

FY 2015-2016 CAPITAL OUTLAY APPROPRIATIONS

Summary: As Enrolled

House Bill 4095 (H-3)



Capital Outlay Analyst: Ben Gielczyk

	Executive*		House		Senate	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Capital Outlay	\$400	\$400	\$400	\$400	\$400	\$400
TOTAL	\$400	\$400	\$400	\$400	\$400	\$400

*Reflects 3 planning authorizations and 1 planning grant authorization included in FY 2014-15 Supplemental Request 2015-4 (SBO Letter February 11, 2015).

OVERVIEW

House Bill 4095 (H-3) contains \$300 GF/GP in planning authorizations for Ferris State University, Lake Michigan College, and West Shore Community College, and \$100 GF/GP for a planning grant authorization for Michigan State Police. Traditionally, universities finance 25% of a project's costs and the state finances 75%; community colleges finance 50% of a project's costs and the state finances 50%. In recent years, the state share has been capped at \$30.0 million.

The total cost of the university and community college projects contained within HB 4095 (H-3) is \$51.3 million, with a state share of \$33.1 million. The current available capacity below the statutory bond cap is approximately \$1,002.2 million. Annual rental rates are typically between 7% and 9% of the total state share per year. With the total state share being \$33.1 million, the annual debt service payments for these projects is estimated to be between \$2.3 million and \$3.0 million GF/GP over 15 to 17 years.

In addition, the bill contains an authorization for a planning grant for the Michigan State Police Grand Rapids Forensic Laboratory, Rockford Post, and 6th District Headquarters consolidation. Boilerplate associated with the planning grant authorization specifies that appropriations authorized in the FY 2015-16 budget acts for the Departments of Technology, Management, and Budget and State Police would cover the planning grant cost. No current cost estimate exists for the project; however, once a suitable space was identified a project cost would be estimated.

FY 2015-16 Appropriation Items:

CAPITAL OUTLAY - PLANNING AUTHORIZATIONS

1. *Ferris State University – Swan Building Annex Renovations*

Total project cost is \$30.0 million. University share is \$7.5 million; state share is \$22.5 million. The project would involve the renovation of 47,086 sq. ft. of existing space and the addition of 34,462 sq. ft. of new space to provide updated and expanded academic and laboratory space for welding engineering technology and advanced manufacturing engineering technology which the university determined had outgrown their current space. The Swan Building was built in 1966 and the project would include major renovations including complete building mechanical, electrical, and plumbing upgrades to the existing portion of the Swan Building Annex. The university is working to raise match dollars through private fundraising and would bond for any remainder. DTMB ranked the project 1st among university requests and recommended planning authorization in the FY 2014-15 Executive Budget Recommendation and a subsequent FY 2014-15 supplemental request. (SBO Letter 2/11/15)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$100	\$100	\$100
GF/GP	\$100	\$100	\$100

FY 2015-16 Appropriation Items:**2. Lake Michigan College – Napier Academic Building Renovation and Upgrades**

Total project cost is \$17.0 million. College share is \$8.5 million; state share is \$8.5 million. The project would involve the renovation and upgrading of the 307,997 sq. ft. Napier Avenue Campus Academic Facility, a 45-year-old classroom facility. Specifically, the project would include the renovation of 50 classrooms and 2 lecture halls, create a new service center to assist faculty with redesigned curricula, create new collaborative learning and engagement spaces, replace the original heating and cooling units, connect the STEM initiative and the physical plant replacements by bringing energy data into classroom, raise building standards to current ADA standards, and provide a Career and Transfer Center and Student Success Center. Funding for the college's share of project costs would be made available through sale of bonds and operating funds. DTMB ranked the project 2nd among community college requests and recommended planning authorization in the FY 2014-15 Executive Budget Recommendation and a subsequent FY 2014-15 supplemental request. (SBO Letter 2/11/15)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$100	\$100	\$100
GF/GP	\$100	\$100	\$100

3. West Shore Community College – Technical Center Renovation and Addition

Total project cost is \$4.3 million. College share is \$2.2 million; state share is \$2.2 million. The project involves the renovation of 66,000 sq. ft. and addition of 2,700 sq. ft. for larger class size capacity, expanding high-bay welding lab capacities, and general remodeling of classrooms, corridors, offices, and restrooms throughout the original 1969 structure and the 1993 addition. Funding for the college's share of project costs would be made available through a current renewable capital millage. DTMB ranked the project 1st among community college requests and recommended planning authorization in the FY 2014-15 Executive Budget Recommendation and a subsequent FY 2014-15 supplemental request. (SBO Letter 2/11/15)

Gross	\$100	\$100	\$100
GF/GP	\$100	\$100	\$100

4. Michigan State Police – Consolidated Facility for the Grand Rapids Forensic Laboratory, Rockford Post, and 6th District

The Consolidated Facility for the Grand Rapids Forensic Laboratory, Rockford Post, and 6th District Headquarters would be fully funded from state resources. No current cost estimate exists for the project; however, once a suitable space was identified a project cost would be identified. Planning costs would be fully covered under current appropriations to the Departments of Technology, Management, and Budget (DTMB) and the State Police (MSP). The planning authorization would allow DTMB to explore commercial real estate opportunities, either through the purchase or lease of an existing facility, which would facilitate the relocation of the three functions mentioned above into a single space. The property would require garage space for specialty vehicles and need to be renovated to meet the consolidated state law enforcement requirements of a forensic laboratory facility. According to DTMB and MSP, the current laboratory facilities and Rockford post have antiquated infrastructure and significant space constraints. The project was included in the FY 2015-16 Michigan State Police 5-year Capital Outlay Plan. The project was ranked 1st among state agency project requests for FY 2015-16 Executive Recommendation. (SBO Letter 2/11/15)

Gross	\$100	\$100	\$100
GF/GP	\$100	\$100	\$100

FY 2015-16 Boilerplate Items:**GENERAL****1. Total State Spending**

Specifies total state spending and state spending from state resources to be paid to local units of government.

<u>Executive</u>	<u>House</u>	<u>Senate</u>
--	Sec. 201	Sec. 201

2. Appropriations Subject to PA 431

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

--	Sec. 202	Sec. 202
----	----------	----------

FY 2015-16 Boilerplate Items:

Executive

House

Senate

CAPITAL OUTLAY

3. Michigan State Police Funding for Planning Grant

Specifies that the planning grant authorized in part 1 for the Michigan State Police Grand Rapids Forensic Laboratory, Rockford Post, and 6th District Headquarters consolidation would be supported from existing FY 2015-16 appropriations to the Departments of Technology, Management, and Budget and State Police that were authorized in 2015 PA 84. Caps each department's costs at \$150,000. Requires the departments to present the completed plan to JCOS prior to receiving construction authority to move forward on the plan. (SBO Letter 2/11/15)

Included

Sec. 301
(REVISED)

Sec. 301
(REVISED)