

CAPITAL OUTLAY BUDGET
FY 2007-08 Executive Recommendations
SB 511 (S-2) As Passed the Senate



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	FY 2006-07 Year-To-Date	FY 2007-08 Executive	FY 2007-08 Senate	Difference: Senate Change From Executive	
				Amount	%
IDG/IDT	\$2,000,000	\$2,000,000	\$2,000,000	\$0	0.0
Federal	151,230,200	193,392,000	193,392,000	0.0	0.0
Local	12,648,300	15,209,400	15,209,400	0.0	0.0
Private	0	723,900	723,900	0.0	0.0
Restricted	89,842,400	68,764,600	68,764,600	0.0	0.0
GF/GP	5,000,000	2,900	100	(2,800)	(99.9)
Gross	\$260,720,900	\$280,092,800	\$280,090,000	(\$2,800)	-

Overview

The Michigan Capital Outlay process encompasses the budgetary and administrative functions devoted to financing and planning for the acquisition, construction/renovation, and maintenance of facilities used by a state agency, public university, or community college. General operational practices and procedures are contained in the Management and Budget Act (1984 PA 431), the State Building Authority Act (1964 PA 183), the annual Capital Outlay Appropriations Act, and the formal policies of the Legislative Joint Capital Outlay Subcommittee (JCOS). Act 431 contains numerous oversight and approval action steps that define the respective roles of the Executive and Legislative Branches.

The State Building Authority (SBA) finances most major state-owned facility renovations and new construction projects through issuance of revenue bonds. Debt service on these bonds is annually appropriated as "rent" because it is based on the respective individual facility's economic or market value. The SBA has a statutory bonded indebtedness ceiling, currently set at \$2.7 billion.

Highlight Points:

- Provides \$183 million of federal, state and local funds for airport safety and improvement projects
- Provides \$34.5 million for Natural Resources Trust Fund recreation projects (Please see Table 1)
- Provides \$26.5 million of federal monies for military facilities
- Includes \$12.6 million from Waterways Fund and federal funds for boating recreation projects
- Includes \$14.3 million for MDOT facilities
- Includes \$3.75 million federal and state restricted funds to purchase property development rights
- Provides \$2 million for state park maintenance

FY 2007-08 Budgetary Issues:		<u>Senate Passed</u>
Sec. 104. Department of Military & Veterans Affairs		
1. For Department Remodeling and Additions and Special Maintenance Projects Lump sum account to finance regular and emergency repairs at armories and other departmental facilities. For remodeling and additions and major special maintenance projects.	Gross Federal	\$15,000,000 15,000,000
2. Camp Grayling, Infantry Platoon Battle Course/Live Fire Range, For Design and Construction Authorizes a 100% federally funded project to construct a large area for small arms fire.	Gross Federal	\$3,500,000 3,500,000
3. Camp Grayling, Multiple Company Headquarters Buildings, For Design and Construction Authorizes a project cost increase of \$8,000,000 for a new total of \$45,000,000, 100% federally funded. These buildings include attached barracks and dining facilities.	Gross Federal	\$8,000,000 8,000,000
Sec. 105. Department of Natural Resources		
A. State Park and Forest Area Improvements 1. State Parks Repair and Maintenance Funds from the State Parks Improvement Fund for infrastructure repairs and/or improvements.	Gross Restricted	\$2,000,000 2,000,000
B. Waterways Boating Program 1. Infrastructure Improvements – State Projects Lump sum account for emergency repairs, engineering studies, utility upgrades, and preventive maintenance at state-owned harbors and docks.	Gross Federal Restricted	\$5,263,000 1,470,000 3,793,000
2. Infrastructure Improvements – Local Projects Grants to local units for preventive maintenance and upgrades of publicly-owned harbors and marinas.	Gross Restricted	\$2,115,000 2,115,000
3. Boating Program, Local Boating Access Sites, Grants In Aid; Walloon Lake, Charlevoix County, New Site Construction These funds will be used towards the construction of a replacement launch site in Charlevoix County.	Gross Restricted	\$510,000 510,000
4. Otsego Lake, Otsego County, Dock and Launch Replacement These funds will be used to replace the existing dock and boat launch ramp as well as a new storm water control system.	Gross Restricted	\$144,000 144,000
5. Boating Program, State Harbors and Docks; Cheboygan, Cheboygan County, Lock and Dam Repairs Federal funds will be used for certain repairs mandated by the Federal Energy Regulatory Commission such as bank stabilization and repairing the lower spillway and cribbing.	Gross Federal Restricted	\$1,679,400 1,304,400 375,000
6. Mackinaw City, Cheboygan County, New Marina and State Dock, Phase IV This appropriation of \$1,000,000 is estimated to be the final phase funding to complete this \$11.8 million project.	Gross Restricted	\$1,000,000 1,000,000

