

SUBSTITUTE FOR
SENATE BILL NO. 1558

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of the
2 state, may convey by quitclaim deed all or portions of certain
3 state-owned property now under the jurisdiction of the department
4 of education, commonly known as school for the deaf, and located in
5 the city of Flint, county of Genesee, Michigan, and more
6 particularly described as follows:

7 PARCEL 1

8 A parcel of land located in Sections 8 and 9 of Indian Reservation

1 of 11 Sections at The Grand Traverse on Flint River, City of Flint,
2 Genesee County, Michigan; the surveyed boundary being described as
3 Commencing at the Southwest corner of Section 24, Town 7 North,
4 Range 6 East, City of Flint, Genesee County, Michigan; thence North
5 $89^{\circ}32'40''$ East along the South line of said Section 24 a distance
6 of 946.72 feet; thence North $00^{\circ}27'20''$ West perpendicular to the
7 South line of said Section 24 a distance of 5,249.20 feet to the
8 Northeast corner of The Plat of Woodcroft No. 1 as recorded in
9 Liber 8, Pages 34-36 of Genesee County Records; thence South
10 $21^{\circ}28'40''$ East (recorded South $20^{\circ}37'00''$ East) along the Easterly
11 line of said Woodcroft No. 1 a distance of 50.78 feet to the
12 Southerly right of way line of Miller Road; thence North $58^{\circ}29'55''$
13 East along the Southerly right of way line of Miller Road (recorded
14 as North $58^{\circ}51'00''$ East) a distance of 304.66 feet to the Easterly
15 right of way line of Hammerberg Road and the point of beginning of
16 this description; thence South $21^{\circ}35'20''$ East along the Easterly
17 line of Hammerberg Road (recorded South $21^{\circ}07'00''$ East) a distance
18 of 1150.36 feet; thence North $58^{\circ}19'10''$ East a distance of 980.29
19 feet; thence North $50^{\circ}35'15''$ East a distance of 217.02 feet; thence
20 North $83^{\circ}13'45''$ East a distance of 16.81'; thence North $02^{\circ}55'00''$
21 West a distance of 21.62 feet; thence North $12^{\circ}38'30''$ West a
22 distance of 54.56 feet; thence North $22^{\circ}32'00''$ West a distance of
23 144.46 feet; thence North $00^{\circ}57'35''$ East a distance of 65.50 feet;
24 thence North $09^{\circ}38'00''$ East a distance of 64.53 feet; thence North
25 $12^{\circ}15'20''$ East a distance of 38.60 feet; thence on a non-tangent
26 curve to the right a distance of 71.75 feet, said curve having a
27 central angle of $20^{\circ}33'14''$, a radius of 200.00 feet, a chord of

1 71.36 feet bearing North 22°19'20" East; thence North 38°38'05"
2 East a distance of 128.98 feet; thence North 45°27'15" East a
3 distance of 91.14 feet; thence North 53°20'00" East a distance of
4 116.37 feet; thence North 21°12'15" East a distance of 46.87 feet;
5 thence North 46°13'40" East a distance of 161.79 feet; thence North
6 82°23'50" East a distance of 95.46 feet; thence South 69°44'00"
7 East distance of 82.39 feet; thence South 49°58'35" East a distance
8 of 117.53 feet; thence North 73°41'15" East a distance of 104.52
9 feet; thence South 67°27'45" East a distance of 58.44 feet; thence
10 on a non-tangent curve to the left a distance of 72.42 feet, said
11 curve having a central angle of 23°42'32", a radius of 175.00 feet,
12 a chord of 71.90 feet bearing South 80°57'30" East; thence North
13 87°47'40" East a distance of 28.22 feet; thence North 52°53'30"
14 East a distance of 75.71 feet; thence on a non-tangent curve to the
15 left a distance of 129.04 feet, said curve having a central angle
16 of 49°17'21", a radius of 150.00 feet, a chord of 125.10 feet
17 bearing North 28°51'20" East; thence North 07°13'25" East a
18 distance of 92.16 feet; thence North 01°22'00" East a distance of
19 22.55 feet; thence North 03°00'45" West a distance of 88.50 feet
20 thence North 07°43'45" East a distance of 66.36 feet; thence North
21 25°24'15" West a distance of 44.43 feet; thence on a non-tangent
22 curve to the right a distance of 69.55 feet, said curve having a
23 central angle of 49°48'33", a radius of 80.00 feet, a chord of
24 67.38 feet bearing North 22°31'00" East; thence South 72°39'00"
25 East a distance of 53.51 feet; thence North 43°01'10" East a
26 distance of 42.54 feet; thence North 20°45'40" East a distance of
27 44.59 feet; thence North 09°05'35" East a distance of 35.35 feet;

