General Assembly."

Explanation:

(This amendment provides \$290,000 NGF and 2.00 FTE positions the second year for support of the six-year capital planning process.)

Education: Higher Education

Christopher Newport University

Language

Language:

Page 430, following line 11, insert:

"C-5.40. New Construction: Parking Deck
II and Surface Parking (17046)

Fund Sources:

Explanation:

(This amendment adds a surface parking lot to the title and scope of the existing project for construction of a parking deck at Christopher Newport University.)

Capital Outlay - Special Projects Subcommittee

Item C-5.40 #3s

Education: Higher Education

Christopher Newport University

Language

Language:

Page 430, following line 11, insert:

"C-5.40. New Construction: Construct

Ratcliffe Hall Addition

Fund Sources:

"Subproject 2 is authorized to proceed with 10,473 square feet of new construction and 5,880 square feet of renovated space."

Explanation:

(This amendment a technical change in the scope of the addition to Ratcliffe Hall at Christopher Newport University.)

Capital Outlay - Special Projects Subcommittee

Item C-10.90 #1s

Education: Higher Education

Richard Bland College

Language

Language:

Page 430, following line 36, insert:

C-10.90 Richard Bland college is authorized to enter into an agreement for the lease of Ernst Hall to the Southside Regional Medical Center School of Nursing to include renovation of such facility and use for nursing education."

Explanation:

(This amendment provides for the lease of Ernst Hall at Richard Bland College by the Southside Regional Medical Center School of Nursing.)

Capital Outlay - Special Projects Subcommittee

Item C-39.10 #3s

Education: Higher Education

Norfolk State University

Language

Language:

Page 435, following line 1, insert:

"Norfolk State University is authorized to enter into a written agreement with the

City of Norfolk, the Transportation District Commission of Hampton Roads, operating as Hampton Roads Transit, and the Norfolk Redevelopment and Housing Authority relating to the Norfolk Light Rail Transit Project, pursuant to which the university will convey to the City fee simple title to a parcel of land containing 0.98 acres, more or less, and will grant a number of easements to the City to serve the operational needs of Norfolk's light rail transit system. The transit system extends along, and adjacent to, the entire southern boundary of the university's campus. As part of the consideration and in exchange, and at no additional cost to the Commonwealth, the university is authorized to acquire from the City of Norfolk fee simple title to certain properties now comprising the McDemmond Center's improved parking lot, located at the southeast corner of the intersection of Reservoir and Claiborne Avenues, as well as various remnant parcels as described in the agreement, including parcels containing 1.373, 0.198, and 0.124 acres, more or less, and a parcel comprised of a narrow strip of land lying, in part, between the rail line corridor and the university's Ballentine parking lot, all primarily to serve the parking and open space needs of the university. Prior to acceptance thereof, assurances to the satisfaction of the Governor, or his designee, shall be obtained through an environmental study indicating the properties to be acquired are free from hazardous materials and conditions."

Explanation:

(This amendment allows Norfolk State University to convey land for construction of the Norfolk light rail transit system, in exchange for certain parcels of land now owned by the City of Norfolk.)

Capital Outlay Subcommittee

Item C-55.05 #1s

Education: Higher Education

Virginia Commonwealth University

Language

Language:

Page 436, after line 28 insert:

"A. Virginia Commonwealth University shall remove all asphalt paving from the property prior to transfer to the City of Richmond, and the City shall assume all responsibility for further work.

B. The Director, Department of Planning and Budget, may transfer the funding provided in this item to the university's operating budget if deemed appropriate to meet the final settlement for the property associated with this project."

Explanation:

(This amendment requires Virginia Commonwealth University to remove asphalt paving from the property prior to transfer to the City of Richmond, and for the City to assume responsibility for further work. It also provides authority for the Director, Department of Planning and Budget, to transfer the funding included in this item to the university's operating budget to comply with the final settlement for the property associated with this project.)

Capital Outlay - Special Projects Subcommittee

Item C-55.30 #2s

Education: Higher Education

Virginia Commonwealth University

Language

Language:

Page 436, following line 33, insert:

"C-55.30 Virginia Commonwealth University is hereby authorized to refinance indebtedness of \$13,650,650 incurred in 2000 (pursuant to Part 2-23, Item C-81, Chapter 1073, 2000 Acts of Assembly) through the Industrial Development Authority of the City of Richmond to finance Ackell Residence Center on the Monroe Park Campus by the issuance of the university's own bonds, through the Virginia College Building Authority or otherwise, and to enter into appropriate agreements with the VCU Real Estate Foundation in connection therewith.

