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Senate Concurrent Resolution 57 (as introduced 11-30-10)
Sponsor: Senator Mike Nofs
Committee: Appropriations

Date Completed: 11-30-10

CONTENT

Senate Concurrent Resolution 57 would approve the conveyance of property and approve a lease between the State, the State Building Authority (SBA), and Jackson 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 Whiting Hall Renovation Project at Jackson Community College consists of the renovation of the existing east wing and west wing of the Justin R. Whiting Hall and a new 40,000-square-foot addition that will assist in the expansion of the college's nursing and allied health career programs. Improvements will include advanced classroom technologies, state-of-the-art instructional laboratories, related instructional program equipment, an upgrade of mechanical and electrical systems, and a new roofing system. The estimated completion date of the project is April 2011.

FISCAL IMPACT

The total project cost is \$21.9 million and the State share represents new bond debt obligations of \$10,950,000. Annual rental payments to the SBA are estimated at \$751,000 to \$982,000 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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