

Fiscal Analysis

STATE BUILDING AUTHORITY LEASE

University of Michigan-Ann Arbor



Bill/Sponsor HOUSE CONCURRENT RESOLUTION 103 (as introduced)/ Rep. Warren
House Committee Appropriations

Analysis **Summary**

Approves a standard State Building Authority (SBA) lease between the SBA, the State and the University of Michigan - Ann Arbor relative to its Phoenix Laboratory 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 \$441,000 to \$576,000 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 – Ann Arbor - Phoenix Laboratory Renovations Project. This entails complete renovation of this 25,000 sq. ft. instructional facility to provide upgraded space for energy related research. Cost and construction authorizations were provided under PA 345 of 2006.	\$9,500,000	\$3,071,700	\$6,428,300	\$441,000 to \$576,000

LOCAL FISCAL IMPACT

None.

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Analysis 12/09/08

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