

**SUBSTITUTE FOR
HOUSE BILL NO. 6033**

A bill to authorize the state administrative board to convey certain parcels of state owned property in Oakland county; to provide for certain powers and duties of the department of management and budget and certain municipalities in regard to that property; to prescribe conditions for the conveyances; and to provide for disposition of the revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of
2 the state, may convey to the county of Oakland, for consideration
3 of not less than fair market value as determined pursuant to sub-
4 section (3), or for less than fair market value subject to sub-
5 sections (6) and (7), and in exchange for an easement at the
6 southernmost section of county owned property that is appropriate
7 to service developed parcels described in section 2, property

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

2

1 under the jurisdiction of the department of community health and
2 located in the city of Pontiac, Oakland county, Michigan, and
3 further described as follows:

4 A parcel of land in the south 1/2 of section 19, town 3 north,
5 range 10 east, City of Pontiac, Oakland county, Michigan and more
6 particularly described as commencing at the southwest corner of
7 said section 19; thence south 89 degrees 15 minutes 33 seconds
8 east 555.42 feet, to the point of beginning of this description;
9 thence north zero degrees 19 minutes 40 seconds west 515.69 feet;
10 thence north 53 degrees 48 minutes 53 seconds west 235.87 feet;
11 thence north 19 degrees 40 minutes 35 seconds east 148.12 feet;
12 thence north zero degrees 08 minutes 40 seconds west 595.43 feet;
13 thence south 86 degrees 45 minutes 45 seconds east 564.40 feet;
14 thence north zero degrees 00 minutes 54 seconds west 754.13 feet;
15 south 79 degrees 46 minutes 59 seconds east 1531.00 feet; thence
16 211.98 feet, on the arc of a curve to the left with a central
17 angle of 21 degrees 11 minutes 27 seconds, a radius of 573.14
18 feet and a long chord bearing and distance of north 21 degrees 46
19 minutes 23 seconds west 210.77 feet to the southwesterly
20 right-of-way of the Grand Trunk Western Railroad right-of-way;
21 thence south 43 degrees 47 degrees 15 minutes east 1022.11 feet,
22 on said right-of-way; thence south 47 degrees 53 minutes 39 sec-
23 onds west 1488.46 feet; thence south zero degrees 00 minutes 00
24 seconds west 319.13 feet; thence north 89 degrees 15 minutes 33
25 seconds west 1450.00 feet, to the point of beginning, containing
26 87.95 acres, more or less.

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

3

1 (2) The conveyance of the parcel described in subsection (1)
2 shall not be effective until parcels in section 2 are conveyed
3 under section 2, or 18 months after the effective date of this
4 act, whichever is first. Any conveyance under this section shall
5 be first approved by the director of the department of management
6 and budget.

7 (3) The fair market value of the property described in sub-
8 section (1) shall be determined by an appraisal based on the
9 property's highest and best use, as prepared by the state tax
10 commission or an independent fee appraiser.

11 (4) The description of the parcel in subsection (1), which
12 is estimated to be 88 acres, is approximate and for purposes of
13 the conveyance is subject to adjustments as the state administra-
14 tive board or the attorney general considers necessary by survey
15 or other legal description. The conveyance of the parcel of land
16 is subject to any easements, rights-of-way, or restrictions if
17 any, and restrictions and easements determined by the director of
18 the department of management and budget and approved by the state
19 administrative board as necessary for the development and use of
20 the remaining parcel or parcels of land owned by the state in the
21 city of Pontiac.

22 (5) If the property described in subsection (1) is not sold
23 pursuant to subsection (1) within 21 months after the effective
24 date of this act, the director shall offer the property for sale
25 for fair market value first to local government and then through
26 open bid or by broker contract.

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

4

1 (6) If the property described in subsection (1) is not sold
2 pursuant to subsection (5), the director of the department of
3 management and budget with the concurrence of the state adminis-
4 trative board may do any of the following:

5 (a) Order a reappraisal of the property.

6 (b) Withdraw the property from sale.

