

**MINUTES OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE**  
**Meeting No. 6: Wednesday, February 19, 2014, 4:00 p.m.**  
Senate Appropriations Room, 3<sup>rd</sup> Floor, State Capitol  
100 S. Capitol Ave., Lansing, Michigan 48933

The Joint Capital Outlay Subcommittee was called to order by the Chair, Senator Booher, at 4:02 p.m.

Members present

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.  
Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Members excused

Senator Moolenaar.

Chair Booher placed agenda item number 1 before the Subcommittee.

**1. Michigan Natural Resources Trust Fund (MNRTF) Board FY 2013-14 Recommendations**

On December 4, 2013, the MNRTF Board adopted FY 2013-14 recommendations for acquisition and development projects pursuant to Article IX, Section 35 of the Michigan Constitution and the Natural Resources and Environmental Protection Act. The recommendations include a \$27.6 million appropriation from the MNRTF for 32 acquisition projects (\$19.0 million) and 44 development projects (\$8.6 million). Matching funds of \$18.9 result in total project costs of \$46.5 million. An appropriation bill is necessary to authorize the spending recommended by the MNRTF Board.

An analysis of the recommendation and testimony on this subject was provided at the previous JCOS meeting (1/29/14).

Senator Green moved, supported by Representative Potvin, approval of the FY 2013-14 recommendations of the MNRTF Board.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

Chair Booher placed agenda item number 2 before the Subcommittee.

**2. Construction Authorizations**

The Governor submitted FY 2013-14 construction authorizations for projects that received planning authorizations in Public Act 102 of 2013 (DTMB Supplemental Request Letter 2014-4, February 5, 2014). The total cost of the projects is \$60.3 million, with a State share of \$24.6 million to be funded through State Building Authority (SBA) bonding. Joint Capital Outlay Subcommittee approval is required to authorize the projects pursuant to Section 242 of the Management and Budget Act (1984 PA 431).

**a) Saginaw Valley State University (SVSU) - Wickes Hall Renovations**

**Total Authorized Cost: \$8,000,000**

**State Share: \$6,000,000**

**University Share: \$2,000,000**

The project consists of the renovation of Wickes Hall, the university's main student service and administration facility. Although the 115,260 gross sq. ft. building was constructed in 1968 and renovated in 1987 to accommodate a substantial change in use, much of the mechanical system and most of the electrical and plumbing systems date back to the year of construction. Asbestos was used to fireproof the building's steel structure. The scope of the project includes the replacement of major building systems, including; new windows, restroom modernizations, electrical, plumbing, air handling ductwork and ceilings, exterior cladding and roof, and other improvements.

Dr. Gene Hamilton represented SVSU at the JCOS meeting.

Representative Muxlow moved, supported by Senator Green, approval of the SVSU construction authorization.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

**b) Kalamazoo Valley Community College (KVCC) - Healthy Living Campus**

**Total Authorized Cost: \$25,625,200**

**State Share: \$6,000,000**

**College Share: \$19,625,200**

The project consists of the construction of a 76,400 square-foot facility for culinary and allied health programs at a new campus the college is developing in downtown Kalamazoo on 13 acres donated by Bronson Healthcare. The focus of the new campus will be wellness and food sustainability. Along with the culinary and allied health programs, the campus will include a college-owned food production and distribution facility and a psychiatric clinic for Kalamazoo County Mental Health and Substance Abuse Services. The college will be working with the Bronson Healthcare Group and the Kalamazoo Community Mental Health and Substance Abuse Services on this new initiative. The college also will move its Allied Health programs to the new campus. The State component of the project is focused solely on the new culinary and allied health facility. The college is developing other components of the new campus separately.

The total recommended cost of the project is \$3,874,800 less than the amount included in the original planning authorization contained in 2013 PA 102. The decrease is due to the removal of the food production and distribution facility from the scope of the State-funded project in order to limit the State's support to academic programs that will be offered at the new culinary and allied health facility. The college received a \$2.0 million appropriation for curriculum support of the Healthy Living Campus in the FY 2013-14 Department of Treasury budget (Michigan Strategic Fund).

Dr. Marilyn Schlack, President – KVCC represented KVCC at the JCOS meeting.

Senator Schuitmaker moved, supported by Senator Anderson, approval of the KVCC construction authorization.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None  
Excused: Senator Moolenaar.

**c) Macomb Community College - South Campus C-Building Renovations**  
**Total Authorized Cost: \$8,500,000**  
**State Share: \$4,250,000**  
**College Share: \$4,250,000**

The original buildings on South Campus were constructed between 1964 and 1969. The construction authorization for Macomb Community College will fund the renovation of South Campus C-Building, a 59,775 gross square foot building. Improvements include replacement of all major mechanical systems, including heating, ventilation and cooling, plumbing, electrical, fire suppression, lighting, and other improvements. The renovation involves 52,661 square feet. A limited addition at the west entrance will bring the total square footage of the building to 55,800 square feet.

Dr. James Jacobs, President Macomb Community College represented the college at the JCOS meeting.

Representative Forlini moved, supported by Representative Kowall, approval of the Macomb Community College construction authorization.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

**d) Muskegon Community College - Science Laboratory Center**  
**Total Authorized Cost: \$9,600,000**  
**State Share: \$4,646,800**  
**College Share: \$4,953,200**

The Science Laboratory Center project includes renovating and updating 16,781 gross square feet of the life and physical sciences facilities (a 20,400-square-foot wing of the Main Campus Building) and the construction of a 19,600 gross square-foot addition. The building addition will include science laboratories in astronomy, biology, chemistry, physics, physical science and geology, supporting Science, Technology, Engineering, and Mathematics related fields and growing enrollment in Allied Health programs. The recommended project cost is \$306,300 more than the original planning authorization contained in 2013 PA 102 and the increase will be funded by the college.

