

Fiscal Analysis

State Building Authority Lease



Bill/Sponsor SCR 26, Sen. S. Johnson

House Committee Appropriations

Analysis

Summary

To approve a standard State Building Authority (SBA) lease between the SBA and the state relating to the Kinross Correctional Facility Power Plant conversion 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 long-term debt to finance the project's construction cost.

The Joint Capital Outlay Subcommittee (JCOS) approved this resolution, with recommendation. The Department of Management and Budget also supports the resolution.

State Fiscal Impact

Legislative adoption of this 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 \$411,000 to \$538,000 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	SBA Funds	GF/GP Rental Range on SBA Financing
Kinross Correctional Facility – New Power Plant Project. This project entails the construction of 2 new natural gas fired boiler/heating plants to replace an aging coal fired boiler plant to serve the Kinross and	\$6,000,000	\$5,999,900	\$411,000 to \$538,000

Analyst(s)

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