1 thence North $21^{\circ}02'35''$ East a distance of 63.16 feet; thence North
2 $29^{\circ}01'30''$ East a distance of 18.38 feet; thence North $17^{\circ}03'10''$
3 East a distance of 25.95 feet; thence North $22^{\circ}18'55''$ East a
4 distance of 67.21 feet; thence North $28^{\circ}24'35''$ East a distance of
5 66.38 feet; thence North $45^{\circ}31'25''$ East a distance of 62.69 feet to
6 a point on the Westerly line of the Fenton and Bishop's Plat of
7 Outlots as recorded in Liber 14, Page 38 of Plats, Genesee County
8 Records; thence North $21^{\circ}32'22''$ West along said Westerly line a
9 distance of 394.56 feet to a point on the Southerly right of way
10 line of Court Street; thence South $58^{\circ}28'55''$ West along the
11 Southerly right of way line of Court Street (recorded South
12 $58^{\circ}50'00''$ West) a distance of 116.00 feet; thence South $31^{\circ}31'05''$
13 East perpendicular to the Southerly right of way line of Court
14 Street a distance of 343.24 feet; thence South $21^{\circ}37'55''$ West a
15 distance of 186.15 feet; thence North $44^{\circ}41'55''$ West a distance of
16 154.71 feet; thence South $60^{\circ}59'50''$ West a distance of 28.99 feet;
17 thence North $59^{\circ}50'20''$ West a distance of 70.27 feet; thence North
18 $31^{\circ}51'45''$ West a distance of 291.12 feet to a point on the
19 Southerly right of way line of Court Street; thence South $58^{\circ}28'55''$
20 West along the Southerly line of Court Street a distance of 66.34
21 feet; thence North $89^{\circ}53'35''$ West along the Southerly line of Court
22 Street (recorded North $89^{\circ}32'30''$ West) a distance of 827.56 feet;
23 thence South $51^{\circ}15'25''$ West along the Southerly right of way line
24 of Miller Road (recorded South $51^{\circ}36'30''$ West) a distance of 144.67
25 feet; thence on a curve to the left along the Southerly right of
26 way line of Miller Road a distance of 318.36 feet, said curve
27 having a central angle of $31^{\circ}03'37''$, a radius of 587.27 feet a

1 chord of 314.48 feet bearing South 35°43'40" West (recorded South
2 36°04'45" West); thence South 20°11'55" West along the Southerly
3 right of way line of Miller Road a distance of 244.83 feet
4 (recorded South 20°33'00" West 244.83 feet); thence on a curve to
5 the right along the Southerly right of way line of Miller Road a
6 distance of 459.42 feet, said curve having a central angle of
7 38°18'00", a radius of 687.27 feet, a chord of 450.91 feet bearing
8 South 39°20'55" West (recorded South 39°42'00" West); thence South
9 58°29'55" West a distance of 807.72 feet (recorded South 58°51'00"
10 West) to the point of beginning of this description.

11 Appurtenant to said parcel is an easement for purposes of ingress
12 and egress more particularly described as: A parcel of land located
13 in Section 8 of Indian Reservation of 11 Sections at The Grand
14 Traverse on Flint River, City of Flint, Genesee County, Michigan;
15 the surveyed boundary being described as Commencing at the
16 Southwest corner of Section 24, Town 7 North, Range 6 East, City of
17 Flint, Genesee County, Michigan; thence North 89°32'40" East along
18 the South line of said Section 24 a distance of 946.72 feet; thence
19 North 00°27'20" West perpendicular to the South line of said
20 Section 24 a distance of 5,249.20 feet to the Northeast corner of
21 The Plat of Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of
22 Genesee County Records; thence North 58°29'55" East a distance of
23 1103.54 feet along the centerline of Miller Road as established by
24 the Michigan Department of Transportation (recorded as North
25 58°51'00" East, 1103.54 feet); thence continuing along said
26 centerline on a curve to the left 426.00 feet, said curve having a
27 central angle of 38°18'00", a radius of 637.27 feet, a chord of

