

Fiscal Analysis

State Building Authority Lease

History, Arts, & Libraries



Bill/Sponsor HCR 102 (as introduced)/Rep. Joan Bauer

House Committee

Analysis

Summary

To approve a standard State Building Authority (SBA) lease agreement between the SBA and the State relative to the acquisition of a warehouse facility. The acquired property is also conveyed to the SBA by the resolution. This purchase authorization was granted by a previous Capital Outlay budget act.

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 acquisition.

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 low-to-high rent payment range of **\$688,000 to \$887,000** is provided consistent with the State Building Authority Act (PA 183 of 1964). The actual rental amount, within or below the respective range, will be determined by an independent. Payments to the SBA begin after the long-term bonds have been issued.

Project	Total Authorized Project Cost	State Building Authority Funds	GF/GP Rent Estimate on SBA Financing
Department of History, Arts and Libraries – Warehouse Facility Acquisition. The project entails purchasing a nearly 200,000 sq. ft. warehouse in Lansing to house the HAL Records Center and their Museum and Artifacts collections. Cost and purchase authorizations were	\$9,890,000	\$9,889,900	\$688,000 to \$887,000

Analyst(s)

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