

Capital Outlay

Proposed Capital Outlay Funding	
<u>Fund Type</u>	<u>HB/SB 30 2018-20</u>
General Fund	\$15.0
VPBA/VCBA Tax-Supported Bonds	453.7
9(c) Revenue Bonds	21.0
9(d) NGF Revenue Bonds	260.7
Nongeneral Fund Cash	<u>223.6</u>
Total	\$974.0

The Governor’s proposed capital outlay budget for the FY 2018-20 biennium totals almost \$974.0 million from all funds.

- **Projects Proposed to be Supported with General Fund Cash Include:**
 - *Capital Project Planning.* Proposes \$15.0 million GF over the biennium for detailed planning for five projects under the Central Capital Planning Fund, a fund that is also replenished as previously planned projects move to construction.

Central Capital Planning
<u>Agency/Project Title</u>
Department of State Police Replace Training Academy
Wilson Workforce and Rehabilitation Center Renovate Watson Theater and Activities Building, Phase 3
Behavioral Health and Developmental Services Replace Central State Hospital
Department of Corrections Expand and Renovate Deerfield Correctional Center
Institute for Advanced Learning and Research Construct Center for Manufacturing Advancement

- **Central Maintenance Funding**

- *Central Maintenance Reserve.* Proposes \$127.0 million the first year and \$125.0 million the second year from tax-supported bonds for state agencies and higher education institutions for capital maintenance reserve projects. Maintenance Reserve is used to cover the costs of building maintenance and repair projects that are too large to be covered under day-to-day operating maintenance, but that do not exceed \$2.0 million for a single project and up to \$4.0 million for a roof replacement. The introduced budget allocates available funds based on the agency’s total facility square footage as a percentage of the total square footage of all state facilities. For higher education institutions, the calculation is based on the Educational & General portion of square footage as reported by the State Council of Higher Education for Virginia. For all other agencies, the calculation is based on data provided by the Division of Risk Management. Agencies funded entirely with nongeneral funds are excluded from the tax-supported allocations. Higher education institutions would receive a \$25.0 million supplement in each year, also based on square footage in this proposal. Fort Monroe is recommended to receive a supplement of \$2.0 million in the first year for building and utility repairs. The Innovation and Entrepreneurship Authority has been removed from the list as the building it occupies has been directed to be sold. According to the Department of Planning and Budget, the New College Institute has been removed because the building is new and the agency has accumulated a balance of \$300,000 for this purpose.

Proposed Maintenance Reserve Allocations		
<u>Agency</u>	<u>FY 2019</u>	<u>FY 2020</u>
Department of Military Affairs	\$972,356	\$972,356
Department of Emergency Management	100,000	100,000
Science Museum of Virginia	681,997	681,997
Department of State Police	652,917	652,917
Department of General Services	11,800,591	9,800,591
Department of Conservation & Recreation	2,674,091	2,674,091
Library of Virginia	184,182	184,182
Woodrow Wilson Rehab Center	542,549	542,549
College of William & Mary	3,666,752	3,666,752
University of Virginia	12,916,383	12,916,383

Proposed Maintenance Reserve Allocations

<u>Agency</u>	<u>FY 2019</u>	<u>FY 2020</u>
Virginia Tech	13,574,211	13,574,211
Virginia Military Institute	1,714,724	1,714,724
Virginia State University	3,769,199	3,769,199
Norfolk State University	4,118,167	4,118,167
Longwood University	1,878,865	1,878,865
University of Mary Washington	1,653,087	1,653,087
James Madison University	4,957,041	4,957,041
Radford University	2,213,442	2,213,442
Virginia School for Deaf and Blind	458,357	458,357
Old Dominion University	3,629,749	3,629,749
Virginia Commonwealth University	7,073,267	7,073,267
Virginia Museum of Fine Arts	827,971	827,971
Frontier Culture Museum	537,135	537,135
Richard Bland College	515,756	515,756
Christopher Newport University	1,015,859	1,015,859
UVA at Wise	772,776	772,776
George Mason University	5,837,877	5,837,877
Virginia Community College System	13,158,441	13,158,441
Virginia Institute of Marine Science	802,315	802,315
Eastern Virginia Medical School	318,929	318,929
Department of Agriculture and Consumer Services	413,678	413,678
Virginia Marine Resources Commission	101,472	101,472
Department of Mines, Mineral and Energy	110,237	110,237
Department of Forestry	467,234	467,234
Gunston Hall	173,320	173,320
Jamestown-Yorktown Foundation	1,669,298	1,669,298
Department for Blind & Visually Impaired	383,462	383,462
Department of Behav. Health & Developmental Services	5,559,827	5,559,827
Department of Juvenile Justice	1,049,679	1,049,679
Department of Forensic Science	538,217	538,217
Department of Corrections	11,744,472	11,744,472
Institute for Advanced Learning and Research	331,973	331,973
Department of Veterans Services	100,000	100,000
Roanoke Higher Education Center	380,889	380,889

