

**SUBSTITUTE FOR
HOUSE BILL NO. 5779**

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Isabella county; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of the
2 state, may convey to the city of Mt. Pleasant, for consideration of
3 \$1.00, all or portions of certain state-owned property now under
4 the jurisdiction of the department of community health, commonly
5 known as the Mt. Pleasant center, located in the city of Mt.
6 Pleasant, Isabella county, Michigan, and more particularly

1 described as follows:

2 **Mt. Pleasant Center Main Campus:**

3 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF
4 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

5 A PARCEL OF LAND BEING PART OF THE EAST ½ OF SECTION 9, T14N, R4W,
6 MORE PARTICULARLY DESCRIBED AS: BEGINNING AT THE SOUTH ¼ CORNER OF
7 SAID SECTION 9; THENCE N00°15'30"W 1446.74 FEET ALONG THE NORTH-
8 SOUTH ¼ LINE OF SAID SECTION 9; THENCE N89°42'45"E 274.82 FEET;
9 THENCE N00°15'29"W 1182.23 FEET; THENCE N89°00'51"E 72.74 FEET;
10 THENCE N07°42'29"W 103.33 FEET; THENCE N71°34'42"W 352.72 FEET TO
11 THE NORTH-SOUTH 1/4 LINE; THENCE N00°15'17"W ALONG SAID NORTH-SOUTH
12 1/4 LINE, 2417.88 FEET TO THE NORTH SECTION LINE; THENCE
13 N88°50'08"E ALONG SAID NORTH LINE, 2647.57 FEET TO THE EAST SECTION
14 LINE; THENCE S00°17'11"E ALONG SAID EAST LINE, 2645.95 FEET TO THE
15 EAST-WEST 1/4 LINE; THENCE S00°16'36"E ALONG SAID EAST LINE,
16 1255.42 FEET; THENCE N89°57'07"W 367.31 FEET; THENCE S32°02'10"W
17 380.92 FEET; THENCE S60°57'30"E 219.17 FEET; THENCE S04°24'33"E
18 238.08 FEET; THENCE S57°56'51"E 429.20 FEET TO THE EAST SECTION
19 LINE; THENCE S00°16'36"E ALONG SAID EAST LINE, 497.72 FEET TO THE
20 SOUTH SECTION LINE; THENCE S89°28'59"W ALONG SAID SOUTH LINE,
21 2649.58 FEET TO THE POINT OF BEGINNING. PARCEL CONTAINS 304.62
22 ACRES OF LAND, MORE OR LESS.

23 SUBJECT TO THE PUBLIC RIGHT-OF-WAY OF PICKARD ROAD OVER THE
24 SOUTHERLY 58 FEET THEREOF, THE RIGHT-OF-WAY OF BAMBER ROAD OVER THE
25 WESTERLY 33 FEET THEREOF, THE RIGHT-OF-WAY OF RIVER ROAD OVER THE
26 NORTHERLY 33 FEET THEREOF AND THE RIGHT-OF-WAY OF CRAWFORD ROAD
27 OVER THE EASTERLY 33 FEET THEREOF.

1 ALSO SUBJECT TO AND TOGETHER WITH ANY RESTRICTIONS, RIGHT-OF-WAYS
2 OR EASEMENTS OF RECORD, IF ANY.

3 (2) The description of the property in subsection (1) is
4 approximate and, for purposes of the conveyance, is subject to
5 adjustments as the state administrative board or the attorney
6 general considers necessary by survey or other legal description.

7 (3) The property described in subsection (1) shall include all
8 surplus, salvage, and scrap property or equipment remaining on the
9 property as of the date of the conveyance.

10 (4) The fair market value of the property described in
11 subsection (1) shall be determined by an appraisal prepared for the
12 department of technology, management, and budget by an independent
13 appraiser.

14 (5) If any portion of the property described in subsection (1)
15 is not conveyed to the city of Mt. Pleasant within 180 days after
16 the effective date of this act, the director of the department of
17 technology, management, and budget shall take the necessary steps
18 to prepare to convey the remaining portions of the property using
19 any of the following at any time:

20 (a) Competitive bidding designed to realize the best value to
21 the state, as determined by the department of technology,
22 management, and budget.

23 (b) A public auction designed to realize the best value to the
24 state, as determined by the department of technology, management,
25 and budget.

