

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 515**

A bill to authorize the state administrative board to transfer or convey a certain parcel of state-owned property of approximately 157 acres in Wayne county; to prescribe conditions for the transfer or conveyance; to create a state fairgrounds sale advisory committee; to provide for certain powers and duties of certain state departments and agencies in regard to the property; to provide for disposition of revenue derived from the conveyance of the property; and to provide for the disposal of fixtures and equipment on the property.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of this
2 state, may convey by quitclaim deed or transfer, as provided in
3 this act, all or portions of certain state-owned property under the

1 jurisdiction of the department, which is part of the property
2 commonly known as the Michigan state fairgrounds, is located in the
3 city of Detroit, Wayne county, Michigan, and is further described
4 as follows:

5 A parcel of land in the NE 1/4, NW 1/4 & SE 1/4 of Section 2 and
6 the NE 1/4 of Section 3, T1S R11E, City of Detroit, Wayne County,
7 Michigan and more particularly described as commencing at the
8 Northwest corner of said Section 2; thence S01°59'26"E, 33.00 feet
9 to the North line of Germans Montrose Park Subdivision and the
10 south right of way of Eight Mile Road; thence N88°00'34"E, 1323.68
11 feet, on the north line of Germans Montrose Subdivision to the
12 Northeast corner of said Subdivision and the Point of Beginning of
13 this description; thence N88°00'34"E, on the South right of way
14 line of Eight Mile Road, 1249.15 feet, to the Southwesterly right
15 of way of the Grand Trunk Western Railroad; thence on said right of
16 way on the next five calls; thence S31°13'25" E, 169.96 feet;
17 thence S44°18'21"E, 110.43 feet; thence S31°13'25"E, 2503.17 feet;
18 thence S01°15'10"E, 40.04 feet; thence S31°13'25"E, 226.77 feet to
19 the centerline of State Fair Avenue and the E-W 1/4 line of said
20 Section 2; thence N89°08'56"E, on said E-W 1/4 Line, 17.39 feet;
21 thence S31°13'25"E, on the westerly line of the Grand Trunk
22 Westerly Railroad, 317.18 feet; thence S88°52'19"W, 280.64 feet;
23 thence N01°19'28"W, 275.02 feet to the E-W 1/4 line of said Section
24 2; thence S89°08'56"W, 1319.94 feet, on said E-W 1/4 line and
25 centerline of State Fair Avenue to the center of said Section 2;
26 thence S88°32'46"W, 1290.77 feet, on said E-W 1/4 line and
27 centerline of State Fair Avenue; thence N01°32'55"W, 33.00 feet to

1 the North line of State Fair Avenue; thence S88°32'46"W, 692.91
2 feet, on the North line of State Fair Avenue to the Northeast right
3 of way line of Woodward Avenue; thence N26°34'10"W, on said
4 Woodward Avenue right of way, 400.14 feet: thence along the
5 boundary of the DNR Pocket Park the following five calls: thence
6 N88°09'24"E, 291.51 feet; thence N00°25'49", 252.35 feet; thence
7 S88°45'56"W, 169.82 feet; thence N01°14'04"W, 13.00 feet thence
8 S88°25'45"W; 251.61 feet to the Northeast right of way line of
9 Woodward Avenue; thence N26°34'10"W, 1033.60 feet, on said Woodward
10 Avenue right of way to the Southwest corner of lot #24, Plat of
11 State Fair Subdivision #2; thence N88°21'23"E, 1382.91 feet, on the
12 south line of said State Fair Subdivision #2; thence N01°41'24"W,
13 1008.30 feet, on the East line of said State Fair Subdivision #2 &
14 the East line of said Germans Montrose Park Subdivision to the
15 point of beginning, containing 157.47 acres.

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

21 (3) The department shall attempt to dispose of surplus,
22 salvage, and scrap fixtures and equipment on the property described
23 in subsection (1) by donating or selling the fixtures and equipment
24 to county or other local fairs. The department may dispose of as
25 otherwise provided by law any surplus, salvage, or scrap fixture or
26 equipment not donated or sold to a county or other local fair. The
27 property described in subsection (1) includes all surplus, salvage,

1 and scrap property or equipment remaining on the property as of the
2 date of the conveyance or transfer.

3 Sec. 2. (1) The department shall take the necessary steps to
4 prepare for the conveyance or transfer of the property at any time.

5 (2) The department may prepare for the conveyance of the
6 property by any of the following means:

7 (a) Competitive bidding designed to realize the best value to
8 this state, as determined by the department.

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

11 (c) Real estate brokerage services designed to realize the
12 best value to this state, as determined by the department.

13 (d) Offering the property for sale to a local unit or units of
14 government for fair market value as determined by an appraisal
15 prepared for the department by an independent appraiser.

16 (3) The department may prepare for the transfer of the
17 property to the state land bank fast track authority.

18 (4) A conveyance under section 1 or described in section 4
19 shall provide for all of the following:

20 (a) The property conveyed shall not be used for a horse racing
21 track, auto racing track, casino, railroad freight yard, jail, or
22 prison.

23 (b) If the property conveyed is used in a manner inconsistent
24 with subdivision (a), this state may reenter and repossess that
25 property, terminating the grantee's or successor's estate in that
26 property.

27 (c) If the grantee or successor disputes this state's exercise

1 of its right to reenter and fails to promptly deliver possession of
2 that property to the state, the attorney general, on behalf of this
3 state, may bring an action to quiet title to, and regain possession
4 of, that property.

5 (d) If this state reenters and repossesses that property, this
6 state is not liable to reimburse any party for any improvements
7 made on that property.

