

# Capital Outlay

<b>Capital Outlay Funding</b>	
<u>Fund Type</u>	<b>Chapter 836 <u>2016-18</u></b>
General Fund Cash	(\$9.8)
VPBA/VCBA GF-Supported Bonds	214.8
9(c) Revenue Bonds	13.6
9(d) NGF Revenue Bonds	122.9
Nongeneral Fund Cash	<u>35.7</u>
<b>Total</b>	<b>\$377.2</b>

The capital outlay amendments to the FY 2016-18 biennial budget total \$377.2 million from all funds.

## Descriptions of the General Fund Supported Projects

- **Pre-Planning**
  - *Department of Alcoholic Beverage Control - Acquire or Construct Central Office and Warehouse Facility.* Provides \$500,000 GF the first year for pre-planning for the Department of Alcoholic Beverage Control (ABC) and the Department of General Services (DGS) to develop and deliver a plan to acquire or construct a new warehouse and administrative building on a site to be determined, including the possibility of using the existing site. Under the proposed language, ABC and DGS may consider multiple options including the possibility of a lease, the use of state-owned property, and the use of public solicitation methods.
  - *Frontier Culture Museum – Crossing Gallery.* Includes \$250,000 GF for pre-planning in the first year for an indoor gallery to enhance the other existing indoor spaces that supplement what is primarily an outdoor living history setting. Language states that the project should demonstrate how it best coordinates and leverages the ability to offer an indoor experience in the event of inclement weather and should take into consideration a scale that is commensurate with existing

annual visitation levels and possible potential levels given population and location. The plan may offer options for future expansion in subsequent years to ensure efficiency in any additional long-term projects that may be desired.

- *Science Museum of Virginia –Danville Science Center Exhibits.* Provides \$250,000 GF in the first year for a pre-planning study for the construction of new exhibits at the Danville Science Center under the Science Museum of Virginia.

- **General Fund Savings**

- *Maintenance Reserve.* Supplants \$10.0 million in GF maintenance reserve funding with VPBA/VCBA tax-supported bonds.
- *Department of State Police - Construct Area 12 Office Building.* Supplants \$800,000 GF from this previously approved project with equivalent VPBA bond proceeds under Central Capital Outlay.

#### **Descriptions of the General Fund Supported Debt Projects**

- **Central Capital Outlay**

- *Supplant General Fund Projects.* Includes \$94.7 million in VCBA tax-supported bonds to supplant general funds for previously authorized higher education projects from Chapter 665 of the 2015 Acts of Assembly. In addition, language in this item authorizes the reversion of \$38.8 million of general and nongeneral fund balances from the capital outlay planning pool and various capital projects.
- *Equipment for Projects Nearing Completion.* Authorizes \$19.6 million in tax-supported bonds to purchase furnishings and equipment for projects scheduled to come on-line in FY 2018. The table below lists the eligible projects:

## Equipment for Projects Nearing Completion

<u>Agency</u>	<u>Project Title</u>
Dept. of Conservation and Recreation	Construct Widewater State Park
Dept. of Conservation and Recreation	Renovate Historic Building, Walnut Valley Farm, Chippokes Plantation State Park
Woodrow Wilson Rehab. Center	Renovate Anderson Vocational Bldg., Phase II
Virginia Tech	Renovate or Renew Academic Buildings
Virginia State University	Replace Lockett Hall
Longwood University	Construct Admissions Building
Virginia Cooperative Extension and Agricultural Experiment Station	Improve Kentland Facilities, Phase I
Virginia Community College System	Replace Anderson Hall, Virginia Western
Virginia Community College System	Replace Academic and Administration Building, Eastern Shore
Virginia Community College System	Renovate Engineering and Industrial Technology Building, Danville
Virginia Community College System	Construct Student Services and Learning Resources Center, Southside Virginia
Virginia Community College System	Renovate Bird Hall and Renovate / Expand Nicholas Center, Chester Campus, John Tyler
Virginia Institute of Marine Science	Construct Facilities Management Building
Department of Corrections	Acquire Richmond P & P Office

- ***Capital Outlay Pool Supplements, New Projects, and One Supplant.*** Includes \$61.1 million in VPBA and VCBA tax-supported bonds, of which \$22.4 million supplements seven projects from previously authorized capital pools and \$38.7 million finances four new projects and a supplant. The four new projects are the Replace Greensville Heating and Hot Water Pipes at Department of Corrections; the Main Hall Exterior Repairs at the VSDB; Renovations, Improvements, and Equipment at the Advanced Learning and Research Institute; and the Eastern Shore Laboratory Education and Administration Complex at the Virginia Institute for Marine Science. The Construct Area 12 Office Building at the Virginia State Police is a supplanted project mentioned in a previous item. In addition, language requires the VSDB to submit a plan to the Secretary of Education to address the school's declining enrollment and the current and future uses of Main Hall. The plan must be approved by the Governor before any funding for the Main Hall project is released.