26 (c) Real estate brokerage services designed to realize the
27 best value to the state, as determined by the department of

1 technology, management, and budget.

2 (d) A value for value conveyance negotiated by the department
3 of technology, management, and budget designed to realize the best
4 value to the state. In determining whether value for value
5 consideration for the property represents the best value, the
6 department may consider the fair market value, or an amount equal
7 to the actual costs to maintain the property, or the total value
8 based on any positive economic impact to the state likely to be
9 generated by the proposed use of the property, especially economic
10 impact resulting in the creation of jobs or increased capital
11 investment in the state.

12 (e) Offering the property for sale for fair market value to a
13 local unit or units of government.

14 (f) Offering the property for sale for less than fair market
15 value to a local unit or units of government, subject to
16 subsections (6) and (7).

17 (g) Conveying the property to the land bank fast track
18 authority established under the land bank fast track act, 2003 PA
19 258, MCL 124.751 to 124.774.

20 (6) Any conveyance for less than fair market value authorized
21 by subsection (1) or (5)(f) shall provide for all of the following:

22 (a) The property shall be used exclusively for public
23 purposes, and if any fee, term, or condition for the use of the
24 property is imposed on members of the public, or if any of those
25 fees, terms, or conditions are waived for use of this property, all
26 members of the public shall be subject to the same fees, terms,
27 conditions, and waivers.

1 (b) In the event of an activity inconsistent with subdivision
2 (a), the state may reenter and repossess the property, terminating
3 the grantee's or successor's estate in the property.

4 (c) If the grantee or successor disputes the state's exercise
5 of its right of reentry and fails to promptly deliver possession of
6 the property to the state, the attorney general, on behalf of the
7 state, may bring an action to quiet title to, and regain possession
8 of, the property.

9 (d) If the state reenters and repossesses the property, the
10 state shall not be liable to reimburse any party for any
11 improvements made on the property.

12 (e) The grantee shall reimburse the state for all costs
13 necessary to prepare the property for conveyance, including, but
14 not limited to, surveys, title work, appraisals, and environmental
15 assessments.

16 (7) For property conveyed pursuant to subsection (1) or (5)
17 (f), if the local unit of government grantee intends to convey the
18 property within 10 years after the conveyance from the state, the
19 grantee shall provide notice to the department of technology,
20 management, and budget of its intent to offer the property for
21 sale. The department of technology, management, and budget shall
22 retain a right to first purchase the property at the original sale
23 price within 90 days after the notice at the original sale price
24 plus the costs of any physical improvements made to the property,
25 as determined by an auditor chosen by the state. If the state
26 waives its right to first purchase the property, the local unit of
27 government shall pay to the state 50% of the amount by which the

1 sale price of the local unit's subsequent sale or sales of the
2 property to a third party exceeds the sum of the original sale
3 price and the costs of any physical improvements made by the local
4 unit to the property, as determined by an auditor chosen by the
5 state. As used in this subsection, "physical improvements" shall
6 include, but not be limited to, the cost of environmental
7 remediation, demolition, and infrastructure improvements.

8 (8) The conveyance authorized by this section shall be by
9 quitclaim deed approved by the department of attorney general.

10 (9) The state shall not reserve oil, gas, or mineral rights to
11 the property conveyed under this section. However, the conveyance
12 authorized under this section shall provide that, if the purchaser
13 or any grantee develops any oil, gas, or minerals found on, within,
14 or under the conveyed property, the purchaser or any grantee shall
15 pay the state 1/2 of the gross revenue generated from the
16 development of the oil, gas, or minerals. This payment shall be
17 deposited in the general fund.

18 (10) The state reserves all aboriginal antiquities including
19 mounds, earthworks, forts, burial and village sites, mines, or
20 other relics lying on, within, or under the property with power to
21 the state and all others acting under its authority to enter the
22 property for any purpose related to exploring, excavating, and
23 taking away the aboriginal antiquities.

24 (11) The net revenue received from the sale of property under
25 this section shall be deposited in the state treasury and credited
26 to the general fund. As used in this subsection, "net revenue"
27 means the proceeds from the sale of the property less reimbursement

1 for any costs to the state associated with the sale of property,
2 including, but not limited to, administrative costs, including
3 employee wages, salaries, and benefits; costs of reports and
4 studies and other materials necessary to the preparation of sale;
5 environmental remediation; legal fees; and any litigation related
6 to any conveyance under this section.

