

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 616**

A bill to authorize the state administrative board to convey, exchange, or purchase certain parcels of property in Jackson county; to authorize the department of natural resources to convey certain property in Ottawa county; to authorize the state administrative board to convey certain parcels of property in Washtenaw county; to authorize the state administrative board to convey certain property in Calhoun county; to prescribe conditions for the conveyances; to provide for disposition of the revenue from the conveyances; to provide for the disposal of certain buildings; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, may convey for consideration of not less than fair market
3 value as determined under section 3 certain state owned property
4 in Leoni charter township, Jackson county, Michigan, consisting

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

2

1 of 354.08 acres, of which 31.11 acres will be placed in a wetland
2 bank, and which is more particularly described as follows:

3 Leoni Township - Parcel # 000-09-07-201-001-00

4 W 1/2 OF NE 1/4 EXC THEREFROM THAT PART THEREOF LYING N AND W OF
5 CEN OF PORTAGE RIVER ALSO S 1/2 OF NWFRL 1/4 EXC THEREFROM THAT
6 PART THEREOF LYING N AND W OF CEN OF PORTAGE RIVER ALSO SWFRL 1/4
7 EXC THEREFROM THE R/W OF GRAND TRUNK RAILWAY ALSO W 1/2 OF SE 1/4
8 EXC THEREFROM THE R/W OF GRAND TRUNK RAILWAY ALSO SE 1/4 OF SE
9 1/4 SEC 7 T2S R1E.

10 Sec. 2. The description of the property in section 1 is
11 approximate and for purposes of conveyance is subject to adjust-
12 ment, by a state survey or other legal description, as the state
13 administrative board or attorney general considers necessary.

14 Sec. 3. The fair market value of the property described in
15 section 1 shall be determined by an appraisal prepared by the
16 state tax commission or an independent fee appraiser.

17 Sec. 4. Any conveyance authorized under section 1 shall
18 provide that the property is to be used by the grantee for an
19 industrial park with adjacent wetlands, in conjunction with the
20 enterprise park proposed industrial development plan as presented
21 to the department of management and budget, the department of
22 corrections, Blackman charter township, and Leoni charter town-
23 ship, for review and comment, and with the resolutions of support
24 for that plan from Blackman charter township and Leoni charter
25 township.

26 Sec. 5. (1) Any sale of property authorized under section 1
27 shall be conducted in a manner to realize the highest price for

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

3

1 the sale and the highest return to the state. The sale shall be
2 done in an open manner that uses 1 or more of the following:

3 (a) A competitive sealed bid.

4 (b) Oral bid.

5 (c) Public auction.

6 (d) Use of broker services.

7 (2) Broker services for the sale shall only be used if there
8 are 3 or more bidders for this property. The minimum selling
9 price for the property shall be the higher value of either its
10 fair market value or the result of a professional concept plan
11 value as determined by a real estate professional qualified to
12 make such valuations. This real estate professional shall be
13 selected through a request for proposal and competitive bid
14 process.

15 (3) A notice of a sealed or oral bid, public auction sale,
16 or use of broker negotiation services, regarding the sale of
17 property under this act shall be published at least once in a
18 newspaper as defined in section 1461 of the revised judicature
19 act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 days
20 before the sale. The newspaper shall be one that is published in
21 the county where the property is located. If a newspaper is not
22 published in the county where the property is located, the notice
23 shall be published in a newspaper in a county nearest to the
24 county in which the property is located. The notice shall
25 describe the general location of the property and the date, time,
26 and place of the sale.

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

4

1 Sec. 6. A conveyance authorized by section 1 shall be by
2 quitclaim deed approved by the attorney general. To ensure the
3 security and operations of the department of corrections and the
4 state of Michigan, all final sales under section 1 shall be
5 approved by the department of corrections and the department of
6 management and budget.

7 Sec. 7. The net revenue received under section 1 shall be
8 deposited in the state treasury and credited to the general
9 fund. As used in this section, "net revenue" means the proceeds
10 from the sale of the property less reimbursement for any costs to
11 the state associated with the sale of the property.