7 (c) Determine that the property should be sold for less than
8 fair market value because it is not in the best interest of the
9 state to continue to hold and maintain the property.

10 (7) Any conveyance of the property described in this section
11 for less than fair market value shall provide for both of the
12 following:

13 (a) That the property shall be used exclusively for public
14 purposes and if any fee, term, or condition is imposed on members
15 of the public for recreational use of the conveyed property, all
16 resident and nonresident members of the public shall be subject
17 to the same fees, terms, and conditions, except that the grantee
18 may waive daily fees or waive fees for the use of specific areas
19 or facilities; and that upon termination of that use or use for
20 any other purpose, the state may reenter and repossess the prop-
21 erty, terminating the grantee's estate in the property.

22 (b) That if the grantee disputes the state's exercise of its
23 rights of reentry and fails to promptly deliver possession of the
24 property to the state, the attorney general, on behalf of the
25 state, may bring an action to quiet title to, and regain posses-
26 sion of, the property.

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

5

1 (8) The conveyance authorized by this section shall be by
2 quitclaim deed approved by the attorney general. The conveyance
3 shall not reserve the mineral rights to the state; however, the
4 conveyance shall provide that if the grantee derives any revenue
5 from the development of any minerals found on, within, or under
6 the conveyed property, the grantee shall pay 1/2 of that revenue
7 to the state, for deposit in the state general fund.

8 Sec. 2. (1) The state administrative board, on behalf of
9 the state, may convey for consideration of not less than fair
10 market value as determined pursuant to subsection (2), or for
11 less than fair market value subject to subsections (7) and (8),
12 all or a portion of 2 parcels of property now under the jurisdic-
13 tion of the department of community health and located in the
14 city of Pontiac, Oakland county, Michigan, and further described
15 as follows:

16 Starting at a point on the property line along Telegraph Road
17 approximately 1300 feet north of the intersection of Elizabeth
18 Lake Road and Telegraph Road; thence in an easterly direction
19 approximately 1800 feet; thence in a southerly direction approxi-
20 mately 500 feet; thence in an easterly direction approximately
21 1600 feet; thence in a northeasterly direction approximately 924
22 feet; thence in a northwesterly direction parallel with the Grand
23 Trunk Western Railroad approximately 2100 feet; thence in a
24 northeasterly direction approximately 1000 feet to the Grand
25 Trunk Western Railroad right-of-way; thence in a southeasterly
26 direction along the Grand Trunk Western Railroad right-of-way
27 approximately 3500 feet to the property line along Johnson

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

6

1 Avenue; thence in a southwesterly direction along the property
2 line on Johnson Avenue to the property line along Elizabeth Lake
3 Road thence in a westerly direction along the property line on
4 Elizabeth Lake Road to Telegraph Road; thence north to the point
5 of beginning; and excluding the following parcels, the parcel on
6 Johnson Avenue which is under the jurisdiction of the department
7 of military affairs, and the parcels facing Elizabeth Lake Road
8 and recorded in the Oakland County Register of Deeds liber 9346,
9 pages 99 through 103; liber 12850, page 305; liber 10942, pages
10 245 through 247; and liber 10529, pages 626 through 629.

11 and

12 A parcel of land in sections 19 and 30, town 3 north, range 10
13 east, City of Pontiac, Oakland County, Michigan and more particu-
14 larly described as commencing at the southwest corner of said
15 section 19; thence south 89 degrees 15 minutes 33 seconds east
16 1453.02 feet, to the point of beginning of this description;
17 thence south 89 degrees 15 minutes 33 seconds east 552.40 feet;
18 thence north zero degrees 00 minutes 00 seconds east 319.13 feet;
19 thence north 47 degrees 3 minutes 39 seconds east 488.46 feet;
20 thence south 43 degrees 47 minutes 15 seconds 2100.00 feet;
21 thence south 23 degrees 13 minutes 36 seconds west 924.20 feet;
22 thence north 89 degrees 15 minutes 33 seconds west 1600.00 feet;
23 thence north zero degrees 13 minutes 24 seconds west 500.00 feet;
24 thence north 89 degrees 15 minutes 33 seconds west 396.98 feet;
25 thence north zero degrees 13 minutes 24 seconds west 1200.00
26 feet, to the point of beginning, containing 84.94 acres, more or
27 less.

