



Report of the Subcommittee on
Capital Outlay

Senate Finance Committee
Virginia General Assembly

February 5, 2017



SENATE OF VIRGINIA

Senate Finance Committee

**2017 Report of the Capital Outlay Subcommittee
The Honorable Thomas K. Norment, Jr., Chairman
February 5, 2017**

Members of the Committee:

The Capital Outlay Subcommittee's focus was to minimize further spending in this area. As you may recall, in addition to the capital outlay funding in the budget last year, the General Assembly authorized over \$2.2 billion for capital outlay projects for higher education institutions, state agencies, and other investments in natural resources and state cultural facilities. In that package, we provided detailed planning for 21 future projects with the caveat that planning would begin no earlier than July 1 of this year. This was to limit the number of new projects in the pipeline on top of the already large authorization from last year. For that reason, the Subcommittee has removed four new detailed planning projects included in the introduced budget.

The Subcommittee recommends a limited number of pre-planning projects in order for them to move forward within the normal capital outlay process. We also provide additional one-time maintenance reserve funding to address health and safety concerns associated with a project for the State Police Academy and redirect project authorization from one project to a more critical project for the Department of Corrections related to an emergency situation.

This brings me to the largest capital dollar item in the proposed amendments to the budget. The Department of Alcoholic Beverage Control's project for a new warehouse and administrative office space was included in the introduced budget at \$105 million. This project did not go through the preferred process of pre-planning, detailed planning, and construction authorization. In addition, the Subcommittee heard from ABC and determined that there were still a number of questions that remained unanswered. For this reason, the authorization of this project has been removed in the Subcommittee's amendments and the agency has been given the authority to conduct pre-planning. Additional language has been included to ensure that ABC will consider a variety of options,

including those that examine the ability to remain at the current location for a longer period of time.

Again, the Capital Outlay Subcommittee's focus is to make long-term investments that are beneficial to the Commonwealth while using a prudent level of the Commonwealth's debt capacity. Our amendments fulfill these strategic goals.

This completes the report of your Subcommittee. I hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable Thomas K. Norment, Jr., Chairman

The Honorable Richard L. Saslaw

The Honorable Frank M. Ruff, Jr.

The Honorable Frank W. Wagner

The Honorable Ryan T. McDougle

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Summary of Recommended Amendments to SB 900, As Introduced

Line #	Amendment #	Short Title	GF Dollars Biennium	Biennial Other NGF \$	Biennial 9 (c) Bonds \$	Biennial 9 (d) Bonds \$	Biennial VCBA/VPBA \$	Biennial NGF Total \$
1	C-0 #1s	CO - CWM - Alternative Financing						\$0
2	C-2.5 #1s	CO - CNU Update Project Scope Error						\$0
3	C-22.60 #1s	CO - Technical Amendment to Correct Language Under VSU						\$0
4	C-22.85 #1s	CO - FCM - Provide Pre-Planning for the Crossing Gallery	\$250,000					\$0
5	C-22.90 #1s	CO - SMV - Provide Pre-Planning Danville Science Center Exhibits	\$250,000					\$0
6	C-24.50 #1s	CO - Eliminate New DBHDS Project					(\$7,000,000)	(\$7,000,000)
7	C-25 #1s	CO - DCR - Parcel Acquisition Language						\$0
8	C-31.50 #1s	CO - ABC - Eliminate Construction Authorization for Central Office and Warehouse Facility					(\$104,770,000)	(\$104,770,000)
9	C-31.55 #1s	CO - ABC - Provide Pre-Planning for Central Office and Warehouse Facility	\$250,000					\$0
10	C-43.5 #1s	CO - Burial Vaults (Language)						\$0
11	C-44 #1s	CO - MR - One-Time Funding for State Police Training Academy	\$500,000					\$0
12	C-48.10 #1s	CO - Switch DOC Authorization Related to Emergency Project Request					\$1,354,000	\$1,354,000
13	C-50 #1s	CO - Change CCAM/Centers of Excellence Language - Previous Bond Authorization						\$0
14	C-52.10 #1s	CO - VIMS - Construct Eastern Shore Laboratory Complex						\$0
15	C-52.20 #1s	CO - Eliminate New Detailed Planning Projects						\$0
16	C-52.60 #1s	CO - Technical Amendment to Change Item to Reflect Other Changes						\$0
17	4-4.01 #1s	CO - Strike Cooperative Procurement Language						\$0
18	TOTAL		\$1,250,000	\$0	\$0	\$0	(\$110,416,000)	(\$110,416,000)
19	Amendments in other areas:							
20	281 #1s	Treasury Board - Out-of-State CO Fee		\$1,515,402				\$0
			(\$1,515,402)					\$1,515,402

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Item C-31.50 #1s

Public Safety and Homeland Security	FY16-17	FY17-18	
Department of Alcoholic Beverage Control	\$0	(\$104,770,000)	NGF

Language:

Page 497, line 22, strike "\$104,770,000" and insert "\$0".
 Page 497, strike line 20 through line 47.
 Page 497, line 21, strike "\$104,770,000" and insert "\$0".

