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House Concurrent Resolutions 8 through 17 (as reported without amendment)

Sponsor: Representative Morris Hood House Committee: Appropriations Senate Committee: Appropriations

## **CONTENT**

House Concurrent Resolutions 8 through 17 would approve the conveyance of property and approve lease agreements between the State, the State Building Authority (SBA), and various universities and community 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 bond debt obligations of \$55.3 million. Annual rental payments to the SBA are estimated at \$3.8 million to \$4.9 million until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2006-07 General Government appropriation bill total \$237.8 million.

			State	Institution	Rental
HCR	Project	Total Cost	Share	Share	Range
8	State Facility Preservation Projects, Group A, Special Maintenance Roof Repairs	\$5,296,000	\$5,296,000	N/A	\$407,000 to \$516,000
9	State Facility Preservation Projects, Group D, Joint Operations Center	3,000,000	3,000,000	N/A	\$231,000 to \$292,000
10	Bay de Noc - West Campus Facility	12,048,000	5,874,300	6,173,700	\$391,000 to \$512,000
11	Southwestern Michigan College – Information Technology Center Renovations	5,047,700	2,250,000	2,797,700	\$150,000 to \$196,000
12	Lansing Community College – University Center	11,000,000	5,000,000	6,000,000	\$333,000 to \$436,000

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13	Mid Michigan College – Science and Technology Center	16,475,000	8,237,500	8,237,500	\$554,000 to \$725,000
14	Montcalm Community College – Life Science Training Facility	7,500,000	3,000,000	4,500,000	\$200,000 to \$261,000
15	Saginaw Valley State University – Pioneer Hall Renovations	16,000,000	12,000,000	4,000,000	\$799,000 to \$1,045,000
16	Schoolcraft College – Technical Services Facility	12,700,000	5,019,900	7,680,100	\$334,000 to \$437,000
17	Ferris State University – Instructional Resource Center	8,500,000	5,625,000	2,875,000	375,000 to \$490,000
					\$3,774,000
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	TOTALS:	\$97,566,700	\$55,302,700	\$42,264,000	\$4,910,000

Date Completed: 5-4-07 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.