

*Report of the  
House Appropriations  
Subcommittee*

*on*

*Capital Outlay*



*House Bill 29  
&  
House Bill 30*

*February 19, 2006*

# REPORT OF THE SUBCOMMITTEE

## On

# CAPITAL OUTLAY

Mr. Chairman and Members of the Committee:

On behalf of the Capital Outlay Subcommittee, I am pleased to offer budget recommendations that address the Committee's priorities of (1) using general funds for the most pressing capital outlay needs such as cost overruns for previously approved projects, the deferred capital maintenance backlog, and equipment for new facilities; (2) using general funds to address high priority mental health capital projects; (3) redirecting general funds in order to address the needs in transportation; (4) limiting the use of tax-supported debt to the level proposed in the introduced budget.

The Subcommittee's largest recommendation is for the top priority of cost overruns, deferred maintenance and equipment. The Subcommittee recommends a total of \$302.9 million for these purposes. As you know, Mr. Chairman, the cost of construction has increased significantly in recent years. Therefore, the Subcommittee recommends \$119.4 million of general funds to address these cost overruns. This includes several cost overruns at Virginia Tech and James Madison University, which were not addressed in the introduced budget. In addition, Mr. Chairman, the Subcommittee recommends \$150.0 million to tackle the deferred maintenance backlog which has been a central issue for this Subcommittee for several years. Based on testimony from our Auditor of Public Accounts, we must continue to make this a high priority. We are also pleased to recommend \$33.5 million for equipment for capital projects that are expected to open in the next two years. These funds provide the necessary lead time to acquire the equipment that ensures these buildings are ready to be utilized on schedule.

Also, Mr. Chairman, we are pleased to recommend funding for mental health projects that address a priority made by this Committee several years ago. Key among them is \$80.5 million in general fund to replace the Western State Hospital in Staunton. In addition, the Subcommittee recommends expanding the authority under the Public-Private Partnership Educational

Facilities and Infrastructure Act of 2002 (PPEA) at Eastern State Hospital in order to construct the replacement facility. Finally, the Subcommittee recommends \$10 million to finalize plans to replace the Central Virginia and Southeastern Virginia Training Centers. These two projects are not as far along as the two state hospitals but the recommended funding will keep the project moving forward.

As I mentioned earlier, the work of the Subcommittee was focused on identifying funds originally earmarked for capital which could be redirected to address transportation issues. In order to achieve this goal, the Subcommittee reviewed each new construction project proposed in the introduced budget and examined whether it was part of the existing six-year capital plan or justified under space guidelines published by the State Council of Higher Education for Virginia (SCHEV). Those projects that met the Subcommittee's criteria were moved into a bond package under Part V. The total debt authorized is slightly less than the \$340 million proposed in the budget as introduced. However, this strategy allows us to redirect almost \$240 million of general fund to address transportation issues. The Subcommittee also identified more than \$150 million in projects that were not supported by the six-year plan or SCHEV or were previously funded. These two strategies were the primary means which allowed the Subcommittee to address other capital spending priorities such as mental health and still redirect about \$325 million to transportation.

Finally, Mr. Chairman, the Subcommittee identified some other spending that recognizes the priorities and commitments of the Committee. Chief among these recommendations is \$26.9 million to fully fund the addition and renovations to the Old Barracks at Virginia Military Institute.

The remaining capital recommendations proposed by the Subcommittee involve the use of about \$135.5 million of nongeneral funds and 9(d) revenue bonds, primarily at our public colleges and universities. Most of these projects are supported by gifts, federal funds, or auxiliary enterprises.

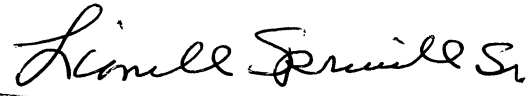
The details of the Subcommittee's report are contained in the attachments. Committee staff will review our report and the attached listing of our recommendations in greater detail, and we hope it will be your pleasure to adopt the report.