06538'98 (H-5)

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

7

1 (2) The fair market value of the property described in
2 subsection (1) shall be determined by an appraisal based on the
3 property's highest and best use, as prepared by the state tax
4 commission or an independent fee appraiser.

5 (3) The description of the parcels in subsection (1), which
6 is estimated to be 220 acres, is approximate and for purposes of
7 the conveyance is subject to adjustments as the state administra-
8 tive board or the attorney general considers necessary by survey
9 or other legal description. These parcels of land are subject to
10 any easements, rights-of-way, or restrictions, if any, and
11 restrictions and easements determined by the director of the
12 department of management and budget and approved by the state
13 administrative board as necessary for the development and use of
14 the remaining parcel or parcels of land owned by the state in the
15 city of Pontiac.

16 (4) For 18 months after the effective date of this act, any
17 plan for reusing the property and the conveyance and development
18 of the property shall be done in partnership by the city of
19 Pontiac and the state of Michigan. The city of Pontiac, through
20 a statutory authorized development agency or agencies, including
21 the economic development corporation, shall act as an agent of
22 the state or the state may option the land to the city of Pontiac
23 for disposition of the property, in whole or in part. Any con-
24 veyance under this section shall be first approved by the direc-
25 tor of the department of management and budget in accordance with
26 subsection (5).

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

8

1 (5) The city of Pontiac and the state of Michigan, in
2 partnership, and within 60 days after the effective date of this
3 act, shall develop a request for proposals to develop parcels
4 described in subsection (1), addressing: possible public pur-
5 poses, financial structure/ownership, highest and best use, and
6 maximizing the tax base, consistent with securing or approaching
7 fair market value, which shall not conflict with the city of
8 Pontiac's plan 2010 as amended. The request for proposals shall
9 be sent to the director of the department of management and
10 budget, and the director must approve or offer reasons for denial
11 within 30 days of receipt. Response to the request for proposal
12 shall be received within 6 months after the effective date of
13 this act and be reviewed by the city of Pontiac and the director
14 within 9 months after the effective date of this act. The direc-
15 tor must approve or offer reasons for denial of the recommended
16 proposal within 30 days of receipt. A denial by the director of
17 submitted request for proposal or recommended proposal shall
18 extend all subsequent dates by 30 days. Any other extension of
19 dates may be approved by the director.

20 (6) If the property described in subsection (1) is not sold
21 pursuant to subsection (4) within 18 months after the effective
22 date of this act, the director of the department of management
23 and budget may offer the property for sale for fair market value
24 first to local government and then through open bid or by broker
25 contract.

26 (7) If the property described in subsection (1) is not sold
27 pursuant to subsection (5), the director of the department of

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

9

1 management and budget with the concurrence of the state

2 administrative board may do any of the following:

3 (a) Order a reappraisal of the property.

4 (b) Withdraw the property from sale.

5 (c) Determine that the property should be sold for less than
6 fair market value because it is not in the best interest of the
7 state to continue to hold and maintain the property.

8 (8) Any conveyance of the property described in this section
9 for less than fair market value shall provide for both of the
10 following:

11 (a) That the property shall be used exclusively for public
12 purposes and if any fee, term, or condition is imposed on members
13 of the public for recreational use of the conveyed property, all
14 resident and nonresident members of the public shall be subject
15 to the same fees, terms, and conditions, except that the grantee
16 may waive daily fees or waive fees for the use of specific areas
17 or facilities; and that upon termination of that use or use for
18 any other purpose, the state may reenter and repossess the prop-
19 erty, terminating the grantee's estate in the property.

20 (b) That if the grantee disputes the state's exercise of its
21 rights of reentry and fails to promptly deliver possession of the
22 property to the state, the attorney general, on behalf of the
23 state, may bring an action to quiet title to, and regain posses-
24 sion of, the property.

