

**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; and to provide for disposition of revenue derived from the conveyance of 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
4 jurisdiction of the department, which is part of the property

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

4 A parcel of land in the NE 1/4, NW 1/4 & SE 1/4 of Section 2 and
5 the NE 1/4 of Section 3, T1S R11E, City of Detroit, Wayne County,
6 Michigan and more particularly described as commencing at the
7 Northwest corner of said Section 2; thence S01°59'26"E, 33.00 feet
8 to the North line of Germans Montrose Park Subdivision and the
9 south right of way of Eight Mile Road; thence N88°00'34"E, 1323.68
10 feet, on the north line of Germans Montrose Subdivision to the
11 Northeast corner of said Subdivision and the Point of Beginning of
12 this description; thence N88°00'34"E, on the South right of way
13 line of Eight Mile Road, 1249.15 feet, to the Southwesterly right
14 of way of the Grand Trunk Western Railroad; thence on said right of
15 way on the next five calls; thence S31°13'25" E, 169.96 feet;
16 thence S44°18'21"E, 110.43 feet; thence S31°13'25"E, 2503.17 feet;
17 thence S01°15'10"E, 40.04 feet; thence S31°13'25"E, 226.77 feet to
18 the centerline of State Fair Avenue and the E-W 1/4 line of said
19 Section 2; thence N89°08'56"E, on said E-W 1/4 Line, 17.39 feet;
20 thence S31°13'25"E, on the westerly line of the Grand Trunk
21 Westerly Railroad, 317.18 feet; thence S88°52'19"W, 280.64 feet;
22 thence N01°19'28"W, 275.02 feet to the E-W 1/4 line of said Section
23 2; thence S89°08'56"W, 1319.94 feet, on said E-W 1/4 line and
24 centerline of State Fair Avenue to the center of said Section 2;
25 thence S88°32'46"W, 1290.77 feet, on said E-W 1/4 line and
26 centerline of State Fair Avenue; thence N01°32'55"W, 33.00 feet to
27 the North line of State Fair Avenue; thence S88°32'46"W, 692.91

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

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

19 (3) The property includes all surplus, salvage, and scrap
20 property or equipment remaining on the property as of the date of
21 the conveyance.

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

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

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

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

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

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

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27 (3) The department may prepare for the transfer of the

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1 property to the state land bank fast track authority, subject to
2 sections 3 and 4.

3 (4) A conveyance under subsection (2) or section 4 of all or a
4 portion of the property described in section 1 shall provide for
5 all of the following:

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

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11 (b)>> If the property conveyed is used in a manner inconsistent
12 with subdivision (a) << >>, this state
13 may reenter and repossess that property, terminating the grantee's
14 or successor's estate in that property.

15 <<(c)>> If the grantee or successor disputes this state's exercise
16 of its right to reenter and fails to promptly deliver possession of
17 that property to the state, the attorney general, on behalf of this
18 state, may bring an action to quiet title to, and regain possession
19 of, that property.

20 <<(d)>> If this state reenters and repossesses that property, this
21 state is not liable to reimburse any party for any improvements
22 made on that property.

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15 Sec. 3. (1) If all or a portion of the property is transferred
16 to the state land bank fast track authority pursuant to section
17 2(3), the state fairgrounds sale advisory committee is created
18 within the department.

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

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

25 (a) Sherwood Forest neighborhood association.

26 (b) University district neighborhood association.

27 (c) Detroit golf club homeowners association.

1 (d) Palmer Woods neighborhood association.

2 (e) Greenacres neighborhood association.

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

6 (5) Members of the committee shall serve for terms of 3 years
7 or until a successor is appointed, whichever is later, except that
8 of the members first appointed under subsection (3), 3 shall serve
9 for 3 years and 2 shall serve for 2 years.

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

12 (7) The first meeting of the committee shall be called by the
13 executive director of the state land bank fast track authority. At
14 the first meeting, the committee shall elect from among its members
15 a chairperson and other officers as it considers necessary or
16 appropriate. After the first meeting, the committee shall meet at
17 least quarterly, or more frequently at the call of the chairperson
18 or if requested by 2 or more members.

19 (8) A majority of the members of the committee constitute a
20 quorum for the transaction of business at a meeting of the
21 committee. A majority of the members present and serving are
22 required for official action of the committee.

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

26 (10) A writing prepared, owned, used, in the possession of, or
27 retained by the committee in the performance of an official

1 function is subject to the freedom of information act, 1976 PA 442,
2 MCL 15.231 to 15.246.

3 (11) Members of the committee shall serve without
4 compensation.

5 (12) Subject to subsection (2), the committee shall provide
6 input and make recommendations to the state land bank fast track
7 authority on the sale and use of the property transferred to the
8 state land bank fast track authority pursuant to section 2(3).

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

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

17 (15) This act and House Bill No. 4803 of the 96th Legislature
18 do not together create more than 1 state fairgrounds sale advisory
19 committee.

20 Sec. 4. If all or a portion of the property is transferred to
21 the state land bank fast track authority pursuant to section 2(3),
22 and the state land bank fast track authority subsequently conveys
23 the property to a third party, the state land bank fast track
24 authority shall establish performance requirements and penalty
25 provisions within the purchase agreement or other agreements
26 related to the subsequent conveyance. Not more than 30 days after
27 conveying property under this subsection, the state land bank fast

1 track authority shall submit a report to the legislature describing
2 the terms of the conveyance and providing a full accounting of all
3 revenue from and costs associated with the conveyance. The state
4 land bank fast track authority shall not convey the property to a
5 county authority or local authority.

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

9 (2) This state shall not reserve oil, gas, or mineral rights
10 to property conveyed under this act. However, a conveyance
11 authorized under this act shall provide that, if the purchaser or
12 any grantee develops any oil, gas, or minerals found on, within, or
13 under the conveyed property, the purchaser or any grantee shall pay
14 this state 1/2 of the gross revenue generated from the development
15 of the oil, gas, or minerals. This payment shall be deposited in
16 the general fund.

17 (3) This state reserves all aboriginal antiquities including
18 mounds, earthworks, forts, burial and village sites, mines, or
19 other relics lying on, within, or under the property with power to
20 this state and all others acting under its authority to enter the
21 property for any purpose related to exploring, excavating, and
22 taking away the aboriginal antiquities.

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

27 Sec. 6. As used in this act:

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

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

5 (c) "Department" means the department of technology,
6 management, and budget.

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

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

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

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