- The Shantz Building Remodel

  - After ACP approval in September 2023, the U of A conducted extensive design review of the Shantz building to allow for more-informed decision making. These efforts revealed new information that required prioritization of the most feasible options to pursue and additional scope of work to include in the project.

  - The additional scope of work increased the total project cost from the previously approved $65 million to $100 million. This project is being resubmitted for ACP approval given the increased scope of the project and the increase in total project costs.

  - The funding for this project will still be through bond financing

  - Depending on how these challenges are resolved, this project is targeted to begin construction in October 2025 and will be complete in the fall of 2027.

x In addition, the timing of bond issuance for the Shantz and the Arizona State Museum projects has been reevaluated and postponed to the Fall of FY 2025, in concert with the updated timing for both projects. This pause will reduce interest expenses.

x Additional detail on project costs, financing, and scope can be found in the tables in Exhibits 2 and 3, and the individual Project Justification Reports attached at the end.

Fiscal Impact and Management

x There is no change in impact, compared to the board-approved 2024 ACP for U of A.

x The U of A ACP, if approved for implementation, will require an investment of $512.0 million.

x Of the total amount, $260 million will be financed using debt.

Debt Ratio Impact

x The projected highest debt ratio, in FY 2026, will be 4.3 percent excluding SPEED revenue bonds and 5.1 percent if including SPEED revenue bonds.

Other Projects

x The U of A anticipates no additional third-party projects, component unit projects, and

EXHIBIT 1

UARIZONA
CAPITAL PROJECT STATUS REPORT

EXECUTIVE SUMMARY

EXHIBIT 2

U OF A FY2025 ANNUAL CAPITAL PLAN								
PROJECT NAME	BOARD APPROVAL STATUS	GROSS SQUARE FOOTAGE	PROJECT COST	AMOUNT FINANCED	FUNDING METHOD	ANNUAL DEBT SERVICE	FINAL MATURITY	DEBT RATIO
NEW CAPITAL PROJECTS								
The Center for Advanced Molecular and Immunological Therapies (CAMI)	FY 2025-2027 CIP	205,000	$290,000,000	$75,000,000	Bonds / Grants	$4,600,000	FY2055	0.1
Deferred Maintenance	FY2026-2029 CIP	3.500,000	$35,000,000	$35,000,000	Bonds	$2,500,000	FY2045	0.1
Micro/Nano Fabrication Center Renovation	Waiver	15,500	$25,000,000		Grant			
New Capital Project Totals			350,000,000	110,000,000		$7,100,000		
RESUBMITTED CAPITAL PROJECTS								
Arizona State Museum Renovation Project	CIP 2021 ACP 2022 2023							

EXHIBIT 3

U OF A ANNUAL DEBT SERVICE BY FUNDING SOURCE									
PROJECT	AMOUNT FINANCED	TUITION	STUDENT FEES	INDIRECT COST RECOVERY	OTHER LOCAL FUNDS	STATE CAPITAL INFRASTRUCTURE	STATE LOTTERY	OTHER	TOTAL ANNUAL DEBT SERVICE
NEW CAPITAL PROJECT									
The Center for Advanced Molecular and Immunological Therapies (CAMI)	$75,000,000			$4,600,000					$4,600,000
Deferred Maintenance	$35,000,000.	$1,250,000				$1,250.000			$2,500,000
RESUBMITTED CAPITAL PROJECT									
Shantz Building Remodel – Research Renovation Project	$100,000,000	$3,700,000				$3,700,000			$7,400,000
Arizona State Museum Renovation Project	$50,000,000	$1,800,000				$1,800,000			$3,600,000
Annual Debt Service Total	$260,000,000	$6,750,000		$4,600,000		$6,750,000			$18,100,000

EXHIBIT 3 (continued)

ANNUAL OPERATION AND MAINTENANCE BY FUNDING SOURCE									
PROJECT	TOTAL ANNUAL O&M	TUI	SFE	ICR	OLF	GFA	FGT	DFG	OTH
NEW CAPITAL PROJECT									
The Center for Advanced Molecular and Immunological Therapies (CAMI)	$1,774,500			$1,774,500					
Deferred Maintenance									
Micro/Nano Fabrication Center Renovation	$134,200	$134,200							
RESUBMITTED CAPITAL PROJECT									
Mining and Mineral Natural Resources Museum Renovation	$232.200								$232,200 (State Appropriation)
Annual O&M Totals	$2,140,900	$134,200		$1,774,500					$232,200

TUI = Tuition
SFE = Student Fees
ICR = Indirect Cost Recovery
OLF = Other Local Funds
GFA = General Fund Appropriation
FGT Federal Grant
DFG = Debt Financed by Gifts
OTH = Other

EXHIBIT 4

Project Site Map

EXHIBIT 5

2024DEBT CAPACITY

PURPOSE

To demonstrate the University of Arizona's ability to finance additional capital investment through debt instruments and to fund the related debt service (principal and interest).