Dr. Dale Nesbary, President – Muskegon Community College, represented the college at the JCOS meeting.

Senator Jansen moved, supported by Senator Hood, approval of the Muskegon Community College construction authorization.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

**e) Southwestern Michigan College - Science & Allied Health Labs, Classrooms, & Related Renovations**

**Estimated Total Authorized Cost: \$8,600,000**

**State Share: \$3,750,000**

**College Share: \$4,850,000**

The project includes renovation/conversion of the William P.D. O'Leary Academic Building to a new science and allied health building (18,500 square feet); and the renovation of a current science building (Daugherty Building) into a general purpose classroom building (18,500 square feet). Renovations to both buildings will include replacement of electrical service, plumbing, HVAC, upgrades in technology, and ADA compliance. The recommended project cost is \$1.1 million more than the original planning authorization contained in 2013 PA 102 and the increase will be funded by the college.

Dr. David Mathews, President – Southwestern Michigan College, represented the college at the JCOS meeting.

Senator Schuitmaker moved, supported by Representative Durhal, approval of the Southwestern Michigan College construction authorization.

The motion passed on a 13-0-1 vote.

**FAVORABLE ROLL CALL**

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

Chair Booher placed agenda item number 3 before the Subcommittee.

**3. SBA Project Scope and Cost Adjustments**

**a) Jackson Community College – Cost/Scope Reduction**

**DTMB Letter: 10/25/2013**

**Proposed Cost Reduction: (\$4,300,000)**

**SBA Share: \$(2,150,000)**

**College Share: \$(2,150,000)**

The Bert Walker Hall Renovations project was authorized for construction in Public Act 192 of 2012 with a total cost of \$19.5 million (State share \$9,750,000, College share \$9,750,000). The project included the renovation of 57,000 square feet and the addition of 29,750 square feet to the Bert Walker Hall on the Jackson campus. The facility is the former home of JCC's library. The renovation and expansion will re-purpose the space to support student services functions (advising, assessment, financial aid, records, academic support, disability services, student organizations, recruitment, job placement services, registration, and counseling). It will also include additional general purpose classrooms, adjunct faculty offices, and foundation services.

The College is proposing to reduce the cost of the project by reducing the size of the addition from 29,750 sq. ft. to 13,444 square feet. This will be accomplished by decreasing the size of open study areas, consolidating office suites, and improved alignment of classroom space with class enrollments. The \$4.3 million scope/cost reduction will result in a total project cost of \$15.2 million (State share \$7.6 million, College share \$7.6 million).

Dr. Dan Phelan, President – JCC, represented the college at the JCOS meeting.

Representative Jenkins moved, supported by Senator Jansen, approval of the JCC scope/cost

decrease.

The motion passed on a 13-0-1 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Potvin, Forlini, Jenkins, Zemke, and Durhal.

Nays: None

Excused: Senator Moolenaar.

**b) State Emergency Operations Center (SEOC) – Scope/Cost Increase**

**DTMB Letter: 2/5/2014**

**Proposed Cost Increase: \$3,075,000**

**Federal Share: \$ 2,500,000**

**SBA Share: No change**

**State General Fund: \$575,000**

The SEOC received \$80,000 GF/GP for planning in Public Act 89 of 2012. The SEOC is currently located in leased space on Collins Road in the City of Lansing. The proposed project will house the SEOC and related support functions in a new facility at the Secondary Complex in Dimondale. Other Michigan State Police functions that would move to the new facility include the Emergency Management and Homeland Security Division, the Business Emergency Operations Center, the Michigan Cyber Command Center, and the Michigan Intelligence Operations Center. The DTMB Michigan Public Safety Communications System also would be located at the Secondary Complex. The new facility will connect to the General Office Building. The project includes a 27,200-square-foot new facility and renovations to 51,800 square feet of the General Office Building. Security measures and perimeter fencing around the structure are included in the total estimated cost. The project received construction authorization Public Act 102 of 2013 with a total authorized cost of \$19,024,500 (Federal share \$2,000,000; SBA share \$16,944,400; and State General \$80,100.

The DTMB is recommending a cost and scope increase to include the installation of a Sensitive Compartment Information Facility (SCIF) into the new facility. The SCIF is a pre-fabricated modular system used by the U.S. Department of Defense for secure classified communications. The addition of the SCIF to the SEOC requires the addition of approximately 5,300 square feet of building envelope. The cost is estimated at \$3.1 million, which would be funded from existing FY 2013-14 Federal and State General Fund appropriations for headquarters and armories in the Department of Military Affairs budget.

Mr. Al Christian and Colonel Stephen Ward from the Department of Military and Veterans Affairs testified regarding the scope/cost increase.

Senator Green moved, supported by Representative Kowall, approval of the SEOC scope/cost increase.

The motion passed on an 11-1-2 vote.

FAVORABLE ROLL CALL

Yeas:

Senators: Booher, Schuitmaker, Jansen, Green, Hood, and Anderson.

Representatives: Kowall, Muxlow, Forlini, Jenkins, Zemke, and Durhal.

Nays: Representative Potvin.

Excused: Senator Moolenaar and Senator Schuitmaker.

There being no further business before the Subcommittee, Chair Booher adjourned the meeting, the time being 5:04 p.m.

Senator Darwin L. Booher, Chair \_\_\_\_\_  
Bill Bowerman, Senate Fiscal Agency, (517) 373-2768