

# HOUSE BILL No. 5354

October 25, 2005, Introduced by Reps. Murphy, Jones, Virgil Smith, McConico, Whitmer, Byrum, Zelenko and Lemmons, III and referred to the Committee on Regulatory Reform.

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; and to provide for disposition of revenue derived from the conveyance.

## 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 or a fair exchange of value for value, all or portions of  
4       certain state owned property now under the jurisdiction of the  
5       department of education, commonly known as the former Michigan  
6       school for the blind, and located in the city of Lansing, county of  
7       Ingham, Michigan, containing approximately 35 acres, and more

1 particularly described as follows:

2 **PARCEL A:**

3 A parcel of land being part of Blocks 26 and 27 of the "Original  
4 Plat of Lansing", as recorded, being part of the Northwest 1/4 and  
5 Southwest 1/4 of Section 9, and also being part of the Northeast  
6 1/4 and Southeast 1/4 of Section 8, all of T4N-R2W, City of  
7 Lansing, Ingham County, Michigan, being more particularly described  
8 as follows: BEGINNING at a M.A.G. nail at the intersection of the  
9 West line of North Pine Street (82.5' wide) and the South line of  
10 West Willow Street (Variable width); thence along the West line of  
11 said North Pine Street, S01°45'54"W, 870.00 feet to a 5/8-inch  
12 diameter iron rod and cap (#47952) on the North line of Maple  
13 Street (82.5' wide); thence along the North line of said Maple  
14 Street, N88°07'17"W, 678.35 feet to a 5/8-inch diameter iron rod  
15 and cap (#47952) on the West line of State Street (50' wide);  
16 thence along the West line of said State Street, S00°23'21"W,  
17 202.86 feet to a concrete monument with Bronze cap (State of  
18 Michigan); thence along the North line of lands commonly known as  
19 "Comstock Park", N88°11'19"W, 892.01 feet to a 5/8-inch diameter  
20 iron rod and cap (#47952) on the East line of Princeton Avenue (60'  
21 wide); thence along the East line of said Princeton Avenue,  
22 N00°00'00"E, 892.32 feet to a 5/8-inch diameter iron rod and cap  
23 (#47952) on the South line of said West Willow Street; thence along  
24 the South line of said West Willow Street, S88°29'45"E, 452.07 feet  
25 to a 5/8-inch diameter iron rod and cap (#47952), thence 216.82  
26 feet along the North line of lands Quit-Claimed to the State of  
27 Michigan, recorded in Liber 884-Page 282 (I.C.R.), on a non-

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

17 **PARCEL B:**

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

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

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

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

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

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

24       Sec. 6. The director of the department of management and  
25   budget shall first offer the property described in section 1 for  
26   sale to the mid-Michigan leadership academy, a nonprofit public  
27   school academy, at not less than fair market value as determined by

1 an independent appraiser. Mid-Michigan leadership academy has the  
2 first right to purchase the property for a period of 180 days after  
3 the effective date of this act.

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

8 (a) Competitive bidding designed to realize the best value to  
9 the state, as determined by the department of management and  
10 budget.

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

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

16 (d) A value-for-value conveyance negotiated by the department  
17 of management and budget designed to realize the best value to the  
18 state. In determining whether value-for-value consideration for the  
19 property represents the best value, the department may consider the  
20 fair market value or the total value based on any positive economic  
21 impact to the state likely to be generated by the proposed use of  
22 the property, especially economic impact resulting in the creation  
23 of jobs or increased capital investment in the state.

24 (e) Offering the property for sale for fair market value to a  
25 local unit or units of government.

26 Sec. 8. If a local unit of government purchases the property  
27 for fair market value and intends to convey the property within 3

1 years after the conveyance from the state, the local unit shall  
2 provide written notice to the director of the department of  
3 management and budget of its intent to offer the property for sale.  
4 The department of management and budget shall retain a right to  
5 first purchase the property at the original sale price, plus the  
6 costs of any improvements as determined by an independent fee  
7 appraisal, within 90 days after the notice. If the state waives its  
8 first refusal right, the local unit of government shall pay to the  
9 state 40% of the difference between the sale price of the  
10 conveyance from the state and the sale price of the local unit's  
11 subsequent sale or sales to a third party.

12       Sec. 9. The state shall not reserve oil, gas, or mineral  
13 rights to the property conveyed under this act. However, the  
14 conveyance authorized under this act shall provide that, if the  
15 purchaser or any grantee develops any oil, gas, or minerals found  
16 on, within, or under the conveyed property, the purchaser or any  
17 grantee shall pay the state 1/2 of the gross revenue generated from  
18 the development of the oil, gas, or minerals. This payment shall be  
19 deposited in the natural resources trust fund.

20       Sec. 10. The state reserves all aboriginal antiquities,  
21 including mounds, earthworks, forts, burial and village sites,  
22 mines, or other relics, lying on, within, or under the property  
23 described in section 1, with power to the state and all others  
24 acting under its authority to enter the property for any purpose  
25 related to exploring, excavating, and taking away the aboriginal  
26 antiquities.

27       Sec. 11. All state agencies and departments shall provide full

1 cooperation to the state administrative board to facilitate the  
2 performance of its duties, powers, and responsibilities and the  
3 conveyance of property under this act. The state administrative  
4 board may require a state agency or department to prepare or record  
5 any documents necessary to evidence the conveyance of property  
6 under this act.

7       Sec. 12. The net revenue received from the sale of property  
8 under this act shall be deposited in the state treasury and  
9 credited to the general fund. As used in this section, "net  
10 revenue" means the proceeds from the sale of the property less  
11 reimbursement for any costs to the state associated with the sale  
12 of property, including, but not limited to, administrative costs,  
13 including employee wages, salaries, and benefits; costs of reports  
14 and studies and other materials necessary to the preparation of  
15 sale; environmental remediation; legal fees; and any litigation  
16 related to the conveyance of the property.