

Department of State Police Bay City State Police Post

House Concurrent Resolution 49 - As Introduced
Sponsor: Representative Brunner
Analysis Completed: February 8, 2012

BRIEF SUMMARY:

House Concurrent Resolution 49 would approve the conveyance of property and a standard lease between the state and the State Building Authority (SBA) relative to the Department of State Police Bay City State Police Post.

Approval of this resolution is the final remaining legal requirement to enable the SBA to issue bonds to finance the state's construction costs. The project has met all of the approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act, 1984 PA 431. Approval would create a contractual obligation between the state and the SBA, requiring the state to make annual rent payments to the SBA. The SBA will use the rent payments to pay off the bonds sold to finance the construction. Once the debt obligations are satisfied, the SBA will transfer title back to the state.

The project involves construction of a new post to replace the 70-year old facility. The new post is a one-story building with 12,250 sq. ft. and is designed to house 25 to 30 State Police officers and associated support staff. The building includes office space, conference rooms, holding cells, weapons and equipment storage areas, locker rooms, a wellness center, and a public lobby. Site improvements include entrance drives and a paved parking lot.

The project was initially approved for construction in Public Act 278 of 2008 with an estimated total project cost of \$2.9 million. The total project cost was increased by \$311,000 in Public Act 27 of 2010 and was increased by \$500,000 in Public Act 83 of 2011. This brought the total project cost to \$3.7 million.

FISCAL IMPACT:

The total cost of the project is \$3.7 million. Annual rent payments to the SBA are estimated at between \$254,000 and \$332,000 until the bonds are retired (approximately 15 to 17 years). The actual true market rent amount, within or below the respective range, will be determined when the project is completed and has been independently appraised. Annual rent payments to the SBA are appropriated in the General Government appropriations bill and total \$256.9 million for FY 2012.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.