

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5354

A bill to authorize the state administrative board to convey certain state owned property in Ingham county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain state departments in regard to the conveyance; to provide for disposition of revenue derived from the conveyance; and to create certain funds and provide for the disposition of money from those funds.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, may convey by quitclaim deed for not less than fair market
3 value all or portions of certain state owned property now under the
4 jurisdiction of the department of education, commonly known as the
5 former Michigan school for the blind, and located in the city of

1 Lansing, county of Ingham, Michigan, containing approximately 35
2 acres, and more particularly described as follows:

3 **PARCEL A:**

4 A parcel of land being part of Blocks 26 and 27 of the "Original
5 Plat of Lansing", as recorded, being part of the Northwest 1/4 and
6 Southwest 1/4 of Section 9, and also being part of the Northeast
7 1/4 and Southeast 1/4 of Section 8, all of T4N-R2W, City of
8 Lansing, Ingham County, Michigan, being more particularly described
9 as follows: BEGINNING at a M.A.G. nail at the intersection of the
10 West line of North Pine Street (82.5' wide) and the South line of
11 West Willow Street (Variable width); thence along the West line of
12 said North Pine Street, S01°45'54"W, 870.00 feet to a 5/8-inch
13 diameter iron rod and cap (#47952) on the North line of Maple
14 Street (82.5' wide); thence along the North line of said Maple
15 Street, N88°07'17"W, 678.35 feet to a 5/8-inch diameter iron rod
16 and cap (#47952) on the West line of State Street (50' wide);
17 thence along the West line of said State Street, S00°23'21"W,
18 202.86 feet to a concrete monument with Bronze cap (State of
19 Michigan); thence along the North line of lands commonly known as
20 "Comstock Park", N88°11'19"W, 892.01 feet to a 5/8-inch diameter
21 iron rod and cap (#47952) on the East line of Princeton Avenue (60'
22 wide); thence along the East line of said Princeton Avenue,
23 N00°00'00"E, 892.32 feet to a 5/8-inch diameter iron rod and cap
24 (#47952) on the South line of said West Willow Street; thence along
25 the South line of said West Willow Street, S88°29'45"E, 452.07 feet
26 to a 5/8-inch diameter iron rod and cap (#47952), thence 216.82
27 feet along the North line of lands Quit-Claimed to the State of

1 Michigan, recorded in Liber 884-Page 282 (I.C.R.), on a non-
2 tangential curve to the left, said curve having a radius of 469.38
3 feet, a central angle of $26^{\circ}28'01''$, and a long chord which bears
4 $N78^{\circ}49'20''E$, 214.90 feet to a M.A.G. nail; thence continuing along
5 said North line of lands recorded in Liber 884, Page 282,
6 $N65^{\circ}35'20''E$, 105.56 feet; thence along the South line of lands
7 Quit-Claimed to the City of Lansing, recorded in Liber 882-Page 590
8 (I.C.R.), $N65^{\circ}35'20''E$, 108.12 feet to a M.A.G. nail; thence
9 continuing along said South line of lands recorded in Liber 882-
10 Page 590, 151.53 feet on a non-tangential curve to the right, said
11 curve having a radius of 341.85 feet, a central angle of $25^{\circ}23'49''$,
12 and a long chord which bears $N78^{\circ}17'15''E$, 150.29 to a 5/8-inch
13 diameter iron rod and cap (#47952) on the South line of said West
14 Willow Street; thence along the South line of said West Willow
15 Street, $S88^{\circ}10'25''E$, 593.56 feet to the POINT OF BEGINNING,
16 containing 32.74 acres, more or less. Subject to any easements or
17 restrictions, recorded or unrecorded.

18 **PARCEL B:**

19 A parcel of land being Lots 1, 2, and 3 of "Moore's Subdivision on
20 Block 27", as recorded in Liber 1 of Plats, Page 27 (I.C.R.), and
21 being Lots 1-14 inclusive of "Assessor's Plat No. 38", as recorded
22 in Liber 11 of Plats, Page 38 (I.C.R.), all being part of the
23 Southwest 1/4 of Section 9, T4N, R2W, City of Lansing, Ingham
24 County, Michigan, being more particularly described as follows:
25 BEGINNING at a concrete monument at the Northeast corner of said
26 "Assessor's Plat No. 38", thence along the West line of North Pine
27 Street (82.5' wide), $S02^{\circ}05'04''W$, 164.84 feet to a concrete

1 monument at the Southeast corner of said "Assessor's Plat No. 38";
2 thence along the South line of said "Assessor's Plat No. 38" and
3 along the South line of Lots 1, 2, and 3 of said "Moore's
4 Subdivision on Block 27", N88°07'41"W, 625.33 feet to a M.A.G. nail
5 in stump on the East line of State Street (50' wide); thence along
6 the East line of said State Street, N00°23'21"E, 164.97 feet to a
7 5/8-inch diameter iron and cap (#47952) on the South line of Maple
8 Street; thence along the South line of said Maple Street,
9 S88°07'17"E, 630.21 feet to the POINT OF BEGINNING, containing 2.38
10 acres, more or less. Subject to any easements or restrictions,
11 recorded or unrecorded.

12 Sec. 2. The description of the property in section 1 is
13 approximate and, for purposes of the conveyance, is subject to
14 adjustments as the state administrative board or the attorney
15 general considers necessary by survey or other legal description.