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



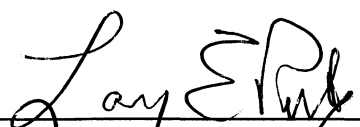
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**Riley E. Ingram, Chairman**



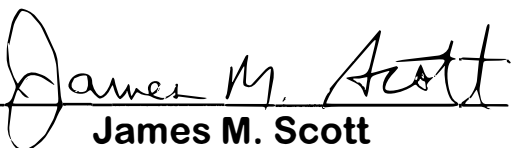
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**Lionell Spruill, Sr.**



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**Lacey E. Putney**



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**James M. Scott**



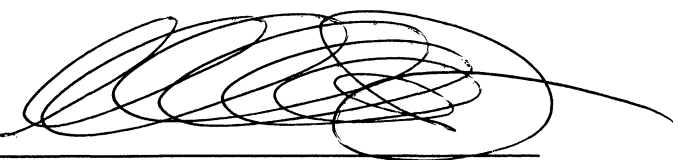
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**R. Steven Landes**



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**Robert H. Brink**



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**S. Chris Jones**

**House Bill 29**  
**CAPITAL OUTLAY**  
**Amendment**

<b>General Fund</b>	<b>Nongeneral Fund</b>
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<b>Department Of Veterans Services</b>		
Sitter Barfoot Planning Funds	(316,000)	0
<b>James Madison University</b>		
Residence Hall	0	34,284,000
Dining Hall	0	18,914,170
<b>Longwood University</b>		
Longwood Baseball Field	0	2,558,000
<b>Virginia Community College System</b>		
Health Science Bldg (Danville CC)	0	12,000,000
<b>Department Of Mental Health, Mental Retardation And Substance Abuse Services</b>		
Sexually Violent Predator Facility (PPEA)	0	Language
<b>Woodrow Wilson Rehabilitation Center</b>		
Water System Upgrades	1,200,000	0
<b>Department Of Conservation And Recreation</b>		
Westmoreland Park Restaurant	0	800,000
<b>Central Capital Outlay</b>		
Football Practice Facility	0	2,600,000
Northern Va. Forensic Lab	0	Language
Va Biotech Park	0	Language
	884,000	71,156,170

**House Bill 30**  
**CAPITAL OUTLAY**  
**Amendment**

<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Nongeneral</u></b> <b><u>Fund</u></b>
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**Department Of General Services**

Restore Bell Tower	(394,000)	0
Acquire Old City Hall	(5,640,000)	5,640,000
War Memorial	0	Language
Renovate Morson Row	(2,178,000)	0
Renovate Monroe Building Deck	(4,875,000)	0

**Department Of Veterans Services**

Sitter-Barfoot Veterans Care Center Cost Overruns	404,000	0
Southwest Cemetery	0	Language
Hampton Rds Vets Care Center	0	Language

**Department Of Agriculture And Consumer Services**

Harrisonburg Lab	(395,000)	0
Eastern Shore Marketing	(868,000)	868,000
Seafood Facility	(5,585,000)	5,585,000

**Department Of Forestry**

Bromley Tract	(2,400,000)	0
Big Woods	(7,358,000)	0

**Christopher Newport University**

New Academic Building (Part V)	(15,389,000)	0
Student Center	0	4,800,000
Alternative Finance	0	Language

**The College Of William And Mary In Virginia**

Renovate Small Hall (Part V)	(6,979,000)	0
Acquire Williamsburg Hospital (Language)	1,850,000	1,500,000
Fire Systems	0	2,100,000

**Richard Bland College**

Renovate Pecan Hall (Part V)	(300,000)	0
NGF Blanket	0	Language

**Virginia Institute Of Marine Science**

Seawater Lab	(3,433,000)	0
Electrical Power Upgrades	267,500	0

**George Mason University**

Academic VI / Research II (Part V)	(25,045,000)	0
Biocontainment (Part V)	(2,500,000)	0
GMU Surge Space Fit Out	0	8,616,000
Fairfax Research I	900,000	900,000
Fairfax Performing Arts	6,275,000	4,000,000

**House Bill 30**  
**CAPITAL OUTLAY**  
**Amendment**

<b><u>General</u></b>	<b><u>Nongeneral</u></b>
<b><u>Fund</u></b>	<b><u>Fund</u></b>

**James Madison University**

Residence Hall	0	(34,284,000)
Miller Hall Cost Overrun	968,085	0
CISAT Library Cost Overrun	1,560,147	0
Dining Hall	0	18,914,170
Land Acquisition	0	4,500,000

**Longwood University**

Longwood Housing Tech Change	0	Language
Fund Switch for Lancer Gymnasium and Willett Hall Renovation	(140,000)	413,000
Fund Switch for Willett Hall Addition	140,000	(413,000)
Bedford Hall	(7,962,000)	0
NGF Blanket	0	Language

