

Act No. 362
Public Acts of 2008
Approved by the Governor
December 23, 2008
Filed with the Secretary of State
December 23, 2008
EFFECTIVE DATE: December 23, 2008

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Senator Switalski

ENROLLED SENATE BILL No. 1403

AN ACT 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:

Sec. 1. The department of management and budget, on behalf of the state, may convey to Wayne state university, for consideration of \$1.00, certain real property now under the jurisdiction of the department of corrections and located in Wayne county, Michigan, and more particularly described as:

That part of Lots 17 and 18, of Walker's Subdivision, of Park Lots 49, 50, 51 and 52, in the City of Detroit, Wayne County, Michigan, as recorded in Liber 1, Page 282, of Plats, Wayne County Records, described as: Beginning at the intersection of the Northerly line of Lot 18 and the Westerly line of Woodward Avenue (120 feet wide); thence Southerly along the Westerly line of Woodward Avenue, 120.00 feet to a point; thence Westerly parallel to the Southerly line of said Lot 18, 170.18 feet to a point; thence Northerly parallel to the Westerly line of Woodward Avenue, 20.00 feet, to a point of the Southerly line of said Lot 18; thence Westerly along the Southerly line of said Lot 18, 116.35 feet to a point; thence Northerly parallel to Westerly line of Woodward Avenue, 35 feet to a point; thence Easterly parallel to Southerly line of said Lot 18, 3.35 feet to a point; thence Northerly parallel to Westerly line of Woodward Avenue, 65 feet to a point on the Northerly line of said Lot 18; thence Easterly along the Northerly line of said Lot 18, 283.18 feet to the Point of Beginning.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved _____

Governor