

**Fiscal Analysis**  
**STATE BUILDING AUTHORITY LEASE**  
Muskegon Community College  
Student Services One-Stop Center



**Bill:** SENATE CONCURRENT RESOLUTION 5 - As Adopted by the Senate 3/17/09  
**Sponsor:** Senator Gerald Van Woerkom  
**House Committee:** Appropriations

**Analysis:**

**Summary**

Approves the conveyance of property and a standard State Building Authority (SBA) lease between the SBA, the State, and Muskegon Community College for a construction project previously approved by the Legislature.

Approval of this resolution is the final remaining legal requirement to enable the SBA to issue bonds to finance the State's share of the project's construction costs. Approval 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 the construction. Once the debt is satisfied, the SBA will transfer title back to Muskegon Community College.

The specific project involves renovation of existing space to consolidate all student services, including registration, records, counseling, testing career services, student placement, recruitment, financial aid, and student life. These student services will be together on one level in a prominent location adjacent to the lobby of the main building.

**Fiscal Impact - State**

The total cost of the project is \$5.0 million and the State share is \$2.5 million. Annual rent payments to the SBA are estimated at \$171,000 to \$224,000 until the bonds are retired (approximately 15 to 17 years). The actual true market rental amount, within or below the respective range, will be determined when the project is completed and has been independently appraised.

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**Date Completed:** 3/24/09

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