Proposed Maintenance Reserve Allocations

<u>Agency</u>	<u>FY 2019</u>	<u>FY 2020</u>
Southern Virginia Higher Education Center	303,571	303,571
Virginia Museum of Natural History	331,062	331,062
Southwest Virginia Higher Education Center	322,623	322,623
Total	\$127,000,000	\$125,000,000

- **Equipment Supplements**
 - *Equipment for Projects Nearing Completion.* Proposes almost \$52.1 million in tax-supported bonds to purchase furnishings and equipment for projects scheduled to come on-line during the first 18 months of the 2018-20 biennium. The table below lists the eligible projects:

Equipment for Projects Nearing Completion

<u>Agency</u>	<u>Project Title</u>
University of Virginia	Renovate Gilmer Hall and Chemistry Building
	Renovate Space for the Center for Human Therapeutics
Longwood University	Construct New Academic Building
University of Mary Washington	Construct Jepson Science Center Addition
James Madison University	Construct New College of Business
	Renovate Wilson Hall
Radford University	Renovate Curie and Reed Halls
School for the Deaf and Blind	Renovate Bradford Hall
Virginia Commonwealth University	Construct School of Allied Health Professions Building
Virginia Community College System	Construct Bioscience Building, Blue Ridge
	Construct Academic Building, Fauquier Campus, Lord Fairfax
Department of Behavioral Health and Developmental Services	Expand Western State Hospital
Total for FY 2019	\$52,088,000

- **2018 Session Capital Construction Pool.** Proposes \$51.6 million in tax-supported debt in FY 2019 for the construction of the six projects listed in the table below. Within the \$51.6 million in tax-supported debt, \$20.0 million is provided for Alexandria as part of the Combined Sewer Overflow Matching Fund.

Proposed 2018 Session Capital Construction Pool
<p>Agency/Project Title:</p> <p>Virginia Museum of Fine Arts Replace Roof and Drains on Pauley Center Replace Air Handling Units</p> <p>Department for the Blind and Vision Impaired Renovate Departmental Headquarters Building</p> <p>Department of Corrections Replace Hot Water and Heating Mechanical Systems – Sussex I & II and Red Onion Renovate Buckingham Wastewater Treatment Plant</p> <p>Southwest Virginia Higher Education Center Replace HVAC System</p>

- **Previous Pool Supplements**
 - *Comprehensive Capital Outlay Program (Chapter 806 Pool).* Recommends almost \$21.1 million in tax-supported debt in FY 2019 to supplement one previously approved project – the Life Sciences Building, Prince William for George Mason University.
 - *2016 VPBA Capital Construction Pool.* Proposes \$7.5 million in tax supported debt (Virginia Public Building Authority) in FY 2019 to supplement one previously approved project – Renovate Various Cabins for the Department of Conservation and Recreation. In addition, language under this item allows for a title and scope change for the Central Forensic Laboratory and Office of the Chief Medical Examiner project under the Department of Forensic Science, a change that will likely result in additional costs.
 - *2016 VCBA Capital Construction Pool.* Proposes almost \$16.9 million in tax supported debt (Virginia College Building Authority) in FY 2019 to supplement the pool overall and to supplement one previously approved project due to a proposed

scope change– “Construct Service Corridor, Storage Area; Replace Generator” for the Southwest Virginia Higher Education Center. The name of the project at the Southwest Virginia Higher Education Center would change to “Construct Building Expansion and Replace Generator” and would account for approximately less than \$1.0 million of the supplement under this item. The majority of the funding under this item was actually intended to supplement a previous pool – the 2014 Capital Outlay Project Pool. A technical change could be done or previously approved language already allows for the transfer of funding between centrally-managed pools.

- **Stand-Alone Projects.** Proposes \$52.6 million in VCBA/VPBA bond proceeds for six new stand-alone projects (see table below).

Stand-Alone Agency Projects Supported with Bonds		
<u>Institution</u>	<u>Project Title</u>	<u>FY 2019</u>
Department of Military Affairs	Improve Readiness Centers	\$3,000,000
Department of General Services	Monroe Building Critical Systems Replacements	13,600,000
Department of Conservation and Recreation	Make Infrastructure Repairs and Improvements, Various State Parks	4,000,000
School for the Deaf and the Blind	Make System Infrastructure Repairs and Improvements	2,000,000
Department of Transportation	Acquire, Design, and Renovate Facilities Statewide	20,000,000
Department of Behavioral Health & Developmental Svcs	Address Patient and Staff Safety Issues at State Facilities	<u>10,000,000</u>
Total Debt		\$52,600,000

- **Transportation Related Changes**

- *Virginia Department of Transportation*

- *Acquire, Design and Renovate Facilities Statewide.* Proposes \$20.0 million in bond proceeds for transportation capital projects in FY 2019 and, through language, transfers a like amount of Commonwealth Transportation Funds to the Virginia Port Authority, to advance the planning and preliminary engineering requirements for widening and dredging of the Norfolk Harbor Channel to 55 feet and dredging the Southern Branch of the Elizabeth River to 45 feet. Planning and engineering activities are not eligible for bonding but the costs will be eligible for federal reimbursement once the project has been authorized by the U.S. Army Corps of Engineers. Proposes an additional \$25.0 million NGF in Commonwealth Transportation Funds in FY 2020 to fund design, construction and renovation projects among VDOT’s 2,700 facilities.

