

Fiscal Analysis

State Building Authority Leases



Bill/Sponsor **House Concurrent Resolution's 8 through 17, Rep. M. Hood III**

House Committee **Appropriations**

Analysis

Summary

To approve standard State Building Authority (SBA) lease agreements among the SBA, the State and the respective universities and colleges for Capital Outlay projects as shown in the table below. These properties are also conveyed to the SBA by the resolutions. Each of these projects received planning, cost, and construction authorizations under previous Capital Outlay budget acts. The projects are under construction.

Approval of these resolutions enables the SBA to issue both short and long-term debt instruments to finance the State's share of each project's construction costs.

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

State Fiscal Impact

Legislative adoption of these resolutions commits the State to annually pay rent to the SBA until its debt obligations are fully satisfied. The cumulative annual GF/GP low-to-high rent payment range of **\$3,774,000 to \$4,910,000** is provided consistent with the State Building Authority Act (PA 183 of 1964). The actual rental amount, within or below the respective ranges, will be determined by an independent appraiser when each project is completed. 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
HCR 8. State Facility Preservation Projects – Group A Special Maintenance Roof Repairs. Projects entail replacing/repairing roofs on 13 state owned facilities. Cost/construction authorizations were provided under PA 10 of 2005.	\$5,296,000	\$5,295,800	\$407,000 to \$516,000

HCR 9. State Facility Preservation Projects – Group D Joint Operations Center. Project entails renovating this 2-story, 17,100 sq. ft. facility for energy efficiencies and code compliance for electrical, heating, and cooling systems. An elevator and men' and women's restrooms for each floor will be added. Cost/construction authorizations were provided under PA 10 of 2005.	\$3,000,000	\$3,000,000	\$231,000 to \$292,000
HCR 10. Bay de Noc Community College – West Campus Facility. Project entails the construction of a new 67,000 sq. ft. instructional facility in Dickinson County. Cost/construction authorizations were provided under PA 297 of 2005.	\$12,048,000	\$5,874,100	\$391,000 to \$512,000
HCR 11. Southwestern Michigan College – Information Technology Center Renovations. Project entails complete renovation of 21,000 sq. ft. of existing instructional space at the Dowagiac campus, and new construction of 5,000 sq. ft. to support IT programs. Cost/construction authorizations were provided under PA 297 of 2005.	\$5,047,700	\$2,249,800	\$150,000 to \$196,000
HCR 12. Lansing Community College – University Center. Project entails renovation of the 15,100 sq. ft. Carnegie Library building and the construction of a 22,200 sq. ft. addition to provide new instructional space. Cost/construction authorizations were provided under PA 297 of 2005.	\$11,000,000	\$4,999,800	\$333,000 to \$436,000
HCR 13. Mid Michigan Community College – Science & Technology Center. Project entails construction of a new 57,800 sq. ft. instructional facility on the Mt. Pleasant campus. Cost/construction authorizations were provided under PA 297 of 2005.	\$16,475,000	\$8,237,300	\$554,000 to \$725,000
HCR 14. Montcalm Community College – Life Science Training Facility. Project entails 4 components that will ultimately provide more than 50,000 sq. ft. of renovated or new space for Life Science programs. Cost/construction authorizations were provided under PA 297 of 2005.	\$7,500,000	\$2,999,800	\$200,000 to \$261,000

HCR 15. Saginaw Valley State University – Pioneer Hall Renovations. Project entails renovation of this 47,000 sq. ft. facility and the construction of a 28,000 sq. ft. addition to support mechanical and electrical engineering programs. Cost/construction authorizations were provided under PA 297 of 2005.	\$16,000,000	\$11,999,800	\$799,000 to \$1,045,000
HCR 16. Schoolcraft College – Technical Services Facility. Project entails construction of a new 48,500 sq. ft. instructional facility to support math, science, and technology programs. Cost/construction authorizations were provided under PA 153 of 2006.	\$12,700,000	\$5,019,700	\$334,000 to \$437,000
HCR 17. Ferris State University – Instructional Resource Center. Project includes renovating/upgrading 54,500 sq. ft. of space and construction of a 1-story, 6,700 sq. ft. addition. Cost/construction authorizations were provided under PA 297 of 2005.	\$8,500,000	\$5,624,800	\$375,000 to \$490,000
Totals	\$97,566,700	\$55,300,900	\$3,774,000 to \$4,910,000

Local Fiscal Impact

Community colleges typically finance 50% of these project costs.

Analyst(s)

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