



Report of the Subcommittee on
Capital Outlay

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 10, 2021



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

2021 Report of the Capital Outlay Subcommittee

The Honorable R. Creigh Deeds, Chair

February 10, 2021

Madam Chair and Members of the Committee:

The Capital Outlay Subcommittee again worked diligently to review the introduced budget as it relates to capital outlay and the overall level of debt authorization for the biennium.

As you will recall, last year this Subcommittee faced the difficult task of reducing the proposed total amount of tax-supported debt for the 2020-2022 biennium. In Chapter 56, the capital outlay budget totaled \$3.3 billion from all fund sources. The introduced budget that came to us recommended an additional \$219.2 million, for a grand total of \$3.5 billion for the biennium.

We studied our Debt Capacity status and outlook, and considered the potential pipeline of projects that will be before us in future years. In addition to outstanding debt, we currently have \$6 billion worth of debt that has already been authorized but not yet issued. The Commonwealth requires a six-year capital outlay plan be proposed to help inform our allocation decisions. And in fact, we are still grappling with a few projects that were approved for planning back in the 2016 Session that have not yet been authorized for construction as we balance the capital needs of all the Secretarial areas with our long-standing practice of strong fiscal management.

Once again our recommended amendments reduce the overall amount as compared to the introduced budget.

- We maintain our position regarding the size of the Central State Hospital replacement project at 252 beds.
- We recommend allocating \$37.0 million from the general fund to reduce the amount of the Maintenance Reserve allocation that is currently funded with debt.
- We endorse planning for the replacement of the Supreme Court and Court of Appeals Building and also a replacement for an aging state office building.
- We endorse primary focus this year on infrastructure/life safety projects.
- We recommend a small number of amendments, including an additional infrastructure project at James Madison University, planning funding for some projects in the pipeline, and several language amendments.

Madam Chair, this completes the report of the Subcommittee on Capital Outlay, and I would like to conclude by expressing my appreciation to the members of the Subcommittee for their conscientious efforts in shaping these recommendations.

Respectfully Submitted,

The Honorable R. Creigh Deeds, Chair

The Honorable Thomas K. Norment, Jr., Vice-Chair

The Honorable Janet D. Howell

The Honorable Richard L. Saslaw

The Honorable Emmett W. Hanger, Jr.

The Honorable Mamie E. Locke

February 10, 2021 Report of the Senate Finance and Appropriations Committee - SUBCOMMITTEE ON CAPITAL OUTLAY
Summary of Recommended Amendments to SB 1100 As Introduced

Line #	Amendment #	Short Title	GF \$ Biennium	Other NGF \$ Biennium	9 (c) Bonds \$ Biennium	9(d) Bonds \$ Biennium	VCBA/VPBA \$ Biennium
1	C-0 #1s	CO - HBCU Capital Financing Program Language					
2	C-17.1 #1s	CO - JMU - East Campus Steam Plant, Phase I		\$1,973,771			\$4,605,466
3	C-22.10 #1s	CO - VCU - Acquisition					
4	C-23.5 #1s	CO - VCCS - CVCC Renovations of Amherst and Campbell Halls	\$500,000				
5	C-36.30 #1s	CO - FCM - Additional Planning for Crossing Gallery	\$1,300,000				
6	C-36.45 #1s	CO - SMV - Community Green Space		\$7,506,000			
7	C-40 #1s	CO - DCR - State Parks - Language Amendment					
8	C-64 #1s	CO - Central CO - Maintenance Reserve to GF	\$37,000,000				(\$37,000,000)
9	C-66 #1s	CO - UMW - Planning Funds for Performing Arts Center	\$4,500,000				
10	C-66 #1s	CO - VMI - Planning to Construct Center for Leadership & Ethics Facility, Phase 2	\$2,100,000				
11	C-66 #1s	CO - State Police - Planning Funds for Division 6 HQ in Salem	\$1,850,000				
12	C-66.10 #1s	CO - Central State Hospital					(\$58,500,000)
13	C-72 #1s	CO - Other Authorized Capital Infrastructure and Improvements (18495)					
14	C-72.70 #1s	CO - State Police Area 13 Barracks Project Title					
15	C-76 #1s	CO - VCBA Bond Table					
16		TOTAL	\$47,250,000	\$9,479,771	0	0	(\$90,894,534)

CO - HBCU Capital Financing Program Language

General Conditions

General Conditions

Language

Language:

Page 609, after line 15, insert:

"9. Notwithstanding any other provision of law, a public institution of higher education may participate in the United States Department of Education Historically Black College and University Capital Financing Program (HBCU Program), and use federal grant and contract funds as permitted by the Program."

