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S.C.R. 60: FLOOR ANALYSIS

Senate Concurrent Resolution 60 (as discharged)

Sponsor: Senator Shirley Johnson

Committee: Appropriations

CONTENT

Senate Concurrent Resolution 60 would convey property and establish a lease agreement between the State, the State Building Authority (SBA), and Grand Valley State University for the Padnos College of Engineering project. Approval of the resolution would enable the SBA to issue bonds to finance the State's share of construction costs.

The project has met all of the planning approval requirements of the Joint Capitol Outlay Subcommittee and the Management and Budget Act. Approval of the resolution would create a contractual obligation between the State and the SBA, requiring the State to make annual rental payments to the SBA. The SBA would use the rental payments to pay off the bonds sold to finance construction. Once the debt obligations were satisfied, the SBA would transfer title back to the school.

FISCAL IMPACT

The project represents new bond debt obligations by the SBA of \$12.0 million. Annual rental payments to the SBA are estimated at \$815,000 to \$1.1 million until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2006-07 General Government appropriation act total \$237.8 million.

			State	Institution	Rental
SCR	Project	Total Cost	Share	Share	Range
60	Grand Valley State	\$16,000,000	\$12,000,000	\$4,000,000	\$815,000
	University: Padnos College				to
	of Engineering.				\$1,066,000

Fiscal Analyst: Bill Bowerman

Date Completed: 12-13-06