Explanation:

(This amendment provides \$13.7 million NGF from revenue supported bonds authority for refinancing of the Ackell Residence Center at Virginia Commonwealth University.)

Capital Outlay - Special Projects Subcommittee

Item C-78 #1s

Public Safety

Department Of Corrections

Language

Language:

Page 441, strike lines 29-46 and insert:

"The Commonwealth shall construct and operate a wastewater treatment plant at Augusta Correctional Center to provide wastewater treatment for that facility. The plant shall also have sufficient capacity to serve the Town of Craigsville, provided that prior to March 15, 2011 the town does the following: (1) notifies the Department of Corrections in writing that it elects to have its wastewater treated by the

department at the department's new plant; (2) deeds to the Commonwealth that land previously deeded by the Commonwealth to the town for the construction of the town's currently existing wastewater treatment plant; and (3) relinquishes and provides for the transfer of the town's current treated wastewater discharge permit from the town to the Department of Corrections by the Department of Environmental Quality. As a further condition of this arrangement between the department and the town, the town shall continue to treat the wastewater from Augusta Correctional Center under its current contract with the department until such time as the department's new wastewater treatment plant is operational. In return the department shall treat the town's wastewater at no cost for the first 36 months after the plant becomes operational and thereafter shall treat the town's wastewater at rates essentially the same, local conditions being considered, as the rates charged other municipalities for which it provides wastewater treatment."

Explanation:

(This amendment provides a policy framework for the construction of a new wastewater treatment plant at Augusta Correctional Center, with sufficient capacity to serve the needs of the Town of Craigsville. A companion amendment to Item C-85.10 provides \$11,500,000 in bond authorization through the Virginia Public Building Authority for this project.)

Capital Outlay - Special Projects Subcommittee

Item C-84.10 #1s

Central Appropriations

Central Capital Outlay

Language

Language:

Page 445, following line 44, insert:

"Notwithstanding any other priority project 17709, project 17658, and other projects authorized in Items C-85, and C-85.10 shall be approved for bid solicitation and construction as soon as planning is approved and debt capacity is available."

Explanation:

(This amendment allows capital projects approved by the General Assembly, including the Workforce Training Center at the Woodbridge Campus of Northern Virginia Community College, and the Engineering Signature Building at Virginia Tech, to move forward to bid and construction as soon as planning is approved and debt capacity is available.)

Central Appropriations**FY 10-11****FY 11-12**

Central Capital Outlay

\$0

\$577,022,225 NGF

Language:

Page 449, following line 8, insert:

"C-85.10. New Construction:

\$577,022,225

Fund Sources: Higher Education Operating

\$51,866,077

Bond Proceeds

\$525,156,148".

"Page 448, line 36, following "1." and insert ", or such additional bond proceeds authorized in this Item."

Page 448, line 36, following "1." strike, "The projects in priority order are:" and insert:

" The Director shall authorize the projects to proceed to bid and construction, as planning is completed, and as debt capacity is available.

Department of General Services

Renovate Main Hall, Virginia School for the Deaf and the Blind at Staunton Seat of Government Renovation and Construction

Renovate 9th Street Office Building

Construct New Office Building at 9th & Broad

Construct 650 Space Parking Deck (140 Spaces reserved for General Assembly)

Renovate GAB

Christopher Newport University

Band Rehearsal Hall and Connector

College of William and Mary

Renovate Brafferton Hall

George Mason University

Construct Human and Health Services Building, Fairfax

Construct Life Sciences Building, Prince William

Longwood University

Renovate Stevens Hall

Norfolk State University

Construct Campus Improvements

Radford University

Renovate Carilion Roanoke Community Hospital for Nursing Program

University of Virginia

Renovate the Rotunda

Virginia Military Institute

Renovate and construct Corps Physical Training Facilities, Phase I

Roanoke Higher Education Authority

Renovate Roanoke Higher Education Center

Department of Corrections

Construct Augusta Wastewater Treatment Plant

Department of State Police

Construct Castlewood BCI Office."

