

*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 1600

February 8, 2009

REPORT OF THE SUBCOMMITTEE

on

CAPITAL OUTLAY

Mr. Chairman and Members on the Committee:

Mr. Chairman, given the major capital outlay process and program that you initiated last session, the Capital Outlay Subcommittee's recommendations this year are modest.

First, the Subcommittee recommends \$12.2 million to expedite five significant higher education capital projects worth \$230 million in construction value. The five projects would start construction 12 months sooner than previously planned and would stimulate 3,400 new jobs and advance higher learning opportunities.

Second, the Subcommittee wanted to address proposed closure of Southeastern Virginia Training Center. Mr. Chairman, we received several presentations on this proposal from the Department of Mental Health, Mental Retardation and Substance Abuse Services. Frankly, we are not confident the Department has developed a thoughtful, caring, and realistic plan. One might question whether the fiscal crisis is being used as a means to prematurely advance a proposal that is not ready for prime-time.

Mr. Chairman, fiscal exigency should not result in poor public policy. Therefore, the Subcommittee recommends the following for Southeastern Virginia Training Center:

- First, rebuild and resize Southeastern Virginia Training Center as a 75-bed facility to serve the profound and severely disabled. This would be funded through the existing \$23.8 million provided in your bond package from last session;
- Second, begin construction of 12 community-based Intermediate Care Facilities in Health Planning Region V. The esti-

mated cost of these homes is about \$2.7 million and would be funded through the existing funding provided in your bond package from last session;

- Third, provide for an expedited process to fast track these two projects by directing the Governor, the Director, Department of Planning and Budget and the Director, Department of General Services, to suspend the regular capital outlay process and initiate an expedited, fast track capital outlay process to ensure the timely availability of both Southeastern Virginia Training Center and the community-based homes. The Governor's expedited process shall be submitted to the Chairman for approval by July 15, 2009.

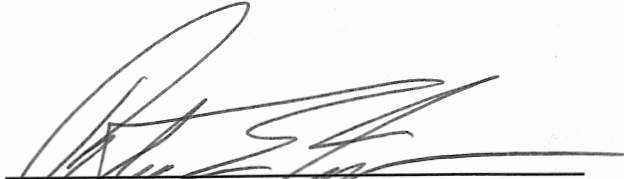
Finally, Mr. Chairman, with respect to the Southeastern Virginia Training Center recommendation, this is the third attempt to move this project along. We have previously provided planning funds, full project funds, held countless meetings, and the Department of Mental Health, Mental Retardation and Substance Abuse Services has failed to move this project forward. Therefore Mr. Chairman, the Subcommittee recommends we place control of this project under the Department of General Services.

The remaining recommendations provide \$13.7 million in Virginia Public Building Authority and Virginia College Building Authority bonds for prior project commitments, of which \$6.5 million would be used to construct the Education Wing of the Virginia War Memorial. As you recall, this project was included in the previous capital budget as a Treasury loan contingent on private fund raising efforts. In addition, the Subcommittee also recommends a \$2.6 million increase in the maintenance reserve program to address infrastructure and repair projects. Finally, the Subcommittee recommends the use of \$51.9 million of nongeneral funds at our colleges and universities for projects supported by gifts, federal funds or auxiliary enterprises.

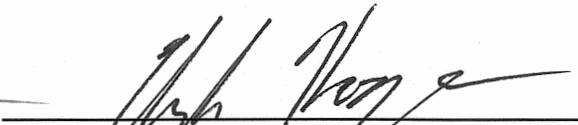
In terms of savings, Mr. Chairman, the Subcommittee was able to generate \$7.6 million in debt service savings which can be directed to other priorities of the Committee.

