

*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 1400

February 2, 2003

**Respectfully Submitted by the House Appropriations Subcommittee
on Capital Outlay:**

Harvey B. Morgan, Chairman

James H. Dillard, II

John A. Rollison, III

Leo C. Wardrup, Jr.

Allen W. Dudley

Franklin P. Hall

Mary T. Christian

REPORT OF THE SUBCOMMITTEE

On

CAPITAL OUTLAY

Mr. Chairman and Members of the Committee:

In light of the recent overwhelming approval of the bond package by the voters last year, the recommendations of the Subcommittee are modest and can best be characterized as fixing and restoring prior commitments.

The introduced budget cuts the maintenance reserve program by about 50 percent. As the members of the Committee are aware, the maintenance reserve program is used to repair and replace building systems such as new roofing, heating, cooling and electrical systems. These repairs typically have a useful life of at least ten or more years. Therefore, the Subcommittee recommends using \$6.0 million to leverage \$25.0 million through a low-interest, five-year financing mechanism through the Treasurer. This type of financing is similar to that used under the Higher Education Equipment Trust Fund (HEETF).

The Subcommittee also recommends that \$2.1 million be added to the Virginia College Building Authority bond as a technical correction for the Rogers Hall renovation project at the College of William and Mary which was approved last year.

The remaining capital recommendations proposed by the Subcommittee involve the use of about \$121.4 million of nongeneral funds primarily at our public colleges and universities. Most of these projects are supported by gifts, federal funds, or auxiliary enterprises.

Finally, Mr. Chairman, the Subcommittee recommends that the colleges and universities implement a capital fee on out-of-state

students so that they pay a nominal, but fair share, of the cost of providing the recently approved projects for new space and renovations at our public institutions. This will save the taxpayers of Virginia about \$2.0 million annually.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review our report and the attached listing of our recommendations in greater detail, and we hope it will be your pleasure to adopt the report.

House Bill 1400
CAPITAL OUTLAY
Amendment

General Fund	VCBA/VPBA Bonds	Nongeneral Fund	9 (d) Revenue Bonds
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Treasury Board

Debt Service Adjustments	6,200,000		
O/S Fee on Capital Bond Package	(2,000,000)		2,000,000
Savings on Refunded Bonds	(2,600,000)		

Central Capital Outlay

Supplant Maintenance Reserve	(14,891,205)	25,000,000	
Eliminate Small Repair Fund	(500,000)		

Christopher Newport University

CNU - Master Plan Properties			4,000,000
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The College Of William And Mary In Virginia

CWM - Rogers Hall		2,100,000	3,100,000
CWM - Law Library			5,000,000

Virginia Institute Of Marine Science

VIMS - Marine Research Bldg			200,000
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George Mason University

GMU - Parking Deck			2,856,000
GMU - Patriot Center			2,000,000

James Madison University

Property Exchange			Language
JMU - Housing			Language

Longwood University

LU - Housing			Language
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House Bill 1400
CAPITAL OUTLAY
Amendment

General Fund	VCBA/VPBA Bonds	Nongeneral Fund	9 (d) Revenue Bonds
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Norfolk State University

Hospital Property Acquisition	500,000		
NSU - Housing Language		Language	
NSU - Rise I		Language	

University Of Virginia

UVA - Medical Research Building	10,800,000		
UVA - Rouss Hall	3,100,000		33,000,000
UVA - Auxiliary Maintenance Reserve	3,000,000		
UVA - Swing Space	1,500,000		
UVA - Concert Hall	22,000,000		

University Of Virginia Medical Center

UVAH - Hospital Expansion			7,600,000
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Virginia Commonwealth University

Student Housing			7,000,000
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Virginia Community College System

VCCS - VHCC Greenhouse (Tobacco)	300,000		
VCCS - TCC Portsmouth	10,000,000		
VCCS - JSRCC Nursing	1,000,000		
VCCS - DCC Land		Language	
VCCS - LFCC Land		Language	

Virginia Military Institute

VMI Patchin Field House	887,000		
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House Bill 1400
CAPITAL OUTLAY
Amendment

General	VCBA/VPBA	Nongeneral	9 (d) Revenue
<u>Fund</u>	<u>Bonds</u>	<u>Fund</u>	<u>Bonds</u>

