

ABOR POLICY SUMMARY
BUILDINGS, INFRASTRUCTURE AND LAND

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This document serves as a summary of the Arizona Board of Regents Policy Chapter VII – Buildings, Infrastructure and Land. This summary does not represent the entire ABOR Policy

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The universities are to maintain a Space Inventory and Utilization Report methodology that compares actual inventory and utilization data to the Regents' Space Guidelines, and assists in planning capital projects based upon space needs identified in the report. To assist in the budgeting of new projects, the universities are required to consider the Regent's Construction Cost Control and Professional Fee Guidelines and maintain a cost information database developed from completed projects.

For each capital project, the universities must fully disclose the estimated costs of the project and the debt issuance, current debt capacity, debt service, the assumptions made for the debt repayment, and the fiscal impact of the project. The final maturity of any capital financing undertaken by a university will not exceed the estimated useful life of the capital asset being acquired or constructed.

At the State government level, the Joint Committee on Capital Review (JCCR) reviews the scope, purpose, and estimated cost of university projects that require debt financing or lease-purchase agreements. Capital projects have JCCR review prior to requesting approval from the Board to issue bonds, and prior to construction.

STRATEGIC PLANNING (JCC) 10 62258815s, JCCComm

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CAPITAL IMPROVEMENT PLAN (CIP)

Capital Improvement Plans are a statutory requirement and serve as a

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The Space Inventory and Utilization Report compares the actual inventory of space and current utilization data to the Regents' Space Guidelines, and assists in planning capital projects based upon space needs identified in the report.

AUDITING

The central office audits capital projects on a periodic basis for compliance with Board policies. In addition, the central office audits a sample of projects funded with state-appropriated building renewal monies.

TITLE OF REAL PROPERTY

On behalf of the universities, the Arizona Board of Regents holds title to the

PURCHASE OF REAL PROPERTY

The purchase of real property by a university requires prior approval of the Board unless the property is located within the university planning boundary and the purchase price is less than \$500,000.

SALE OF REAL PROPERTY

Real property that the university anticipates to be worth \$250,000 or more may be sold only with prior authorization from the Board and requires a public auction. Real property anticipated to be worth less than \$250,000 may be sold without Board approval by listing it with a licensed broker who is a member of any multiple listing service, or by public auction. No real property for which an appraisal is required may be sold for less than the lowest appraised value of the property.

EXCHANGE OF REAL PROPERTY

All exchanges of real property in which either parcel has a value of \$250,000 or more require Board approval. A university may enter into an exchange, notwithstanding a differential in the appraised values of the properties, if (a) the differential is paid in cash or other consideration acceptable to the university, or (b) the differential is less than 20 percent, and the university determines that the value given by the university is within the foreseeable range of possible outcomes if the property to be acquired by the university were to be taken under the power of eminent domain.

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GRANTS/GIFTS OF REAL PROPERTY

Each university may grant or amend easements/rights-of-way to other public entities and public service corporations or to private entities without prior Board approval. A university may accept gifts or bequests of real property. Prior to or concurrently with the acceptance, the university (a) examines the property to determine environmental and other liability risks associated with ownership, and (b) determines that the intention of the donor is documented in sufficient detail to provide the basis for the future managing or sale of the property.

APPRAISALS

One appraisal is obtained for any sale, purchase, or exchange of real property with an anticipated sale price of \$100,000 or more but less than \$1 million. Two appraisals are obtained for any sale, purchase, or exchange of real property with an anticipated sale price of \$1 million or more. All appraisals are to be independent, unilaterally requested, and paid for by the university. No appraisal is required in connection with a sale, purchase, or exchange of property with an anticipated sale price of less than \$100,000. No appraisal may be used for any purchase, sale, or exchange unless the appraisal has been made within six months of the time of Board or university action approving the transaction.

LEASES

A university may enter into a lease or lease amendments as landlord or lessor without Board approval (except for use of athletic facilities by professional teams), provided all of the following criteria are met:

- a. The lease term including all renewals shall not exceed 120 months;
- b. The annual base lease amount does not exceed \$500,000; and
- c. The rental rate meets or exceeds the fair rental value of the property.

A university may enter into leases or lease amendments as tenant or lessee without Board approval provided all of the following criteria are met:

- a. The original lease term shall not exceed a total of 60 months;
- b. Renewal options in total shall not exceed an additional 60 months;
- c. The total annual rental including tax, insurance, and maintenance payable to, through, or on behalf of the landlord shall not exceed \$500,000;
- d. The rental rate does not exceed fair rental value; and
- e. Funds are available.

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Each university may authorize the use of university athletic facilities by professional teams meeting the standards approved by the Board. The rental rates for use of university facilities and properties by off-campus organizations are approved by the president of each institution.

GLOSSARY

Alternative Construction Delivery Methods: Building Delivery Processes that vary from the more standard Design-Bid-Build model. These may include Construction Manager-At-Risk and Design-Build.

Backfill Plan: A plan for how release space will be reoccupied, including an estimate of associated costs and source of funds.

Annual Capital Improvement Plan (CIP): Every year the universities are required to prepare a Capital Improvement Plan that contains proposals for spending on land acquisition, capital projects, energy systems, energy management systems and building renewal. This CIP is to include a one-year plan and at least a two-year forecast of proposed capital activity.

Building Renewal: Major activities that involve the repair or reworking of a building and the supporting infrastructure that will result in maintaining a

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any addenda issued during the bidding process and any approved change orders.

Debt Ratio (ABOR): The numerator of the debt ratio shall include all capital debt

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delivery systems, (e.g., steam and chilled water) roadway systems, external lighting systems, irrigation systems, sidewalks and parking lots. Additional campus infrastructure includes: campus grounds, other circulation systems (bike paths, pedestrian routes, etc.), and parking structures.

Land acquisition: The procurement of real property by gift, grant, purchase, lease purchase, condemnation or other lawful means.

Life Safety/Code Upgrades: Those items specifically related to compliance with life safety codes. Examples include but are not limited to: elimination of dead-end corridors, improvement of building exits, installation of fire sprinklers in existing construction, eliminating hazardous conditions, etc.

Major Maintenance: The periodic need to repair/rework building and infrastructure systems or components. Examples include but are not limited to: re-roofing, disassembling and rebuilding air-conditioning system water chillers and other long-term maintenance requirements.

Master Plan: A document setting forth the concepts and guiding principles for future land use and development of campus facilities and infrastructure.

New Construction: The creation of a new facility or the addition, expansion, or extension of an existing facility that adds to the building's overall gross square footage. Examples include but are not limited to: additions to existing facilities, construction of portable or temporary buildings, etc.

Release Space: Space vacated in the existing inventory of campus buildings as a result of new space being added to that inventory (e.g., new construction, lease, etc.).

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CAPITAL DEVELOPMENT PROCESS

ANNUAL CALENDAR

January

CDP Updates/Revisions Presented to Board

CIP Quarterly Report to Central Office FY 1st Qtr. 2005-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100

February

March

April

Annual Calendar issued by Central Office

CIP Quarterly Report to Central Office FY 3rd Qtr.

May