**Norfolk State University**

RISE Building (Part V)	(3,000,000)	0
Brooks Library	(15,787,000)	0
NGF Blanket	0	Language
Planning Norfolk Hospital	(750,000)	750,000
Plan Brown Memorial Hall	1,205,000	1,205,000
Fine Arts Building Band Room	1,950,000	0

**Old Dominion University**

Athletic Facilities	0	759,000
ODU H&PE	0	2,800,000
Fine Arts	(20,211,000)	(7,000,000)
Campus Infrastructure	(1,590,000)	0
Demolition Projects	(574,000)	574,000
Bookstore Alternative Financing	0	Language
Master Lease	0	Language
Physical Science Equipment	(774,000)	0

**Radford University**

Plan Graduate Studies Center	1,224,836	1,224,836
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**University Of Mary Washington**

James Monroe Building	(1,100,000)	0
James Monroe Museum	(1,867,000)	0
Melchers Monroe Museum	(640,000)	0
Monroe Hall (Part V)	(8,506,000)	0
NGF Blanket	0	Language

**University Of Virginia**

**House Bill 30**  
**CAPITAL OUTLAY**  
**Amendment**

<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Nongeneral</u></b> <b><u>Fund</u></b>
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Heat Plant	0	4,000,000
Info Tech Bldg	1,000,000	1,000,000
MR-6 Supplement (Part V)	0	10,162,000
Arts Parking Supplement	0	800,000
MR 7	0	35,000,000
Advanced Research Tech Bldg Supplement	0	2,630,000
Rouss Hall	0	6,900,000
<b>University Of Virginia Medical Center</b>		
Cancer Center (Part V)	(25,000,000)	0
Hospital Expansion Supplement	0	9,600,000
Hospital Link	0	4,000,000
<b>University Of Virginia's College At Wise</b>		
Smiddy Hall with Old Science Bldg Renovation (Part V)	(9,117,000)	0
NGF Blanket	0	Language
Convocation Center Planning	0	600,000
<b>Virginia Commonwealth University</b>		
Massey Fund Source	(6,000,000)	6,000,000
Engineering Fund Source	(1,466,000)	1,466,000
Hibbs Equipment	(139,000)	0
MSB II	(12,377,000)	16,341,000
Old Business Building	(18,997,000)	0
Theatre Row	(5,400,000)	0
<b>Virginia Community College System</b>		
Webber Hall Equipment	(1,712,000)	0
Auto Tech Equipment	(1,200,000)	0
VCCS Overruns Blanket	(12,658,000)	0
Mechanical Repairs	(6,000,000)	0
Accessibility Projects	(150,000)	0
Construct Loudoun III (Part V)	(27,619,000)	0
Construct Regional Health Center (Part V)	(19,404,000)	0
Blue Ridge Info Tech Bldg (Part V)	(6,945,000)	0
Acquire Hampton III (Part V)	(6,553,000)	0
Christanna Student Services Building	(8,686,000)	(260,000)
Replace Anderson Hall	(15,839,000)	(347,000)
New River Instructional Labs	(1,489,000)	0
Renovate Burnette Hall (Part V)	(9,402,000)	0
Va. Highlands Student Center	(1,115,000)	0



**House Bill 30**  
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**Amendment**

<b><u>General</u></b>	<b><u>Nongeneral</u></b>
<b><u>Fund</u></b>	<b><u>Fund</u></b>

Construct Midlothian II (Part V)	(18,910,000)	0
Construct Annandale VI (Part V)	(27,397,000)	0
Renovate Hobbs Campus (Part V)	(483,000)	0
NGF Blanket	0	Language
Central Va. CC Library Planning	500,000	0
Tidewater CC Library	0	3,000,000
Tidewater CC Chesapeake Academic Building	1,441,625	1,000,000
<b>Virginia Military Institute</b>		
Barracks Addition and Renovation (Part V)	13,032,339	0
Barracks Planning	(1,200,000)	0
Leadership Building	(3,179,000)	0
Property Gift	0	Language
Parking	0	950,000
<b>Virginia Polytechnic Institute And State University</b>		
Biology Equipment	(2,250,000)	0
Liberal Arts Building	(5,357,000)	0
ICTAS Phase II (Part V)	(13,519,000)	0
Infectious Disease Equipment	(3,137,000)	0
Cowgill Cost Overrun	2,600,000	0
Litton Cost Overrun	1,630,000	0
Residence Hall	0	7,000,000
<b>Virginia State University</b>		
Gandy Equipment	(689,000)	0
Singleton Hall	(7,959,000)	0
NGF Blanket	0	Language
Accessibility	(716,000)	0
McDaniel Planning	(750,000)	0
Dining Hall	0	Language
Housing Project	0	Language
<b>Jamestown-Yorktown Foundation</b>		
JYF Parking	2,025,164	0
<b>Virginia Museum Of Fine Arts</b>		
Handicapped Ramp	6,000	0
<b>Southwest Virginia Higher Education Center</b>		
Cost Overrun on the Center's Addition (Part V)	310,000	0
<b>Mental Health, Mental Retardation &amp; Substance Abuse Services</b>		
Replace Western State Hospital	80,500,000	0

