

THIS RESOLUTION IS OFFERED TO COMPLY WITH MCL 18.1246 AND MCL 830.417 AND REQUIRES A RECORD ROLL CALL VOTE.

Rep. Kowall offered the following concurrent resolution:

**House Concurrent Resolution No. 15.**

A concurrent resolution approving a decrease in Total Project Cost and approving a lease between the State of Michigan (the "State") and the State Building Authority (the "Authority") relative to the Department of Management and Budget State Facility Preservation Projects-Phase I and Phase II Group E Special Maintenance Projects (the "Facility").

Whereas, House Concurrent Resolution 35 of 2007, adopted on November 29, 2007, ("HCR 35") by the Michigan Legislature, approved a Total Facility Cost of \$47,296,000 for the Department of Management and Budget State Facility Preservation Projects-Phase I and Phase II Group E Special Maintenance Projects, with the State Building Authority (the "Authority") share of \$47,296,000 and the State General Fund/General Purpose share of \$0; and

Whereas, House Concurrent Resolution 90 of 2008, adopted on June 27, 2008, ("HCR 90") by the Michigan Legislature approved a \$9,233,000 decrease that was assigned to the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and Phase II Group F VanWagoner Building (the "VanWagoner Building"), and a subsequent \$900,000 increase for the Facility, for a Total Facility Cost of \$38,963,000 for the Facility, of which the Authority's share was \$38,963,000 and the State General Fund/General Purpose remained at \$0; and

Whereas, Since the adoption of HCR 35 and HCR 90, (i) \$2,170,000 of the Facility allocable to the Library and Historical Center has been removed from the Facility's list of projects and assigned to the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and Phase II Group I Library and Historical Center; (ii) \$6,766,000 of the Facility allocable to the Huron Valley and Maxey Facilities have been removed from the Facility's list of projects and assigned to the Department of Technology, Management and Budget State Facility Preservation Projects to be funded under various groups for the Huron Valley and Maxey Facilities; (iii) \$595,000 of various projects assigned to the Facility were either cancelled or paid for with non-Facility funding; (iv) of \$616,000 of the Facility allocated to the Joint Lab Cooling Tower component and other energy conservation measures, \$100,000 has been cancelled and \$516,000 has been removed from the Facility list and assigned to the VanWagoner Building; and (v) total costs to complete the remaining components of the Facility have decreased by \$2,346,000; and

Whereas, Such assignments and adjustments of costs resulted in a decrease in the Facility's Total Project Cost by \$12,493,000 to \$26,470,000, which decreased the Authority's share by \$12,493,000 to a share of \$26,470,000, and the General Fund/General Purpose share remained at \$0; and

Whereas, Section 246 of 1984 PA 431, as amended, being MCL 18.1246, provides that the authorized costs of projects shall only be established or revised by specific reference in a budget act, by concurrent resolution adopted by both houses of the legislature, or inferred by the total amount of any appropriations made to complete plans, acquisition, and installation; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL 830.417, requires the approval of the State Administrative Board and the Michigan Legislature, by a concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State may enter into a lease with the Authority upon a showing of a public purpose. The description of the property to be leased and the rental to be paid by the State shall be approved by the State Administrative Board; and

Whereas, Providing capital maintenance improvements to be used by the State pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease between the Authority and the State has been prepared providing for the leasing of the Facility by the Authority to the State (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and Phase II Group E Special Maintenance Projects shall not exceed \$26,470,000 (the Authority share shall not exceed \$26,470,000 and the State General Fund/General Purpose share shall not exceed \$0), plus interest charges on monies advanced by the State to meet the acquisition and installation cash flow requirements of the Facility, if any, of which not more than \$26,470, plus interest charges on monies advanced by the State to meet the acquisition and installation cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonacquisition and installation costs; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$2,094,000 and \$2,653,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease between the State and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That a copy of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, and the State Budget Director.