



Report of the Subcommittee on
Capital Outlay

Senate Finance Committee
Virginia General Assembly

February 16, 2014



SENATE OF VIRGINIA

Senate Finance Committee

2014 Report of the Capital Outlay Subcommittee The Honorable Henry L. Marsh, III, Chairman February 16, 2014

Chairman Colgan, Chairman Stosch and Members of the Committee:

The Capital Outlay Subcommittee spent many hours during this 2014 Session learning about the numerous capital needs of our state government.

We heard from our State Treasurer as to the recommendations of the Debt Capacity Advisory Committee to determine how much bond capacity we had to work with. Due to the amount of new debt authorized in the 2013 Session, we were asked to show restraint as we considered these many needs.

We also learned that as the result of our accomplishments in the recent years, we currently have about \$2.8 billion worth of previously approved projects, some nearing completion, and others just getting under construction. In fact, we are including over \$21 million for equipment and furniture for those projects that will come on line in the next year.

We also were reminded that we have not been doing a good job of keeping up with our routine maintenance reserve program and that we are not meeting accepted standards in maintenance reserve funding. To address this issue, we are recommending an additional \$27 million in bonds to bring the biennial total for maintenance reserve to \$150 million.

One of the biggest challenges we have faced over the years is what to do with the building we stand in today. As you all know, this old General Assembly Building has outlived its time; it is unsafe, unhealthy, and unacceptable in meeting the needs of the public. Last Friday, I was proud to join with the leaders of both parties of the

House and the Senate as we met together in announcing an agreement to address this problem once and for all.

Our amendments before you will provide the authorization and funding to replace the General Assembly Building with a safe, modern building; renovate the Old City Hall, which is a cherished historic landmark; and, provide adequate parking for members, staff and the public who have the right to see their government in action.

In 2008, the General Assembly adopted a six-year capital outlay planning process. We have made much progress towards implementing this plan but we have a long, long way to go. It is going to take considerable work and planning in the future to continue to meet the capital needs of our colleges and universities, our mental health facilities, our state parks, and the building that our employees work in and the public visits every day.

This completes the report of your subcommittee and we hope it will be the pleasure of the committee to adopt our amendments.

Respectfully Submitted,

The Honorable Henry L. Marsh, III, Chairman

The Honorable Charles J. Colgan

The Honorable John C. Watkins

The Honorable Frank M. Ruff, Jr.

The Honorable John S. Edwards

The Honorable Phillip P. Puckett

Capital Outlay Subcommittee

1	Part 2. Capital Project Expenses	Biennial GF \$	Biennial NGF \$	Biennial Total \$
2	Senate Bill 29			
3	C-9.10 #1s:JMU University Annex		\$8,000,000	\$8,000,000
4	C-31.70 #1s:VMI Post Facilities Phase II		\$4,000,000	\$4,000,000
5	C-38.10 #1s:Capital Outlay Pool Technical			Language
6	C-39.05 #1s:Radford Renovate Curie and Reed		\$1,720,000	\$1,720,000
7	C-39.05 #2s:Planning Projects Technical Change			Language
8	C-39.05 #3s:Seefeldt Building and Howsmon Hall			Language
9	C-39.40 #4s:Capitol Complex Infrastructure		\$300,000,000	\$300,000,000
10	C-39.40 #5s:Research Vessel Supplement		\$2,000,000	\$2,000,000
11	FY 2012-2014 Total	\$0	\$315,720,000	\$315,720,000
12	Senate Bill 30			
13	C-0 #1s:General Conditions-Longwood			Language
14	C-0 #2s:Supreme Court Space Needs			Language
15	C-4 #1s:CNU Expand Dining Hall		\$6,442,500	\$6,442,500
16	C-8.50 #1s:Construct JMU Dining Hall		\$80,736,705	\$80,736,705
17	C-11 #1s:ODU Stadium			Language
18	C-13.10 #1s UMW Athletic Complex		\$10,142,000	\$10,142,000
19	C-17.10 #1s:VCU Sanger Hall		\$7,500,000	\$7,500,000
20	C-19 #1s:VMI Post Facilities to SB 29		(\$3,000,000)	(\$3,000,000)
21	C-20 #1s:Gunston Hall to Pool	(\$1,972,136)		(\$1,972,136)
22	C-30 #1s:Waller Depot to Pool	(\$898,500)	(\$1,885,500)	(\$2,784,000)
23	C-41 #3s:Maintenance Reserve		\$27,000,000	\$27,000,000
24	C-43 #9s:Stormwater Remediation			Language
25	C-43 #10s:VSP South Hill Area Office			Language
26	C-43 #10s:Capital Pool		\$3,948,164	\$3,948,164
27	C-44 #4s:DOC Generators			Language
28	C-46 #1s:Eliminate 9(d) Bonds		(\$100,000,000)	(\$100,000,000)
29	4-5.06 #1g:Restore Missing Item			Language
30	FY 2014-2016 Total	(\$2,870,636)	\$30,883,869	\$28,013,233

Central Appropriations

Central Capital Outlay

Language

Language:

Page 235, line 32, strike "Veterans" and insert "General".

Page 236, after line 15, insert:

"D. The Virginia War Memorial Addition project contained in paragraph B. of this Item will include the new Shrine of Memory to house the Memorial to Virginia's Heroes killed in the *Global War on Terrorism* and related gallery memorial spaces. The addition will consist of 19,500 square feet to house the *Global War on Terrorism* memorial, the offices of the Virginia War Memorial Education Foundation and related educational programs. The educational spaces include a distance learning center and classroom, a 350 seat lecture auditorium, and other instructional spaces with supporting technology and training facilities. The Virginia War Memorial will relocate their office space into the new addition to allow for expanded exhibit and exhibit storage space in the existing building. Also included is a parking structure for up to two hundred vehicles and related landscape improvements."

