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House Bill 4480 (as passed by the House 4-13-10)
Sponsor: Representative George Cushingberry
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 4-15-10

CONTENT

The bill would authorize the State Administrative Board to convey the Dexter-Elmhurst Community Services Center in the City of Detroit, County of Wayne, to the Wayne County, or an entity formed by the county for \$1. The property includes approximately 1.33 acres and a 25,000-square-foot building. The facility currently houses a number of community resource and outreach programs. The bill would require that the property be used exclusively for public purposes, and provides that the State would be entitled to reenter and repossess the property if that condition were not met.

If the property were not sold to Wayne County within 120 days after the bill's effective date, the Department of Management and Budget (DMB) would be required to take necessary steps to realize the best value for the property by preparing to convey it through competitive bidding, a public auction, use of real estate brokerage services, a value-for-value conveyance, or offering the property for sale for fair market value to a local unit. The property could be sold to a local unit of government for less than fair market value if it were used exclusively for public purposes.

Any conveyance to a local unit of government would have to provide that, if the local unit intended to convey the property within 10 years after purchasing it from the State, the local unit would notify the DMB of its intent, and the DMB would have a right to purchase the property at the original sales price within 90 days. If the State waived that right, the local unit would have to pay the State 40% of the difference between the original sale price and the subsequent sale price.

All rights in aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics on, within, or under the property, would be reserved by the State. The State would not reserve the mineral rights to the property conveyed. However, if the purchaser or any grantee developed any oil, gas, or minerals found on, within, or under the conveyed property, the State would receive one-half of the gross revenue generated from the development of the minerals.

FISCAL IMPACT

The property was formerly a car dealership and was purchased by the State in 1972 for \$290,000. There is no current appraisal of the property. Since the mid-1980s, it has been used as a community center. In September 2007, the Department of Human Services (DHS) staff moved out of the facility; however, the Center has remained in operation

through grant assistance from MSHDA, Wayne County, and volunteer efforts of the Dexter-Elmhurst Advisory Board. The DHS previously spent approximately \$410,000 annually for operation of the Center. The net revenue received from the sale of the property would be credited to the State General Fund.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.