12 Sec. 8. The department of natural resources, on behalf of
13 the state, may convey to Ottawa county, for consideration of
14 \$1.00, certain property with improvements under the jurisdiction
15 of the department of natural resources and located in Grand Haven
16 township, Ottawa county, Michigan, commonly referred to as rosy
17 mound, and further described as follows:

18 Part of the SW 1/4 of Section 4, Town 7 North, Range 16
19 West, and part of Section 5, Town 7 North, Range 16 West, Grand
20 Haven Township, Ottawa County, Michigan, described as beginning
21 at a point on the East Line of Section 5 that is 790.00 feet
22 North 00 degrees 07 minutes 54 seconds West of the SE corner of
23 Section 5, thence South 89 degrees 07 minutes 23 seconds
24 West 960.60 feet, thence South 00 degrees 07 minutes 54
25 seconds East 125.00 feet, thence South 89 degrees 07 minutes 23
26 seconds West 1,053.06 feet along the South line of the North
27 fractional 1/2 of the South fractional 1/2 of the SE fractional

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

5

1 1/4, thence North 12 degrees 33 minutes 15 seconds West 3,410.00
2 feet along an intermediate traverse line along Lake Michigan to
3 the North line of Government Lot 2, thence North 89 degrees 25
4 minutes 48 seconds East 1,364.84 feet, thence South 12 degrees 33
5 minutes 15 seconds East 2,477.45 feet, thence North 89 degrees 51
6 minutes 59 seconds East 800.00 feet, thence North 35 degrees 56
7 minutes 40 seconds East 682.68 feet, thence North 89 degrees 51
8 minutes 59 seconds East 960.00 feet to the centerline of
9 Lakeshore Drive, thence, South 00 degrees 45 minutes 10 seconds
10 West 183.84 feet, thence along a 17,188.178 foot radius curve to
11 the left 522.67 feet (chord bears South 00 degrees 07 minutes 06
12 seconds East 522.65 feet), thence South 00 degrees 59 minutes 22
13 seconds East 73.47 feet, the preceding 3 courses along the cen-
14 terline of Lakeshore Drive, thence, South 89 degrees 51
15 minutes 59 seconds West 225.00 feet along the North line of the
16 SW 1/4 of the SW 1/4 of Section 4, thence South 00 degrees
17 59 minutes 22 seconds East 407.50 feet, thence North 88 degrees
18 28 minutes 27 seconds East 225.00 feet to the centerline of
19 Lakeshore Drive, thence South 00 degrees 59 minutes 22
20 seconds East 81.02 feet along the centerline of Lakeshore Drive,
21 thence South 89 degrees 51 minutes 59 seconds West 1,318.07 feet
22 to the West line of Section 4, thence South 00 degrees 07 minutes
23 54 seconds East 57.00 feet to the point of beginning. Together
24 with all land lying between the intermediate traverse line and
25 the waters edge of Lake Michigan. Containing 160 acres of land
26 more or less except that part taken, used or deeded for Lakeshore
27 Drive.

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

6

1 Sec. 9. The conveyance authorized by section 8 shall
2 provide for all of the following:

3 (a) The property shall be used exclusively for public park
4 purposes and if any fee, term, or condition for the use of the
5 property is imposed on members of the public, or if any of those
6 fees, terms, or conditions are waived for use of this property,
7 resident and nonresident members of the public shall be subject
8 to the same fees, terms, conditions, and waivers.

9 (b) Upon termination of the use described in subdivision (a)
10 or use for any other purpose, the state may reenter and repossess
11 the property, terminating the grantee's estate in the property.

12 (c) If the grantee disputes the state's exercise of its
13 right of reentry and fails to promptly deliver possession of the
14 property to the state, the attorney general, on behalf of the
15 state, may bring an action to quiet title to, and regain posses-
16 sion of, the property.

17 Sec. 10. (1) The revenue received from the conveyance under
18 sections 8 and 9 shall be deposited in the state treasury and
19 credited to the general fund.

20 (2) The conveyance authorized by sections 8 and 9 shall be
21 by quitclaim deed approved by the attorney general.

22 (3) The state shall convey the mineral rights to the prop-
23 erty conveyed under sections 8 and 9. However, the state shall
24 retain a nonparticipating 1/6 minimum royalty interest. Any rev-
25 enue derived from the royalty interest shall be deposited in the
26 natural resources trust fund.

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

7

1 Sec. 11. (1) The department of management and budget may
2 demolish, dismantle, or otherwise dispose of the following
3 surplus building: department of management and budget building
4 M109 "Central Chiller" located at 615 W. Allegan.

5 (2) The department of management and budget may use unex-
6 pended funds appropriated in 2002 PA 518, the capital outlay
7 budget for fiscal year 2002-2003, for demolition of the facility
8 described in this section.

9 Sec. 12. (1) The state administrative board, on behalf of
10 the state, may convey, exchange, or purchase certain state owned
11 property under the jurisdiction of the department of corrections
12 and privately owned property located in Blackman township,
13 Jackson county, Michigan, and described as those lands separated
14 from the main campus of southern Michigan prison or from the pri-
15 vate owner's main parcel of land by the man-made course change
16 from the old Grand river and old Portage river to the new Grand
17 river drain and the Portage river drain respectively, for consid-
18 eration as determined pursuant to subsection (3).