1 418.11 feet bearing North 39°20'55" East (recorded as radius of
2 637.27 feet, chord 418.10 feet bearing North 39°42'00" East);
3 thence North 20°11'55" East continuing along said centerline a
4 distance of 244.83 feet (recorded as North 20°33'00" East 244.83
5 feet); thence continuing on said centerline on a curve to the right
6 345.46 feet, said curve having a central angle of 31°03'35", a
7 radius of 637.27 feet, a chord of 341.25 feet bearing North
8 35°43'40" East (recorded as radius of 637.27 feet, chord 341.23
9 feet bearing North 36°04'45" East); thence North 51°15'25" East
10 continuing along said centerline a distance of 162.30 feet
11 (recorded as North 51°36'30" East 158.66 feet) to a point on the
12 centerline of Court Street as established by the Michigan
13 Department of Transportation; thence South 89°53'35" East along the
14 centerline of said Court Street a distance of 831.03 feet (recorded
15 as South 89°32'30" East 837.65 feet); thence North 58°28'55" East
16 along the centerline of said Court Street a distance of 52.18 feet
17 (recorded as North 58°50'00" East); thence South 31°51'45" East a
18 distance of 291.12 feet (recorded South 31°10'00" East); thence
19 South 59°50'20" East a distance of 70.27 feet (recorded as South
20 59°08'34" East 70.27 feet); thence North 60°59'50" East a distance
21 of 28.99 feet (recorded as North 61°41'37" East 28.99 feet); thence
22 South 44°41'55" East a distance of 12.98 feet (recorded as South
23 44°00'10" East 12.98 feet) to the place of beginning of this
24 easement description; said easement being 25 feet in width being
25 12.5 feet each side of the following described centerline; thence
26 South 60°59'50" West a distance of 39.60 feet (recorded as South
27 61°41'37" West 39.60 feet); thence North 59°50'20" West a distance

1 of 170.43 feet (recorded as North $59^{\circ}08'34''$ West 170.43 feet);
2 thence on a curve to the left a distance of 53.88 feet, said curve
3 having a central angle of $61^{\circ}44'28''$, a radius of 50.00 feet, a
4 chord of 51.31 feet bearing South $89^{\circ}17'25''$ West (recorded as a
5 curve with a radius of 50.00 feet with a chord of 51.31 feet
6 bearing South $89^{\circ}59'08''$ West); thence South $58^{\circ}25'05''$ West a
7 distance of 112.72 feet (recorded as South $59^{\circ}06'51''$ West 112.72
8 feet) to the place of ending.

9 Said parcel also subject to an easement for ingress and egress more
10 particularly described as a parcel of land located in Section 8 of
11 Indian Reservation of 11 Sections at The Grand Traverse on Flint
12 River, City of Flint, Genesee County, Michigan; the surveyed
13 boundary being described as Commencing at the Southwest corner of
14 Section 24, Town 7 North, Range 6 East, City of Flint, Genesee
15 County, Michigan; thence North $89^{\circ}32'40''$ East along the South line
16 of said Section 24 a distance of 946.72 feet; thence North
17 $00^{\circ}27'20''$ West perpendicular to the South line of said Section 24 a
18 distance of 5,249.20 feet to the Northeast corner of The Plat of
19 Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of Genesee
20 County Records; thence North $58^{\circ}29'55''$ East a distance of 1103.54
21 feet along the centerline of Miller Road as established by the
22 Michigan Department of Transportation (recorded as North $58^{\circ}51'00''$
23 East, 1103.54 feet); thence continuing along said centerline on a
24 curve to the left 426.00 feet, said curve having a central angle of
25 $38^{\circ}18'00''$, a radius of 637.27 feet, a chord of 418.11 feet bearing
26 North $39^{\circ}20'55''$ East (recorded as radius of 637.27 feet, chord
27 418.10 feet bearing North $39^{\circ}42'00''$ East); thence North $20^{\circ}11'55''$