25 (9) The conveyance authorized by this section shall be by
26 quitclaim deed approved by the attorney general. The conveyance
27 shall not reserve the mineral rights to the state; however, the

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

10

1 conveyance shall provide that if the grantee derives any revenue
2 from the development of any minerals found on, within, or under
3 the conveyed property, the grantee shall pay 1/2 of that revenue
4 to the state, for deposit in the state general fund.

5 Sec. 3. (1) The state administrative board, on behalf of
6 the state, may convey for consideration of not less than fair
7 market value as determined pursuant to subsection (2), or for
8 less than fair market value subject to subsections (5) and (6),
9 all or a portion of property now under the jurisdiction of the
10 department of community health and located in the city of
11 Pontiac, Oakland county, Michigan, commonly known as the Clinton
12 Valley Center, Fairlawn center campus, and further described as
13 follows:

14 A parcel of land in the NW 1/4 of section 30, T3N, R10E, City of
15 Pontiac, Oakland County, Michigan and more particularly described
16 as commencing at the northwest corner of said section 30; thence
17 S00°00'00"W 2482.90 feet; thence S90°00'00"E 1396.89 feet, to the
18 point of beginning of this description on the northerly right of
19 way line of Elizabeth Lake Road; thence N00°13'24"W 1264.98 feet;
20 thence N89°15'33"W 887.40 feet; thence N00°13'24"W 1200.00 feet;
21 thence S89°15'33"E 953.02 feet; thence S00°13'24"E 2451.81 feet,
22 to the northerly right of way line of Elizabeth Lake Road; thence
23 S79°21'30"W 66.71 feet, on said right of way to the point of
24 beginning, containing 28.15 acres.

25 (2) The fair market value of the property described in sub-
26 section (1) shall be determined by an appraisal prepared by the
27 state tax commission or an independent fee appraiser.

06538'98 (H-5)

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

11

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

6 (4) The director of management and budget shall offer the
7 property described in this section for sale on the open market
8 for fair market value or by broker contract.

9 (5) If the property described in subsection (1) is not sold
10 pursuant to subsection (4) and fails to sell at a public sale for
11 fair market value, the director of management and budget with the
12 concurrence of the state administrative board may do any of the
13 following:

14 (a) Order a reappraisal of the property.

15 (b) Withdraw the property from sale.

16 (c) Offer the property for sale for less than fair market
17 value.

18 (6) Any conveyance of the property described in this section
19 for less than fair market value shall provide for both of the
20 following:

21 (a) That the property shall be used exclusively for public
22 purposes and if any fee, term, or condition is imposed on members
23 of the public for recreational use of the conveyed property, all
24 resident and nonresident members of the public shall be subject
25 to the same fees, terms, and conditions, except that the grantee
26 may waive daily fees or waive fees for the use of specific areas
27 or facilities; and that upon termination of that use or use for

HB6033, As Passed House, November 12, 1998

House Bill No. 6033

12

1 any other purpose, the state may reenter and repossess the
2 property, terminating the grantee's estate in the property.

3 (b) That if the grantee disputes the state's exercise of its
4 rights of reentry and fails to promptly deliver possession of the
5 property to the state, the attorney general, on behalf of the
6 state, may bring an action to quiet title to, and regain posses-
7 sion of, the property.

8 (7) The conveyance authorized by this section shall be by
9 quitclaim deed approved by the attorney general. The conveyance
10 shall not reserve the mineral rights to the state; however, the
11 conveyance shall provide that if the grantee derives any revenue
12 from the development of any minerals found on, within, or under
13 the conveyed property, the grantee shall pay 1/2 of that revenue
14 to the state, for deposit in the state general fund.

15 Sec. 4. (1) The net revenue received under sections 1, 2,
16 and 3 shall be deposited in the state treasury and credited to
17 the general fund.

18 (2) For the purposes of this act, "net revenue" means the
19 proceeds from the sale of the property described in sections 1
20 and 2 less reimbursement for any costs to the state associated
21 with the sale of that property.