

Montcalm Community College Advanced Technology Center

House Concurrent Resolution 65 - As Introduced

Sponsor: Representative Rick Outman

Analysis Completed: September 27, 2012

SUMMARY:

House Concurrent Resolution 65 would approve the conveyance of property and a standard State Building Authority (SBA) lease between the state, the SBA, and Montcalm Community College for the Advanced Technology Center project previously approved by the Legislature. The project was authorized for planning in Public Act 278 of 2008 and was authorized for construction in Public Act 157 of 2011.

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 Montcalm Community College.

The project consists of constructing a new 16,453 sq. ft., one-story facility, which will allow the existing renewable energy program to expand and will provide up-to-date classroom, laboratory, office, and support spaces. The project also consists of renovating the existing Michigan Technical Education Center (MTEC) building, which will allow increased utilization of existing space to also coincide with program goals. The project will directly benefit associate degree programs in computer support technology, electronics, engineering and integrated manufacturing technologies, nursing, technical drafting and design, and welding technology, as well as a number of certificate programs.

The new facility will include classrooms, faculty space, and open laboratory space. The existing MTEC building renovation will include a data room, classrooms, conference space, study room, and a computer lab. The majority of the building's exterior will be constructed of brick masonry. Aluminum storefront type window systems will be used with adjacent prefinished metal paneling to complete the façade.

FISCAL IMPACT:

The total cost of the project is \$5,433,400, with the state share being \$2,716,700 and the college share being \$2,716,700. Annual rent payments to the SBA are estimated to be between \$186,000 and \$244,000 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 2012-13.

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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.