1 East continuing along said centerline a distance of 244.83 feet
2 (recorded as North 20°33'00" East 244.83 feet); thence continuing
3 on said centerline on a curve to the right 345.46 feet, said curve
4 having a central angle of 31°03'35", a radius of 637.27 feet, a
5 chord of 341.25 feet bearing North 35°43'40" East (recorded as
6 radius of 637.27 feet, chord 341.23 feet bearing North 36°04'45"
7 East); thence North 51°15'25" East continuing along said centerline
8 a distance of 162.30 feet (recorded as North 51°36'30" East 158.66
9 feet) to a point on the centerline of Court Street as established
10 by the Michigan Department of Transportation; thence South
11 89°53'35" East along the centerline of said Court Street a distance
12 of 730.58 feet (recorded as South 89°32'30" East 737.07 feet) to
13 the point of beginning of this easement description, said easement
14 being 25 feet in width being 12.5 feet each side of following
15 described centerline; thence South 00°14'15" East a distance of
16 57.31 feet (recorded as South 00°27'30" West 60.00 feet); thence
17 South 17°03'30" East a distance of 176.42 feet (recorded as South
18 16°21'46" East 176.42 feet); thence South 00°08'30" East a distance
19 of 223.22 feet (recorded as South 00°33'18" West 223.22 feet) to
20 the point of ending of this centerline description.

21 PARCEL 2

22 Property commonly referred to as Brown Hall described as follows: A
23 parcel of land located in Section 8 of Indian Reservation of 11
24 Sections at near The Grand Traverse on Flint River, City of Flint,
25 Genesee County, Michigan; the surveyed boundary being described as
26 commencing at the Southwest corner of Section 24, Town 7 North,
27 Range 6 East, City of Flint, Genesee County, Michigan; thence North

1 89°32'40" East along the South line of said Section 24 a distance
2 of 946.72 feet; thence North 00°27'20" West perpendicular to the
3 South line of said Section 24 a distance of 5,249.20 feet to the
4 Northeast corner of The Plat of Woodcroft No. 1 as recorded in
5 Liber 8, Pages 34-36 of Genesee County Records; thence North
6 58°29'55" East a distance of 1,103.54 feet along the centerline of
7 Miller Road as established by the Michigan Department of
8 Transportation (recorded as North 58°51'00" East, 1,103.54 feet);
9 thence continuing along said centerline on a curve to the left
10 426.00 feet, said curve having a central angle of 38°18'00", a
11 radius of 637.27 feet, a chord of 418.11 feet bearing North
12 39°20'55" East (recorded as radius of 637.27 feet, chord 418.10
13 feet bearing North 39°42'00" East); thence North 20°11'55" East
14 continuing along said centerline a distance of 244.83 feet
15 (recorded as North 20°33'00" East 244.83 feet); thence continuing
16 on said centerline on a curve to the right 345.46 feet, said curve
17 having a central angle of 31°03'35", a radius of 637.27 feet, a
18 chord of 341.25 feet bearing North 35°43'40" East (recorded as
19 radius of 637.27 feet, chord 341.23 feet bearing North 36°04'45"
20 East); thence North 51°15'25" East continuing along said centerline
21 a distance of 162.30 feet (recorded as North 51°36'30" East 158.66
22 feet) to a point on the centerline of Court Street as established
23 by the Michigan Department of Transportation; thence South
24 89°53'35" East along the centerline of said Court Street a distance
25 of 831.03 feet (recorded as South 89°32'30" East 837.65 feet);
26 thence North 58°28'55" East along the centerline of said Court
27 Street a distance of 52.18 feet (recorded as North 58°50'00" East);

