

Wayne County Community College Northwest Campus Replacement Construction

House Concurrent Resolution 54 - As Approved by the Joint Capital Outlay Subcommittee
Sponsor: Representative Kowall
Analysis Completed: April 26, 2012

BRIEF SUMMARY:

House Concurrent Resolution 54 would approve the conveyance of property and a standard State Building Authority (SBA) lease between the state, the SBA, and Wayne County Community College for the Northwest Campus Replacement Construction project previously approved by the Legislature in Public Act 278 of 2008.

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 which are sold to finance the construction. Once the debt obligations are satisfied, the SBA will transfer title back to Wayne County Community College.

The project will provide a 93,000 gross sq. ft., three story addition to the existing Health Sciences Building and a 7,000 gross sq. ft., one story addition to the existing General Arts Building. The renovation and expansion will create various multi-use lecture classrooms, flexible instructional laboratories, and student support services to meet present and future enrollment requirements. The existing central energy plant will be replaced with a new reliable energy efficient plant. Exterior finishes will include combinations of aluminum composite, insulated metal panels, terracotta rain screen systems, brick veneers, face brick, and insulated glass to blend the new building additions with the existing campus.

FISCAL IMPACT:

The total cost of the project is \$42.0 million, with the state share being \$21.0 million and the college share being \$21.0 million. Annual rent payments to the SBA are estimated to be between \$1,440,000 and \$1,883,000 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 \$256.9 million for FY 2012.

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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.