8 Sec. 3. (1) If all or a portion of the property is transferred
9 to the state land bank fast track authority pursuant to section
10 2(3), the state fairgrounds sale advisory committee is created
11 within the department.

12 (2) The committee does not have the power to authorize or
13 prohibit any action by the state land bank fast track authority and
14 is advisory only.

15 (3) The committee shall consist of 1 representative, appointed
16 by the governor, from each of the following neighborhood
17 organizations from the vicinity of the state fairgrounds:

18 (a) Sherwood Forest neighborhood association.

19 (b) University district neighborhood association.

20 (c) Detroit golf club homeowners association.

21 (d) Palmer Woods neighborhood association.

22 (e) Greenacres neighborhood association.

23 (4) The members first appointed to the committee shall be
24 appointed within 60 days after the property is transferred to the
25 state land bank fast track authority.

26 (5) Members of the committee shall serve for terms of 3 years
27 or until a successor is appointed, whichever is later, except that

1 of the members first appointed under subsection (3), 3 shall serve
2 for 3 years and 2 shall serve for 2 years.

3 (6) If a vacancy occurs on the committee, the unexpired term
4 shall be filled in the same manner as the original appointment.

5 (7) The first meeting of the committee shall be called by the
6 executive director of the state land bank fast track authority. At
7 the first meeting, the committee shall elect from among its members
8 a chairperson and other officers as it considers necessary or
9 appropriate. After the first meeting, the committee shall meet at
10 least quarterly, or more frequently at the call of the chairperson
11 or if requested by 2 or more members.

12 (8) A majority of the members of the committee constitute a
13 quorum for the transaction of business at a meeting of the
14 committee. A majority of the members present and serving are
15 required for official action of the committee.

16 (9) The business that the committee may perform shall be
17 conducted at a public meeting of the committee held in compliance
18 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

19 (10) A writing prepared, owned, used, in the possession of, or
20 retained by the committee in the performance of an official
21 function is subject to the freedom of information act, 1976 PA 442,
22 MCL 15.231 to 15.246.

23 (11) Members of the committee shall serve without
24 compensation.

25 (12) Subject to subsection (2), the committee shall provide
26 input and make recommendations to the state land bank fast track
27 authority on the sale and use of the property transferred to the

1 state land bank fast track authority pursuant to section 2(3).

2 (13) The state land bank fast track authority shall provide
3 necessary staffing for the committee and cooperate with the
4 committee in the fulfillment of the committee's duties.

5 (14) The committee is dissolved 60 days after all property
6 transferred to the state land bank fast track authority pursuant to
7 section 2(3) of this act and section 2(3) of House Bill No. 4803 of
8 the 96th Legislature is conveyed by the state land bank fast track
9 authority.

10 (15) This act and House Bill No. 4803 of the 96th Legislature
11 together create only 1 state fairgrounds sale advisory committee.

12 Sec. 4. If all or a portion of the property is transferred to
13 the state land bank fast track authority pursuant to section 2(3),
14 and the state land bank fast track authority subsequently conveys
15 the property to a third party, the state land bank fast track
16 authority shall establish performance requirements and penalty
17 provisions within the purchase agreement or other agreements
18 related to the subsequent conveyance. Not more than 30 days after
19 conveying property under this subsection, the state land bank fast
20 track authority shall submit a report to the legislature describing
21 the terms of the conveyance and providing a full accounting of all
22 revenue from and costs associated with the conveyance. The state
23 land bank fast track authority shall not convey the property to a
24 county authority or local authority.

25 Sec. 5. (1) A quitclaim deed or transfer document authorized
26 by this act shall be approved as to legal form by the department of
27 attorney general.

1 (2) This state shall not reserve oil, gas, or mineral rights
2 to property conveyed under this act. However, a conveyance
3 authorized under this act shall provide that, if the purchaser or
4 any grantee develops any oil, gas, or minerals found on, within, or
5 under the conveyed property, the purchaser or any grantee shall pay
6 this state 1/2 of the gross revenue generated from the development
7 of the oil, gas, or minerals. This payment shall be deposited in
8 the general fund.

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

15 (4) The net revenue received by this state from the conveyance
16 of property under this act, including conveyance by the state land
17 bank fast track authority, shall be deposited in the state treasury
18 and credited to the general fund.

19 Sec. 6. As used in this act:

20 (a) "Committee" means the state fairgrounds sale advisory
21 committee established pursuant to section 3(1).

22 (b) "County authority" means that term as defined in section 3
23 of the land bank fast track act, 2003 PA 258, MCL 124.753.

24 (c) "Department" means the department of technology,
25 management, and budget.

26 (d) "Local authority" means that term as defined in section 3
27 of the land bank fast track act, 2003 PA 258, MCL 124.753.

1 (e) "Net revenue" means the proceeds from the conveyance of
2 the property less reimbursement for any costs to the department,
3 land bank fast track authority, or other state department or agency
4 associated with the maintenance, preparation for sale, or sale of
5 property, including, but not limited to, administrative costs,
6 including employee wages, salaries, and benefits; costs of reports
7 and studies and other materials necessary to the preparation of
8 sale; environmental remediation; legal fees; any litigation related
9 to the conveyance of the property; and costs to the land bank fast
10 track authority to provide necessary staffing for the committee and
11 cooperate with the committee in the fulfillment of the committee's
12 duties.

13 (f) "State land bank fast track authority" means the land bank
14 fast track authority established under section 15 of the land bank
15 fast track act, 2003 PA 258, MCL 124.765.

16 Enacting section 1. This act does not take effect unless House
17 Bill No. 4803 of the 96th Legislature is enacted into law.