

Legislative Analysis



PROPERTY CONVEYANCES

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Senate Bill 134 as reported by House Appropriations Committee

Sponsor: Sen. Michael Switalski

Senate Committee: Appropriations

House Committee: Appropriations

Complete to 6-13-07

BRIEF SUMMARY: The bill authorizes the sale of surplus State owned property in Lansing and the Western Wayne Correctional Facility in Plymouth Township. It also releases the antiquities reservation on the Plaza Building in Detroit that was recently sold to 1200 Sixth Street, LLC.

Lansing Property:

Under the bill, the City of Lansing will first be offered to purchase 5 acres of surplus State land located just west of the Capitol Building for fair market value. The FMV will be determined by an independent real estate appraiser. Lansing will have 180 days after enactment to make the purchase. If not, then the Department of Management and Budget is authorized to take necessary steps to prepare this property for sale at fair market value or less than FMV if sold to a local unit of government and to be used for a public purpose.

Western Wayne Correctional Facility:

The Department of Management and Budget is authorized to take necessary steps to prepare this property of about 127 acres for sale at fair market value or less than FMV if sold to a local unit of government and to be used for a public purpose.

Plaza Building Antiquities Reservation:

The State Administrative Board is authorized to release the reservation of aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics on, within, or under the property sold to 1200 Sixth Street, LLC. This reservation was included in the quitclaim deed and effectively prohibits the new owners from selling the property to the federal government.

FISCAL IMPACT: Net revenues from the sales of the 2 properties will be deposited into the State General Fund. Fair market values have not yet been determined. The Lansing property is estimated to be worth \$423,000. The price of the correctional property will greatly depend on whether the existing buildings are to be demolished and environmental conditions. The Department of Corrections indicates that all of the buildings at the Western Wayne Correctional Facility have been shuttered and all utilities have been turned off.

Neither property sale could reserve oil, gas, or mineral rights to the State. However, if the purchaser develops any oil, gas, or minerals found on, within, or under the conveyed property, the State would receive one-half of the gross revenue from such developments.

Fiscal Analyst: Al Valenzio

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