**House Bill 30**  
**CAPITAL OUTLAY**  
**Amendment**

<u><b>General</b></u> <u><b>Fund</b></u>	<u><b>Nongeneral</b></u> <u><b>Fund</b></u>
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Replace Eastern State Hospital	0	Language
Plan Central Va. Training Center	5,000,000	0
Plan Southeastern Va. Training Center	5,000,000	0
<b>Department Of Conservation And Recreation</b>		
Shenandoah Cabins (Part V)	(7,054,000)	0
Natural Tunnel Cabins (Part V)	(6,133,000)	0
Occoneechee Cabins (Part V)	(4,550,000)	0
James River Cabins (Part V)	(2,633,000)	0
State Park Acquisition	1,000,000	0
Exemption from Review for Prototype Projects	0	Language
<b>Department Of Corrections</b>		
Plan Powhatan Upgrades	(500,000)	0
Plan Plumbing Upgrades	(150,000)	0
Nottoway Wastewater	0	3,150,000
Plan Bland Wastewater	(399,000)	0
Marion Housing	(2,800,000)	0
Plan Bland Housing	(1,000,000)	0
Plan Halifax Kitchen	(200,000)	0
Design-Build Authority	0	Language
<b>Department Of Forensic Science</b>		
Northern Virginia Forensic Lab Financing	0	Language
<b>Department Of Juvenile Justice</b>		
Beaumont Trailers	(700,000)	0
Bon Air Space	(1,200,000)	0
<b>Department Of Transportation</b>		
Authorize Capital Lease Payments	0	Language
Jamestown Yorktown Land	0	Language
<b>Central Capital Outlay</b>		
Repair Fund	(1,000,000)	0
Biotechnology Park	0	Language
<b>Part IV</b>		
Capital Lease Guidelines	0	Language
<b>Part V</b>		
House Bond Package (VCBA / VPBA)	0	Language

<b>Health And Human Resources</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
Department Of Mental Health, Mental Retardation And Substance Abuse Services	\$80,500,000	\$0 GF

**Language:**

Page 458, after line 28, insert;

"C-247.10. New Construction: Western \$80,500,000

State Hospital

Fund Sources: General \$80,500,000".

"1. The Department of Mental Health, Mental Retardation and Substance Abuse Services is hereby authorized to solicit proposals from a private sector entity, or a private sector entity in cooperation with the City of Staunton, for the redevelopment of the existing campus of Western State Hospital for commercial, industrial, and residential uses no later than July 1, 2006.

2. The purpose of the solicitation shall be to determine the interest of the private sector, through public-private partnerships or other methods, in engaging in activities at the site that foster economic development and urban development efforts. The solicitation shall provide for an opportunity for a public-private partnership for the construction of a new hospital facility. Development of the remainder of the site shall not begin until construction of the hospital has commenced.

3. The responsibility for operation of the facility shall remain with the department. No proposal shall be accepted that includes private operation of the facility.

4. The department is authorized to enter into a comprehensive agreement pursuant to the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002 (PPEA) for the design and construction of the facility.

5. In order to maintain the mission of Western State Hospital, the proposal must include provisions that ensure the best interests of the consumers and employees of the facility. The details of the proposed development shall be made available for public comment at least 30 days prior to entering into any comprehensive agreement. Such activities shall not require the creation of a state and community consensus and planning team pursuant to § 37.2-316, Code of Virginia.

