

REPRINT

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5436

(As passed the Senate December 13, 2001)

A bill to authorize the state administrative board to convey certain parcels of state owned property in Tuscola county and Wayne county; to prescribe conditions for conveyance; to provide for certain powers and duties of the department of management and budget; and to provide for the disposition of revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, may convey to the recipient determined under sections 2 to
3 4, for consideration as determined pursuant to sections 2 to 4,
4 all or portions of property now under the jurisdiction of the
5 department of community health and located in the township of
6 Indianfields, Tuscola county, Michigan, and further described as
7 follows:

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1 The Southeast 40 acres, being approximately 1320 feet by
2 1320 feet, of the remainder of the South Half of Section 18, Town
3 12 North, Range 9 East, after excepting out the Southeast 1/4 of
4 Section 18 Town 12 North, Range 9 East, which was conveyed to the
5 City of Caro in that Quitclaim Deed dated May 16th, 1961.

6 Sec. 2. The Tuscola area airport authority has the exclu-
7 sive right, for a period of 12 months after the effective date of
8 this act, to purchase the property described in section 1. The
9 purchase price shall be 1 of the following:

10 (a) Less than fair market value, if the Tuscola area airport
11 authority agrees to use the property for public purposes.

12 (b) Fair market value, if the Tuscola airport authority does
13 not agree to use the property for public purposes.

14 Sec. 3. If, at any time after purchasing the property under
15 sections 1 and 2, the Tuscola area airport authority determines
16 it will no longer operate as a local unit of government, or
17 determines that the property shall no longer continue to be used
18 for public purposes, then the Tuscola area airport authority
19 shall notify the state in writing 180 days before any such change
20 in organization or use. The Tuscola area airport authority shall
21 then have the right, for 180 days, to purchase the reversionary
22 rights. The purchase price will be the fair market value of the
23 property exclusive of any improvements on the date of the notice
24 to the state.

25 Sec. 4. Any conveyance of the property described in
26 section 1 that is conveyed for public purpose for less than fair
27 market value shall provide for all of the following:

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1 (a) That the property shall be used exclusively for public
2 purposes and if any fee, term, or condition is imposed on members
3 of the public for recreational use of the conveyed property, all
4 resident and nonresident members of the public shall be subject
5 to the same fees, terms, and conditions, except that the grantee
6 may waive daily fees or waive fees for the use of specific areas
7 or facilities; and that upon termination of that use or use for
8 any other purpose, the state may reenter and repossess the prop-
9 erty, terminating the grantee's estate in the property.

10 (b) That the Tuscola area airport authority may create and
11 record restrictions on the use of the property required for the
12 safe operation of an airport. Those recorded restrictions shall
13 run with the land as long as the airport is in use and shall not
14 be extinguished solely by reversion of the property to the
15 state.

16 (c) That if the grantee disputes the state's exercise of its
17 rights of reentry and fails to promptly deliver possession of the
18 property to the state, the attorney general, on behalf of the
19 state, may bring an action to quiet title to, and regain posses-
20 sion of, the property.

21 Sec. 5. The fair market value of the property described in
22 section 1 shall be determined by an appraisal as prepared by the
23 state tax commission or an independent fee appraiser.

24 Sec. 6. The state administrative board, on behalf of the
25 state, may convey to the recipient determined under sections 7
26 and 8, for consideration as determined pursuant to sections 7 and
27 8, all or portions of property now under the jurisdiction of the

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1 department of community health and located in the township of
2 Indianfields, Tuscola county, Michigan, and further described as
3 follows:

4 That part of the South 1/2 of Section 17, Town 12 North,
5 Range 9 East, which lies North of the Cass River, South of M-81,
6 and 250 feet East of the Caro Center, Buildings number 7 and 9 as
7 numbered and depicted in the States Facility Inventory dated
8 June 1980. The parcel contains approximately 30 acres.

9 Sec. 7. The township of Indianfields has the exclusive
10 right, for a period of 12 months after the effective date of this
11 act, to purchase the property described in section 6, for less
12 than fair market value, if the township of Indianfields agrees to
13 use the property for public purposes.

14 Sec. 8. Any conveyance of the property described in
15 section 6 for less than fair market value shall provide for both
16 of the following:

17 (a) That the property shall be used exclusively for public
18 purposes and if any fee, term, or condition is imposed on members
19 of the public for recreational use of the conveyed property, all
20 resident and nonresident members of the public shall be subject
21 to the same fees, terms, and conditions, except that the grantee
22 may waive daily fees or waive fees for the use of specific areas
23 or facilities; and that upon termination of that use or use of
24 any other purpose, the state may reenter and repossess the prop-
25 erty, terminating the grantee's estate in the property.

