



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Concurrent Resolution 50 (as reported without amendment)
Sponsor: Senator Jason E. Allen
Committee: Appropriations

CONTENT

The State Building Authority is recommending approval of Senate Concurrent Resolution 50, which would convey property and establish a lease agreement between the State, the State Building Authority (SBA), and Lake Superior State University for the Special Maintenance renovation project. The project was approved for construction in Public Act 10 of 2005. Approval of the resolution would allow bonds to be sold to finance the project's construction.

The project consists of a campus electrical loop upgrade and has met all the planning approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act. Approval of the resolution would set up a contractual obligation between the State and the SBA requiring the State to make annual rental payments to the SBA. The SBA would use the rental payments to pay off the bonds sold to finance construction. Once the debt obligations were satisfied, the SBA would transfer title back to the Institution. The estimated annual rental amount is provided pursuant to the requirements of the State Building Authority Act.

FISCAL IMPACT

The project represents new bond debt obligations by the SBA of \$163,100. Approval of the resolution would require the State to make annual rental payments to the SBA estimated to be between \$49,000 and \$61,000 until the bonds were retired, expected to be in approximately 12 to 15 years.

Project	SCR	SBA Share	University Share	Annual Rental Range
Lake Superior State University – Special Maintenance – Electrical Loop Upgrade: Project entails the installation of a new electrical loop and the corresponding gear and rigid conduit.	50	\$163,100	\$0	\$49,000 - \$61,000

Date Completed: 6-8-06

Fiscal Analyst: Michael Hansen

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Analysis available @ <http://www.michiganlegislature.org>

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