

Henry Ford Community College Science Building Improvements

House Concurrent Resolution 37 - As Introduced

Sponsor: Representative John Walsh

Analysis Completed: October 18, 2011

BRIEF SUMMARY:

House Concurrent Resolution 37 would approve the conveyance of property and a standard State Building Authority (SBA) lease between the SBA, the state, and the school district of the City of Dearborn relative to Henry Ford Community College for a construction project previously approved by the Legislature for planning in Public Act 278 of 2008 and for construction in Public Act 329 of 2010.

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 sold to finance the construction. Once the debt obligations are satisfied, the SBA will transfer title back to the school district.

The Science Building Improvements project involves renovating the existing 49,344 sq. ft. Science Building and construction of an 18,000 sq. ft. expansion to add capacity and address the high demand for science courses. Renovations include complete replacement of the heating, ventilation, air conditioning, electrical, and laboratory exhaust systems; replacement of air handling units and ductwork; installation of a new service entrance, switchgear, and power distribution system, a new emergency lighting system to comply with life safety codes, a new fire alarm system compliant with strobes and a voice evacuation speaker system, and a new security camera and card-access reader; improvements to lighting and service power; asbestos abatement; architecture modifications to floors, walls, and ceilings; and finishing improvements in classrooms, corridors, and offices. The expansion will provide four new laboratories, two new classrooms for life sciences, offices, and support spaces.

FISCAL IMPACT:

The total cost of the project is \$15.0 million, with the state share being \$7.5 million and the school district share being \$7.5 million. Annual rent payments to the SBA are estimated at between \$514,000 and \$673,000 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.

Fiscal Analyst: Robin R. Risko

■ 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.