



**House  
Legislative  
Analysis  
Section**

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**EAST BAY TWP. CONVEYANCE AND  
CHIPPEWA CO. LAND TRANSFER**

**House Bill 5450 as passed by the House  
Second Analysis (3-15-96)**

**Sponsor: Rep. Michelle McManus  
Committee: Regulatory Affairs**

***THE APPARENT PROBLEM:***

\*The Department of Natural Resources owns a parcel of property on Arbutus Lake in East Bay Township, Grand Traverse County. The lot has been managed since 1971 by the local government under a special use agreement between the township and the DNR and has been used primarily as a small boat launch. Over the years the township has made several improvements to the land, including a picnic area and paved parking lot. Since the township has made these improvements and been responsible for maintaining the property, it has asked that the DNR turn over full control of the property to the township.

Because of the nature of the property's original purchase the DNR is unable to transfer ownership of the property to the township for less than fair market value without legislation. At the request of the township, legislation has been introduced to allow for the transfer of the property between the DNR and East Bay Township for the purchase price of one dollar.

\*A farm about six miles southwest of Sault Ste. Marie, in the Upper Peninsula, was one of many farms contaminated in the 1970s with polybrominated biphenyls (PBBs) that had been accidentally mixed with silage. Soil samples from the farm (known as the "Harm Veldt" farm) revealed PBB concentrations of up to 2,030 parts per billion (ppb) around the farm buildings. The Department of Agriculture acquired the Veldt farm in 1982 for \$87,000, and cleanup operations were begun on a 1.1 acre area (47,000 square feet and six farm buildings) that showed more than 50 ppb of PBB, the target cleanup level (a level based on instrument detection limits and technical feasibility at the time, and 20 times more stringent than the cleanup level for PBB contaminated soils recommended by the U.S. Environmental Protection Agency). Site cleanup operations included the demolition of all six farm buildings and the removal of the top 8 to 12 inches of PBB contaminated soil (about 4,500 cubic yards of soil and building debris altogether). After the cleanup was completed in May, 1988, at a cost of \$402,270, soil

samples again were taken and showed less than 50 ppb of PBB.

The Chippewa County Soil Conservation District is interested in acquiring the land in question for use as a demonstration farm.

***THE CONTENT OF THE BILL:***

The bill would allow for two separate land conveyances. First, the Department of Natural Resources would be allowed to convey property under its jurisdiction to East Bay Township, Grand Traverse County, for \$1.00. Conveyance would be by quitclaim deed approved by the attorney general, and the state would retain mineral rights to coal, oil, gas, and other nonmetallic minerals. The bill would specify that the property conveyed would have to be used for public purposes only and would revert back to state ownership if used for any other purposes. In addition, if the grantee used the property to create a public park or other public recreational area, the grantee would be required to allow equal access, subject to the same fees, terms, and conditions, to all members of the public. If fees were waived, in whole or in part, for certain groups, the grantee would be required to apply the waiver of fees to all members of that group regardless of their residence. (If the grantee decided to use the property as a public park or for any other public recreational purposes, the grantee would not be allowed to charge varying fees based upon the residency of the individuals seeking to use the property.) Revenue received would be deposited in the state treasury and credited to the general fund.

Second, the bill would also allow the state administrative board to convey two forty-acre parcels of land in Chippewa County (in Dafter Township) currently under the jurisdiction of the Department of Agriculture to the Chippewa Soil Conservation District for one dollar. As with the East Bay conveyance, the state would retain coal, gas, oil, and other mineral

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rights, and the land would revert to the state if the land were used for other than public purposes.

### ***FISCAL IMPLICATIONS:***

According to the Senate Fiscal Agency, the bill would have no fiscal impact on the state except in terms of potential revenue associated with a fair market value sale of the property. According to the SFA, the Department of Natural Resources reports that the conveyance to East Bay Township could eliminate an annual payment of \$1,200 made in lieu of property taxes. (3-12-96)

### ***ARGUMENTS:***

#### ***For:***

The property in East Bay Township has been under the maintenance and control of the township since 1971, and the change in ownership would not alter that control. The township intends that the use of the property will remain essentially the same. Furthermore, the legislation would require that the township continue to use the land for a public purpose. And even if the township were to decide to change the nature of the property's use at some later date by eliminating the boat launch, public access to the lake would still be available since the DNR owns a larger boat launch nearby.

#### ***For:***

Although the contaminated soil on the state-owned Veldt farm has been cleaned up, the stigma of PBB contamination apparently has adversely affected the farm's market value, making its sale by the state at fair market value difficult if not impossible. The bill would allow the Chippewa Soil Conservation District to put to good use vacant farmland that the state otherwise has no use for and for whom the state would have difficulty in finding a commercial buyer. Reportedly, the soil conservation district plans to plant demonstration plots on part of the land and to reforest part of the land.

### ***POSITIONS:***

The Department of Natural Resources supports the bill. (3-1-96)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.