PROJECTED DEBT CAPACITY

The debt capacity report includes six projects from the Annual Capital Plan (ACP): The Center for Advanced Molecular and Immunological Therapies (CAMI), Shantz Building Deferred Maintenance and Research Renovation, Arizona State Museum Deferred Maintenance, the Arizona Public Media Building, deferred maintenance, and the

FUTURE PROJECTS

Projects listed are from th current Annual Capital Pla (ACP) and current Capita Improvement Plan (CIP). These planned projects are included in the Debt Capacity assumptions.

	Project Budget	Amount to Finance
Center for Advanced Molecular and Immunological Therapies	$ 290,000,000	$ 75,000,000
Shantz Building DM/Research Reno*	100,000,000	100,000,000
Arizona State Museum DM*	50,000,000	50,000,000
Arizona Public Media Building	63,000,000	20,000,000
Deferred Maintenance*	35,000,000	35,000,000
UAHS Building 201 Remodel	10,000,000	10,000,000
Total	$ 548,000,000	$ 290,000,000

* Includes funding from State Capital Appropriation HB2547

CREDIT RATINGS

The University of Arizona's current credit rating is Aa2 (Moody's) and AA- (S&P). Positive rating factors include UArizona as the flagship and land-grant institution, as well as its important role in the provision of medical education for the State of Arizona. The university continues to have growing and diverse research programs and sizable sponsored research

University of Arizona
Annual Capital Plan - Project Justification Report
Center for Advanced Molecular Immunotherapies (CAMI)

Background/History of Previous Board Action

x Capital Improvement Plan FY 2025 – 2028 September 2023

Project Description /Justification /Scope

x The University of Arizona (U of A) is seeking to build a new 205,000 Gross Square Feet (GSF) research and academic facility to house the next phase of expansion on the Phoenix Bioscience Core (PBC). The new building will include space for the new Center for Advanced Molecular and Immunological Therapies (CAMI) and other academic and core research laboratory support spaces to enhance the U of A's research and academic enterprises in the Phoenix area.

x The new CAMI building will be located on the prominent southwest corner of Filmore Street and 7th Street.

x The new building will be high-rise construction and will house wet lab research space to accommodate thirty-six to forty principal investigators, clinical research space, and dry lab space. Wet lab space will be capable of supporting BSL2-type

estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.

x The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the D-B agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures

Fiscal Impact and Financing Plan

- U of A plans to finance $75.0 million for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $4.6 million based on a conservative budget of 5 percent interest rate for a 30-year maturity. U of A plans to use Indirect Cost Recovery to pay for the debt service. U of A plans to use State and County ARPA funds, local funds, additional bond funding, and gifts to finance the remaining $215 million project costs.

- When the bond is issued for the project, the U of A's estimated outstanding debt at

x This facility will provide new space for new faculty and research. It is not anticipated

University of Arizona
Annual Capital Plan - Capital Project Information Summary
Center for Advanced Molecular Immunotherapies (CAMI)

Project Description / Location:
This project will be a new research facility for the Center for Advanced Molecular and Immunological Therapies and will include clinical research and core facilities to support the Center along with the other research missions on the Phoenix campus. The project will be located at the Phoenix Bioscience Core in downtown Phoenix.

	FY 2025 Annual Capital Plan
Project Schedule (Beginning Month/Year):	
Planning	August 2023
Design	

University of Arizona
Annual Capital Plan - Capital Project Budget Summary
Center for Advanced Molecular Immunotherapies (CAMI)

Date of Budget Estimate		FY 2025 Annual Capital September 20
1. Land	$	0
2. Construction Cost		
A. New Construction	$	228,000,00
B. Renovation	$	0
C. Fixed Equipment	$	3,000,00
D. Site Development (exclude 2.E.)	$	0
E. Parking & Landscaping	$	0
F. Utilities Extensions	$	1,000,00
G. Other (asbestos only)	$	0
Subtotal Construction Cost	$	232,000,00
3. Consultant Fees		
A. Construction Manager	$	0
B.		

University of Arizona
Annual Capital Plan - Project Site Location Map

University of Arizona
Annual Capital Plan - Project Justification Report
Deferred Maintenance Project

Background/History of Previous Board Action

x No previous action

x Waiver requested

x This project has been included as a first-year project in the FY 2026 – 2029 Capital Improvement Plan 6 (l) e Projber JustifiaatiberDon Reacriti (i)S2 (i-5 (c)ope0 (9)]TJ 0 Tc 0 4.913.0

- The construction cost for this project is $30,000,000 ($8.59 per gsf), and the total project cost is $35,000,000 ($10.02 per gsf).