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

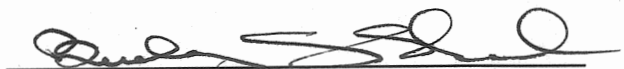
Respectfully Submitted by the House Appropriations Subcommittee
on Capital Outlay:




Riley E. Ingram, Chairman



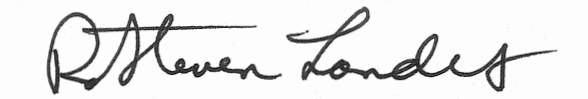
Clarke N. Hogan



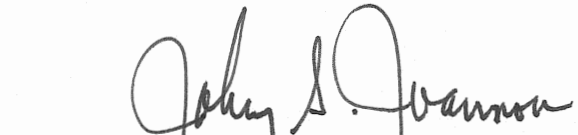
Beverly J. Sherwood




James M. Scott




R. Steven Landes



Johnny S. Joannou



S. Chris Jones



Robert H. Brink

House Bill 1600
CAPITAL OUTLAY
Amendment

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

Treasury Board		
Debt service savings	(1,551,572) #	0
Western Virginia jail reimbursement		Language
Meherrin jail reimbursement		Language
Interest rate assumptions	(6,000,000)	
General Conditions		
Revert Unused Preplanning		Language
Department Of General Services		
Parking Technical Change		Language
War Memorial	0	6,500,000
8th / 9th PPEA		Language
Christopher Newport University		
Supplement Campus Signage	0	3,095,000
Alumni House	0	4,000,000
Supplement Library for Special Collections	0	3,035,000
Property Sale		Language
Luter School of Business to Full Planning	521,000	1,529,230
The College Of William And Mary In Virginia		
Integrated Science Phase III to Full Planning	1,042,000	3,208,230
George Mason University		
Supplement Student Union II	0	8,000,000
James Madison University		
Equipment for Arts and Music Building	0	4,226,600
Duke Hall to Full Planning	521,000	1,654,230
Property Acquisition	0	3,000,000
University Of Mary Washington		
Alternative Financing		Language
Old Dominion University		
Property Conveyance		Language
University Of Virginia		
New Cabell Hall Planning & Connector	0	3,720,000
Ruffner Hall to Full Planning	521,000	1,079,230
Virginia Community College System		
Corrects Square Footage		Language
Virginia Polytechnic Institute And State University		
Engineering Signature Building to Full Planning	521,000	1,562,580
Parking Deck	0	30,000,000
Department Of Mental Health, Mental Retardation And Substance Abuse Services		
Southeastern Va Training Center / Community Housing		Language
Department Of Game And Inland Fisheries		
DGIF Headquarters	0	(4,000,000)
Central Capital Outlay		
Maintenance Reserve	0	2,587,000
9(D) Revenue Bonds		
Correct Project Amount in Table		Language
Replace GF with Unused Forensic Lab Debt		Language
Correct Total in Table		Language
GRAND TOTAL	(4,425,572)	73,197,100

Amendments to House Bill 1600, as Introduced

Capital Outlay Subcommittee Item C-14.40 #6h

Education: Higher Education

Christopher Newport University Language

Language:

Page 549, after line 37, insert:

"C-14.40.

Christopher Newport University is authorized to sell the real property located at 812 Riverside Drive in Newport News, Virginia. The proceeds of that shall be used to acquire real property previously approved by the University's Board of Visitors in its Master Plan."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee Item C-14.40 #7h

Education: Higher Education

Christopher Newport University	FY 08-09	FY 09-10
	\$0	\$521,000 GF
	\$0	\$1,529,230 NGF

Language:

Page 549, after line 37, insert:

"C-14.40. Planning: New Luter School of Business	\$0	\$2,050,230
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Fund Sources: General	\$0".	\$521,000
Special		\$579,230
Higher Education Operating		\$950,000".

This appropriation provides funding to complete detailed planning for the New Luter School of Business project. Christopher Newport University is authorized to use up to \$950,000 of nongeneral funds for which it shall be reimbursed when the project is funded to move into the construction phase. The Special Funds in this amendment are from fund source 0965 and provided from unallocated planning funds in Chapter 1, 2008 Acts of the Assembly, Special Session 1."

