



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1391 (as reported without amendment)
Sponsor: Senator Cameron S. Brown
Committee: Appropriations

CONTENT

The bill would authorize the State Administrative Board, on behalf of the State, to transfer without consideration, a parcel of property in Lansing Township, Clinton County and DeWitt Township in Ingham County, from the Department of Management and Budget to the Department of Military and Veteran Affairs. The parcel is commonly referred to as the Baker-Olin North Complex and is located at 3423 N. Martin Luther King Blvd. in Lansing. The complex currently consists of three connected buildings, the Records Center, and the Federal Surplus Building, and provides space for staff and services of the Department of Community Health. The conditions of the buildings are reportedly very poor and contain a number of code violations and health and safety risks.

According to Department plans, once the parcel was transferred to the Department of Military and Veteran Affairs, it would spend \$13.0 million (almost all Federal) to completely renovate and/or demolish the existing facilities in order to house administrative and support functions currently located at the South Washington Armory (Lansing) and the Purchasing and Fiscal Office Complex on St. Joseph Highway (Lansing). This action would consolidate several functions of the Department into new space adjacent to the new Readiness Center, and Combined Maintenance Shop Facility construction projects currently under way across the street from the North Complex.

The conveyance would require the relocation of approximately 450 employees of the Department of Community Health to new space elsewhere in Lansing.

FISCAL IMPACT

The bill would have no direct fiscal impact on State or local government. However, given the poor condition of the existing facilities, the bill likely would generate cost avoidance savings by negating the need to spend State resources on renovations and repairs that would otherwise be required at the Baker-Olin complex. These savings would be offset, however, by the cost of new space for the Baker-Olin complex employees who would need to be relocated. It is unclear at this time whether those employees would go into existing vacant State-owned space, existing private leased space, or newly constructed space.

Date Completed: 9-14-04

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