26 (b) That if the grantee disputes the state's exercise of its
27 rights of reentry and fails to promptly deliver possession of the

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1 property to the state, the attorney general, on behalf of the
2 state, may bring an action to quiet title to, and regain posses-
3 sion of, the property.

[Sec. 8a. The conveyances authorized by sections 1 and 6 shall be by quitclaim deed approved by the attorney general. The conveyances shall not reserve the mineral rights to the state; however, the conveyances shall provide that if the grantee derives any revenue from the development of any minerals found on, within, or under the conveyed property, the grantee shall pay 1/2 of that revenue to the state, for deposit in the Michigan natural resources trust fund.]

4 Sec. 9. (1) The state administrative board, on behalf of the
5 state, may convey for consideration of not less than fair market
6 value as determined pursuant to section 11, certain state owned
7 property now under the jurisdiction of the department of commu-
8 nity health and located in Wayne county, and further described as
9 follows:

10 [A parcel of land in the N 1/2 of sections 11 & 12, T1S, R8E,
11 Northville Township, Wayne County, Michigan and more particularly
12 described as commencing at the E 1/4 corner of said section 12; thence
13 S86°48'28"W 1384.05 feet, on the E-W 1/4 line of said section 12 to the
14 point of beginning of this description; thence S86°48'28"W 1300.57 feet,
15 on said E-W 1/4 line to the center of said section 12; thence S86°53'56"W
16 2726.05 feet, on said E-W 1/4 line to the W 1/4 corner of said section
17 12; thence N84°54'43"W 2725.96 feet, on the E-W 1/4 line of said section
18 11 to the center of said section 11; thence N85°00'14"W 200.15 feet, on
19 the E-W 1/4 line of said section 11; thence N01°28'26"E 1.14 feet;
20 thence N00°00'34"W 72.00 feet; thence N49°05'26"E 131.49 feet; thence
21 N23°49'26"E 94.98 feet; thence N07°25'34"W 69.92 feet; thence N32°28'34"W
22 81.37 feet; thence N15°56'34"W 309.92 feet; thence N64°56'07"W 282.85
23 feet; thence 2284.99 feet, on the arc of a curve to the left with a
24 central angle of 122°12'37", a radius of 1071.28 feet, and a long chord
25 bearing and distance of S53°56'34"W 1875.81 feet; thence S82°56'46"W
26 4.24 feet, to the east right of way line of the CSX railroad; thence

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27 N12°56'16"W 479.57 feet, on said railroad right of way to the E-W 1/4
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- 1 line of said section 11; thence N12°56'16"W 1042.64 feet, on said railroad right of way; thence N38°54'25"E 299.77 feet; thence N83°24'25"E 145.50 feet; thence N69°54'25"E 198.00 feet; thence N39°24'25"E 99.30 feet; thence N62°24'25"E 108.87 feet; thence S62°50'35"E 103.70 feet; thence S41°34'35"E 205.39 feet; thence N63°04'10"E 169.60 feet; thence N89°07'10"E 74.80 feet; thence S36°20'50"E 344.00 feet; thence S36°20'50"E 106.31 feet; thence S68°13'14"E 188.90 feet; thence S82°35'18"E 67.44 feet; thence S88°15'37"E 1017.15 feet; thence N01°56'53"E 684.47 feet; thence S89°26'24"E 699.89 feet; thence S01°57'25"W 707.88 feet; thence S89°26'24"E 490.88 feet; thence N01°57'25"E 100.07 feet; thence N14°37'29"E 219.23 feet; thence S89°26'24"E 68.17 feet; thence N07°37'01"W 1045.59 feet, to the south right of way line of Seven Mile Road; thence S89°26'24"E 1202.88 feet, on said right of way to the east line of said section 11; thence N89°45'40"E 2643.20 feet, on said right of way to the N-S 1/4 line of said section 12; thence N84°12'47"E 1734.38 feet, on said right of way; thence N85°33'26"E 266.11 feet, on said right of way; thence S88°29'21"E 148.63 feet, on said right of way; thence N87°57'11"E 197.69 feet, on said right of way; thence S85°42'03"E 197.80 feet, on said right of way; thence S88°37'57"E 148.01 feet, on said right of way to the west right of way line of Haggerty Road; thence S00°00'12"W 350.00 feet, on said right of way; thence S89°59'48"W 10.00 feet, on said right of way; thence S00°00'12"W 806.77 feet, on said right of way; thence N89°59'48"W 651.16 feet; thence S54°17'10"W 793.19 feet; thence S01°37'45"W 942.94 feet, to the point of beginning, containing 422.62 acres.] This description is subject to survey,
- 2 easements and deeds of record, and the Department of Natural
- 3 Resources' Oil and Gas Leases No. N-24954 and No. N-24957[, as may be amended].