Explanation:

(This amendment provides funding to complete planning for the New Luter School of Business.)

Amendments to House Bill 1600, as Introduced

Capital Outlay Subcommittee Item C-19.15 #3h

Education: Higher Education	FY 08-09	FY 09-10	
The College Of William And Mary	\$0	\$1,042,000	GF
In Virginia	\$0	\$3,208,230	NGF

Language:

Page 550, after line 46, insert:

"C-19.15. Planning: Integrated Science Center, Phase 3	\$4,250,230
Fund Sources: General	\$1,042,000
Special	\$1,158,230
Higher Education Operating	\$2,050,000".

This appropriation provides funding to complete detailed planning for the Integrated Science Center, Phase 3 project. The College of William and Mary is authorized to use up to \$2,050,000 of nongeneral funds for which it shall be reimbursed when the project is funded to move into the construction phase. The Special Funds in this amendment are from fund source 0965 and provided from unallocated planning funds in Chapter 1, 2008 Acts of the Assembly, Special Session 1."

Explanation:

(This amendment provides funding to complete planning for the Integrated Science Center, Phase 3.)

Capital Outlay Subcommittee Item C-39.15 #1h

Education: Higher Education	FY 08-09	FY 09-10	
James Madison University	\$0	\$521,000	GF
	\$0	\$1,654,230	NGF

Language:

Page 555, after line 27, insert:

"C-39.15. Planning: Renovation and Addition to Duke Hall	\$0	\$2,175,230
Fund Sources: General	\$0".	\$521,000
Special		\$579,230
Higher Education Operating		\$1,075,000".

This appropriation provides funding to complete detailed planning for the renovation

Amendments to House Bill 1600, as Introduced

and addition to Duke Hall project. James Madison University is authorized to use up to \$1,075,000 of nongeneral funds for which it shall be reimbursed when the project is funded to move into the construction phase. The Special Funds in this amendment are from fund source 0965 and provided from unallocated planning funds in Chapter 1, 2008 Acts of the Assembly, Special Session 1."

Explanation:

(This amendment provides funding to complete planning for the renovation and addition to Duke Hall.)

Capital Outlay Subcommittee

Item

C-44.20 #1h

Education: Higher Education

University Of Mary Washington

Language

Language:

Page 556, after line 38, insert:

"C-44.20.

1. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Real Estate Foundation (UMWREF) to support student housing projects and/or operational-related facilities through alternative financing agreements including public-private partnerships.

2. The University of Mary Washington is further authorized to enter into written agreements with UMWREF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

3. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or

Amendments to House Bill 1600, as Introduced

operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenues bonds issued by or for UMWREF will provide construction and/or permanent financing.

4. The University of Mary Washington is further authorized to convey parcels of land to the UMWREF, which will develop the land for the purpose of establishing residential housing for students and/or faculty and staff, office, retail, and other commercial land uses in accordance with the University's approved Master Plan."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item

C-50.30 #2h

Education: Higher Education

Old Dominion University

Language

Language:

Page 558, after line 26, insert:

"C-50.30.

Old Dominion University is hereby granted authority to convey the current President's residence to the Old Dominion University Real Estate Foundation (ODUREF) in order to reconstruct the facility. Authority is also granted to construct this project with alternative financing options which may include an agreement with the ODUREF for the design, construction and financing of the project, and to enter into a capital lease or lease for the project that may qualify as a capital lease. Old Dominion University shall identify any component of the project that qualifies as a capital lease, and shall report such lease to the Department of Accounts and the Department of Planning and Budget. Any such capital lease shall be exempt from the requirements of § 4-3.03(b) 2 of this act."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item

C-61.50 #2h

Amendments to House Bill 1600, as Introduced

Education: Higher Education	FY 08-09	FY 09-10
University Of Virginia	\$720,000	\$3,000,000 NGF

Language:

Page 560, after line 26, insert:

"C-61.50. Improvements: New Cabell Hall Renovation \$720,000 \$3,000,000

Fund Sources: Higher Education Operating \$720,000 \$0
 Bond Proceeds \$0" \$3,000,000".

