Bill Brief for SB40 – An Act to authorize the transfer of certain real property to the Animal Industry Board.

What does this bill do?

- This bill provides authority for the Commissioner of School and Public Lands to transfer title to the existing Animal Disease Research and Diagnostic Laboratory (ADRDL) building at South Dakota State University to the Animal Industry Board for the duration of payment of bonds for renovation of the building.

Why is it necessary?

- Chapter 43 of the 2017 Session Laws authorized the reconstruction, renovation, modernization, furnishing, and equipping of facilities and related infrastructure of the Animal Disease Research and Diagnostic Laboratory building. Bonding through the state and payment through the Animal Industry Board, as well as transfer of the new building, was authorized through that Session Law.

- Due to favorable bidding submissions and financing environment, renovations of the existing facility, as proposed in the original scope of the project, can now be completed within the previously approved bonding authority. Therefore, in order to execute project completion and align value of the renovations for this portion of the project with existing bond obligations of the Animal Industry Board, a title transfer from South Dakota State University to the Animal Industry Board is needed.

- This bill will facilitate title transfer to the Animal Industry Board for the purposes of reconciling payment for the reconstruction, renovation, modernization, furnishing, and equipping of facilities and related infrastructure at the existing building.

What is the source of funds for this project?

- No additional funds are required. Funds are limited to those authorized by Chapter 43 of the 2017 Session Laws.

- A total of $61.4 M was available for the construction, completion, reconstruction, renovation, demolition, modernization, furnishing, and equipping of facilities and related infrastructure at the state’s Animal Disease Research and Diagnostic Laboratory. This consisted of $50.1 M for new project construction plus $2.7 M for design funds plus $8.6 M for renovation. Currently it is estimated that the
total cost for the new building is estimated at $47.3 M leaving $2.8 M of bond funds to be available for the renovation along with the remaining funds from other sources. In total, the amount needed for the renovation would be $6.2 M. (See detail below for the $6.2 M)

What projects would be completed with the available funds?

- **Mechanical & Electrical Improvements** – An addition to the existing mechanical room would be built to accommodate space needed to replace the existing air handling units with new air handling units. Additional improvements would be made to the exhaust system, by replacing control valves and other pieces of 20-plus-year-old equipment. *Preliminary estimated costs = $1.7 M*

- **Exterior Improvements to 1967 Building and 1993 Addition** – The scope of this priority is to improve energy performance and weather resistance of the exterior walls. This will entail installing a new grade beam or lintel edge around the perimeter of the building. Vapor retarders, insulation, and new brick would be installed to reface the existing building. The parapet wall would be extended upward. New flashings, windows, and exterior doors would replace existing features. *Preliminary estimated costs = $2.8 M*

- **Interior Renovation of 1967 Building and 1993 Addition** – The renovation would be expanded to upgrade additional laboratory space, locker areas, and the necropsy lab in the 1993 Addition. A portion of the 1967 building including restrooms, office support spaces, and laboratory space would be upgraded or remodeled. The 1967 building would have fire sprinklers installed. *Preliminary estimated costs = $1.7 M*