Explanation:

(This amendment provides \$525.2 million from VCBA and VPBA bond proceeds and \$51.9 million NGF second year for preplanning 14 capital projects.)

Capital Outlay - Special Projects Subcommittee

Item C-87.10 #1s

Central Appropriations

FY 10-11

FY 11-12

Central Capital Outlay

\$0

\$4,000,000 GF

Language:

Page 450, following line 7, insert:

"C-87.10. Planning: Central Capital

\$4,000,000

Planning Fund

Fund Sources: General

\$4,000,000".

"A. The following projects shall be funded for preplanning from amounts in the Central Capital Planning Fund established under § 2.2-1520 of the Code of Virginia and the following amounts are hereby appropriated from the Central Capital Planning Fund for such purposes:

College of William and Mary

Renovate Tyler Hall

Norfolk State University

Renovate E. L. Hamm Building

Virginia Commonwealth University

Virginia Treatment Center for Children

Department of Behavioral Health and Developmental Services

Sexually Violent Predator Facility III

Virginia Community College System

Construct Phase III Building, Midlothian Campus, John Tyler Community College

Construct Phase VII Academic Building, Annandale Campus, Northern Virginia Community College

Construct Science and Engineering Building, Chesapeake Campus, Tidewater

Community College
 Renovate Bayside Building (Building. B), Virginia Beach Campus, Tidewater
 Community College
 Construct New Classroom and Administration (Student Services Support) Building,
 Blue Ridge Community College
 Renovate Building B, Parham Road Campus, J. Sargeant Reynolds
 Renovate Phase I Academic/Administration Building, Eastern Shore Community
 College
 Renovate Main Building, Middletown Campus, Lord Fairfax
 Renovate Engineering and Industrial Technology Building, Danville Community
 College
 Renovate Post Phase III Academic Building (Reynolds Building), Loudoun Campus,
 Northern Virginia Community College
 B. Repayment of advances from the Central Capital Planning Fund for preplanning
 shall be made as provide for in § 2.2-1520 of the Code of Virginia."

Explanation:

(This amendment provides \$4.0 million GF the second year for preplanning 15
 capital projects from the Central Capital Planning Fund.)

Capital Outlay Subcommittee

Item C-89 #1s

Central Appropriations

9(D) Revenue Bonds

Language

Language:

Page 451, line 6, strike "\$227,999,293" and insert "\$272,999,293".
 Page 451, after line 42, insert:
 "Construct Dining and Student Center C-37.10 17909 \$45,000,000".
 Page 452, line 10, strike "\$227,999,293" and insert "\$272,999,293".

Explanation:

(This amendment amends the 9(d) bond table to properly account for the addition
 of the University of Mary Washington capital project Construct Dining and Student
 Center.)

Capital Outlay - Special Projects Subcommittee

Item C-89 #1s

Central Appropriations

Language:

Page 451, following line 50, insert:

"Refinance Ackell Residence Center C-55.30 16093 \$13,650,000".

Explanation:

(This amendment adds refinancing of the Ackell Residence Center at Virginia Commonwealth University to the list of projects authorized for financing with 9(d) revenue bonds.)

Capital Outlay - Special Projects Subcommittee

Item 4-4.01 #1s

Capital Projects

General

Language

Language:

Page 490, line 17, following "expenses." insert:

"notwithstanding the above, if energy savings from a performance project offset the debt service, interest payments, and the cost of the project, the project shall not be subject to the capital budgeting process and total project cost shall not exceed \$10,000,000."

Explanation:

(This amendment increases the cap on energy conservation projects that are exempt from the capital budgeting process from \$3.0 million to \$10.0 million, under specified circumstances.)

Capital Outlay - Special Projects Subcommittee

Item 4-4.01 #2s

Capital Projects

General

Language

Language:

Page 489, line 6, following "to" strike "\$1,000,000" and insert "\$2,000,000".

Page 489, line 8, following "the" strike "\$1,000,000" and insert "\$2,000,000".

Explanation:

(This amendment increases the cap on capital projects at institutions of higher education that are exempt from the capital outlay review process from \$1.0

million to \$2.0 million.)