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1 Road, 122.00 feet; thence North 58°19'10" East, 980.29 feet; thence
2 North 50°35'15" East, 217.02 feet; thence North 83°13'45" East,
3 16.81 feet; thence North 02°55'00" West, 21.62 feet; thence North
4 12°38'30" West, 54.56 feet; thence North 22°32'00" West, 144.46
5 feet; thence North 00°57'35" East, 65.50 feet; thence North
6 09°38'00" East, 64.53 feet; thence North 12°15'20" East, 38.60
7 feet; thence on a non-tangent curve to the right 71.75 feet; said
8 curve having a central angle of 20°33'14" section, a radius of
9 200.00 feet, a chord of 71.36 feet, bearing North 22°19'20" East;
10 thence North 38°38'05" East, 128.98 feet; thence North 45°27'15"
11 East, 91.14 feet; thence North 53°20'00" East, 116.37 feet; thence
12 North 21°12'15" East, 46.87 feet; thence North 46°13'40" East,
13 161.79 feet; thence North 82°23'50" East, 95.46 feet; thence South
14 69°44'00" East, 82.39 feet; thence South 49°58'35" East, 117.53
15 feet; thence North 73°41'15" East, 104.52 feet; thence South
16 67°27'45" East, 58.44 feet; thence on a non-tangent curve to the
17 left 72.42 feet, said curve having a central angle of 23°42'32", a
18 radius of 175.00 feet, a chord of 71.90 feet, bearing South
19 80°57'30" East; thence North 87°47'40" East, 28.22 feet; thence
20 North 52°53'30" East, 75.71 feet; thence on a non-tangent curve to
21 the left 129.04 feet, said curve having a central angle of
22 49°17'21", a radius of 150.00 feet, a chord of 125.10 feet bearing
23 North 28°51'20" East; thence North 07°13'25" East, 92.16 feet;
24 thence North 01°22'00" East, 22.55 feet; thence North 03°00'45"
25 West, 88.50 feet; thence North 07°43'45" East, 66.36 feet; thence
26 North 25°24'15" West, 44.43 feet; thence on a non-tangent curve to
27 the right 69.55 feet, said curve having a central angle of

1 49°48'33", a radius of 80.00 feet, a chord of 67.38 feet, bearing
2 North 22°31'00" East; thence South 72°39'00" East, 53.51 feet;
3 thence North 43°01'10" East, 42.54 feet; thence North 20°45'40"
4 East 44.59 feet; thence North 09°05'35" East, 35.35 feet; thence
5 North 21°02'35" East, 63.16 feet; thence North 29°01'30" East,
6 18.38 feet; thence North 17°03'10" East, 25.95 feet; thence North
7 22°18'55" East, 67.21 feet; thence North 28°24'35" East, 66.38
8 feet; thence North 45°31'25" East, 62.69 feet to a point on the
9 westerly line of FENTON & BISHOP'S PLAT OF OUTLOTS; thence South
10 21°32'20" East along said westerly line, 206.27 feet; thence South
11 15°46'40" West, 135.65 feet; thence South 49°04'20" East, 114.55
12 feet; thence South 23°03'00" East, 102.31 feet; thence South
13 12°03'20" East, 182.96 feet; thence South 14°25'30" West, 122.84
14 feet; thence South 57°01'55" West, 39.82 feet; thence South
15 23°10'20" West, 63.88 feet; thence South 21°12'45" East along the
16 westerly line of Michigan DOT Draining right-of-way, 560.00 feet to
17 the northerly right-of-way of Highway I-69; thence South 68°47'15"
18 West along the northerly right-of-way of Highway I-69, 610.97 feet;
19 thence South 61°41'12" West along the northerly right-of-way of
20 Highway I-69, 534.91 feet; thence South 21°28'05" East along the
21 northerly right-of-way of Highway I-69, 40.29 feet; thence South
22 61°41'12" West along the northerly right-of-way of Highway I-69,
23 50.36 feet; thence North 21°28'05" West along the northerly right-
24 of-way of Highway I-69, 113.31 feet; thence South 68°31'55" West
25 along the northerly right-of-way of Highway I-69, 1539.58 feet to
26 the point of beginning of this description.

27 (2) The description of the property in subsection (1) is

1 approximate and, for purposes of the conveyance, is subject to
2 adjustments as the state administrative board or the attorney
3 general considers necessary by survey or other legal description.

4 (3) The property described in subsection (1) shall only
5 include surplus, salvage, and scrap property or equipment
6 identified by the department of education and school for the deaf
7 as being included.

8 (4) The fair market value of the property described in
9 subsection (1) shall be determined by an appraisal prepared for the
10 department of technology, management, and budget by an independent
11 appraiser.