- Comparable similar previously approved projects:

University of Arizona
Annual Capital Plan - Capital Project Budget Summary
Deferred Maintenance

		FY 2025 Annual Capital Plan
Date of Budget Estimate		Sept 2024
1. Land	$	0
2. Construction Cost		
A. New Construction	$	0
B. Renovation	$	12,365,000
C. Fixed Equipment	$	22,000,000
D. Site Development (exclude 2.E.)	$	0
E. Parking & Landscaping	$	0
F. Utilities Extensions	$	0
G. Other (asbestos only)	$	0
Subtotal Construction Cost	$	30,000.000
3. Consultant Fees		
A. Construction Manager	$	3,800.000
B.		

University of Arizona
Annual Capital Plan - Project Justification Report
Micro/Nano Fabrication Center Renovation Project

Background/History of Previous Board Action

x No previous action

x Waiver requested

Project Justification /Description /Scope

x This project is funded 100% by the Arizona Commerce Authority. The scope of the project is to modernize the Micro/Nano Fabrication Center clean room in the U of A Electrical Engineering Building on the Tucson campus. This modernization will facilitate expanded R&D and workforce development in support of the semiconductor industry in alignment with the CHIPS Act and the growth of semiconductor manufacturing within the state of Arizona. The Micro/Nano Fabrication Core Facility (MNFC) is operated as a Core Facility under RII and generates revenues from small and medium companies which utilize the equipment facility.

x

estimate at each phase, and low-

University of Arizona
Annual Capital Plan - Capital Project Information Summary
Micro/Nano Fabrication Center Renovation Project

Project Description / Location:
This project will renovate the Micro/Nano Fabrication Center and will be located at ECE Building.

FY 2025 Annual Capital Plan

Project Schedule (Beginning Month/Year):

Planning	August 2023
Design	April 2024
Construction	September 2024
Occupancy	December 2025

Project Budget:

Total Project Cost	$ 25,000,000

University of Arizona
Annual Capital Plan - Capital Project Budget Summary
Micro/Nano Fabrication Center Renovation Project

		FY 2025 Annual Capital Plan
Date of Budget Estimate		Sept 12, 2024
1. Land	$	0
2. Construction Cost		
A. New Construction	$	0
B. Renovation	$	20,575,000
C. Fixed Equipment	$	0
D. Site Development (exclude 2.E.)	$	0
E. Parking & Landscaping	$	0
F. Utilities Extensions	$	0
G. Other (asbestos only)	$	0
Subtotal Construction Cost	$	20,575,000
3. Consultant Fees		
A. Construction Manager	$	0
B. Architect/Engineering Fees	$	2,250,000
C. Other (Programming, Special Consult.)	$	150,0000 ET EMC /P <</MMI
Subtotal Consultant Fees	$	2,400,000
4. Furniture Fixtures and Equipment	$	0
5. Contingency, Design Phase	$	400,000
6. Contingency, Construction Phase	$	560,000
7. Parking Reserve	$	0
8. Telecommunications Equipment	$	450,000

cost estimate at each phase, and low-bid subcontractor work for the actual construction work, this method also provides a high level of cost and quality control.

- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and responsible subcontractor bids. For this work, a minimum of three subcontractor bids will be required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures will be provided at project completion.

- The D-B Team was selected through the capital project selection committee process prescribed by the ABOR Procurement Code. A licensed contractor was included on the selection committee as required by ABOR Policy.

Project Status and Schedule

- Design phase commenced summer 2023.

- Project construction is scheduled to commence during winter 2025 with a targeted completion of summer 2027.

Project Cost

- The project encompasses 122,191 GSF, including 84,703 NASF.

- The construction cost of this project is $42.5 million ($348 per GSF) and the total project cost is $50 million ($409 per GSF).

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	University	Total Project Budget	Project GSF	Total $/GSF	Constr. $/GSF
Animal and Comparative Biomedical Sciences	University of Arizona	$18,152,398	62,265	$291.53	$122.99
Steward Observatory	University of Arizona	$11,092,247	129,107	$85.92	$69.30
Facilities Management Building	University of Arizona	$24,000,000	70,000	$342.86	$267.00

University of Arizona
Annual Capital Plan - Capital Project Information
Summary Arizona State Museum Deferred Maintenance/Renovation Project

Project Description / Location:
This project will address outstanding Deferred Maintenance needs at the Arizona State Museum.