6. Any net proceeds received from the sale of surplus land currently occupied by Western State Hospital shall be invested in the Mental Health, Mental Retardation, and Substance Abuse Services Trust Fund established pursuant to § 37.2-318, Code of Virginia."

**Explanation:**

(This amendment provides general fund support to construct the new Western State Hospital under the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002.)

**Health And Human Resources**

Department Of Mental Health,  
Mental Retardation And Substance  
Abuse Services

Language

**Language:**

Page 458, after line 28, insert;  
"C-247.10. New Construction: Eastern  
State Hospital

1. The Department of Mental Health, Mental Retardation and Substance Abuse Services, with the concurrence of the Secretary of Health and Human Resources, is hereby authorized to design and construct, or permit the design and construction of, a replacement facility for the existing Eastern State Hospital. The Department is authorized to enter into a comprehensive agreement pursuant to the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002 for the design and construction of the facility under a capital lease agreement, the term of which shall not exceed 20 years, or by financing through the Virginia Public Building Authority or other appropriate mechanism for a principal amount not to exceed \$59,715,000.
2. The purpose of the solicitation shall be to determine the interest of the private sector, through public-private partnerships or other methods, in engaging in activities at the site that foster economic development and urban development efforts. The solicitation shall provide for an opportunity for a public-private partnership for the construction of a new hospital facility. Development of the remainder of the site shall not begin until construction of the hospital has commenced.
3. The responsibility for operation of the facility shall remain with the department. No proposal shall be accepted that includes private operation of the facility.
4. The department is authorized to enter into a comprehensive agreement pursuant to the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002 (PPEA) for the design and construction of the facility under a capital lease agreement, the term of which shall not exceed 20 years, or if more cost effective, by financing through the Virginia Public Building Authority or other appropriate mechanism for a principal amount not to exceed \$59,715,000.
5. In order to maintain the mission of Eastern State Hospital, the proposal must include provisions that ensure the best interests of the consumers and employees of the facility. The details of the proposed development shall be made available for public comment at least 30 days prior to entering into any comprehensive agreement. Such activities shall not require the creation of a state and community consensus and

planning team pursuant to § 37.2-316, Code of Virginia.

6. Any net proceeds received from the sale of surplus land currently occupied by Eastern State Hospital shall be invested in the Mental Health, Mental Retardation, and Substance Abuse Services Trust Fund established pursuant to § 37.2-318, Code of Virginia."

**Explanation:**

(This amendment provides authority to construct the new Eastern State Hospital under the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002.)

**Public Safety**

Department Of Forensic Science

Language

**Language:**

Page 461, line 20, after "needed.", insert:

"The comprehensive agreement shall provide for an operating or capital lease agreement, the term of which shall not exceed 20 years, or financing through the Virginia Public Building Authority. The Governor is authorized to establish the appropriate amount of the lease or financing for this project up to a total of \$63,500,000. Prior to the issuance of long-term debt or the Commonwealth entering into some other operating or capital lease arrangement, the Department of Forensic Science is hereby authorized to utilize a Commonwealth of Virginia Treasury Anticipation Loan or other interim financing mechanism to initiate the planning, design, and other site preparation activities associated with this project."

**Explanation:**

(This amendment provides language authorizing the use of Virginia Public Building Authority bonds to finance the construction of the proposed new northern Virginia Regional Forensic Lab and Medical Examiner's Office once the Governor approves a final agreement on the cost of the facility with the developer. Once an agreement is signed the Department of Forensic Sciences shall commence with planning for this project utilizing a Treasury Loan. )

Part 5: Enactment Numbers 2 through 5

Language

**Language:**

Page 537, strike lines 37 through 52.

Page 528, strike lines 1 through 14, and insert:

"2. § 1. That pursuant to § 2.2-2264, Code of Virginia, the General Assembly hereby authorizes the Virginia Public Building Authority to undertake the construction, improvement, and furnishing of the following projects, including, without limitation, constructing, improving, furnishing, maintaining, acquiring, and renovating buildings, facilities, improvements and land therefor; and to exercise any and all powers granted to it by law in connection therewith, including the power to finance all or any portion of the cost thereof by the issuance of revenue bonds in a principal amount not to exceed \$20,370,000 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during acquisition, construction or renovation and for one year after completion thereof, and other financing expenses.

