

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5436**

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.

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 The Northville Center, which is located on the North half of
11 Sections 11 & 12, T1S, R8E, Northville Township, Wayne County,
12 and further described as beginning at the NE corner the
13 Northville Township Park as recorded in Liber 25582 Page 520,
14 thence easterly along the North of line of said sections and the
15 centerline of Seven Mile Road to the East Line of Section 12 and
16 Haggerty Road; thence Southerly on the East Line of Section 12,
17 to Hawthorn Center, thence Northwesterly of Hawthorn Center (on a
18 line to be described by survey*) to the East-West Quarter Line of
19 Section 12; thence Westerly on the East-West Quarter Lines of
20 Section 12 and 11; thence around an irregular parcel purchased
21 from Ford Motor Company and recording in Liber 8451 Page 347;
22 thence easterly along the South Line of one or more private par-
23 cels and continuing easterly along the South Line of a parcel
24 under the jurisdiction of the Michigan State Police, and the
25 property sold to Northville Township and recorded in Liber 25582
26 Page 520, thence Northerly along the East Line of the Northville
27 Township parcel to the point of beginning. Containing

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1 approximately 420 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.

(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.

4 Sec. 10. The conveyance authorized under section 9 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 and gas
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 main buildings A, B, and C, power plant No. 11, mainte-
18 nance No. 15, and laundry No. 14, for a minimum of 3 years based
19 on need. Rent for the use of these structures will be paid to
20 the developer based on a specified amount agreed to by the
21 department of community health and the developer and shall not

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22 exceed the operating cost of the facility.

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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.

4 Sec. 13. The conveyances authorized by this act shall be by
5 quitclaim deed approved by the attorney general. The conveyance
6 shall not reserve the mineral rights to the state; however, the
7 conveyance shall provide that if the grantee derives any revenue
8 from the development of any minerals found on, within, or under
9 the conveyed property, the grantee shall pay 1/2 of that revenue
10 to the state, for deposit in the Michigan natural resources trust
11 fund.

12 Sec. 14. (1) The net revenue received under this act shall
13 be deposited in the state treasury and credited to the general
14 fund.

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.