

MINUTES OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE
Meeting No. 3, Thursday, May 7, 2009, 9:00 a.m.
Senate Hearing Room, Ground Floor, Boji , 124 W. Allegan, Lansing, Michigan 48933

The Joint Capital Outlay Subcommittee was called to order by the Chair, Senator Michelle A. McManus at 9:06 a.m.

Members present: Senators McManus, Jelinek, Brown, Cropsey, Hardiman, Pappageorge, Switalski, Cherry, and Scott

Representatives Lahti, Dean, Bennett, Switalski, Bauer, Caul, Proos, and Booher

Members absent/excused: Senator Clark-Coleman

Representatives Durhal and Haines

Chair McManus placed agenda Item Number 1 before the Subcommittee.

1. MINUTES OF JOINT CAPITAL OUTLAY SUBCOMMITTEE MEETING NO. 2

With no objection, the minutes of the April 2, 2009 JCOS meeting were approved by a voice vote.

Chair McManus placed agenda Item Number 2 before the Subcommittee.

2. PLAN APPROVAL/CONSTRUCTION AUTHORIZATIONS

DMB Letter Date: 4/15/09

The Department of Management and Budget has approved program and schematic planning documents for the Pray-Harrod Renovations project at Eastern Michigan University and is requesting subcommittee approval of these planning documents. The project received planning authorization in PA 278 of 2008. The Management and Budget Act requires the Department of Management and Budget to review planning documents and then submit them to the JCOS for consideration. These planning documents have yielded a construction cost estimate of \$42,000,000. As customary, this cost will be financed 75% from the State and 25% from university resources. The DMB requests a cost authorization be established in the next available appropriations bill so that final design and construction may commence.

The project as authorized in Public Act 278 of 2008 was based on a total project cost of \$57,000,000 with a university match of \$25,500,000 (44.7%). The university determined it could not cover the enhanced match requirements and revised the scope of the project to eliminate proposed additional instructional capacity of the facility. Pray-Harrod is a seven-story 235,791 sq. ft. instructional facility. The project includes replacing mechanical, electrical, and plumbing systems. It also includes technology infrastructure, a fire suppression system, ADA compliance, infrastructure and building code requirements, and improvements to instructional spaces.

Senator Switalski moved approval, supported by Senator Jelinek

The motion prevailed by a vote of 16-0-4

Yeas: Senators McManus, Jelinek, Brown, Cropsey, Hardiman, Switalski, Cherry, and Scott
Representatives Lahti, Dean, Bennett, Switalski, Bauer, Caul, Proos, and Booher

Nays: 0

NV/Excused: Senators Pappageorge and Clark-Coleman
Representatives Durhal and Haines

Chair McManus placed agenda Item Number 3 before the Subcommittee.

3. USE AND FINANCE STATEMENTS

The Department of Management and Budget is requesting approval of Use and Finance Statements for projects at various institutions. The projects are funded entirely from institution revenues. Subcommittee approval would allow the self-funded projects to commence, but does not commit State funds for construction, maintenance, or operation of the facilities.

	DMB Letter	Project	Cost	Financing	Annual Operating
A	3/25/09	Michigan Technological University – Residential Apartment Building. The new facility (77,926 gross sq. ft.) will accommodate 192 residents. Estimated completion date: August 2010.	\$16,830,000	University Bond Proceeds	\$274,900 and \$274,900 + 4% thereafter
B	4/2/09	Ferris State University – East Campus Apartments. The project includes the demolition of several buildings and redeveloping the site with new apartment buildings that will include two and four bedroom apartments containing approximately 300 bedrooms. Estimated completion date: August 2010.	\$22,000,000	University Maintenance Reserves and Bond Proceeds	\$833,000
C	4/17/09	Central Michigan University - Ronan Hall Renovations. The building was constructed in 1954. Most of the building will be vacated after the College of Education and Human Services moves into the EHS building. The building will be renovated and then occupied by the Departments of International Education and Study Abroad, Dean of Students, Career Services, Academic Advising and Assistance, Affirmative Action, Residence Life, Campus Dining, and the English Language Institute. Estimated completion date: January 2010.	\$3,625,000	University Capital Construction Reserves	\$204,770 and \$179,000 thereafter

D	4/23/09	Lake Michigan College – Title III, Phase I, Science Lab Renovations. The project involves renovation of 8,120 sq. ft., including creation of four new science laboratories and associated storage and laboratory prep space, and replacement of the roof. Estimated completion date: August 2009.	\$2,787,408	College Funds	\$5,010 and \$4,446 thereafter
E	4/29/09	University of Michigan - Ann Arbor – Pfizer Ann Arbor Purchase. The purchase involves 173.5 acres of land that includes 1,975,000 gross sq. ft. of buildings that are located adjacent to North Campus. The purchase includes furniture and laboratory equipment. Most of the property was previously owned by the University. The land was sold in various parcels to Parke, Davis & Company (Pfizer) over a period of years. A large portion of this property was once part of the University's North Campus. The purchase will provide space for continued growth of the University's research activities. Estimated sale completion date: June 2009.	\$108,000,000	University Resources	\$15,000,000 increasing with research activity and occupancy levels
F	4/29/09	University of Michigan - Ann Arbor – Engineering Programs Building Addition. The project consists of a 10,000 gross sq. ft. addition on the east side of the Engineering Programs Building. The expansion will provide space for development of student projects including the Solar Car, Formula SAE, and Concrete Canoe teams. Estimated completion date: December 2010.	\$4,800,000	College of Engineering Resources	\$87,500

Representative Booher moved approval, supported by Senator Jelinek.

The motion prevailed by a vote of 17-0-3.

Yeas: Senators McManus, Jelinek, Brown, Cropsey, Hardiman, Pappageorge, Switalski, Cherry, and Scott

Representatives Lahti, Dean, Bennett, Switalski, Bauer, Caul, Proos, and Booher

Nays: 0

NV/Excused: Senators Clark-Coleman
Representatives Durhal and Haines

There being no further business before the Subcommittee, Chair McManus adjourned the meeting, the time being 9:20 a.m.

Senator Michelle A. McManus, Chair _____

Pam Yeomans, Committee Clerk, (517) 373-2768