

Fiscal Analysis

STATE BUILDING AUTHORITY LEASE

University of Michigan-Flint



Bill/Sponsor HOUSE CONCURRENT RESOLUTION 101 (as introduced)/ Rep. Lee Gonzales
House Committee

Analysis Summary

Approves a standard State Building Authority (SBA) lease between the SBA, the State and the University of Michigan - Flint relative to its French Hall Renovations 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.

Approval of this resolution is the final remaining legal requirement to allow the SBA to issue both short and long-term debt instruments to finance the State's share of the project's construction costs.

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 \$480,000 to \$628,000 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	University Funds	State Funds	GF/GP Rental Range on SBA Financing
University of Michigan – Flint - French Hall Renovations Project. This project entails renovating 68,000 sq. ft. of instructional space for classrooms, faculty offices, and support areas. Cost and construction authorizations were provided under PA 345 of 2006.	\$9,350,000	\$2,350,000	\$7,000,000	\$480,000 to \$628,000

LOCAL FISCAL IMPACT

None.

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Analysis 11/05/08

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