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LANSING AND ROSCOMMON COUNTY CONVEYANCES

House Bill 5069 as enrolled Public Act 363 of 1998 Second Analysis (10-26-98)

Sponsor: Rep. Lynne Martinez
House Committee: Regulatory Affairs
**Senate Committee: Economic Development,
International Trade and Regulatory
Affairs**

THE APPARENT PROBLEM:

The state Boys Training School (BTS) in Lansing was closed in 1972, a major portion of the land and buildings were sold to the Lansing School District in 1975, and the remaining land and buildings were declared surplus to the state in September of 1986. In 1992, the City of Lansing adopted a plan for development of a vacant parcel of the former BTS property. The parcel, approximately 23.5 acres, is bounded by residential neighborhoods to the west and north, Lansing Catholic Central High School to the east, and the Lansing School District (Eastern High School) to the south. Possible use of the land has included discussions on a joint educational venture between the Lansing School District and Sparrow Hospital for a health field training program, athletic fields for the Lansing School District, and public housing. Currently, the land is being used for community gardens and city baseball diamonds. At the request of the Department of Management and Budget, legislation has been initiated to convey the parcel to the City of Lansing.

Further, about 80 percent of Lyon Township by Higgins Lake in Roscommon County is state-owned land, leaving little municipally-owned land to develop for public use. Meanwhile, the population of year-round residents and seasonal visitors has boomed in recent years. According to township officials, the township has outgrown the town hall and the one small township park. The township has expressed an interest in a 15-acre parcel of state-owned land that is adjacent to the current township park. Plans include additional baseball and softball fields (currently, one field is shared by three softball leagues), tennis courts,

soccer fields, and the creation of a municipal center to house a new township hall, fire department, and possibly a satellite police department.

In like fashion, the Roscommon Metropolitan Recreation Authority is seeking legislation to convey about 40 acres of state-owned forest in Higgins Township in Roscommon County to the authority. The property is adjacent to the Marguerite Gahagan Nature Preserve and consists primarily of young to middle age pine and oak trees. The preserve, which has a developed network of walking trails that traverse a cedar swamp and along the banks of the Tank Creek, has become increasingly popular with residents and visitors. Since the parcel of state-owned land is isolated from other state property in the area, the authority would like to expand the network of walking trails and develop cross-country ski trails, along with providing a buffer zone for wildlife.

THE CONTENT OF THE BILL:

The bill would permit the conveyance of state property in Ingham and Roscommon counties. The first parcel would allow for the sale or conveyance of a parcel of land in the City of Lansing, Ingham County, to the city or other buyer. The land, currently under the jurisdiction of the Department of Management and Budget, would be conveyed by quitclaim deed approved by the attorney general. The net revenue received from the conveyance would have to be deposited in the state treasury and credited to the general fund. "Net revenue" would be defined as the proceeds from the sale of the property described in the

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bill less the reimbursement for any costs to the state associated with the sale.

The bill would grant the City of Lansing the exclusive right for one year to purchase the property for \$1 if used for public purposes, or for fair market value if used for any other purpose such as for residential development. If only part of the property was used for other than a public use, the city would have to pay at least the fair market value of that part of the property as determined by an appraisal prepared by the state tax commission or an independent fee appraiser. If used for a public use, then the consideration would be for less than fair market value with the conditions that any recreational fees charged to use the property would be the same for all members of the public regardless of residency, and that the property would revert to the state if used for anything other than a public purpose. Further, the bill would specify that should the city dispute the state's right to repossess the land, the attorney general could bring an action to quiet title to and regain possession of the property.

If the property were not sold to the City of Lansing within one year of the bill's effective date, the director of the department would have to offer the property for sale on the open market for fair market value or by broker contract. If a buyer were not found, the director could order a reappraisal of the property, withdraw the property from sale, or determine that the property should be sold for less than fair market value. The conveyance would not reserve the mineral rights to the state. However, if the minerals were later developed, one half of the revenue from the mineral development would have to be paid to the state.