12 (5) Subject to subsection (6), the director of the department
13 of technology, management, and budget shall take the necessary
14 steps to prepare to convey the property described in subsection (1)
15 using any of the following at any time:

16 (a) Competitive bidding designed to realize the best value to
17 the state, as determined by the department of technology,
18 management, and budget.

19 (b) A public auction designed to realize the best value to the
20 state, as determined by the department of technology, management,
21 and budget.

22 (c) Real estate brokerage services designed to realize the
23 best value to the state, as determined by the department of
24 technology, management, and budget.

25 (d) A value for value conveyance negotiated by the department
26 of technology, management, and budget designed to realize the best
27 value to the state. In determining whether value for value

1 consideration for the property represents the best value, the
2 department may consider the fair market value or the total value
3 based on any positive economic impact to the state likely to be
4 generated by the proposed use of the property, especially economic
5 impact resulting in the creation of jobs or increased capital
6 investment in the state.

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

9 (f) Offering the property for sale for less than fair market
10 value to a local unit or units of government, subject to subsection
11 (9).

12 (g) Transferring or conveying the property to the land bank
13 fast track authority established under the land bank fast track
14 act, 2003 PA 258, MCL 124.751 to 124.774, for an amount of
15 consideration the director considers proper, fair, and valuable,
16 including a transfer or conveyance for no monetary consideration.

17 (6) Before offering the property described in section 1 for
18 public sale, the director of the department of technology,
19 management, and budget shall first offer the property described in
20 subsection (1), or any portion of that property, to Lurvey White
21 Ventures 1, LLC for consideration of not less than \$1,300,000.00,
22 for the construction and renovation of a new school for the deaf,
23 subject to subsection (7). Lurvey White Ventures 1, LLC shall have
24 the first right to purchase the property for a period of 180 days
25 after the effective date of this act. Conveyance of any portion of
26 the property to Lurvey White Ventures 1, LLC shall be subject to
27 the conditions prescribed in subsection (7) and is contingent upon

1 Lurvey White Ventures 1, LLC entering into lease number 11530 with
2 the state for possession of a portion of the property of
3 approximately 120,000 usable square feet of space, with an initial
4 annual base rent not to exceed \$2,060,000.00 for the department of
5 education for the purpose of providing school facilities for
6 educating the deaf.

7 (7) Any conveyance of the property to Lurvey White Ventures 1,
8 LLC authorized by subsection (6) shall provide for all of the
9 following:

10 (a) The property shall continue to be used exclusively for
11 education or education-related purposes.

12 (b) Lurvey White Ventures 1, LLC shall reimburse the state for
13 requested costs necessary to prepare the property for conveyance.

14 (c) The property shall be developed according to proposed and
15 approved specifications of the school for the deaf presented to the
16 department of technology, management, and budget, within 1 year of
17 the effective date of this legislation.

18 (d) Proof shall be provided to the department of technology,
19 management, and budget of the financial ability to complete the
20 project as proposed.

21 (e) Proposed project construction and occupancy must be
22 completed within 3 years of the effective date of this act.

23 (f) In the event of an activity inconsistent with subdivision
24 (a), (c), (d), or (e), the state may reenter and repossess the
25 property, terminating the grantee's or successor's estate in the
26 property.

27 (g) If the grantee or successor disputes the state's exercise

1 of its right of reentry and fails to promptly deliver possession of
2 the property to the state, the attorney general, on behalf of the
3 state, may bring an action to quiet title to, and regain possession
4 of, the property.

5 (h) If the state reenters and repossesses the property, the
6 state shall not be liable to reimburse any party for any
7 improvements made on the property.

8 (8) If the property is conveyed to Lurvey White Ventures 1,
9 LLC according to subsection (6), and if Lurvey White Ventures 1,
10 LLC intends to convey the property within 7 years after the
11 conveyance from the state, Lurvey White Ventures 1, LLC shall
12 provide notice to the department of technology, management, and
13 budget of its intent to offer the property for sale. The department
14 of technology, management, and budget shall retain a right to first
15 purchase the property, or any portion of the property being
16 offered, at the original sale price, or if a partition of the
17 property is being offered, the prorated sale price, within 90 days
18 of the notice. If the state waives its first refusal right, Lurvey
19 White Ventures 1, LLC shall pay to the state 40% of the difference
20 between the sale price of the conveyance from the state and the
21 sale price of the subsequent sale or sales to a third party.