7 Sec. 2. (1) The state administrative board, on behalf of the
8 state, may convey to the Saginaw Chippewa Indian tribe of Michigan,
9 for consideration of \$1.00, certain state-owned property now under
10 the jurisdiction of the department of community health, commonly
11 known as the Mt. Pleasant center, and located in the city of Mt.
12 Pleasant, County of Isabella, Michigan, described as follows:

13 **Parcel 1: Cemetery and Gravesites**

14 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF
15 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

16 A PARCEL OF LAND BEING IN THE NORTHEAST 1/4 OF SECTION 9, T14N,
17 R4W, MORE PARTICULARLY DESCRIBED AS COMMENCING AT THE NORTH 1/4
18 THENCE S00°15'17"E 2417.88 FEET ALONG THE N-S 1/4 LINE TO THE POINT
19 OF BEGINNING; THENCE CONTINUING S00°15'17"E ALONG SAID N-S 1/4
20 LINE, 219.84 FEET TO THE E-W 1/4 LINE; THENCE N89°00'51"E ALONG
21 SAID E-W 1/4 LINE, 347.58 FEET; THENCE N07°42'29"W 103.33 FEET;
22 THENCE N71°34'42"W 352.72 FEET TO THE POINT OF BEGINNING. PARCEL
23 CONTAINS 1.25 ACRES OF LAND, MORE OR LESS.

24 SUBJECT TO THE PUBLIC RIGHT-OF-WAY FOR BAMBER ROAD OVER THE
25 WESTERLY 33- FEET THEREOF.

26 SUBJECT TO ALL RESTRICTIONS, RIGHT-OF-WAYS, EASEMENTS, COVENANTS
27 AND AGREEMENTS OF RECORD, IF ANY.

1 **Parcel 2: Six Indian School Buildings**

2 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF
3 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

4 A PARCEL OF LAND BEING PART OF THE EAST ½ OF SECTION 9, T14N, R4W,
5 MORE PARTICULARLY DESCRIBED AS COMMENCING AT THE SOUTHEAST CORNER
6 OF SECTION 9; THENCE N00°16'36"W ALONG THE EAST SECTION LINE,
7 497.72 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N00°16'36W
8 ALONG SAID EAST LINE, 894.16 FEET; THENCE N89°57'07"W 367.31 FEET;
9 THENCE S32°02'10"W 380.92 FEET; THENCE S60°57'30"E 219.17 FEET;
10 THENCE S04°24'33"E 238.08 FEET; THENCE S57°56'51"E 429.20 FEET TO
11 THE POINT OF BEGINNING; PARCEL CONTAINS 7.61 ACRES OF LAND, MORE OR
12 LESS.

13 SUBJECT TO THE PUBLIC RIGHT-OF-WAY OF CRAWFORD ROAD OVER THE
14 EASTERLY 33 FEET THEREOF.

15 ALSO SUBJECT TO AND TOGETHER WITH ANY RESTRICTIONS, RIGHT-OF-WAYS
16 OR EASEMENTS OF RECORD, IF ANY.

17 (2) The description of the property in subsection (1) is
18 approximate and, for purposes of the conveyance, is subject to
19 adjustments as the state administrative board or the attorney
20 general considers necessary by survey or other legal description.

21 (3) The property described in subsection (1) shall include all
22 surplus, salvage, and scrap property or equipment remaining on the
23 property as of the date of the conveyance.

24 (4) The fair market value of the property described in
25 subsection (1) shall be determined by an appraisal prepared for the
26 department of technology, management, and budget by an independent

1 appraiser.

2 (5) If any portion of the property described in subsection (1)
3 is not conveyed to the Saginaw Chippewa Indian tribe of Michigan
4 within 180 days after the effective date of this act, the director
5 of the department of technology, management, and budget shall take
6 the necessary steps to prepare to convey the remaining portions of
7 the property using any of the following at any time:

8 (a) Competitive bidding designed to realize the best value to
9 the state, as determined by the department of technology,
10 management, and budget.

11 (b) A public auction designed to realize the best value to the
12 state, as determined by the department of technology, management,
13 and budget.