In regards to the Roscommon County conveyances, the bill would allow the Department of Natural Resources (DNR) to convey two separate parcels of land, each for \$1.00, by quitclaim deed approved by the attorney general. The state would convey the mineral rights. Any revenue received under the act would have to be deposited in the state treasury and credited to the general fund. If any of the parcels were used for any purpose other than that specified in the bill, the parcel in question would revert to the state. In case of a dispute over the state's right of reentry, the attorney general could bring an action to quiet title to the parcel and regain possession of the property. The bill would specify that the descriptions contained in the bill were approximate, and could be adjusted as necessary by survey or other legal

description. Specifically, the parcels to be conveyed are as follows:

Parcel one: A parcel of approximately 40 acres located in Higgins Township in Roscommon County could be conveyed to the Roscommon Metropolitan Recreation Authority. The property would have to be used for public recreational purposes only. (The land is adjacent to the ten-acre Marguerite Gahagan Nature Preserve. The Authority has expressed an interest in expanding the Preserve's system of hiking trails.)

Parcel two: A parcel of approximately 15 acres located in Lyon Township in Roscommon County could be conveyed to the county. The property would have to be used exclusively for public purposes. (The township has developed a recreational area with a ball diamond, ice-rink, restrooms, and compost center on land adjacent to the parcel, and has expressed an interest in expanding the recreational area and building a new municipal center.)

FISCAL IMPLICATIONS:

According to an analysis prepared by the Department of Management and Budget regarding the property of the former Boys Training School, the state would benefit by not having to expend funds to maintain the property. Also, any sale of the land or a part of it, or any future mineral development, would result in additional revenue to the state. (5-4-98)

Fiscal information on the conveyance of the Roscommon County properties is not available.

ARGUMENTS:

For:

The property of the former Boys Training School has been sold piecemeal through the years since its closure in 1972 and has been surplus to the state since 1986. The City of Lansing has indicated an interest in developing the land for public purposes. Discussions have included a project between Sparrow Hospital and the Lansing School District to build a facility on the site that could be used for a health field training program for high school students. The completion of that project would require the relocation of the high school's athletic fields, and the BTS property would prove a suitable site. The city is also looking into the feasibility of developing the balance of the property into public housing. If it is decided that public housing is not possible, the bill contains the flexibility for the city to sell a part of the parcel to developers

and reimburse the state at fair market value, or to find other public uses for it. If for any reason the property is not conveyed to the city within a year of the bill's effective date, the bill would give the Department of Management and Budget the authority to sell the property at fair market value. The conveyance would relieve state taxpayers from the costs to maintain the property, and would benefit area residents and visitors if the land were developed according to the plans adopted by the City of Lansing.

For:

Roscommon County, with many forests and the beautiful and popular Higgins and Houghton Lakes, is seeing a boom in both year-round residents and in seasonal visitors. However, in some townships, much land is held by the state, leaving little land to be developed to meet the needs of visitors and residents. Such is the case for Lyons Township, of which 80 percent of the land is owned by the state. The township has outgrown its town hall and its town park. The park has one ballfield which is used by three softball leagues, and has recently expanded an ice rink. The land also supports a community compost site for yard wastes. The township would like to acquire about 15 acres of state-owned land that is adjacent to the park to build more ballfields and to relocate the compost site from high-use areas of the park. The township also would like to build a new municipal center to house the township offices and a fire department and possibly a satellite police department. Currently, the township must rely on fire and police departments from neighboring communities. Township officials point out that they have made good use of the land that the current park is located on, which was conveyed from the state about 15 years ago, creating a beautiful park that is enjoyed by many. The bill, therefore, would serve the public by enabling the township to provide more municipal services and recreational opportunities to residents and visitors alike.

In addition, the land next to the Marguerite Gahagan Nature Preserve should be conveyed to the preserve so that it can expand the nature trails. Apparently, the 40-acre parcel of state-owned land is separated from other state lands, and is not being used for any purpose. The creation of walking trails would enable people to partake of the beauty of the area without needlessly disturbing the environment or wildlife. The Roscommon Metropolitan Recreation Authority has

also expressed an interest in possibly using part of the land to create demonstration plots to exemplify the benefits to wildlife of clear cuts and select cuts. This

could be important both from an educational and research point of view.

Analyst: S. Stutzky

■ 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.