16 Sec. 3. The property described in section 1 includes all
17 surplus, salvage, and scrap property or equipment not identified by
18 the department of education, as of the effective date of this act,
19 as being items to be retained by the state.

20 Sec. 4. The fair market value of the property described in
21 section 1 shall be determined by an appraisal prepared for the
22 department of management and budget by an independent appraiser.

23 Sec. 5. The department of attorney general shall approve as to
24 legal form and content the quitclaim deed authorized by this act.

25 Sec. 6. The director of the department of management and
26 budget shall first offer the property described in section 1 for
27 sale to the mid-Michigan leadership academy, a nonprofit public

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1 school academy, at not less than fair market value, subject to the
2 conditions prescribed in this section. Mid-Michigan leadership
3 academy has the first right to purchase the property for a period
4 of 180 days after the effective date of this act. Before the state
5 administrative board may convey the property to the mid-Michigan
6 leadership academy under this section, the mid-Michigan leadership
7 academy must enter into legally binding agreements with the <<LHC
8 non-profit >> development corporation
9 that provide for all of the following:

10 (a) Subject to a survey agreed to by the parties and conducted
11 by the state, the conveyance of approximately 25 acres of the
12 property from the mid-Michigan leadership academy to the <<LHC
13 non-profit >> development corporation
14 for consideration of \$749,000.00.

15 (b) The apportionment of utility costs and the separation of
16 utility service made necessary by the conveyance required under
17 subdivision (a).

18 (c) A lease agreement between the parties under which the
19 <<LHC non-profit >> development
20 corporation will lease back to the mid-Michigan leadership academy
21 1 or more buildings located on the 25 acres conveyed under
22 subdivision (a) that are necessary for the operation of the mid-
23 Michigan leadership academy, including any necessary easements.

24 Sec. 7. If the property described in section 1 is not sold
25 pursuant to section 6, the department of management and budget
26 shall take the necessary steps to prepare to convey the property
27 described in section 1 using any of the following at any time:

1 (a) Competitive bidding designed to realize the best value to
2 the state, as determined by the department of management and
3 budget.

4 (b) A public auction designed to realize the best value to the
5 state, as determined by the department of management and budget.

6 (c) Use of real estate brokerage services designed to realize
7 the best value to the state, as determined by the department of
8 management and budget.

9 (d) Offering the property for sale for fair market value to a
10 local unit or units of government.

11 Sec. 8. If a local unit of government purchases the property
12 for fair market value and intends to convey the property within 10
13 years after the conveyance from the state, the local unit shall
14 provide written notice to the director of the department of
15 management and budget of its intent to offer the property for sale.
16 The department of management and budget shall retain a right to
17 first purchase the property at the original sale price, plus the
18 costs of any improvements as determined by an independent fee
19 appraisal, within 90 days after the notice. If the state waives its
20 first refusal right, the local unit of government shall pay to the
21 state 50% of the difference between the sale price of the
22 conveyance from the state and the sale price of the local unit's
23 subsequent sale or sales to a third party.

24 Sec. 9. The state shall not reserve oil, gas, or mineral
25 rights to the property conveyed under this act. However, the
26 conveyance authorized under this act shall provide that, if the
27 purchaser or any grantee develops any oil, gas, or minerals found

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1 on, within, or under the conveyed property, the purchaser or any
2 grantee shall pay the state 1/2 of the gross revenue generated from
3 the development of the oil, gas, or minerals. This payment shall be
4 deposited in the natural resources trust fund.

5 Sec. 10. The state reserves all aboriginal antiquities,
6 including mounds, earthworks, forts, burial and village sites,
7 mines, or other relics, lying on, within, or under the property
8 described in section 1, with power to the state and all others
9 acting under its authority to enter the property for any purpose
10 related to exploring, excavating, and taking away the aboriginal
11 antiquities.

12 Sec. 11. All state agencies and departments shall provide full
13 cooperation to the state administrative board to facilitate the
14 performance of its duties, powers, and responsibilities and the
15 conveyance of property under this act. The state administrative
16 board may require a state agency or department to prepare or record
17 any documents necessary to evidence the conveyance of property
18 under this act.

19 Sec. 12. (1) The net revenue received from the sale of
20 property under this act shall be distributed as follows:

21 (a) An amount equal to 5% of the net revenue or \$50,000.00,
22 whichever is less, shall be deposited in the state treasury and
23 credited to the newslines for the blind fund created in section 13.

24 (b) <<The balance of the net revenue
25 >> shall be deposited in the Michigan school for
26 the blind trust fund managed by the state board of education and
27 shall be used for the support of camp Tuhsmeheeta in Greenville,

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Michigan.

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(2) As used in this section, "net revenue" means the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of property, including, but not limited to, administrative costs, including employee wages, salaries, and benefits; costs of reports and studies and other materials necessary to the preparation of sale; environmental remediation; legal fees; and any litigation related to the conveyance of the property.

Sec. 13. (1) The newslines for the blind fund is created within the state treasury.

(2) The state treasurer shall receive the money designated under section 12(1)(a) for deposit into the fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The Michigan commission for the blind shall expend money from the fund, upon appropriation, only for distribution to the national federation of the blind of Michigan for the purpose of the NFB-newsline program.