Explanation:

(This amendment is intended to ensure that Virginia's public historically black colleges and universities (HBCU) may access the United States Department of Education Historically Black College and University Capital Financing Program (HBCU Program). The HBCU Program requires that institutions be able to use revenue from federal grants and contracts via administrative offset if the pledged revenues are insufficient to pay debt service. The HBCU Program provides HBCUs with low-cost capital to finance infrastructure improvements, facilitating the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation.)

CO - VCU - Acquisition

Education

Virginia Commonwealth University

Language

Language:

Page 619, strike lines 37 through 39 and insert:

"The provisions of Item C-13.10 A., B., C.2., C.3., and D., Chapter 854, 2019 Acts of Assembly, as it relates to the Virginia Commonwealth University acquisition of the Virginia Alcoholic Beverage Control Authority property are hereby extended for the 2020-22 Biennium. The provisions of Item C-13.10 C.1. shall be replaced as follows:

C. 1. The Authority shall offer for sale the Property to VCU at the fair market value

determined by the lower of the two appraisals received pursuant to paragraph B. Any other conditions of the transfer, as negotiated between the Authority and VCU, shall be based on usual and customary terms for such intergovernmental transfers. If the Authority and VCU cannot agree on the terms, other than price as price shall be the fair market value described herein, of the sale of the Property, the Authority may sell the property pursuant to § 2.2-1156 and on such terms as it determines are in the best interest of the Authority, however any sale terms negotiated shall be presented to VCU, prior to any sale, to enable VCU to make a counter offer to the Authority. Should such counter offer be received by the Authority, the Authority shall consider the VCU counter offer and if determined favorable by the Authority, may sell the property to VCU."

Explanation:

(This amendment specifies additional fair market value parameters regarding Virginia Commonwealth University acquisition of the Virginia Alcoholic Beverage Control Authority property on Hermitage Road in Richmond.)

Item C-36.45 #1s

CO - SMV - Community Green Space

Education	FY20-21	FY21-22	
The Science Museum of Virginia	\$0	\$7,506,000	NGF

Language:

Page 622, after line 16, insert:

"C-36.45 Improvements: Community Green Space	\$0	\$7,506,000
Fund Sources: Special	\$0	\$7,506,000 "

Explanation:

(This amendment authorizes the Science Museum of Virginia to seek private funding of up to \$7.5 million for a community green space project. Situated on the Pulse corridor and a key element of the Richmond 300 Plan, this project will transform the area in front of the Museum into a vibrant and active community resource to serve the needs of a diverse, growing citizenry.)

Item C-40 #1s

CO - DCR - State Parks - Language Amendment

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 623, line 23, after "Staunton River," insert "Kiptopeke,"

Explanation:

(This amendment updates the list for acquisitions of land for state parks for in-holdings and contiguous properties, consistent with funding included in the budget as introduced, to include Kiptopeke.)

Item C-72 #1s

CO - Other Authorized Capital Infrastructure and Improvements (18495)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 640, line 46, after "a capital project" insert "or projects".

Page 640, line 48, strike "and buildings".

Page 640, strike line 51 and insert "Authority each approve a public private partnership or other contractual agreement with respect to such a capital project or projects. The"

Explanation:

(This amendment would allow the bond proceeds authorized by this Item to be used for improvements that support multiple projects and projects performed as a P3 or a direct lease agreement with the Virginia Port Authority. Use of the funds will still require approval of both the Virginia Port Authority Board of Commissioners and the Major Employment & Investment Project Approval Commission, while providing the flexibility needed by the Virginia Port Authority and the Virginia Economic Development Partnership to attract multiple users and make the Portsmouth Marine Terminal an offshore wind industry hub.)

Item C-72.70 #1s

CO - State Police Area 13 Barracks Project Title

Capital Projects

Department of State Police

Language

Language:

Page 641, after line 14, insert:

"The title of the project for the Department of the State Police previously authorized in Item C-45, Chapter 2, 2018 Acts of Assembly, Special Session I, as "Construct Area 13 Barracks" is hereby changed to "Acquire, Renovate or Construct Area 13 Barracks".

Explanation:

(This amendment makes a title change to an existing project.)