22 (9) Any conveyance for less than fair market value authorized
23 by subsection (5)(f) shall provide for all of the following:

24 (a) The property shall be used exclusively for public purposes
25 and if any fee, term, or condition for the use of the property is
26 imposed on members of the public, or if any of those fees, terms,
27 or conditions are waived for use of this property, all members of

1 the public shall be subject to the same fees, terms, conditions,
2 and waivers.

3 (b) In the event of an activity inconsistent with subdivision
4 (a), the state may reenter and repossess the property, terminating
5 the grantee's or successor's estate in the property.

6 (c) If the grantee or successor disputes the state's exercise
7 of its right of reentry and fails to promptly deliver possession of
8 the property to the state, the attorney general, on behalf of the
9 state, may bring an action to quiet title to, and regain possession
10 of, the property.

11 (d) If the state reenters and repossesses the property, the
12 state shall not be liable to reimburse any party for any
13 improvements made on the property.

14 (e) The grantee shall reimburse the state for requested costs
15 necessary to prepare the property for conveyance.

16 (f) If the local unit of government grantee intends to convey
17 the property, or any portion of the property, within 7 years after
18 the conveyance from the state, the grantee shall provide notice to
19 the department of technology, management, and budget of its intent
20 to offer the property for sale. The department of technology,
21 management, and budget shall retain a right to first purchase the
22 property at the original sale price, or if a partition of the
23 property is being offered, the prorated sale price, within 90 days
24 after the notice. In the event that the state waives its first
25 refusal right, the local unit of government shall pay to the state
26 40% of the difference between the sale price of the conveyance from
27 the state and the sale price of the local unit's subsequent sale or

1 sales to a third party.

2 (10) The department of attorney general shall approve as to
3 legal form the quitclaim deed authorized by this section.

4 (11) The state shall not reserve oil, gas, or mineral rights
5 to the property conveyed under this section. However, the
6 conveyance authorized under this section shall provide that, if the
7 purchaser or any grantee develops any oil, gas, or minerals found
8 on, within, or under the conveyed property, the purchaser or any
9 grantee shall pay the state 50% of the gross revenue generated from
10 the development of the oil, gas, or minerals. This payment shall be
11 deposited in the general fund.

12 (12) The state reserves all aboriginal antiquities including
13 mounds, earthworks, forts, burial and village sites, mines, or
14 other relics lying on, within, or under the property with power to
15 the state and all others acting under its authority to enter the
16 property for any purpose related to exploring, excavating, and
17 taking away the aboriginal antiquities.

18 (13) The net revenue received from the sale of property under
19 this section shall be used first to retire outstanding debt
20 financed by the state building authority for the residential
21 facility on the property. Any funds remaining will then be used to
22 reimburse any money that has been financed by the state building
23 authority for special maintenance projects on the property. Any
24 funds remaining shall be deposited in the state treasury and
25 credited to the general fund. As used in this section, "net
26 revenue" means the proceeds from the sale of the property less
27 reimbursement for any costs to the state associated with the sale

1 of property, including, but not limited to, administrative costs,
2 including employee wages, salaries, and benefits; costs of reports
3 and studies and other materials necessary to the preparation of
4 sale; environmental remediation; legal fees; and any litigation
5 related to the conveyance of the property.

6 (14) Contingent upon the conveyance of the property as
7 authorized in subsection (6) and with the approval of the state
8 administrative board, the department of technology, management, and
9 budget is authorized to enter into a lease for possession of a
10 portion of the property of approximately 120,000 usable square feet
11 of space, with an initial annual base rent not to exceed
12 \$2,060,000.00, for the department of education for the purpose of
13 providing school facilities for educating the deaf. All documents
14 regarding the lease shall be approved as to legal form by the
15 attorney general. The initial lease entered into under this
16 subsection is exempt from the requirement of joint capital outlay
17 subcommittee approval under section 221(3) of the management and
18 budget act, 1984 PA 431, MCL 18.1221.