

Fiscal Analysis

STATE BUILDING AUTHORITY LEASE



Bill/Sponsor **HOUSE CONCURRENT RESOLUTION 22 (as introduced)**, Rep. Scott Shackleton

House Committee Appropriations

Analysis **Summary**
 Approves a standard State Building Authority (SBA) lease between the SBA, the State and Western Michigan University relative to its Health and Human Services Building 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 \$2,740,000 to \$3,510,000 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 22 Western Michigan University – Health and Human Services Building. This entails the construction of a 196,000 sq. ft. instructional	\$48,170,800	\$12,042,700	\$36,128,100	\$2,740,000 to \$3,510,000

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facility to house 9 different health related programs, including nursing. It received a construction authorization under PA 45 of 2001.				
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Analyst(s)

Al Valenzio

FLOOR ANALYSIS - 6/24/03

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