

West Shore Community College Arts and Sciences Center/Remodeling and Additions

Senate Concurrent Resolution 46 - As Passed by the House Appropriations Committee

Sponsor: Senator Michelle McManus

Analysis Completed: September 23, 2010

BRIEF SUMMARY:

Senate Concurrent Resolution 46 approves the conveyance of property and a standard State Building Authority (SBA) lease between the SBA, the state, and West Shore 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 West Shore Community College.

The project involves remodeling a former library into space for art and music programs, renovating existing classroom and office space, adding classrooms and new faculty offices, and remodeling and expanding theater and theater support spaces. The estimated completion date of the project is September 30, 2010.

FISCAL IMPACT:

The total cost of the project is \$6.9 million, with the state share being \$3.45 million and the college share being \$3.45 million. Annual rent payments to the SBA are estimated at \$237,000 to \$309,000 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.

Fiscal Analyst: Robin R. Risko

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