<u>FY 2007-08 Budgetary Issues:</u>		<u>Senate Passed</u>
7. Boating Program, Local Harbors and Docks; Grand Haven, Ottawa County, Marina Improvements and Dock Replacement, Phase II Appropriation to complete this project that is being equally matched by the local unit.	Gross Restricted	\$505,000 505,000
8. Petoskey, Emmet County, Marina Dock and Harbormaster Building Expansion Appropriation to provide matching funds for completion of this project to upgrade these facilities.	Gross Restricted	\$861,000 861,000
C. Natural Resources Trust Fund Projects This appropriation will fund 31 recreational acquisition projects, including 19 for local units, and 34 recreational development projects, including 30 for local units. (Please see Table 1 for a complete listing)	Gross Private Restricted	\$35,266,200 723,900 34,542,300
Sec. 106. Department of Transportation		
A. Department Buildings and Facilities; 1. Salt Storage Buildings, etc. – Contract Agencies Continuing appropriations for constructing new covered salt storage buildings and brine runoff control systems for locally owned garages.	Gross Restricted	\$2,000,000 2,000,000
2. Pontiac Transportation Center, Rail and Bus Terminal, For Design and Construction Comprehensive Transportation Fund (CTF) bonds will finance the construction of a new 4,400 sq. ft. facility to serve rail and bus transportation operational needs. The current facility is considered unsafe and is being demolished. This is a departmentally owned site.	Gross Restricted	\$1,750,000 1,750,000
3. L'Anse Maintenance Garage Renovation, For Design and Construction Due to the transfer of additional equipment and staff, the current facility is too small to meet this need. In addition to expansion, the project also entails roof repairs, energy efficiencies, and HVAC upgrades.	Gross Restricted	\$755,000 755,000
4. Lansing, Central Maintenance Garage Consolidation, For Design and Construction The department is proposing to construct a new maintenance garage and related storage facilities a few miles southeast of the current location off of Canal Road in Delta Township. The current facility is about 40 years old and is deemed too small for current staffing levels and equipment. Once vacated, the department intends to sell the old facility at fair market value (estimated to be \$3 million).	Gross Restricted	\$7,450,000 7,450,000
B. Airport Improvement Programs; 1. Airport Safety, Protection and Improvement Program These funds will be used to support security and general improvement projects at more than 100 local and state airports.	Gross Federal Local Restricted	\$183,191,300 162,867,600 15,209,400 5,114,300
Sec. 108. State Agency and Community College Construction Authorizations The bill provides cost and construction authorizations for the State Building Authority (SBA) projects listed below.		

<u>FY 2007-08 Budgetary Issues:</u>		<u>Senate Passed</u>
1. Department of History, Arts, and Libraries - Warehouse Facility Acquisition. The administration is requesting authorization to purchase at \$9.69 million a warehouse facility in Lansing to accommodate the storage of museum collections and state archival materials into one location. In a complex move involving the Department of Military and Veterans' Affairs, the Records Center, which houses some 360,000 boxes of archives, must be vacated by 10/1/08 to allow for the U.S. Property and Fiscal Office to then move into the space after renovations are complete.	Gross GF/GP	\$100 \$100

SIGNIFICANT SENATE BOILERPLATE RECOMMENDATIONS
GENERAL SECTIONS Sec. 204. Buy Michigan/American Requires Department to give preference to Michigan or American produced goods and services regarding purchases made with funds appropriated in part 1.
CAPITAL OUTLAY PROCESSES, PROCEDURES, & REPORTS Sec. 401. Projects Subject to PA 431 of 1984 Refers to capital outlay requirements and document approval process delineated under the Management and Budget Act.
Sec. 402. Required Cost Statement Requires that facility operating costs be included with submitted planning documents.
Sec. 403. Final Planning and Construction Requirements Outlines certain administrative procedures a community college or university must comply with in order to move a project to the final design/construction phase.
Sec. 404. Required Reports From DMB Requires the Department to provide various detailed reports to the Joint Capital Outlay Subcommittee (JCOS), the state budget director, and fiscal agencies with regard to all projects authorized for State Building Authority (SBA) financing.
Sec. 405. Matching Funding The purpose, scope, and total authorized cost of a project shall not be altered to meet matching funding requirements.
LUMP SUMS AND SPECIAL MAINTENANCE Sec. 501. Funding Allocations Allows State Budget Director to authorize funds from lump sum special maintenance appropriations to be available for those purposes for 3 fiscal years after the initial fiscal year. Directors of the respective departments with lump sum special maintenance appropriations in part 1 may allocate funds consistent with state law.
STATE TRANSPORTATION DEPARTMENT Sec. 901. Federal-State-Local Airport Projects General purpose is to provide for the construction and improvement of publicly used airports and landing fields in the state. State money for any 1 project shall not exceed 1/3 rd of the total state funds appropriated for the airport improvement program line item.

