

HOUSE BILL No. 6549

November 9, 2010, Introduced by Rep. Spade and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Lenawee 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 by quitclaim deed all or portions of certain
3 state-owned property now under the jurisdiction of the department
4 of human services, commonly known as the Adrian training school,
5 and located in the city of Adrian, Lenawee county, Michigan, and
6 more particularly described as follows:

1 PARCEL A

2 A PARCEL OF LAND IN THE se ¼ OF Section 26, T6S, R3E, Lenawee
3 County, Michigan, and more specifically described as: Commencing at
4 the E ¼ corner of said Section 26; thence S00°54'25"E 330.19 feet,
5 on the east line of said Section 26 to the point of beginning of
6 this description; thence N88°58'07"W 1221.10 feet, on the southerly
7 line of Curtis Road to the southeasterly right of way line of the
8 Norfolk and Western Railroad; thence S32°31'16"W 185.48 feet, on
9 said Railroad right of way to the west line of the E ½ of the SE ¼
10 of said Section 26; thence S01°09'15"E 1818.22 feet on said west
11 line; thence S88°29'11"E 1063.28 feet, to the westerly right of way
12 line of Michigan Highway M-52; thence 417.75 feet, on the arc of a
13 curve to the left whose central angle is 17°18'53" with a radius of
14 1382.39 feet and a long chord bearing and distance of N22°06'43"E,
15 416.16 feet; thence WEST 183.01 feet; thence NORTH 360.00 feet;
16 thence EAST 220.68 feet, to the westerly right of way line of M-52;
17 thence N00°29'05"W 587.15 feet, on said westerly right of way;
18 thence 342.78 feet, on the arc of a curve to the right (on said
19 westerly right of way) whose central angle is 13°14'55" with a
20 radius of 1482.39 feet and a long chord bearing and distance of
21 N06°08'23"E 342.01 feet to the easterly line of said Section 26,
22 thence N00°54'25"W 307.65 feet on said section line to the point of
23 beginning. The above described parcel contains 55.25 acres, more or
24 less.

25 PARCEL B

26 A parcel of land in the SE ¼ of Section 26, T6S, R3E, Lenawee

1 County, Michigan, and more specifically described as: Commencing at
2 the E ¼ corner of said Section 26; thence S00°54'25"E 330.19 feet;
3 thence N88°58'07"W 1298.50 feet to the point of beginning of this
4 description, said point of beginning being the intersection of the
5 northwesterly right of way of the Norfolk and Western Railroad and
6 the south line of Curtis Street; thence S32°31'16"W 46.00 feet, on
7 said Railroad right-of-way to the west line of the E ½ of the SE ¼
8 of said Section 26; thence N01°09'15"W 39.25 feet, on said west
9 line to the south line of Curtis Street thence S88°58'07"E 25.52
10 feet, on the south line of Curtis Street to the point of beginning.
11 The above described parcel contains 0.01 acres, more or less. All
12 bearings on parcels "A" and "B" are relative and referenced to
13 Michigan State Highway M-52 right of way plans. The above described
14 parcels "A" and "B" are subject to any easements and/or rights of
15 record as they may pertain to this parcel.

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

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

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

27 (5) The director of the department of technology, management,

1 and budget shall first offer the parcels of property described in
2 subsection (1) to the city of Adrian, which shall have the first
3 right to purchase the property for a period of 180 days after the
4 effective date of this act. The city of Adrian may acquire the
5 property or any portion thereof for less than fair market value.
6 Conveyance of any portion of the property for less than fair market
7 value is subject to the conditions prescribed in subsections (7)
8 and (8).

9 (6) If the parcels of property described in subsection (1) are
10 not conveyed to the city of Adrian under subsection (5), the
11 director of the department of technology, management, and budget
12 may offer the property to 1 or more parties using any of the
13 following at any time:

14 (a) Competitive bidding designed to realize the best value to
15 the state, as determined by the department of technology,
16 management, and budget.

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

20 (c) Use of real estate brokerage services designed to realize
21 the best value to the state, as determined by the department of
22 technology, management, and budget.

23 (d) A value for value conveyance negotiated by the department
24 of technology, management, and budget designed to realize the best
25 value to the state. In determining whether value for value
26 consideration for the property represents the best value, the
27 department of technology, management, and budget may consider the

1 fair market value, or an amount equal to the actual costs to
2 maintain the property, or the total value based on any positive
3 economic impact to the state likely to be generated by the proposed
4 use of the property, especially economic impact resulting in the
5 creation of jobs or increased capital investment in the state.

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

8 (f) Offering the property for sale for less than fair market
9 value to a local unit or units of government subject to subsections
10 (7) and (8).

11 (g) Conveying the land to the land bank fast track authority
12 established under the land bank fast track act, 2003 PA 258, MCL
13 124.751 to 124.774, for an amount of consideration the department
14 of technology, management, and budget considers proper, fair, and
15 valuable, including a conveyance for no monetary consideration.

16 (7) Any conveyance to a local unit of government pursuant to
17 subsection (5) or (6)(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 the 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 any 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) The local unit of government shall reimburse the state for
9 all costs necessary to prepare the property for conveyance.

10 (8) For property conveyed pursuant to subsection (5) or
11 (6)(f), if the local unit of government grantee intends to convey
12 the property within 10 years after the conveyance from the state,
13 the grantee shall provide notice to the department of technology,
14 management, and budget of its intent to offer the property for
15 sale. The department of technology, management, and budget shall
16 retain a right to first purchase the property at the original sale
17 price within 90 days after the notice. If the state repurchases the
18 property, the state shall not be liable to any party for
19 improvements to, or liens placed on, the property. In the event
20 that the state waives its first refusal right, the local unit of
21 government shall pay to the state 40% of the difference between the
22 sale price of the conveyance from the state and the sale price of
23 the local unit's subsequent sale or sales to a third party.

24 (9) The department of attorney general shall approve as to
25 legal form all quitclaim deeds authorized by this act.

26 (10) The state shall not reserve oil, gas, or mineral rights
27 to the property conveyed under this act. However, the conveyance

1 authorized under this act shall provide that, if the purchaser or
2 any grantee develops any oil, gas, or minerals found on, within, or
3 under the conveyed property, the purchaser or any grantee shall pay
4 the state 1/2 of the gross revenue generated from the development
5 of the oil, gas, or minerals. This payment shall be deposited in
6 the general fund.

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

13 (12) The net revenue received from the sale of property under
14 this act shall be deposited in the state treasury and credited to
15 the general fund. As used in this section, "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 property, including,
18 but not limited to, administrative costs, including employee wages,
19 salaries, and benefits; costs of reports and studies and other
20 materials necessary to the preparation of sale; environmental
21 remediation; legal fees; and any litigation related to any
22 conveyance.