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Senate Concurrent Resolution 54 (as introduced 11-30-10)
Sponsor: Senator Michelle A. McManus
Committee: Appropriations

Date Completed: 11-30-10

CONTENT

Senate Concurrent Resolution 54 would approve the conveyance of property and approve a lease between the State, the State Building Authority (SBA), and Mott Community College for a construction project that the Legislature has previously approved for planning and construction. Approval of the resolution would enable the SBA to issue bonds to finance the State's share of construction costs.

The project has met all of the planning approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act. Approval of the resolution would create a contractual obligation between the State and the SBA, requiring the State to make annual rental payments to the SBA. The SBA will use the rental payments to pay off the bonds sold to finance construction. Once the debt obligations are satisfied, the SBA will transfer title back to the institution.

The Library Consolidation and Renovations project at Mott Community College includes replacement and upgrade of the exterior of the building, replacement of the building cooling system, installation of a fire suppression system, renovation and redesign of restrooms and custodial spaces, renovation and upgrade of elevators, establishment of a demonstration vegetative roof, relocation and expansion of the Viewing, Listening, and Testing Center, relocation and expansion of the Center for Teaching and Learning, expansion of the Event Center, and relocation and consolidation of library administrative offices. The estimated completion date of the project is December 2010.

FISCAL IMPACT

The total project cost is \$8,156,000 and the State share represents new bond debt obligations of \$4,078,000. Annual rental payments to the SBA are estimated at \$280,000 to \$370,000 until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2010-11 General Government appropriation bill total \$241.9 million.

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