

Fiscal Analysis

STATE BUILDING AUTHORITY LEASE



Bill/Sponsor HOUSE CONCURRENT RESOLUTION 23 (as introduced), Rep. Scott Shackleton

House Committee Appropriations

Analysis

Summary

Approves a standard State Building Authority (SBA) lease between the SBA, the State and Lake Michigan College relative to its Van Buren Center 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.

Start your short summary here

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 \$295,000 to \$380,000 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 23 Lake Michigan College – Van Buren Center Project. This entails the construction of a 42,000 sq. ft. instructional facility to be shared with Western Michigan University. WMU	\$7,800,000	\$3,900,000	\$3,900,000	\$295,000 to \$380,000

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will occupy 2 classrooms and a computer lab. It will serve as LMC's new satellite site in South Haven. It received a construction authorization under PA 560 of 2002.				
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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)

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FLOOR ANALYSIS - 6/24/03

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