Explanation:

(This amendment makes a technical correction to the project title and clarifies project scope.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 237, line 41, after "Staunton", insert "/ Department of General Services".

Page 237, line 42, strike "a Joint Policing Facility" and insert "Chemistry Building".

Page 238, after line 35, insert:

"5. Projects contained in H.2. may utilize higher education nongeneral fund sources and are authorized to proceed to detailed planning for which they will be reimbursed upon approval of construction funding for their project. The Director, Department of Planning and Budget shall appropriate additional nongeneral funds upon request from agencies and institutions for this purpose."

Explanation:

(This amendment corrects project titles and provides nongeneral authority for previously approved projects to continue to detail planning upon request.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 238, line 2, strike "Construct Phase VII Academic Building, Annandale Campus" and insert "Renovate Seefeldt Building, Woodbridge Campus".

Page 238, after line 2, insert:

"260 Virginia Community College System Renovate Howsmon Hall, Manassas Campus".

Explanation:

(This amendment authorizes detailed planning for renovation of the Seefeldt Building on the Woodbridge Campus and Howsmon Hall on the Manassas Campus of the Northern Virginia Community College, replacing these projects for the previously authorized construction of Phase VII Academic Building on the Annandale Campus, which is not moving forward at this time.)

General Conditions

General Conditions

Language

Language:

Page 422, after line 51, insert:

"c. The General Assembly further authorizes Longwood University to enter into a written agreement with a public or private entity to plan, design, develop, construct, finance, manage and operate a facility or facilities to provide additional student housing and/or operational-related facilities. Longwood 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. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for the benefit of LUREF will provide construction and/or permanent financing.

d. Longwood University is further authorized to convey fee simple title in and to one or more parcels of land to LUREF, which will develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's Master Plan."

Explanation:

(This amendment requests authority similar to other institutions related to public-private agreements as well as authority to convey land.)

General Conditions

General Conditions

Language

Language:

Page 425, after line 43, insert:

"S. Working in collaboration with the members of the Supreme Court of Virginia and the members of the Court of Appeals of Virginia, the Executive Secretary of the Supreme Court, in consultation with the Director of the Department of General Services, is directed to develop a comprehensive plan that meets the future space needs around Capitol Square of both courts, and which is acceptable to the Chief Justice of the Supreme Court of Virginia and the Chief Judge of the Court of Appeals of Virginia."

Explanation:

(This amendment requires the Executive Secretary of the Supreme Court to develop a plan to meet future space needs.)

Education: Higher Education

Old Dominion University

Language

Language:

Page 427, strike line 14 through line 17 and insert:

"Old Dominion University may utilize private donations or existing nongeneral fund balances to support preliminary design efforts for this project. However, it is the intent of the General Assembly that the balance of the project shall be supported by private donations."

Explanation:

(This amendment allows ODU to use private donations or nongeneral fund balances for preliminary planning of a new football stadium but expressing the intent that the project is ultimately funded through private fund-raising efforts.)

Central Appropriations	FY 14-15	FY 15-16
Central Capital Outlay	\$20,000,000	(\$20,000,000) NGF

Language:

Page 435, line 29, strike "\$75,973,000" and insert "\$95,973,000".

Page 435, line 29, strike "\$20,000,000" and insert "\$0".

Page 436, line 12, strike "second" and insert "first".

Page 436, line 15, strike "second" and insert "first".

Page 436, line 18, after "projects", strike "meeting all".

Page 436, line 18, strike "pre-requirements for implementation,".

Page 436, line 19, strike "but not limited to".

Explanation:

(This amendment shifts the \$20.0 million in VPBA bond funding in the introduced budget from the second year to the first year and amends language to more clearly focus local stormwater grants on implementation of local best management practice capital projects.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 435, line 54, after "Rehabilitate" insert " or replace"

Explanation:

(This amendment authorizes the Department of State Police to consider replacement of the South Hill Area Office as it has been determined that the facility may not be suitable for rehabilitation.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 437, line 17, strike "Greensville".

Page 437, after "Generators", insert ", multiple facilities".

Explanation:

(This amendment allows the Department of Corrections greater flexibility for replacing generators where the need is the greatest, but does not impact the amount of funding provided.)

Special Conditions and Restrictions on Expenditures

Delegation of Authority

Language

Language:

Page 482, after line 28, insert:

"§ 4-5.06 DELEGATION OF AUTHORITY

a. The designation in this act of an officer or agency head to perform a specified duty shall not be deemed to supersede the authority of the Governor to delegate powers under the provisions of § 2.2-104 , Code of Virginia.

b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a decentralization program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year all institutions that have applied for inclusion in a decentralization program and whether the institutions have been granted authority to participate in the decentralization program.

d. The provisions identified in § 4-5.08 f and § 4-5.08 h of Chapter 1042 of the Acts of Assembly of 2003 pertaining to pilot programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations Committees.

f. Institutions that have executed memoranda of understanding with the Secretary of

Administration for nongeneral fund capital outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation, subdivision 3a, Code of Virginia, regarding the not to exceed amount of \$100,000 for a single project, the not to exceed sum of \$500,000 for all projects performed, and the option to renew for two additional one-year terms.

g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply only to agencies and personnel within the Executive Department, unless specifically stated otherwise.

h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly."

Explanation:

(This amendment restores Item 4-5.06 in the Introduced Budget for the 2014-2016 biennium. Through technical error, the item was excluded.)