(2) The sale of the property described in this section shall be conducted in a manner to realize the highest price for the sale and the highest return to the state. The sale of this property shall be done in an open manner that uses one or more of the following:

- (a) A competitive sealed bid.
- (b) Oral bid.
- (c) Public auction.
- (d) Use of broker services.

Broker services for the sale of this property shall only be used if there are three or more bidders for this property. The minimum selling price for the property shall be the higher value of either its fair market value or the result of a professional concept plan value as determined by a real estate professional qualified to make such valuations. This real estate professional shall be selected through a request for proposal and competitive bid process.

(3) A notice of a sealed or oral bid, public auction sale, or use of broker negotiation services, regarding the property described in this section shall be published at least once in a newspaper as defined in section 1461 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 days before the sale. The newspaper shall be one that is published in the county where the property is located. If a newspaper is not published in the county where the property is located, the notice shall be published in a newspaper in a county nearest to the county in which the property is located. A notice shall describe the general location of the property and the date, time, and place of the sale.

[Sec. 9a. Not later than May 1, 2002, the department of management and budget shall provide a written report to the chairpersons of the house of representatives and senate appropriations committees on the progress of the sale of the property in section 9. This report shall describe the sale

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process or processes under section 9, subsection (2), which will be used, the name of the broker or brokers used in the sale, and other information

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to apprise lawmakers of the status of this sale. This report is in addition to other reporting requirements of this act or other state laws.]

4 Sec. 10. The conveyance authorized under section 9 shall [be by
quitclaim deed approved by the attorney general and shall]
5 provide for all of the following:

6 (a) The northwesterly boundary of the Hawthorn center in the
7 southeastern corner of the property shall be determined in con-
8 junction with the director of community health to provide a
9 parcel of land adequate to support the Hawthorn center's program
10 and operations.

11 (b) The conveyance is subject to lease No. N-24954 and
12 No. N-24957, as may be amended, and shall reserve oil [, gas, and mineral]
13 rights to the state.

14 (c) In order to allow the department of community health
15 sufficient time to make alternative plans for the patients at the
16 Northville psychiatric hospital, the department will retain the
17 use of [necessary buildings and facilities for patient care and
18 related activities] for a minimum of 3 years based
19 on need. [Payment for deferred use of property] for the use of these
20 structures will be paid to
21 the developer based on a specified amount agreed to by the
22 department of community health and the developer[.

[Sec. 10a. The conveyance under section 9 is subject to all of the following:

(a) The department of community health shall not implement the closure or consolidation of the Northville psychiatric hospital until the community mental health service providers have programs and services in place for persons residing in the Northville psychiatric hospital.

(b) The closure or consolidation of the Northville psychiatric hospital is contingent upon adequate department-approved community mental health service provider program plans that include a discharge and aftercare plan for each person in the facility. A discharge and aftercare plan shall address the person's housing needs. A homeless shelter or similar temporary shelter arrangement is inadequate to meet the person's housing needs.

(c) By April 15, 2003, the department of community health shall submit to the house of representatives and senate appropriations committees a status report detailing, by the admitting community mental health service provider, the number of patients remaining in Northville psychiatric hospital.

(d) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house of representatives and senate appropriations committees.]

23 Sec. 11. The fair market value of the property described in
24 section 9 shall be determined by an appraisal as prepared by the
25 state tax commission and an independent fee appraiser.

26 Sec. 12. The descriptions of the parcels in sections 1, 6,
27 and 9 are approximate and for purposes of the conveyance are

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1 subject to adjustments as the state administrative board or the
2 attorney general considers necessary by survey or other legal
3 description.

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12 [Sec. 13.] (1) The net revenue received under this act shall

13 be deposited in the state treasury and credited to the general

14 fund. [However, 5% of the net revenue from the sale authorized in section
9 shall be placed in a reserve fund to cover transitional costs. The
department of community health shall provide the house of representatives
and the senate appropriations subcommittees on community health with its
transition plan for approval 9 months before the final closure of the
facility.]

15 (2) For the purposes of this act, "net revenue" means the

16 proceeds from the sale of the property less reimbursement for any

17 costs to the state associated with the sale of the property.

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