

State Revenue

The state will realize at least \$2.8 million from the sale of the Inspection and Consumer Services Division building, located at 3125 Wyandot Street in Denver. The sale proceeds will be deposited into the Agriculture Management Cash Fund.

The bill authorizes the issuance of certificates of participation (COPs) in the amount of \$6.6 million. Proceeds from the sale of the COPs will be held by a trustee, and so are not reflected as state revenue for purposes of this fiscal note.

State Expenditures

The department anticipates at least \$2.8 million will be available from the sale of the Inspection and Consumer Services Division building to offset the cost of purchasing and renovating a new building. This fiscal note assumes that \$2.8 million will be appropriated in FY 2013-14 for the project through the capital construction section of the Long Bill. The department requested funding for the project through the capital process. The project is currently under consideration by the Capital Development Committee for recommendation to the Joint Budget Committee for inclusion in the Long Bill. Capital projects are typically appropriated through the capital construction of the Long Bill in order to subject them to fiscal rules unique to the capital budget, including the allowance of three years to expend an appropriation.

The remaining project costs will be financed through the sale of COPs to be repaid through annual lease payments. This fiscal note assumes that the Department of Agriculture will begin making annual lease payments to repay the COPs beginning in FY 2014-15 from the Agricultural Management Cash Fund. The projected cost of the annual lease payments is \$456,997 over a period of 20 years, for a total repayment cost of about \$9.1 million.

Departments Contacted

Agriculture

Treasury