<b>Agency</b>	<b>Project Description</b>	<b>Amount</b>
Conservation & Recreation	Construct Shenandoah River State Park Cabins and Campground	7,054,000
Conservation & Recreation	Construct Natural Tunnel State Park Cabins and Campground	6,133,000
Conservation & Recreation	Construct Occoneechee State Park Cabins	4,550,000
Conservation & Recreation	Construct Bear Creek State Cabins	2,633,000
Subtotal		20,370,000

§ 2. The Virginia Public Building Authority is also authorized to exercise any and all powers granted to it by law in connection therewith, including the power to finance the cost thereof by the issuance of revenue bonds not to exceed the principal amount set forth plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to or during improvement and for up to one year after completion of the improvement, and other financing expenses.

3. § 1. That pursuant to § 23-30.28, Code of Virginia, the General Assembly hereby authorizes the Virginia College Building Authority to undertake the following projects including, without limitation, constructing, improving, furnishing, maintaining, acquiring and renovating buildings, facilities, improvements and land therefor; to exercise any and all powers granted to it by law in connection therewith, including the



power to lease such projects to institutions of higher education of the Commonwealth; and to finance all or any portion of the cost thereof by the issuance of revenue bonds in a principal amount not to exceed \$258,942,924 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during acquisition, construction or renovation and for one year after completion thereof, and other financing expenses.

The Authority may pay all or any part of the cost of any project hereinafter listed or authorized or any portion thereof with any income and reserve funds of the Authority available for such purpose, and in such case may transfer such funds of the Authority, with the approval of the Governor.

<b>Agency</b>	<b>Project Description</b>	<b>Amount</b>
Christopher Newport University	Construct New Academic Building1	15,389,000
William & Mary	Expand Small Hall	6,979,000
Richard Bland College	Renovate Pecan Grove Hall	300,000
George Mason University	Construct Academic VI and Research II	25,045,000
George Mason University	Construct Biocontainment Lab	2,500,000
University of Mary Washington	Renovate Monroe Hall	8,506,000
Norfolk State University	RISE Center Cost Overrun	3,000,000
University of Virginia	MR-6 Medical Research Building	3,200,000
UVA - Medical Center	Clinical Cancer Center	25,000,000
UVA's College at Wise	Renovate Old Science Building	10,935,000
Va. Community College System	Construct Phase III, Loudoun, Northern Virginia	27,619,000
Va. Community College System	Construct Regional Health Professions Center Phase I, Va Beach, Tidewater	19,404,000
Va. Community College System	Construct Information Technology Building, Blue Ridge	6,945,000
Va. Community College System	Acquire Hampton III Building, Hampton, Thomas Nelson	6,553,000
Va. Community College System	Renovate Burnette Hall, Parham, J. Sargeant Reynolds	9,402,000
Va. Community College System	Construct Phase II Building, Midlothian, John Tyler	18,910,000
Va. Community College System	Construct Phase VI Academic Building, Annandale, Northern Va	27,397,000
Va. Community College	Renovate Hobbs Campus, Paul D. Camp	483,000

System		
Virginia Military Institute	Expand Barracks	19,911,924
Virginia Tech	Institute for Critical Technology and Applied Science, Phase II	13,519,000
Southwest Virginia Higher Education Center	Renovate and Expand Center	7,945,000
Subtotal		258,942,924"

**Explanation:**

(This amendment is self-explanatory.)

**Health And Human Resources**

Department Of Mental Health,  
Mental Retardation And Substance  
Abuse Services

Language

**Language:**

Page 188, after line 11, insert:

"The Department of Mental Health, Mental Retardation and Substance Abuse Services, with the concurrence of the Secretary of Health and Human Resources, is hereby authorized to design and construct, or permit the design and construction of, a permanent facility for the Sexually Violent Predator Program on state-owned property identified by the Department. The Department is authorized to enter into a comprehensive agreement pursuant to the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002 for the design and construction of the facility. The comprehensive agreement shall provide for an operating or capital lease agreement, the term of which shall not exceed 20 years, or financing through the Virginia Public Building Authority in a principal amount not to exceed \$62 million. The details of the financial arrangement shall be provided in writing to the Chairmen of the House Appropriations and Senate Finance Committees at least 15 days prior to the Department entering into the comprehensive agreement."

**Explanation:**

(This amendment expands the authority of the Department of Mental Health, Mental Retardation and Substance Abuse Services to add 200 more beds to the permanent facility for the Sexually Violent Predator Program under the Public-Private Partnership Educational Facilities and Infrastructure Act of 2002.)

