

Bill/Sponsor **HOUSE CONCURRENT RESOLUTION 20 (as introduced)**, Rep. Scott Shackleton

House Committee Appropriations

Analysis **Summary**
 Approves a standard State Building Authority (SBA) lease between the SBA, the State and Northwestern Michigan College relative to its West Bay Campus project. The property is also conveyed to the SBA. This project received planning, cost, and construction authorizations under previous Capital Outlay budget acts.

Legislative approval of the resolution, a statutory requirement, enables the SBA to issue debt instruments to finance the state's share of the project's construction cost. The project is currently under construction.

Fiscal Impact
 Legislative adoption of the resolution commits the state to annually pay rent to the SBA until its debt obligations are fully satisfied. The annual GF/GP high/low rental range of \$620,000 to \$790,000 is provided consistent with PA 183 of 1964.

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.

Project	Total Project Cost	University/ College Funds	State Funds	GF/GP Rental Range on SBA Financing
HCR 20 Northwestern Michigan College – West Bay Campus Reconstruction Project. This project entails demolition of the old West Bay Campus buildings and construction of a new 73,000 sq. ft.	\$16,249,200	\$8,125,000	\$8,124,200	\$620,000 to \$790,000

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<p>instructional facility. It will house the Maritime Academy, Fresh Water Studies Program, the Culinary Arts Program, and the Professional Development Center. Construction authorization was contained under PA 81 of 2000.</p>				
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LOCAL FISCAL IMPACT

Community colleges are normally responsible to, at least, equally match the state financed portion of their respective projects. They will typically finance their share through a bond issue of their own, secured by a property tax assessment approved by the district's voters.

Analyst(s)

Al Valenzio

FLOOR ANALYSIS - 6/24/03

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