

# SENATE BILL No. 1403

June 24, 2008, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

A bill to authorize the department of management and budget to convey certain state owned property in Wayne 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; to provide for disposition of revenue derived from the conveyance; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. The department of management and budget, on behalf of  
2 the state, may convey to Wayne state university, for consideration  
3 of \$1.00, certain real property now under the jurisdiction of the  
4 department of corrections and located in Wayne county, Michigan,  
5 and more particularly described as:  
6 That part of Lots 17 and 18, of Walker's Subdivision, of Park Lots

1 49, 50, 51 and 52, in the City of Detroit, Wayne County, Michigan,  
2 as recorded in Liber 1, Page 282, of Plats, Wayne County Records,  
3 described as: Beginning at the intersection of the Northerly line  
4 of Lot 18 and the Westerly line of Woodward Avenue (120 feet wide);  
5 thence Southerly along the Westerly line of Woodward Avenue, 120.00  
6 feet to a point; thence Westerly parallel to the Southerly line of  
7 said Lot 18, 170.18 feet to a point; thence Northerly parallel to  
8 the Westerly line of Woodward Avenue, 20.00 feet, to a point of the  
9 Southerly line of said Lot 18; thence Westerly along the Southerly  
10 line of said Lot 18, 116.35 feet to a point; thence Northerly  
11 parallel to Westerly line of Woodward Avenue, 35 feet to a point;  
12 thence Easterly parallel to Southerly line of said Lot 18, 3.35  
13 feet to a point; thence Northerly parallel to Westerly line of  
14 Woodward Avenue, 65 feet to a point on the Northerly line of said  
15 Lot 18; thence Easterly along the Northerly line of said Lot 18,  
16 283.18 feet to the Point of Beginning.

17 Also, all that part of Lot 19, of Walker's Subdivision of Park Lots  
18 49, 50, 51 and 52, City of Detroit, Wayne County, Michigan, as  
19 recorded in Liber 1, Page 282, of Plats, Wayne County Records,  
20 described as: Beginning at a point on the Southerly line of said  
21 Lot 19, which is South 60 degrees 05 minutes 20 seconds West, a  
22 distance of 10.00 feet from the intersection of said Southerly line  
23 of Lot 19 with the Westerly right of way line of Woodward Avenue  
24 (120 feet wide); thence continuing South 60 degrees 05 minutes 20  
25 seconds West, a distance of 275.18 feet; thence North 29 degrees 54  
26 minutes 40 seconds West, a distance of 10 feet; thence North 62  
27 degrees 10 minutes 12 seconds East, a distance of 275.36 feet to

1 the Point of Beginning.

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

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

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

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

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

19 (c) If the grantee disputes the state's exercise of its right  
20 of reentry and fails to promptly deliver possession of the property  
21 to the state, the attorney general, on behalf of the state, may  
22 bring an action to quiet title to, and regain possession of, the  
23 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 Sec. 4. (1) If the property described in section 1 is not sold

1 to Wayne state university within 6 months after the effective date  
2 of this act, the director of the department of management and  
3 budget shall take the necessary steps to prepare to convey the  
4 property described in section 1 using any of the following at any  
5 time:

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

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

11 (c) Use of real estate brokerage services designed to realize  
12 the best value to the state, as determined by the department of  
13 management and budget.

14 (d) A value for value conveyance negotiated by the department  
15 of management and budget designed to realize the best value to the  
16 state. In determining whether value for value consideration for the  
17 property represents the best value, the department may consider the  
18 fair market value or the total value based on any positive economic  
19 impact to the state likely to be generated by the proposed use of  
20 the property, especially economic impact resulting in the creation  
21 of jobs or increased capital investment in the state.

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

24 (f) Offering the property for sale for less than fair market  
25 value to a local unit or units of government subject to subsection  
26 (2).

27 (2) Any conveyance to a local unit of government authorized by

1 subsection (1)(f) shall provide for all of the following:

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

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

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

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

19 (e) If the local unit of government intends to convey the  
20 property within 3 years of the conveyance from the state, the local  
21 unit shall provide notice to the department of management and  
22 budget of its intent to offer the property for sale. The department  
23 of management and budget shall retain a right to first purchase the  
24 property at the original sale price within 90 days after the  
25 notice. In the event that the state waives its first refusal right,  
26 the local unit of government shall pay to the state 40% of the  
27 difference between the sale price of the conveyance from the state

1 and the sale price of the local unit's subsequent sale or sales to  
2 a third party.

3       Sec. 5. (1) The conveyance authorized by this act shall be by  
4 quitclaim deed designed or otherwise approved as to legal form by  
5 the attorney general. The state shall not reserve oil, gas, or  
6 mineral rights to the property conveyed under this act. However,  
7 the conveyance authorized under this act shall provide that if the  
8 purchaser or any grantee develops any oil, gas, or minerals found  
9 on, within, or under the conveyed property, the purchaser or any  
10 grantee shall pay the state 1/2 of the gross revenue generated from  
11 the development of the oil, gas, or minerals. This payment shall be  
12 deposited in the general fund.

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

19       Sec. 6. The net revenue received from the sale of property  
20 under this act shall be deposited in the state treasury and  
21 credited to the general fund. As used in this section, "net  
22 revenue" means the proceeds from the sale of the property less  
23 reimbursement for any costs to the state associated with the sale  
24 of property, including, but not limited to, costs of reports and  
25 studies and other materials necessary to the preparation of sale,  
26 environmental remediation, legal fees, and any litigation related  
27 to the conveyance of the property.

1 Enacting section 1. Section 1 of 2000 PA 407 is repealed.