- *Department of Rail and Public Transportation.*

- *Transit Capital Bonds.* Proposes, in Item 445 G., the authorization of \$110.0 million in transit capital bonds and appropriates the nongeneral fund proceeds in FY 2020 to the Department of Rail and Public Transportation. These amounts are intended to replace bond revenues currently being provided to DRPT from previously authorized Commonwealth of Virginia Transportation Capital Project Revenue bonds which will be fully utilized by FY 2020 and are intended to be used for transit capital projects around the state to be designated by the Commonwealth Transportation Board. The authorization is for one year of bonds only and the debt service would be funded by amounts in the Priority Transportation Fund.

- **Projects Supported with 9(c) Revenue Bonds.** Proposes a total of \$21.0 million for the following list of projects supported by 9(c) revenue bonds:

9(c) Revenue Bonds		
<u>Institution</u>	<u>Project Title</u>	<u>FY 2019</u>
College of William and Mary	Renovate Dormitories	\$11,000,000
Norfolk State University	Construct Residential Housing	<u>10,000,000</u>
Total 9c Debt		\$21,000,000

- **Projects Supported with 9(d) Revenue Bonds.** Proposes a total of almost \$260.7 million for the following list of projects supported by 9(d) revenue bonds:

9(d) Revenue Bonds		
<u>Institution</u>	<u>Project Title</u>	<u>FY 2019</u>
College of William and Mary	Construct the Sadler Center West Addition	\$37,742,000
University of Virginia	Renovate Gilmer Hall and Chemistry Building	31,441,000
Virginia Tech	Renovate O'Shaughnessy Hall	12,634,000
	Improve Student Wellness Center	49,690,000
	Construct VT Carilion Research Institute Biosciences Addition	17,765,000
	Renovate Dietrick Hall, First Floor and Plaza	2,000,000
Virginia Military Institute	Turman House Renovations	2,500,000
University of Mary Washington	Renovate Residence Halls, Phase II	24,500,000
James Madison University	Expand Warren Hall	77,000,000
George Mason University	Construct Utilities Distribution Infrastructure	<u>5,381,000</u>
Total		\$260,653,000

- **Other Projects Supported with Nongeneral Fund Cash.** Includes a total of \$223.6 million NGF for the following list of projects supported by agency nongeneral funds:

Nongeneral Fund Supported Projects	
<u>Agency</u>	<u>Project Title</u>
State Corporation Commission	Maintenance Reserve
Department of Conservation and Recreation	Acquire Land for State Parks
	Acquisition of Land for Natural Area Preserves
	Acquire and Develop Land for Middle Peninsula State Park
Virginia Military Institute	Improve Crozet Hall
	Improve Gray Minor Stadium
Norfolk State University	Acquire Property
James Madison University	Blanket Property Acquisition
Old Dominion University	Convert Gymnasium into Competition Women’s Volleyball Facility
Frontier Culture Museum	Construct English Barn
Department of Game & Inland Fisheries	Maintenance Reserve
	Improve Wildlife Management Areas
	Acquire Additional Land
	Repair and Upgrade Dams to Comply with Dam Safety Act
	Improve Boating Access
Virginia Port Authority	Maintenance Reserve
	Expand Empty Yard
	Cargo Handling Facilities
	Procure APMT Equipment
Department of Transportation	Maintenance Reserve
	Acquire, Design, and Renovate Facilities Statewide

- **Department of Corrections.**
 - *Exemptions from Capital Outlay Processes.* Language in Item 391 E. exempts the Department of Corrections from the capital procurement requirements of DGS Construction and Professional Services Manual as well as Chapters 699 and 704 of the 2017 Acts of Assembly (HB2366/SB1129).

- **Department of Alcoholic Beverage Control (ABC)**
 - *Acquire / Construct ABC Central Office and Warehouse Facility.* Language in Central Capital Outlay provides authorization for ABC to continue with the new warehouse / administrative office building project upon completion of the plan authorized in Chapter 836 and submission of that plan to the Chairmen of the House Appropriations and Senate Finance Committees, the Governor and the Capital Outlay Six-Year Plan Advisory Committee (CAPSIX).