

EXECUTIVE SUMMARY

**ACTION ITEM: The University of Arizona's Proposed FY 2008-2010
Capital Improvement Plan**

ISSUE: The University of Arizona requests Board approval of its proposed FY 2008-2010 Capital Improvement Plan.

BACKGROUND:

- The University of Arizona is required to submit a Capital Improvement Plan (CIP) consistent with ABOR Policy Chapter VII. Incorporated in the CIP is a Three-Year Capital Plan, which identifies those projects the University intends to initiate during the corresponding fiscal year. It also presents the \$37.4 million Building Renewal Request for Fiscal Year 2008.
- The first year of the Three-Year Capital Plan contains one project: the Arizona State Museum Rio Nuevo, with a total project budget of \$62.1 million. Funding for the project is through a combination of gifts and other sources that includes Rio Nuevo Multipurpose Facilities District Tax Increment Financing.

Priority	Project Name	Fund Method	Estimated Total Cost
C.1	Arizona State Museum Rio Nuevo	Gifts, Other	\$62,100,000

FISCAL IMPACT AND FINANCING PLAN

- The Annual Assessment of Debt Capacity demonstrates the University's ability to finance projects listed in the One-Year Capital Plan through debt instruments. Future revenues and expenditures were estimated through FY 2011 using historical data from audited financial statements.
- The debt ratios for the FY 2008 Capital Improvement Plan are estimated to be: State (A.R.S) 2.9%, and ABOR 4.9%, and are the highest ratios within the five-year projection. The computations consider projects listed in the FY 2007 Capital Development Plan and projects that have received Project Approval. Projected debt ratios in the FY 2008 Capital Improvement Plan are within statutory (8%) and ABOR (10%) guidelines.

RECOMMENDATION/CONCLUSION:

RESOLVED: That The University of Arizona be, and hereby is, granted approval for the FY 2008-2010 Capital Improvement Plan.

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Project Description

PROJECT NAME: Arizona State Museum Rio Nuevo

PRIORITY: C.1

DESCRIPTION

The Arizona State Museum (ASM) Rio Nuevo project will relocate a large portion of its public outreach programs and resources to a new building on land provided by the City of Tucson as part of its Rio Nuevo Multipurpose Facilities District. The new facility will allow ASM to expand and improve its public programs, which are currently restricted in size by both quantity and quality of space. It will provide dedicated space to house permanent and rotating exhibits, indoor and outdoor presentation space for community-centered educational activities, lectures, school programs, cultural festivals, and seasonal celebrations. The ASM goals for the Rio Nuevo facility are in accordance with its mission. Project goals include: provide an anthropological perspective to connect the science and history already proposed for the West Side Centennial Plaza by the Science Center, the Arizona History Museum, and the Tucson Origins Heritage Park; collaborate with Tucson's diverse communities, with a focus on Native American communities, in developing and presenting exhibits and programs; orient and educate visitors to the region's archaeology, history, cultural continuity, enduring heritage, and borderlands issues; and provide a venue for the public to connect to the collections and research at ASM's on-campus facility. Placing public programs at Rio Nuevo provides a means to reach larger more diverse audiences, allows more efficient use of limited campus space, and expands the Museum's ability to disseminate research findings by creating exhibits that draw directly from current research activities. The ASM Rio Nuevo facility will support Anthropology as a social science, and will introduce potential students into the field and invite them to the campus for further academic exploration.

JUSTIFICATION

The Arizona State Museum was founded in 1893 when the 17th Arizona Territorial Legislative Assembly created the museum "for the collection and preservation of archaeological resources...of the Territory." Since then, ASM's mission has consistently included a mandate for the preservation of collections and other applied programs for cultural resources under additional legislation including the Arizona Antiquities Act. The Arizona State Museum's mission is to be "an anthropology museum which promotes understanding of, and respect for, the peoples and cultures of Arizona and surrounding regions." As one of the strongest University public outreach arms, ASM sees the Rio Nuevo project as part of its master plan to support the missions of the ASM and the University. The ASM public programs support the University mission to discover, educate, serve, and inspire, and supports the University focused excellence initiative for theme-based research and outreach in culture, ethnic, and area studies. The Arizona State Museum Building Master Plan, June 2001, identifies three projects to meet these needs: new off-campus exhibition space; new off-campus storage; and renovation and expansion of the current facility. Completion of the Rio Nuevo facility makes it possible to renovate and expand on-campus facilities to accommodate student education, collection management and research functions.

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TWO-YEAR CAPITAL PLAN FORECAST (FY 2009 & FY 2010)

Reference Number	Project Name	Project Description
F1	Engineering Research Building Phase II	The next phase of a multi-phased project to improve the quality and quantity of facilities for the College of Engineering. The project expands the capacity of the Engineering Research Building and allows for the consolidation of related engineering programs.
F2	Environment & Natural Resources Phase II	The proposed facility would be located next to the Dennis DeConcini Environment & Natural Resources Building. Preliminary planning places the following programs in the facility: Atmospheric Sciences (office space), Laboratory of Tree-Ring Research, the Institute for the Study of Planet Earth, and flexible laboratory space.
F3	Residence Life Facility	Additional housing for undergraduate students to improve the quality and quantity of on-campus residence hall space.
F4	North Campus Library	The facility will provide a technology-rich information commons and group study spaces to support students along with selected print collections. It will serve students and faculty on the northwest campus area, and is conceived as a place where learning, experimentation, and original vision is promoted and technologically enabled.
F5	Surface Infrastructure	The Comprehensive Campus Plan 2003 framework is based upon improving surface infrastructure (e.g., sidewalks, bike paths, and plazas) and improving utility distribution and circulation systems. Areas addressed in this project include: AHSC Ring Road improvements and Campus Boundary Landscape enhancements.
F6	UA College of Medicine – Phoenix, Medical Education Building	The new educational facility provides the necessary instructional space to expand the UA College of Medicine – Phoenix class size to 64 students and eventually to 150 students. It is part of the plan to address the critical shortage of physicians in the State of Arizona. In addition, planning for Arizona Biomedical Collaborative II could be started this fiscal year if funds are available.