19 (2) The property to be conveyed, exchanged, or purchased
20 shall be properties that contribute to cleaning up the property
21 lines along the Grand river drain and the Portage river drain,
22 located in Blackman township, Jackson county, and lying adjacent
23 to the southern Michigan prison campus and shall be more particu-
24 larly described based on the 2001-2002 survey by the polaris sur-
25 veying company.

26 (3) If the parties mutually determine based on tax records
27 or a market study of recent sales that 2 properties are

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

8

1 approximately of equal value, an exchange under this section may
2 proceed subject to approval by the state administrative board.
3 If the parties either do not agree, or agree that the properties
4 are not of equal value, or the transaction is solely a conveyance
5 or purchase, then the parties shall select a qualified appraiser
6 who shall determine the value of the properties, with the deter-
7 mination being binding on the parties. If the values for the
8 exchange parcels, as determined by a qualified appraiser, are
9 within 10% of each other, the exchange shall proceed without any
10 further consideration. If the values of the properties are 11%
11 or more apart, the parties may agree that further consideration
12 be given to the owner of the higher valued property or that more
13 or less land may be exchanged. The parties to the exchange shall
14 pay for any survey, environmental studies, and actions required
15 to clear title, and title commitment fees, if any, for the parcel
16 they are receiving in exchange or by purchase.

17 (4) A conveyance authorized by this section shall be by
18 quitclaim deed approved by the attorney general. The conveyance
19 shall reserve the mineral rights to the grantors.

20 (5) The authority to convey property under this section
21 expires 5 years after the date on which this act takes effect.

22 Sec. 13. (1) The state administrative board, on behalf of
23 the state and subject to the terms stated in this section, may
24 convey for not less than fair market value, except for a parcel
25 of approximately 10.667 acres to be conveyed under section 14,
26 all or portions of certain state owned property now under the
27 jurisdiction of the department of community health, known as the

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

9

1 Ypsilanti regional psychiatric hospital, located in the city of
2 Ypsilanti, Washtenaw county, Michigan, and more particular
3 described as follows:

4 (a) Parcel #1: All of section 2, t4s, r6e, Washtenaw
5 county, Michigan, lying westerly of interstate highway us-23
6 except the north 1,200 feet thereof. The above-described parcel
7 contains approximately 342 acres, subject to survey, and to all
8 easements and restrictions of record, if any.

9 (b) Parcel #2: the east 1/2 of section 3, t4s, r6e,
10 Washtenaw county, Michigan, except the north 1/2 of the northeast
11 1/4 of said section 3, containing approximately 302 acres,
12 subject to survey, and to all easements and restrictions of
13 record, if any.

14 (c) Parcel #3: the northwest 1/4 of section 3, t4n, r6e,
15 Washtenaw county, Michigan, lying easterly of the Conrail rail-
16 road, containing approximately 53 acres, subject to survey, and
17 to all easements and restrictions of record, if any.

18 (d) Parcel #4: beginning at the north 1/4 corner of
19 section 11, t4s, r6e, Washtenaw county, Michigan, thence south 89
20 degrees 49' 45" west 1,485.77 feet, on the north line of said
21 section 11; thence south 01 degrees 32' 29" east 948.23 feet;
22 thence north 89 degrees 49' 45" east 490.01 feet; thence north 01
23 degrees 32' 29" west 239.65 feet; thence north 89 degrees 49' 45"
24 east 998.63 feet, to the north-south 1/4 line of said section 11;
25 thence north 01 degrees 46' 23" west 708.65 feet, on said
26 north-south 1/4 line to the point of beginning; containing 26.88

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

10

1 acres, more or less, subject to survey, and to all easements and
2 restrictions of record, if any.

3 (2) The fair market value of the property described in
4 subsection (1) shall be determined by an appraisal as prepared by
5 the state tax commission or an independent fee appraiser.

6 (3) Any sale of property described in subsection (1) shall
7 be conducted in a manner to realize the highest price for the
8 sale and the highest return to the state. The sale shall be done
9 in an open manner that uses 1 or more of the following:

10 (a) A competitive sealed bid.

11 (b) Oral bid.

12 (c) Public auction.

13 (d) Use of broker services.

14 (4) Broker services for the sale under this section shall
15 only be used if there are 3 or more bidders for this property.
16 The minimum selling price for the property shall be the higher
17 value of either its fair market value or the result of a profes-
18 sional concept plan value as determined by a real estate profes-
19 sional qualified to make such valuations. This real estate pro-
20 fessional shall be selected through a request for proposal and
21 competitive bid process.