**Central Appropriations**

Central Capital Outlay

Language

**Language:**

Page 192, after line 14, insert:

"C-196.05. New Construction: Office Building

"1. The Department of General Services is authorized to enter into lease agreements pursuant to customary procedures for space in a multi-tenant building to be constructed by the Virginia Biotechnology Research Partnership Authority constructed in the Virginia Biotechnology Research Park located in the City of Richmond and leased to agencies of the Commonwealth and to tenants of the Research Park. The building is more particularly described as a building of approximately 75,000 square feet and accompanying parking facilities referred to as "Biotech 8" and intended to be leased to a combination of private, not-for-profit and governmental entities under varying lease terms.

2. The provisions below relating to a capital reserve fund shall be operable so long as all bond issues of the Authority for the financing of the building (a) do not exceed in the aggregate \$20,000,000 in principal amount, (b) have a final maturity of no more than 25 years from the date of issuance, and (c) have no interest rate in excess of seven percent.

3. In addition, the Virginia Biotechnology Research Partnership Authority is authorized to establish a capital reserve fund in connection with the bond issues described above into which the Authority may deposit (i) any moneys appropriated and made available by the Commonwealth for the purpose of such a fund, (ii) any proceeds from the sale of the bonds described above as provided in the resolution authorizing the issuance of, or the trust indenture securing the bonds, and (iii) any other moneys that may be made available to the Authority for such fund. All moneys held in such capital reserve fund, except as hereinafter provided, shall be used solely for the payment when due of the principal of and premium, if any, and interest on the bonds or obligations under credit enhancements issued by the Authority secured in whole or in part by such a fund. If, however, moneys in any such fund are ever less than the minimum capital reserve fund requirement established for the fund, the Authority shall not use the moneys for any optional purchase or redemption of bonds. Any income or interest earned on, or increment to, any capital reserve fund

due to its investment may be transferred by the Authority to other funds or accounts of the Authority to the extent it does not reduce the amount of the capital reserve fund below its minimal requirement. The amount of the minimum capital reserve fund requirement shall not exceed the maximum annual debt service on bonds issued by the Virginia Biotechnology Research Partnership Authority for the building.

4. The Authority shall not at any time issue bonds or credit enhancements secured in whole or in part by such capital reserve fund, if upon the issuance of bonds or credit enhancements, the amount in the capital reserve fund will be less than its minimal requirement unless the Authority, at the time of issuance of the bonds or credit enhancements, deposits in the fund an amount that, together with the amount then in the fund, will not be less than the fund's minimal capital reserve requirement.

5. In order to assure further the maintenance of such capital reserve fund, the chairman of the Authority shall annually, on or before December 1, make and deliver to the Governor and the Secretary of Administration a certificate stating the sum, if any, required to restore each capital reserve fund to its minimal requirement. Within five days after the beginning of each Session of the General Assembly, the Governor shall submit to the presiding officer of each House of the General Assembly printed copies of a budget including the sum, if any, required to restore each capital reserve fund to its minimal requirement. All sums, if any, that may be appropriated by the General Assembly for any restoration and paid to the Authority shall be deposited by the Authority in the capital reserve fund. All amounts paid to the Authority by the Commonwealth pursuant to the provisions of this section shall constitute and be accounted for as advances by the Commonwealth to the Authority and, subject to the rights of the holders of any bonds of the Authority or the beneficiaries of credit enhancements of the Authority, shall be repaid to the Commonwealth without interest from available operating revenues of the Authority in excess of amounts required for the payment of bonds, credit enhancements or other obligations of the Authority, the maintenance and funding of reserve funds in connection with other projects, and operating expenses.

6. The state treasury may lend to the Virginia Biotechnology Research Partnership Authority an amount not to exceed \$20,000,000 for costs of the building and its financing incurred prior to the issuance of the bonds and funding, with such loan to be repaid from the proceeds of bonds to be issued by the Authority. Such a loan shall be made with the approval of the Secretary of Finance or his designee, and in according with the standards set forth in § 4-3.02 b. of this act.

7. Nothing in this section shall be construed as limiting the power of the Authority to issue bonds or credit enhancements not secured by a capital reserve fund.

8. Notwithstanding any other provision of this act, the provisions above shall remain in effect unless specifically repealed by legislative act."

**Explanation:**

(This amendment is self-explanatory.)

