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BILL



ANALYSIS

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House Concurrent Resolution 64 (as adopted by the House)
Sponsor: Representative Dale Zorn

CONTENT

House Concurrent Resolution 64 would approve the conveyance of property and approve a lease between the State, the State Building Authority (SBA), and the Monroe County Community College District for the Monroe County Community College Technology Center project that the Legislature approved for planning in Public Act 278 of 2008 and construction in Public Act 329 of 2010. The project has met all of the approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act.

The project consists of a 60,350-square-foot one-story career technology facility that will provide infrastructure to support state-of-the-art classrooms and lab space required to deliver instruction related to high-growth, high-demand, and high-paying jobs. The facility will address the objective of preparing students for employment in technical-related fields and working with governmental agencies and employers to develop training and re-training programs to meet the needs of an evolving economy. Areas of study will include nuclear engineering, welding, construction, computer-aided drafting and manufacturing, electronics, quality assurance, and automotive engineering. The total cost of the project is \$17.0 million, with a State share of \$8.5 million, and a college share of \$8.5 million.

Approval of the resolution would enable the SBA to issue bonds to finance the State's share of construction costs and would create a contractual obligation between the State and the SBA, requiring the State to make annual rental payments to the SBA. The SBA will use 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 Monroe County Community College.

FISCAL IMPACT

The resolution would result in \$8.5 million in new bond debt obligations for the State. Annual rental payments to the SBA are estimated at \$583,000 to \$762,000 until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2012-13 General Government appropriation bill total \$256.9 million.

Date Completed: 9-27-12

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