Explanation:

(This amendment eliminates the construction authorization of almost \$104.8 million in bond proceeds for the Department of Alcoholic Beverage Control's central office and warehouse facility. A companion amendment provides pre-planning for the same project with additional language related to the consideration of several options including at least one option to remain at the existing site.)

Item C-31.55 #1s

Public Safety	FY16-17	FY17-18	
Alcoholic Beverage Control, Department of	\$250,000	\$0	GF

Language:

Page 497, after line 47, insert:

"C-31.55 Planning: Pre-Planning Central Office and Warehouse Facility (18305)	\$250,000	\$0	
Fund Sources: General	\$250,000	\$0	"

Page 497, after line 47, insert:

"A. 1. Out of this appropriation, \$250,000 the first year from the general fund is designated for pre-planning related to the potential relocation of the Department of Alcoholic Beverage Control's warehouse and central office building to ensure that the most cost-effective alternatives have been identified.

2. The pre-planning study shall include, but not be limited to: evaluating the potential for locating the warehouse and central office building on separate sites; identifying any state-owned land and/or buildings that could be retrofitted to meet the Department's warehouse and office needs, either on the same or separate sites; identifying any privately-owned warehouse or office space in the Richmond metropolitan area that could be purchased and retrofitted to meet the Department's

need, either on the same or separate sites; and further developing a project scope for potential new construction of a warehouse and office building, either on the same or separate sites. The study must include at least one option for using the existing location for the new or retrofitted warehouse and central office building.

3. In developing a new construction option for office space, an infill design concept should be considered, which initially would accommodate no more than a ten percent increase in central office staff beyond the number currently located in the headquarters building, with further growth in staff to be accommodated through less-expensive infill construction.

4. The Department shall report the pre-planning study to the Chairmen of the Senate Finance and House Appropriations Committees by September 1, 2017."

Explanation:

(This amendment provides \$250,000 GF the first year to the Department of Alcoholic Beverage Control for pre-planning related to options for the Department's warehouse and central office building. The options must include at least one that would use the existing location for the new or retrofitted warehouse and central office building.)

	Item C-44 #1s	
Central Appropriations	FY16-17	FY17-18
Central Capital Outlay	\$500,000	\$0 GF

Language:

Page 500, line 39, strike "\$94,400,000" and insert "\$94,900,000".

Page 500, line 41, strike "\$10,000,000" and insert "\$10,500,000".

Page 501, line 7, strike "\$10,000,000" and insert "\$10,500,000".

Page 501, line 19, strike "\$583,507" and insert "\$1,083,507".

Page 502, line 43, strike "\$94,400,000" and insert "\$94,900,000".

Page 504, after line 16, insert:

"Q. Out of the amounts provided for the Department of State Police (Project Code 10886), \$500,000 the first year is designated to address mold remediation, air conditioning and heating improvements, exterior waterproofing, and roof repairs at the training academy in Chesterfield County."

Explanation:

(This amendment provides \$500,000 GF the first year as a one-time increase in maintenance reserve funding for the State Police to address current conditions at the training academy in Chesterfield County.)

Item C-48.10 #1s

Central Appropriations	FY16-17	FY17-18
Central Capital Outlay	\$0	\$1,354,000 NGF

Language:

Page 505, line 20, strike "\$27,698,000" and insert "\$29,052,000".

Page 505, line 21, strike "\$27,698,000" and insert "\$29,052,000".

Page 505, line 31, strike "\$27,698,000" and insert "\$29,052,000".

Page 505, strike lines 39-42.

Page 505, line 43, strike "3." and insert "2.".

Page 505, line 43, strike "project" and insert "projects".

Page 505, after line 43, insert:

"Department of Corrections (799) Replace Greenville Heating and Hot Water Pipes."

Explanation:

(This amendment authorizes the replacement of heating and hot water pipes at Greenville Correctional Center in lieu of the project included in the introduced budget for upgrades to the Buckingham Wastewater Treatment Plant. This was an emergency request made by the Department of Corrections.)

Item C-52.20 #1s

Central Appropriations	Language
Central Capital Outlay	

Language:

Page 507, strike line 45 through line 48.

Page 508, strike line 1 through line 8.

Explanation:

(This amendment eliminates four new detailed planning projects authorized in the introduced budget. In 2016, 21 new detailed planning projects were authorized as part of the bond package and will proceed starting on July 1 of this year.)
