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House Concurrent Resolution 13 (as introduced 5-4-11)
Sponsor: Representative Bruce Rendon
House Committee: Appropriations

Date Completed: 5-5-11

CONTENT

House Concurrent Resolution 13 would approve the conveyance of property and approve a lease between the State, the State Building Authority (SBA), and Kirtland Community College for a 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 Kirtland Community College Well Water System Upgrade will replace the existing Type I and Type II Systems as required by the Department of Environmental Quality. Three test wells and an underground water distribution system will be installed to connect the new wells to the existing campus facilities. A 320-square-foot well house will be constructed to house pressure tanks and related plumbing.

FISCAL IMPACT

The total project cost is \$1,005,000 and the State share represents new bond debt obligations of \$502,500. Annual rental payments to the SBA are estimated at \$40,000 to \$50,000 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.

Fiscal Analyst: Bill Bowerman

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