14 (c) Real estate brokerage services designed to realize the
15 best value to the state, as determined by the department of
16 technology, management, and budget.

17 (d) A value for value conveyance negotiated by the department
18 of technology, management, and budget designed to realize the best
19 value to the state. In determining whether value for value
20 consideration for the property represents the best value, the
21 department may consider the fair market value, or an amount equal
22 to the actual costs to maintain the property, or the total value
23 based on any positive economic impact to the state likely to be
24 generated by the proposed use of the property, especially economic
25 impact resulting in the creation of jobs or increased capital
26 investment in the state.

27 (e) Offering the property for sale for fair market value to a

1 local unit or units of government.

2 (f) Offering the property for sale for less than fair market
3 value to a local unit or units of government, subject to
4 subsections (6) and (7).

5 (g) Conveying the property to the land bank fast track
6 authority established under the land bank fast track act, 2003 PA
7 258, MCL 124.751 to 124.774.

8 (6) Any conveyance for less than fair market value authorized
9 by subsection (1) or (5)(f) shall provide for all of the following:

10 (a) The property shall be used exclusively for public
11 purposes, and if any fee, term, or condition for the use of the
12 property is imposed on members of the public, or if any of those
13 fees, terms, or conditions are waived for use of this property, all
14 members of the public shall be subject to the same fees, terms,
15 conditions, and waivers.

16 (b) In the event of an activity inconsistent with subdivision
17 (a), the state may reenter and repossess the property, terminating
18 the grantee's or successor's estate in the property.

19 (c) If the grantee or successor disputes the state's exercise
20 of its right of reentry and fails to promptly deliver possession of
21 the property to the state, the attorney general, on behalf of the
22 state, may bring an action to quiet title to, and regain possession
23 of, the property.

24 (d) If the state reenters and repossesses the property, the
25 state shall not be liable to reimburse any party for any
26 improvements made on the property.

27 (e) The grantee shall reimburse the state for all costs

1 necessary to prepare the property for conveyance, including, but
2 not limited to, surveys, title work, appraisals, and environmental
3 assessments.

4 (7) For property conveyed pursuant to subsection (1) or (5)
5 (f), if the local unit of government grantee intends to convey the
6 property within 3 years after the conveyance from the state, the
7 grantee shall provide notice to the department of technology,
8 management, and budget of its intent to offer the property for
9 sale. The department of technology, management, and budget shall
10 retain a right to first purchase the property at the original sale
11 price within 90 days after the notice at the original sale price
12 plus the costs of any physical improvements made to the property,
13 as determined by an auditor chosen by the state. If the state
14 waives its right to first purchase the property, the local unit of
15 government shall pay to the state 40% of the amount by which the
16 sale price of the local unit's subsequent sale or sales of the
17 property to a third party exceeds the sum of the original sale
18 price and the costs of any physical improvements made by the local
19 unit to the property, as determined by an auditor chosen by the
20 state.

21 (8) The conveyance authorized by this section shall be by
22 quitclaim deed approved by the department of attorney general.

23 (9) The state shall not reserve oil, gas, or mineral rights to
24 the property conveyed under this section. However, the conveyance
25 authorized under this section shall provide that, if the purchaser
26 or any grantee develops any oil, gas, or minerals found on, within,
27 or under the conveyed property, the purchaser or any grantee shall

1 pay the state 1/2 of the gross revenue generated from the
2 development of the oil, gas, or minerals. This payment shall be
3 deposited in the general fund.

4 (10) The state reserves all aboriginal antiquities including
5 mounds, earthworks, forts, burial and village sites, mines, or
6 other relics lying on, within, or under the property with power to
7 the state and all others acting under its authority to enter the
8 property for any purpose related to exploring, excavating, and
9 taking away the aboriginal antiquities.

10 (11) The net revenue received from the sale of property under
11 this section shall be deposited in the state treasury and credited
12 to the general fund. As used in this subsection, "net revenue"
13 means the proceeds from the sale of the property less reimbursement
14 for any costs to the state associated with the sale of property,
15 including, but not limited to, administrative costs, including
16 employee wages, salaries, and benefits; costs of reports and
17 studies and other materials necessary to the preparation of sale;
18 environmental remediation; legal fees; and any litigation related
19 to any conveyance under this section.