

Fiscal Analysis

State Building Authority Leases



Bill/Sponsor SCR's 30 through 32, Senator S. Johnson

House Committee Appropriations

Analysis

Summary

To approve standard State Building Authority (SBA) leases between the SBA, the State and the University of Michigan for Capital Outlay projects as shown in the table below. These properties are also conveyed to the SBA. Each of these projects received planning, cost, and construction authorizations under previous Capital Outlay budget acts.

Approval of these resolutions enables the SBA to issue long-term debt instruments to finance the State's share of each project's construction costs.

The Joint Capital Outlay Subcommittee (JCOS) approved these resolutions, with recommendation.

State Fiscal Impact

Legislative adoption of this resolution commits the State to annually pay rent to the SBA until its debt obligations are fully satisfied. The annual GF/GP high/low rental range of \$2,155,000 to \$2,817,000 is provided consistent with PA 183 of 1964. The actual rental amount, within or below the respective ranges, will be determined by an appraiser when each building is completed.

Project	Total Project Cost	State Building Authority Funds	GF/GP Rental Range on SBA Financing
SCR 30. University of Michigan, Dearborn – Engineering Laboratory Building Addition. This project entails the construction of 44,500 sq. ft. of space for labs and offices to support both graduate and undergraduate (automotive) engineering programs.	\$12,600,000	\$9,450,000	\$648,000 to \$847,000
SCR 31. University of Michigan, Dearborn – Science Building Addition. This project entails the construction of 29,000 sq. ft. for labs and research space.	\$9,600,000	\$7,200,000	\$494,000 to \$646,000

SCR 32. University of Michigan, Ann Arbor – Literature, Science and Arts Building Renovation. This project entails the complete renovation of this building's mechanical and electrical systems including its fire detection/suppression systems. The LSA Building was originally constructed in 1948 and contains more than 126,000 gross sq. ft. of space.	\$26,000,000	\$14,769,231	\$1,013,000 to \$1,324,000
Totals	\$48,200,000	\$31,419,231	\$2,155,000 to \$2,817,000

Local Fiscal Impact

None.

Analyst(s)

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