Virginia Polytechnic Institute And State University

VPI - Soccer Facilities		750,000
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Department Of Corrections, Central Activities

Maintenance Reserve		1,290,000
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Virginia Port Authority

Security Facilities		Language
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Nongeneral Obligation Bonds 9(D)

CWM - Swem Library (Companion)		Language
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CWM - Swem Library		Language
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2-0 General Conditions

GF Balances from Capital Project		Language
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Total House Bill 1400	(13,791,205)	27,600,000	68,927,000	52,456,000
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Education: Higher Education

James Madison University

Language

Language:

Page 515, after line 31, insert:

"C-24.25. James Madison University is hereby granted authorization to enter into a no cost exchange of land with the City of Harrisonburg. This exchange transfers to the City of Harrisonburg title to land area adjacent to its Resource Recovery Facility sufficient to support the expansion of the facility. In consideration of the transfer to the City of Harrisonburg, the City conveys that portion of land attributable to James Madison University resulting from the closure of an alley contiguous to James Madison University property that runs east-west, parallel to Patterson Street."

Explanation:

(This amendment provides for the exchange of property between the City of Harrisonburg and James Madison University, at no cost to either party. The exchange has already been approved by Harrisonburg's City Council along with the University's Board of Visitors.)

Education: Higher Education

James Madison University

Language

Language:

Page 515, after line 31, insert:

"C-24.25.

1. The General Assembly authorizes James Madison University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

2. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property

owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

3. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia."

Explanation:

(This amendment provides James Madison University with the authority to explore, evaluate and enter into alternative financing agreements with public or private entities.)

Capital Outlay Subcommittee

Item C-25.05 #1h

Education: Higher Education

Longwood University

Language

Language:

Page 515, after line 41, insert:

"C-25.05.

1. The General Assembly authorizes Longwood University to enter into a written agreement or agreements with the Longwood University Real Estate Foundation (LUREF) to support student housing projects.

2. Longwood University is further authorized to enter into written agreements with LUREF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned

facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia."

Explanation:

(This amendment allows Longwood University to enter into a public-private partnership for \$44 million of student housing.)

Capital Outlay Subcommittee

Item C-28.30 #1h

Education: Higher Education

Norfolk State University

Language

Language:

Page 517, after line 2, insert:

"C-28.30.

"1. The General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with the Norfolk State University Foundation (NSUF) for the development of one or more student housing projects adjacent to campus, subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

2. Norfolk State University is further authorized to enter into written agreements with NSUF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item C-28.30 #5h

Education: Higher Education

Norfolk State University

Language

Language:

Page 517, after line 2, insert:

"C-28.30. New Construction: RISE I
Facility

1. The General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with the Norfolk State Enterprise and Empowerment Foundation (E2F) to construct and deliver the RISE I facility, a project authorized under Chapter 859, 2002 Acts of Assembly.

2. Norfolk State University is further authorized to purchase the RISE I facility from E2F at a not-to-exceed price of \$18 million subject to the facility meeting code requirements."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item C-67.55 #4h

Education: Higher Education

Virginia Community College
System

Language

Language:

Page 527, after line 34, insert:

"C-67.55.

1. The State Board for Community Colleges, with the approval of the Governor or as otherwise provided by law, is authorized to accept title from the Danville Community College Educational Foundation, Inc., at no cost to the Commonwealth, certain real property described generally as 0.516 acres, more or less, contiguous to Chatham Avenue for use by Danville Community College in the development of the facilities provided for in Chapter 859, the Commonwealth of Virginia Educational

Facilities Bond Act of 2002.

2. Prior to the conveyance described above, the Danville Community College Educational Foundation, Inc., shall provide assurance, satisfactory to the Virginia Community College System Board, that the property is free from hazardous materials and conditions."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item C-67.55 #6h

Education: Higher Education

Virginia Community College
System

Language

Language:

Page 527, after line 34, insert:

"C-67.55.

"1. The State Board for Community Colleges, with the approval of the Governor or as otherwise provided by law, is authorized to accept at no cost the title to certain real property described generally as up to 30 acres contiguous to the Middletown Campus of Lord Fairfax Community College, including a classroom/community cultural center of approximately 58,000 square feet and related improvements thereon."

Explanation:

(This amendment is self-explanatory.)