22 (5) A notice of a sealed or oral bid, public auction sale,
23 or use of broker negotiation services, regarding the sale of
24 property under this section, shall be published at least once in
25 a newspaper as defined in section 1461 of the revised judicature
26 act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 days
27 before the sale. The newspaper shall be one that is published in

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

11

1 the county where the property is located. If a newspaper is not
2 published in the county where the property is located, the notice
3 shall be published in a newspaper in a county nearest to the
4 county in which the property is located. The notice shall
5 describe the general location of the property and the date, time,
6 and place of the sale.

7 (6) The conveyance authorized under this section shall be by
8 quitclaim deed approved by the attorney general and shall reserve
9 oil, gas, and mineral rights to the state.

10 (7) The descriptions of the parcels in subsection (1) are
11 approximate and for purposes of the conveyance are subject to
12 adjustments as the state administrative board or the attorney
13 general considers necessary by survey or other legal
14 description.

15 (8) The net revenue received from the sale under this sec-
16 tion shall be deposited in the state treasury and credited to the
17 general fund. As used in this subsection, "net revenue" means
18 the proceeds from the sale of the property less reimbursement for
19 any costs to the state associated with the sale of the property.

20 (9) Residents of the Ypsilanti regional psychiatric hospital
21 shall not be relocated or housed in facilities of lesser security
22 as a result of any conveyance authorized under this section.

23 Sec. 14. (1) The state administrative board, on behalf of
24 the state, may convey to York township, for \$1.00, certain prop-
25 erty now under the jurisdiction of the department of community
26 health and located in York township, Washtenaw county, and more
27 specifically described as follows:

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

12

1 A parcel of land in the Northwest 1/4 of section 11, T4S,
2 R6E, York Township, Washtenaw County, Michigan and more particu-
3 larly described as follows: Commencing at the northwest corner
4 of said section 11; thence N89°49'45"E 1015.98 feet, on the north
5 line of said section 11 to the point of beginning of this
6 description; thence N89°49'45"E 490.01 feet, on the north line of
7 said section 11; thence S01°32'29"E 948.23 feet; thence
8 S89°49'45"W 490.01 feet; thence N01°32'29"W 948.23 feet, to the
9 north line of said section 11 and the point of beginning. The
10 above described parcel contains 10.667 acres, more or less. All
11 bearings are relative and referenced to an adjacent survey as
12 recorded in Liber 1875, Page 575, Washtenaw County records. The
13 above described parcel is subject to any easements and/or rights
14 of record as they may pertain to this parcel.

15 (2) The conveyance authorized by this section shall provide
16 for all of the following:

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

23 (b) Upon termination of the use described in subdivision (a)
24 or use for any other purpose, the state may reenter and repossess
25 the property, terminating the grantee's estate in the property.

26 (c) If the grantee disputes the state's exercise of its
27 right of reentry and fails to promptly deliver possession of the

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

13

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 (3) The conveyance authorized by this section shall be by
5 quitclaim deed approved by the attorney general, and shall
6 reserve to the state all rights to oil, coal, gas, or other mate-
7 rials, excluding sand, gravel, clay, or other nonmetallic miner-
8 als found on, within, or under the conveyed land.

9 (4) The revenue received from the conveyance under this sec-
10 tion shall be deposited in the state treasury and credited to the
11 general fund.

12 Sec. 15. (1) The state administrative board, on behalf of
13 the state, may convey to the city of Springfield, in Calhoun
14 county, for not less than fair market value, certain state owned
15 property located in Calhoun county, Michigan, and more particu-
16 larly described as:

17 Lots 183 and 184 of Orchard Acres No. 3, according to the
18 plat thereof recorded in Liber 10 of Plats, Page 40, Calhoun
19 County records.

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

24 (3) The fair market value of the property described in sub-
25 section (1) shall be determined by an appraisal as prepared by
26 the state tax commission or an independent fee appraiser.

SB616, As Passed House, December 13, 2002

Senate Bill No. 616

14

1 (4) The conveyance authorized by this section shall be by
2 quitclaim deed approved by the attorney general and shall not
3 reserve mineral rights to the state.

4 (5) The revenue received under this section shall be depos-
5 ited in the state treasury and credited to the general fund.

6 Sec. 16. 1996 PA 294 is repealed.

7 Sec. 17. This act does not take effect unless all of the
8 following bills of the 91st Legislature are enacted into law:

9 (a) House Bill No. 5456.

10 (b) House Bill No. 5465.