

Fiscal Analysis

STATE BUILDING AUTHORITY LEASE



Bill/Sponsor HOUSE CONCURRENT RESOLUTION 36 (as amended)/ Rep. M. Griffin
House Committee Appropriations

Analysis Summary

Approves a standard State Building Authority (SBA) lease between the SBA, the State and Jackson Community College relative to its Health Programs Expansion and Information Commons project. The property is also conveyed to the SBA. This project received planning, cost, and construction authorizations under previous Capital Outlay budget acts and is currently under construction.

Legislative approval of the resolution, a statutory requirement, enables the SBA to issue debt instruments to finance the state's share of the project's construction cost.

The **Joint Capital Outlay Subcommittee** (JCOS) approved the resolution, with recommendation. The Department of Management and Budget also recommends approval.

Fiscal Impact

Legislative adoption of the 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 \$505,000 to \$660,000 is provided consistent with PA 183 of 1964. The actual true market rental amount, within or below the respective range, will be determined when the project is completed and has been independently appraised.

	Total Authorized Project Cost	College Funds	State Funds	GF/GP Rental Range on SBA Financing
Jackson Community College – Health Programs Expansion & Information Commons Project. This project entails the construction of a 56,900 sq. ft. Information Technology Center and renovating nearly 17,000 sq. ft. of instructional space in Whiting Hall. Cost and construction authorizations were provided under PA 297 of 2005.	\$18,100,000	\$10,600,000	\$7,500,000	\$505,000 to \$660,000

LOCAL FISCAL IMPACT

Jackson Community College will finance \$10.6 million of the project's cost.

Analyst(s)
 Al Valenzio
 Analysis 12/05/07

Mitchell Bean, Director
 124 N. Capitol Avenue, Lansing, MI 48909
 Phone: (517) 373-8080; Fax: (517) 373-5874
<http://www.house.mi.gov/hfa>