**Table 1 - MICHIGAN NATURAL RESOURCES TRUST FUND PROJECT RECOMMENDATIONS FY 2007-08
RECREATIONAL ACQUISITIONS (By Priority)**

<u>Owner</u>	<u>Project</u>	<u>Location</u>	<u>Total Cost</u>	<u>MNRTF Match</u>	<u>Matching Funds*</u>	<u>Acres</u>
Gerrish Township	Gerrish Township community park, phase II	Roscommon County	\$2,000,000	\$1,400,000	\$600,000	5.13
DNR	N. Maumee Bay coastal wetland acquisition	Monroe County	2,000,000	1,000,000	1,000,000	126
DNR	Chippewa landing acquisition	Wexford County	400,000	400,000	0	103
DNR	Betsie River consolidation	Betsie & Gr Traverse Co's.	1,300,000	1,300,000	0	307
Antrim County	Glacial Hills pathway & natural area	Antrim County	527,200	162,000	365,200	180
DNR	Jaxon Creek corridor acquisition	Grand Traverse County	1,050,000	1,050,000	0	376
City of Big Rapids	Mitchell Creek nature area acquisition	Mecosta County	205,400	143,700	61,700	45
DNR	SW Lower Peninsula eco-regional land consolidation	Various	900,000	900,000	0	Unk.
Long Lake Township	Cedar Run Creek natural area addition	Grand Traverse County	739,900	554,900	185,000	90
DNR	N. Lower Peninsula eco-regional land consolidation	Various	900,000	900,000	0	Unk.
Oakland County	Addison Oaks property acquisition	Oakland County	1,400,000	616,000	784,000	100
DNR	Upper Peninsula eco-regional land consolidation	Various	900,000	900,000	0	Unk.
DNR	State trailways initiative-corridor land acquisition	Statewide	1,500,000	1,500,000	0	Unk.
DNR	Wisconsin Electric Energies land acquisition	Various	1,900,000	1,900,000	0	1,500
City of Manistee	Man made lake acquisition	Manistee County	3,150,000	2,015,000	1,135,000	23
DNR	SE Lower Peninsula eco-regional land consolidation	Various	900,000	900,000	0	Unk.
Elmwood Township	DeYoung natural area acquisition	Leelanau County	1,422,200	910,200	512,000	60.5
HCMA	Indian Springs metropark land acquisition	Oakland County	3,241,000	1,426,000	1,815,000	287
Ottawa County	Olive Shores acquisition	Ottawa County	3,294,000	2,000,000	1,294,000	27.5
St. Clair County	Camp Woodsong fee simple acquisition	St. Clair County	456,000	291,800	164,200	44.5
City of Novi	Novi core habitat reserve property acquisition	Oakland County	520,500	281,300	239,200	16.2
DNR	Sterling state park acquisition	Monroe County	925,000	925,000	0	52
DNR	Au Train basin waterfowl refuge project	Alger County	1,250,000	1,250,000	0	Unk.
Grant Township	Hunter's point park acquisition	Keweenaw County	1,125,000	720,000	405,000	122
Village of Detour	Detour Village waterfront property acquisition	Chippewa County	670,200	495,000	175,200	2
City of Sault Ste. Marie	Ashmun Bay park trail parcel acquisition	Chippewa County	48,000	36,000	12,000	3,500'
Lapeer County	General Squier memorial park addition	Lapeer County	98,600	58,600	40,000	7
Allendale Township	Allendale community park addition	Ottawa County	200,500	88,200	112,300	0.82
Weesaw Township	Weesaw Township park acquisition	Berrien County	145,800	98,000	47,800	8
City of Sault Ste. Marie	Ashmun Bay park entrance parcel acquisition	Chippewa County	138,800	100,000	38,800	2.76
Casco Township	Lake Michigan nature preserve acquisition	Allegan County	1,775,000	900,000	875,000	8.6
Various	Reserve property appraisals		57,000	57,000	0	NA
Total Acquisitions			\$35,140,100	\$25,278,700	\$9,861,400	

