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BILL ANALYSIS

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House Concurrent Resolution 49 (as reported without amendment)  
Sponsor: Representative Scott Shackleton  
Committee: Appropriations

### **CONTENT**

The Joint Capital Outlay Subcommittee (JCOS) has approved House Concurrent Resolution 49, which would convey land and establish a lease agreement between the State, the State Building Authority (SBA), and Washtenaw Community College for the construction of a 23,800 square foot addition to the Occupational Education Building on the college's main campus to serve as an advanced training facility for plumbers, pipefitters, refrigeration fitters, and sprinkler fitters. The lease agreement creates a contractual obligation requiring the State to make rental payments to the SBA on behalf of the college for use of the facility. The SBA will use the rental payments to make debt service payments on bonds that will be sold to finance construction.

The project received planning authorization in Public Act (P.A.) 265 of 1999 and construction authorization in P.A. 530 of 2002, and has met all the planning approval requirements of the Department of Management and Budget and the Joint Capital Outlay Committee. The estimated annual rental amount is provided pursuant to the requirements of the SBA Act. An actual rental amount will be determined by an appraiser once the facility is complete. Legislative approval of the resolution would commit the State to make annual rental payments for the project until the SBA debt obligations are satisfied.

### **FISCAL IMPACT**

Annual rental (debt service) payments for the current fiscal year are appropriated in the capital outlay budget at \$266 million. The project financed through H.C.R. 49 represents new bond debt obligations by the SBA of \$2.0 million. Approval would require the State to make annual rental payments to the SBA estimated between \$150,000 and \$200,000, the money for which is already included in the current-year capital outlay budget.

<b>Project</b>	<b>HCR No.</b>	<b>Total Authorized Cost</b>	<b>SBA Share</b>	<b>Estimated Annual Rental Range</b>
<b>Washtenaw Community College – Plumbers and Pipefitters Training Facility.</b> This project entails the construction of a 23,800 sq. ft. addition to the Occupational Education Building on the college's main campus to serve as an advanced training facility for plumbers, pipefitters, refrigeration fitters, and sprinkler fitters.	HCR 49	\$4,000,000	\$1,999,800	\$150,000 to \$200,000

Date Completed: 6-22-04

Fiscal Analyst: Mike Hansen

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Bill Analysis @ [www.senate.michigan.gov](http://www.senate.michigan.gov)

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