



Senate Fiscal Agency
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House Concurrent Resolutions 36, 58, and 61 (as adopted by the House 12-6-07)

Sponsor: Representative Martin Griffin (H.C.R. 36)

Representative Darwin Booher (H.C.R. 58)

Representative Rebekah Warren (H.C.R. 61)

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 12-10-07

CONTENT

House Concurrent Resolutions 36, 58, and 61 would approve the conveyance of property and approve leases between the State, the State Building Authority (SBA), and various universities and colleges for construction projects that have been previously approved for planning and construction by the Legislature. Approval of the resolutions would enable the SBA to issue bonds to finance the State's share of construction costs.

The projects have met all of the planning approval requirements of the Joint Capitol Outlay Subcommittee and the Management and Budget Act. Approval of the resolutions would create a contractual obligation between the State and the SBA, requiring the State to make annual rental payments to the SBA. The SBA uses the rental payments to pay off the bonds sold to finance construction. Once the debt obligations are satisfied, the SBA will transfer title back to the institutions, or in the case of State facility projects, the State.

FISCAL IMPACT

The projects represent new SBA bond debt obligations of \$17.2 million. Annual rental payments to the SBA are estimated at \$1.2 million to \$1.5 million until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2007-08 General Government appropriation bill total \$226.8 million.

HCR	Project	Total Cost	State Share	Institution Share	Rental Range
36	Jackson Community College - Health Program Expansion & Information Commons	\$18,100,000	\$7,500,000	\$10,600,000	\$505,000 to \$660,000
58	West Shore Community College - New Student Learning Center	\$7,899,400	\$3,949,700	\$3,949,700	\$263,000 to \$344,000
61	University of Michigan – Ann Arbor – Student Activities Building	\$8,500,000	\$5,751,700	\$2,748,300	\$394,000 to \$516,000
	TOTALS:	\$34,499,400	\$17,201,400	\$17,298,000	\$1,162,000 to \$1,520,000

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.