



**House  
Legislative  
Analysis  
Section**

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**MACOMB, DELTA, AND INGHAM  
COUNTY CONVEYANCES**

**House Bill 4547 as enrolled  
Public Act 92 of 2001  
Second Analysis (8-2-01)**

**Sponsor: Rep. Alan Sanborn  
House Committee: Regulatory Reform  
Senate Committee: Local, Urban and  
State Affairs**

***THE APPARENT PROBLEM:***

In the early 1990s, primarily due to budget cuts, the Department of Natural Resources (DNR) began to evaluate its programs and to explore ways to run those programs at the least cost and most benefit to the citizens of the state. In particular, the department explored the practice of turning over state property to local units of government. Under a special use agreement (a legal means by which the DNR can allow someone other than the department to operate DNR lands), four local governments – the charter township of Shelby, in Macomb County, and the cities of Rochester, Utica, and Rochester Hills – began to manage the Rochester-Utica State Recreation Area. The recreation area was a state park of about 2,000 acres located where the boundaries of these four local units meet. Private individuals had donated most of the land during the 1920s, with one of the conditions being that it be perpetually maintained by the state as a non-discriminatory public park.

The special use agreement expired in 1993, and legislation was passed to convey the land to the four local governments. Public Act 111 of 1993 conveyed about 838 acres to Shelby Township and Public Act 123 of 1993 conveyed about 18.5 acres to the City of Rochester, about 210 acres to the City of Rochester Hills, and about 21 acres to the City of Utica. However, Public Act 111, which authorized the Shelby Township conveyance, withheld about 200 acres in the middle of the land conveyed to the township due to contamination by an adjacent landfill.

According to the DNR, this part of the recreation area has undergone remediation, has now received a “clean bill of health,” and is safe for public recreation purposes (remediation work on the property’s groundwater, however, will continue far into the future). Accordingly, legislation has been introduced

that would convey this last portion of the recreation area to Shelby Township.

In another matter, the Family Independence Agency operates the Bay Pines Center, a juvenile facility located in Escanaba, on land that was originally donated by Delta County. In recent years, an eight-acre section of the property has been separated from the grounds of Bay Pines by a road. This eight-acre parcel is, however, adjacent to county property that houses FIA offices, MSU Extension offices, Pathways (a provider of mental health services) and the local public health department. The public health department would like to expand its facilities onto this adjacent eight-acre parcel. In exchange, the county has proposed swapping a county-owned four-acre parcel that is on the same side of the street as Bay Pines and adjacent to that facility.

Finally, the City of Lansing has expressed an interest in acquiring a small lot on the corner of Allegan and Townsend streets, currently used for legislative parking, for use in building a large parking structure and office building. Legislation has been offered to provide for these conveyances.

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

The bill contains three separate conveyances: property in Shelby Township in Macomb County, Escanaba in Delta County, and the City of Lansing in Ingham County. The conveyances are as follows:

Shelby Township: The bill would convey land currently under the jurisdiction of the Department of Natural Resources to Shelby Township, in Macomb County, for \$1. The approximately 200-acre parcel is part of land dedicated as the Rochester-Utica State Recreation Area. The conveyance would be by quitclaim deed approved by the attorney general and

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would not retain mineral rights to the state. Revenue received under the bill would be deposited in the state treasury and credited to the general fund.

The property could only be used for public park purposes. Any fees, terms, or conditions for the use of the property imposed on the public would have to be the same for residents and nonresidents. If the land were used for anything other than a public use purpose, it would revert to state ownership. The attorney general could bring an action to quiet title to the land and regain possession if the township disputed the state's right to reclaim the land.

In addition, the conveyance would require that, within 30 days after its date, a restrictive covenant be filed with the register of deeds for recording, to specify the land use or resource use restrictions, or both, that were necessary to protect the public health, safety, or welfare, or the environment, and to assure the effectiveness and integrity of the environmental contamination remedies consistent with Part 201 of the Natural Resources and Environmental Protection Act (NREPA), which concerns environmental remediation, and with the federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (94 Stat. 2767). The bill would specify that the form and content of the restrictive covenant would be subject to the approval of the Department of Environmental Quality (DEQ).

Further, the bill would also specify that its provisions pertained solely to the conveyance and restricted use of the property described in the bill, and that it would not alter the obligations, rights, or duties - either substantive or procedural - of any party under any judicial or administrative act that took effect before the bill's effective date.

Delta County conveyance: The bill would convey an eight-acre parcel of land currently under the jurisdiction of the Family Independence Agency (FIA) to Delta County in exchange for a four-acre parcel of property currently owned by the county. The conveyance would be by quitclaim deed approved by the attorney general. The bill would specify that the descriptions of the parcels in the bill are approximate and subject to adjustments as the state administrative board, the Department of Management and Budget (DMB), or the attorney general consider necessary by survey or other legal description. The DMB would be responsible for brokering, managing, and implementing the land exchange on behalf of the state. The DMB would have to be compensated directly by the FIA or Delta County, or both, as agreed on in advance of the

conveyance, for all costs incurred in the discharge of that function (this would include, but not be limited to, the costs of commissioning a professional survey the DMB considered necessary and prudent).