	FY 2024 Annual Capital Plan	Revised FY 2025 Annual Capital Plan
Project Schedule (Beginning Month/Year):		
Planning	Summer 2022	April 2023
Design	Summer 2023	September 2023
Construction	Winter 2024/2025	January 2025
Occupancy	Summer 2026	July/August 2027
Project Budget:		
Total Project Cost	$ 30,000,000	$ 50,000,000
Total Project Cost per GSF	$ 245.52	$ 409.19
Direct Construction Cost - Renovation	$ 25,803,171	$ 42,500,000
Construction Cost per GSF - Renovation	$211.17	$ 348
Change in Annual Oper./Maint. Cost		
Utilities	N/A	$ 366,600
Personnel	N/A	$ 380,600
Other	N/A	$ 188,300
Funding Sources:		
Capital:		
x System Revenue Bonds	$ 30,000,000	$ 50,000,000
Operation/Maintenance:		
x In current budget	N/A	$ N/A

University of Arizona
Annual Capital Plan - Capital Project Information
Summary Arizona State Museum Deferred Maintenance/Renovation Project

Project Description / Location:
This project will address outstanding Deferred Maintenance needs at the Arizona State Museum.

Date of Budget Estimate		FY 2024 Annual Capital Plan Sept 2023		Revised FY 2025 Annual Capital Plan Sept 2024
1. Land	$	0	$	0
2. Construction Cost				
A. New Construction	$	0	$	0
B. Renovation	$	24,859,000	$	40,500,000
C. Fixed Equipment	$	0	$	100,000
D. Site Development (exclude 2.E.)	$	0	$	0
E. Parking & Landscaping	$			

University of Arizona
Annual Capital Plan – Project Site Map Arizona State Museum Renovation Project

Debt Ratio Impact

x The project will have no impact on the U of A's debt ratios because no debt will be issued to finance this project.

Occupancy Plan

x This facility will provide new space for the U of A. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

x ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of $10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

x Pursuant to ABOR Policy 7-102.B.2.a.(2), a previously approved project shall be re-submitted for ACP approval if it has not received individual project and financing approval,

University of Arizona
Annual Capital Plan - Capital Project Information Summary
Mining and Mineral Natural Resources Museum Renovation

p p r 1

Project Description / Location:
This project will provide capital improvements T p n r i o n v

University of Arizona
Annual Capital Plan - Project Site Location Map
Mining and Mineral Natural Resources Museum Renovation

University of Arizona
Annual Capital Plan – Project Justification
Report Shantz Building Remodel - Research
Renovation Project

Background/History of Previous Board Action

x Capital Improvement Plan FY 2023 – 2025 September 2021

x Annual Capital Plans September 2022 and September 2023

Project Justification /Description /Scope

x The U of A's renovation of the Shantz Building is a high priority on the deferred maintenance list. Modernization of the building will address strategic research needs along with the retention, attraction, and recruitment of high-level researchers to the University.

x Renovations of the six-story Shantz Building will include updates to all major mechanical, plumbing, and electrical t eDB22s n eDB22s

- The Design-Builder provides a Guaranteed Maximum Price (GMP) based upon the amount previously agreed upon in the Design-Build agreement. The Design-Builder is at risk to provide the completed project within that price. In the selection of major subcontractors, the Design-Builder uses a qualification-based selection process prescribed by the ABOR Procurement Code to allow major subcontractors a design-assist role during the design phase. All remaining subcontractor work is awarded on the basis of the lowest responsive and

- Current occupants will be vacated, either temporarily or permanently, to other facilities on campus and redistributed or reinstated back into the facility as determined by the programming and research needs.

- This facility may provide new space for new faculty. It is not anticipated that any existing space will be released, or that any existing facilities will be demolished.

Statutory/Policy Requirements

- ABOR Policy 7-102 requires all major capital projects with an estimated total project cost of $10 million or more to be included in the Annual Capital Plan, including new construction, renovation, infrastructure, information technology, and third-party projects.

- Pursuant to ABOR Policy 7-102.B.2.a.(2), a previously approved project shall be re-submitted for ACP approval if it has not received individual project and financing approval, which applies to this project.

University of Arizona
Annual Capital Plan - Capital Project Information Summary Shantz Building Remodel – Research Renovation Project

Project Description / Location:

This project will renovate the six-story Shantz Building located at 1177 E. 4th Street.

	FY 2024 Annual Capital Plan	FY 2025 Annual Capital Plan
Project Schedule (Beginning Month/Year)		
Planning	Late 2022	Late 2022
Design	Early 2023	Early 2023
Construction	Late 2023	Late 2024

University of Arizona
Annual Capital Plan - Capital Project Budget
Summary Shantz Building Remodel – Research Renovation Project

	FY 2024 Annual Capital Plan	FY 2025 Annual Capital Plan
Date of Budget Estimate	Sept 2023	Sept 2024
1. Land	$ 0	0
2. Construction Cost		

U of A Annual Capital Plan
Project Site Location Map Shantz Building Remodel
Research Renovation Project