1. This appropriation provides funding to complete detailed planning for the New Cabell Hall Renovation project. The University of Virginia is authorized to use up to \$720,000 of nongeneral funds in the first year for which it shall be reimbursed when the project is funded to move into the construction phase.

2. Out of this appropriation, \$3,000,000 in Virginia College Building Authority bonds are authorized in the second year to complete the terrace connector between New Cabell Hall and the South Lawn project across Jefferson Avenue."

Explanation:

(This amendment provides funding to complete detailed planning to renovate New Cabell Hall and provides Virginia College Building Authority bond authority to complete the terrace connection between New Cabell Hall and the South Lawn project.)

Capital Outlay Subcommittee Item C-91.10 #4h

Education: Higher Education	FY 08-09	FY 09-10
Virginia Polytechnic Institute And State University	\$0	\$521,000 GF
	\$0	\$1,562,580 NGF

Language:

Page 568, after line 11, insert:

"C-91.10. Planning: Engineering Signature Building \$2,083,580

Fund Sources: General \$521,000
 Special \$579,230
 Higher Education Operating \$983,350".

This appropriation provides funding to complete detailed planning for the new Engineering Signature Building project. Virginia Tech is authorized to use up to

Amendments to House Bill 1600, as Introduced

\$983,350 of nongeneral funds for which it shall be reimbursed when the project is funded to move into the construction phase. The Special Funds in this amendment are from fund source 0965 and provided from unallocated planning funds in Chapter 1, 2008 Acts of the Assembly, Special Session 1."

Explanation:

(This amendment provides funding to complete the planning for the new Engineering Signature Building.)

Capital Outlay Subcommittee

ItemC-103.05 #4h

Health And Human Resources

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

Language

Language:

Page 570, strike lines 10 through 20 and insert:

"A. Notwithstanding any other provision of law, the following provisions shall be implemented:

1. the Department of General Services (DGS), with the cooperation and support of the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), shall rebuild and resize the Southeastern Virginia Training Center to a 75-bed facility to serve profound and severely disabled clients;
2. the Director, Department of Planning and Budget, shall transfer \$23,800,000 of the amount appropriated in Chapter 1, 2008 Acts of Assembly, Special Session I for project 17458 (Repair/Replace Southeastern Virginia Training Center) for the purpose stated in paragraph A.1. of this item;
3. the Department of General Services, with the cooperation and support of the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), shall build, acquire, or renovate 12 community-based Intermediate Care Facilities (ICF-MR) in Health Planning Region V. Priority should be given to projects which can be completed on existing state-owned property within Health Planning Region V;
4. the Director, Department of Planning and Budget shall transfer \$2,700,000 of the

Amendments to House Bill 1600, as Introduced

amount appropriated in Chapter 1, 2008 Acts of Assembly, Special Session I for project 17457, (Repair/Replace Central Virginia Training Center) for the purpose stated in paragraph A.3. of this item.

5. The Governor, the Director, Department of Planning and Budget and the Director, Department of General Services, shall suspend the regular capital outlay process and initiate an expedited, fast track capital outlay process to ensure the timely availability of both the rebuilt and resized Southeastern Virginia Training Center and the 12 community-based Intermediate Care Facilities (ICF-MR) in Health Planning Region V. The Governor's expedited process shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees for approval by July 15, 2009.

B. The Department of General Services (DGS), with the cooperation and support of the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), shall examine the potential uses for the Southeastern Virginia Training Center property and report on such uses to Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2009."

Explanation:

(This amendment is self-explanatory.)