City of Lansing conveyance: The bill would convey a parcel of land currently used as a parking lot for legislative employees to the City of Lansing in exchange for property that was equal in value, based on fair market value, or, for purchase by the city for fair market value. The fair market value of the properties would be determined according to their highest and best use by an appraisal prepared by the state tax commission or an independent fee appraiser. The city would have exclusive rights for 12 months after the bill's effective date to acquire the property. In addition, any conveyance or exchange of the state-owned property would have to be for a property that included city owned parking. The deed transferring the property would have to provide for the following:

- \* The property would have to be used for a project that would include city owned parking.

- \* The city would have to provide, within the property conveyed by the bill, not less than 400 or more than 500 reserved parking spaces for Senate employees for at least 50 years. The Senate employees would pay a rate not to exceed \$40 a month, adjusted annually by the Detroit Consumer Price Index.

Should the city subsequently convey all or part of the property to a third party, both of the following would apply:

- \* A written notice of intent to convey the property would have to be sent to the Secretary of the Senate and the Senate Majority Leader. The notice would have to be delivered at least 30 days before the conveyance to the third party was scheduled.

- \* Any party that purchased the property from the city would be obligated to provide the parking spaces to the state as required by the bill.

An agreement between the city and the state, providing for the state parking places, would have to be executed before the property were conveyed to the city by the state administrative board. The conveyances authorized by the bill would be by quitclaim deed approved by the attorney general. Any revenue received by the conveyance would have to be deposited in the state treasury and credited to the general fund.

**BACKGROUND INFORMATION:**

Senate Bill 1343 of the 1999-2000 legislative session, which passed the Senate, and Senate Bill 171 of the current legislative session, which has also passed the Senate, also provided for the conveyance of state-owned land in Macomb County to Shelby Township.

**FISCAL IMPLICATIONS:**

With regard to the Macomb County conveyance, the House Fiscal Agency has reported that the conveyance would result in savings to the state of amounts paid in lieu of property taxes (or \$5,265 last year). Shelby Township would have the responsibility and bear the costs of maintaining the property. (5-1-01)

With regard to the Escanaba property, the House Fiscal Agency notes that there would be no fiscal impact. And, concerning the Lansing property, if it is exchanged for property of equal value, there would be no fiscal impact. If it is sold for fair market value, the state will receive a one-time increase in revenue. However, the amount is undetermined at this time. (8-2-01)

**ARGUMENTS:****For:**

By conveying ownership of the last portion of state-owned land in the Rochester-Utica State Recreation Area, the bill would relieve the state of the responsibility of upgrading and maintaining the park in accordance with existing safety codes. The state would still have the responsibility of ascertaining that park grounds comply with current environmental regulations, and the bill includes provisions for a restrictive covenant to ensure that environmental contamination remedies comply with current laws regarding environmental remediation. Cleanup costs incurred by the landfills that previously controlled this portion of land would still be the responsibility of the landfill owners, however, and the bill includes provisions which make it clear that the former landfill owners' obligations could not be altered.

**For:**

The proposed land swap between the state and Delta County is a sensible solution that will serve the needs of both parties. The Bay Pines Center and the county facilities are on opposite sides of a road that cuts each off from some of their own property. However, the four acres of county-owned land that would be conveyed to the state is adjacent to the Bay Pines

Center, and the eight-acre parcel owned by the state that is across the road is adjacent to the county facilities. Though it appears the state is giving up eight-acres in exchange for four acres, the swap is fair considering that Delta County originally donated that land to the state.

**For:**

The face of downtown Lansing is continuing to evolve as both local and state governments strive to provide services to residents in a more cost-effective and efficient manner. Some buildings are being refurbished, others torn down to allow for new construction designed to meet the needs of public and private agencies and businesses. In anticipation of the changing needs for office space and available parking for visitors and employees in the downtown area, the City of Lansing has expressed interest in acquiring a small surface parking lot across the street from the Capitol that is currently used by legislative employees. Reportedly, the city would join with a developer (but would retain partial ownership) in a joint venture to erect a parking structure and office building on the site. The bill would provide that 400 to 500 of the parking spaces be reserved for Senate staffers. (House employees will gain additional parking spaces from a ramp that will be built on the former site of the Roosevelt Building, which was demolished earlier this year.) This conveyance, and the erection of the House parking ramp, will help with the parking needs of legislative staff, many who commute long distances on a daily basis. It will also provide additional parking spaces and office spaces for the city to lease, which will result in increased revenue to the city. The state, besides the gain of more parking spaces for legislative staff, will be relieved of costs to maintain the current surface parking lot.

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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.