- *Maintenance Reserve Supplant, Supplements, and Language.* Supplants \$10.0 million in GF maintenance reserve funding with VPBA/VCBA tax-supported bonds. Includes about \$1.0 million in VPBA bonds for the Department of Military Affairs with language allowing maintenance reserve to be used to install fire safety systems in readiness centers. An additional supplement of \$500,000 in VPBA bonds is included for the Virginia State Police to address mold remediation, air quality repairs, roofing repairs, and exterior waterproofing at the Chesterfield County training academy. Finally, Virginia Commonwealth University received a supplement of \$3.5 million in VCBA bonds to address repairs at the Scott House. Other maintenance reserve language provides the authority to Gunston Hall to utilize up to 20 percent of its maintenance reserve allocation to restore, repair or renew exhibits.

- **Stand-alone Tax-Supported Bond Projects**

- *Department of Behavioral Health and Developmental Services.* Authorizes \$3.6 million in VPBA tax-supported bonds for infrastructure repairs to storm and sanitary sewer systems at Central and Eastern State Hospitals.
- *Department of Military Affairs.* Includes \$5.0 million in VPBA tax-supported bonds for Fire Safety Systems Phase I, \$3.0 million in VPBA bonds for blanket property acquisition authority for readiness centers, and \$323,000 in VPBA bonds to support the renovation of the Roanoke Field Maintenance Shop.
- *Department of General Services.* Authorizes \$2.5 million in VPBA tax-supported bonds to repair the exterior building envelope of the Main Street Centre.
- *Department of Veterans Services.* Includes \$10.0 million in VPBA tax-supported bonds for the state share for the planning and construction phases of a project for construction of additional burial sites at the Albert G. Horton, Jr. Memorial Veterans Cemetery in Suffolk and allows the Governor to request federal funds for which this \$10.0 million would be a match.

- **Projects Supported with 9(c) Revenue Bonds.**

- *Renovate Dormitories at College of William and Mary.* Provides a total of \$13.6 million for dormitory renovations at the College of William and Mary.
- *Utilize Excess 9(c) Bond Proceeds for Dormitory Repairs at Virginia State University.* Includes language to allow Virginia State University to spend \$5.3 million in excess bond proceeds from the sale of 9(c) revenue bonds for two previous dorm projects. The excess proceeds will be used to make repairs and improvements to other campus residence halls.

- **Projects Supported with 9(d) Revenue Bonds.** Authorizes a total of \$122.9 million for the following list of projects supported by 9(d) revenue bonds:

<b>9(d) Revenue Bonds</b>		
<u><b>Institution</b></u>	<u><b>Project Title</b></u>	<u><b>Amount</b></u>
College of William and Mary	Construct West Utilities Plant	\$14,986,000
Richard Bland College	Student Housing	1,600,000
Virginia Tech	Renovate Holden Hall	17,500,000
Virginia Tech	Construct Central Chiller, Phase II	9,797,000
Virginia Tech	Construct VT Carilion Research Addition	23,793,000
Longwood University	Replace Steam Distribution System	3,192,000
James Madison University	Construct West Campus Parking Deck	7,000,000
Old Dominion University	Foreman Field Stadium	<u>45,000,000</u>
<b>Total</b>		<b>\$122,868,000</b>

- **Other Projects Supported with Nongeneral Fund Cash.** Provides a total of \$35.7 million NGF for the following list of projects supported by agency nongeneral funds:

<b>Nongeneral Fund Supported Projects</b>		
<u>Agency</u>	<u>Project Title</u>	<u>Amount</u>
Department of Military Affairs	Renovate Roanoke Field Maintenance Shop	\$1,000,000
Department of Conservation and Recreation	Acquire State Parks Property	1,000,000
Department of Conservation and Recreation	Acquire Natural Area Preserves Property	2,680,000
James Madison University	Construct West Campus Parking Deck	7,000,000
Old Dominion University	Foreman Field Stadium	10,000,000
Radford University	Renovate and Improve Athletic Facilities	10,700,000
Virginia State University	Addition to M.T. Carter Building	<u>3,350,000</u>
<b>Total</b>		<b>\$35,730,000</b>

### *Language Amendments*

- **General Conditions - Six-Year Capital Outlay Plan Advisory Committee.** Language is included to allow the Director of the Department of Planning and Budget, after consultation with the Six-Year Capital Outlay Plan Advisory Committee, the authority to transfer bond appropriations and bond proceeds between and among capital pool projects.
- **General Conditions - College of William and Mary.** Language authorizes the College of William and Mary to evaluate and execute alternative financing agreements with public and private entities including the William and Mary Real Estate Foundation as a means to provide parking, student and/or faculty/staff housing, recreational, athletic, or other operational related facilities.
- **Department of State Police.** Language allows the Department to use up to \$3.4 million from the existing appropriation for the STARS radio system project to upgrade and replace STARS equipment.

