

## **Kalamazoo Valley Community College Texas Township Campus Expansion**

### **Senate Concurrent Resolution 43 - As Passed by the Senate**

**Sponsor: Senator Tom George**

**Analysis Completed: June 28, 2010**

#### ***BRIEF SUMMARY:***

Senate Concurrent Resolution 43 approves the conveyance of property and a standard State Building Authority (SBA) lease between the SBA, the state, and Kalamazoo Valley Community College for a construction project previously approved for planning and construction by the Legislature.

Approval of this resolution is the final remaining legal requirement to enable the SBA to issue bonds to finance the state's share of the project's construction costs. The project has met all of the approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act, 1984 PA 431. Approval would create a contractual obligation between the state and the SBA, requiring the state to make annual rent payments to the SBA. The SBA will use the rent payments to pay off the bonds sold to finance the construction. Once the debt obligations are satisfied, the SBA will transfer title back to Kalamazoo Valley Community College.

The project involves the following: creation of a new 33,007 sq. ft. addition to house the Student Success Center, Admissions, Records, Registration, Offices of Financial Aid and Transfer Students, Central Receiving area, and a tiered 150-seat Lecture Hall/Orientation room; expansion of faculty offices; creation of student waiting areas; additional conference room space; creation of a new multipurpose science lab; creation of additional classroom space; remodeling, upgrading, and restoring geology and physics labs; and expansion of parking areas.

#### ***FISCAL IMPACT:***

The total cost of the project is \$12.0 million with the state share being \$6.0 million and the college share being \$6.0 million. Annual rent payments to the SBA are estimated at \$411,000 to \$537,000 until the bonds are retired (approximately 15 to 17 years). The actual true market rent amount, within or below the respective range, will be determined when the project is completed and has been independently appraised. Annual rent payments to the SBA are appropriated in the General Government appropriations bill and total \$235.4 million for FY 2010.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.