

HOUSE BILL No. 5206

July 16, 2009, Introduced by Rep. Robert Jones and referred to the Committee on Commerce.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, may convey to western Michigan university, for consideration
3 of \$1.00, certain real property now under the jurisdiction of the
4 department of corrections and located in Kalamazoo county,
5 Michigan, and more particularly described as:
6 A parcel of land in the SW1/4 of Section 21, T2S,R11W, City of
7 Kalamazoo, Kalamazoo County, Michigan and more particularly

1 described as commencing at the S1/4 corner of said Section 21;
2 thence S89°48'12"W 1,564.12 feet, on the south line of said Section
3 21 to the centerline of Oakland Drive; thence N22°47'00"E 258.39
4 feet, on the centerline of Oakland Drive; thence N 79°05'07"W 33.72
5 feet, to the point of beginning of this description and westerly
6 right-of-way of Oakland Drive; thence N79°05'07"W 488.27 feet;
7 thence S00°17'51"W 270.00 feet, to the northerly right-of-way of
8 Howard Street; thence S78°11'48"E 32.94 feet, on said right-of-way;
9 thence 293.13 feet on the arc of a curve to the left whose central
10 angle is 12°00'00", radius of 1,399.40 feet and a long chord
11 bearing and distance of S84°29'48"E 292.60 feet, on said right-of-
12 way; thence N89°48'12"E 68.27 feet, on said right-of-way to the
13 westerly right-of-way of Oakland Avenue; thence N22°47'00"E 230.06
14 feet, on said right-of-way to the point of beginning, containing
15 2.55 acres, more or less. All bearings are relative and referenced
16 to previous surveys/descriptions of Kalamazoo Regional Psychiatric
17 Hospital properties.

18 Sec. 2. (1) The description of the parcel in section 1 is
19 approximate and for purposes of the conveyance is subject to
20 adjustment as the state administrative board or the attorney
21 general considers necessary by survey or other legal description.

22 (2) The property described in section 1 includes all surplus,
23 salvage, and scrap property or equipment.

24 Sec. 3. The conveyance authorized by section 1 shall provide
25 for all of the following:

26 (a) The property shall be used exclusively for public purposes
27 and if any fee, term, or condition for the use of the property is

1 imposed on members of the public, or if any of those fees, terms,
2 or conditions are waived for use of this property, resident and
3 nonresident members of the public shall be subject to the same
4 fees, terms, conditions, and waivers.

5 (b) In the event of activity inconsistent with subdivision
6 (a), the state may reenter and repossess the property, terminating
7 the grantee's estate in the property.

8 (c) If the grantee disputes the state's exercise of its right
9 of reentry and fails to promptly deliver possession of the property
10 to the state, the attorney general, on behalf of the state, may
11 bring an action to quiet title to, and regain possession of, the
12 property.

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

16 Sec. 4. (1) If the property described in section 1 is not sold
17 to western Michigan university within 6 months after the effective
18 date of this act, the director of the department of management and
19 budget shall take the necessary steps to prepare to convey the
20 property described in section 1 using any of the following at any
21 time:

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

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

27 (c) Use of real estate brokerage services designed to realize

1 the best value to the state, as determined by the department of
2 management and budget.

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

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

13 (f) Offering the property for sale for less than fair market
14 value to a local unit or units of government subject to subsection
15 (2).

16 (2) Any conveyance to a local unit of government authorized by
17 subsection (1)(f) shall provide for all of the following:

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

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

27 (c) If the grantee or successor disputes the state's exercise

1 of its right of reentry and fails to promptly deliver possession of
2 the property to the state, the attorney general, on behalf of the
3 state, may bring an action to quiet title to, and regain possession
4 of, the property.

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

8 (e) If the local unit of government intends to convey the
9 property within 3 years of the conveyance from the state, the local
10 unit shall provide notice to the department of management and
11 budget of its intent to offer the property for sale. The department
12 of management and budget shall retain a right to first purchase the
13 property at the original sale price within 90 days after the
14 notice. In the event that the state waives its first refusal right,
15 the local unit of government shall pay to the state 40% of the
16 difference between the sale price of the conveyance from the state
17 and the sale price of the local unit's subsequent sale or sales to
18 a third party.

19 Sec. 5. (1) The conveyance authorized by this act shall be by
20 quitclaim deed designed or otherwise approved as to legal form by
21 the attorney general. The state shall not reserve oil, gas, or
22 mineral rights to the property conveyed under this act. However,
23 the conveyance authorized under this act shall provide that if the
24 purchaser or any grantee develops any oil, gas, or minerals found
25 on, within, or under the conveyed property, the purchaser or any
26 grantee shall pay the state 1/2 of the gross revenue generated from
27 the development of the oil, gas, or minerals. This payment shall be

1 deposited in the general fund.

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

8 Sec. 6. The net revenue received from the sale of property
9 under this act shall be deposited in the state treasury and
10 credited to the general fund. As used in this section, "net
11 revenue" means the proceeds from the sale of the property less
12 reimbursement for any costs to the state associated with the sale
13 of property, including, but not limited to, costs of reports and
14 studies and other materials necessary to the preparation of sale,
15 environmental remediation, legal fees, and any litigation related
16 to the conveyance of the property.

17 Enacting section 1. This act does not take effect unless all
18 of the following bills of the 95th Legislature are enacted into
19 law:

20 (a) Senate Bill No. ____ or House Bill No. 5205 (request no.
21 02738'09).

22 (b) Senate Bill No. ____ or House Bill No. 5207 (request no.
23 02739'09).