*Local & Federal

**Table 1 - MICHIGAN NATURAL RESOURCES TRUST FUND PROJECT RECOMMENDATIONS FY 2007-08
RECREATIONAL DEVELOPMENT PROJECTS (By Priority)**

<u>Owner</u>	<u>Project</u>	<u>Location</u>	<u>Total Cost</u>	<u>MNRTF Match</u>	<u>Matching Funds*</u>	<u>Acres</u>
City of Big Rapids	Riverwalk development-river street park	Mecosta County	\$445,100	\$309,400	\$135,700	NA
Antrim County	Grass River center	Antrim County	1,200,000	400,000	800,000	NA
Lincoln Township	Shingle Lake park improvement	Clare County	124,600	43,600	81,000	NA
Oakland County	Addison Oaks trail connector	Oakland County	520,000	228,800	291,200	NA
City of Whitehall	White Lake pathway south end completion	Muskegon County	398,000	254,700	143,300	NA
Village of Clinton	Tate park pathway & fishing docks	Lenawee County	465,000	297,600	167,400	NA
Oakland Township	Marsh view park development	Oakland County	875,600	293,300	582,300	NA
Clinton County	Motz county park development	Clinton County	666,000	233,000	433,000	NA
City of Ecorse	Ecorse Creek greenway & park development	Wayne County	810,100	415,000	395,100	NA
City of Grandville	Grandville & Kent trails pathway connection	Kent County	270,000	118,800	151,200	NA
Elmwood Township	Greilickville harbor park improvements	Leelanau County	657,200	210,300	446,900	NA
City of East Lansing	White park improvements	Ingham County	300,000	225,000	75,000	NA
City of Muskegon	Smith-Ryerson park improvements	Muskegon County	591,800	433,400	158,400	NA
Roscommon Township	Lakeview park improvements	Roscommon County	271,300	189,900	81,400	NA
Charlevoix County	Whiting park universal access improvements	Charlevoix County	363,300	232,500	130,800	NA
City of Saugatuck	Mt. Baldhead park stairway renovation	Allegan County	145,000	63,800	81,200	NA
Montcalm County	Krampe park accessible fishing pier	Montcalm County	55,800	41,900	13,900	NA
DNR	RAM center improvements	Crawford County	500,000	500,000	0	NA
DNR	Lake Idlewild park development	Lake County	324,900	324,900	0	NA
City of Alpena	Starlite beach promenade facilities project	Alpena County	820,900	443,300	377,600	NA
City of Clare	Pere Marquette rail trail extension	Clare County	1,102,900	500,000	602,900	NA
Village Of Lakewood Club	Fox Lake park improvements	Muskegon County	76,700	49,100	27,600	NA
City of Albion	Rieger park swimming & beach project	Calhoun County	170,000	127,500	42,500	NA
Leslie Schools	Russell Miller 'wild 100' nature center dev.	Jackson County	605,000	400,000	205,000	NA
City of Detroit	Butzel playfield renovation	Wayne County	727,000	500,000	227,000	NA
Village of Marion	Veterans Memorial park improvements	Osceola County	150,000	105,000	45,000	NA
DNR	Proud Lake electrical system upgrades	Oakland County	500,000	500,000	0	NA
City of Saginaw	Anderson park development	Saginaw County	69,000	51,800	17,200	NA
Mills Township	Skidway Lake boardwalk development	Ogemaw County	334,000	251,000	83,000	NA
Benton Township	Robbins park improvements	Berrien County	100,200	70,000	30,200	NA
Canton Township	Lower Rouge River trail bridges	Wayne County	550,000	350,000	200,000	NA
DNR	Building demolition initiative	Various	250,000	250,000	0	NA
City of Utica	Clinton River bike trail development	Macomb County	625,700	350,000	275,700	NA
West Bloomfield Township	Marshbank park improvements	Oakland County	1,735,700	500,000	1,235,700	NA
HFA/ADV 01/23/08						
Total Development Projects			\$16,800,800	\$9,263,600	\$7,537,200	
Combined Totals			\$51,940,900	\$34,542,300	\$17,398,600	

*Local & Private