



Senate Fiscal Agency
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BILL ANALYSIS



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House Concurrent Resolutions 30, 31, 32, 34, 35, 37, 44, and 45
(as adopted by the House 9-26-07)

Sponsor: Representative Robert Jones (H.C.R. 30)
Representative Fred Miller (H.C.R. 31 & 32)
Representative Morris Hood, III (H.C.R. 34, 35, 44, & 45)
Representative Rebekah Warren (H.C.R. 35)

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 9-26-07

CONTENT

House Concurrent Resolutions 30, 31, 32, 34, 35, 37, 44, and 45 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 the Legislature previously approved for planning and construction. 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 \$116.6 million. Annual rental payments to the SBA are estimated at \$8.8 million to \$11.2 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 \$237.3 million.

HCR	Project	Total Cost	State Share	Institution Share	Rental Range
30	Western Michigan University – Brown Hall Renovations/Additions	\$14,800,000	\$9,500,000	\$5,300,000	\$633,000 to \$828,000
31	Macomb Community College – Health Sciences and Technology Classroom Building	\$12,000,000	\$6,000,000	\$6,000,000	\$404,000 to \$528,000
32	Macomb Community College – Emergency Services Training Center	\$8,683,000	\$3,272,500	\$5,410,500	\$218,000 to \$285,000

HCR	Project	Total Cost	State Share	Institution Share	Rental Range
34	Alpena Community College – Instructional Addition/Renovation	\$4,105,500	\$1,667,500	\$2,438,000	\$111,000 to \$145,000
35	DMB – State Facility Preservation Projects – Phase I & II Group E Special Maintenance Projects	\$47,296,000	\$47,296,000	N/A	\$3,636,000 to \$4,605,000
37	University of Michigan – Ann Arbor – Observatory Lodge Renovations	\$11,500,000	\$7,820,000	\$3,680,000	\$521,000 to \$681,000
44	DIT – Michigan Public Safety Communications System Critical Platform Upgrades	\$13,525,482	\$13,525,482	N/A	\$1,420,000 to \$1,700,000
45	DMB – Capitol Complex Renovations	\$27,563,300	\$27,563,300	N/A	\$1,890,000 to \$2,472,000
	TOTALS:	\$139,473,282	\$116,644,782	\$22,828,500	\$8,833,000 to \$11,244,000

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.