- **Department of Transportation.** Includes language to market, sell or convey property currently occupied by the Hampton Roads District Headquarters. The language also allows for leasing authority as necessary to continue operations.
- **2016 Bond Program Project Management.** Includes language to allow for the management of nine capital projects contained in the 2016 bond program that maximize the use of the nongeneral fund portion of each project prior to the use of tax-supported bond financing.
- **Capital Leases.** Language authorizes the Department of General Services to enter into capital leases on behalf of DMV for a customer service center in Loudoun County and on behalf of the Department of Corrections for probation and parole space needs in Chesterfield County.
- **Christopher Newport University – Yoder Barn.** Includes language that allows the University to retain proceeds from the sale of the Yoder Barn property that was a gift in 2007.
- **Christopher Newport University – Scope Change.** Language corrects the scope of the Construct and Renovate Fine Arts and Rehearsal Space project to increase to 105,040 gross square feet, including 88,060 gross square feet of new construction and 16,980 gross square feet of renovation. The wrong scope was submitted by the University based on an error. Additional language states that the total project cost will not exceed the amount authorized in Chapter 759 of the 2016 Acts of Assembly.
- **Old Dominion University – Stadium at Foreman Field.** Includes language that the University is authorized to reconstruct the Stadium at Foreman Field. Any debt service for this project that is supported by subsidy may be excluded from the subsidy calculations defined under § 23-1.1309 A., *Code of Virginia* (athletic fee legislation). The language also states that the institution shall not raise athletic fees to support the construction of this facility.
- **Radford University – Improve Athletic Facilities.** Language authorizes the University to renovate and improve various athletic facilities and fields as part of its comprehensive master plan (also authorizes \$10.7 million in NGF cash for the project included in the table above). This project includes the replacement of softball stadium lights, resurfacing tennis courts, renovation and improvement to baseball stadium restrooms, concession areas and ticket office and renovation, improvements and upgrades in the Dedmon Center Arena. Any debt service for these projects that is supported by subsidy may be excluded from the subsidy calculations defined under § 23-1.1309 A., *Code of Virginia* (athletic fee legislation).
- **Department of Military Affairs – Capital Outlay Process Improvements.** Language directs the Department of General Services (DGS) and the Department of Military Affairs (DMA), in consultation with the Department of Planning and Budget (DPB), to study and

identify issues related to the DMA's ability to enter into contracts using federal funding and adhering to the Commonwealth's capital outlay Code requirements, and DGS' policy and procedures for capital outlay projects. DGS and DMA will give priority to evaluating and developing options to leverage federal dollars for capital projects that become available and must be obligated within 90 days of the end of a federal fiscal year.

- **Department of Military Affairs – Surplus Property.** Language is included to direct the Departments of Military Affairs (DMA) and the Department of General Services (DGS) to develop a plan for the use, sale, or disposal of property that is surplus to DMA's current or proposed needs. The plan will include recommendations for the management and use of any revenue generated from the sale of DMA state-owned surplus real property.
- **Change Bond Authorization Related to CCAM and Centers for Excellence.** Language changes previous stipulations related to the Commonwealth Center for Advanced Manufacturing's (CCAM's) ability to use \$25.0 million in state bond proceeds related to receiving a matching federal grant for the purpose of the creation of Regional Centers of Excellence. This language allows the bond proceeds to be used to support existing and future Regional Centers of Excellence and allows the Virginia Economic Development Partnership to certify the allowance of in-kind contributions instead of a matching federal grant. However, the language changes further stipulate that the in-kind donations shall not exceed more than 40 percent of the total required match.
- **Capital Square Infrastructure – Control of Bank Street.** Language authorizes that Bank Street from 9th to 12th Street in the City of Richmond to be controlled by the Department of General Services (DGS) and the Division of Capitol Police (DCP) while the General Assembly is in session and is located in the Pocahontas Building. Vehicular travel limitations and pedestrian management needs on and along Bank Street shall be determined jointly by the DGS and the DCP during that time. Under this language, funding for materials and contract services needed to address pedestrian and vehicle management activities are available to DGS. DGS and the DCP will coordinate its Bank Street decisions with the City of Richmond to allow for adequate set-up and removal of temporary traffic control after December 1st each year prior to a General Assembly session and two weeks after a General Assembly session ends. At no time, will DGS or DCP make permanent changes to Bank Street right-of-way without the approval of the City of Richmond's Chief Administrative Officer. In addition, the language dictates that at no time will the City prevent DGS and DCP from implementing the required changes.
- **Capital Square Infrastructure – Pocahontas Building.** Language transfers operational authority of the Pocahontas Building to the Legislative Support Commission during the General Assembly's temporary occupation of the space while the current General Assembly building is demolished and replaced.