

SENATE BILL No. 596

May 20, 2009, Introduced by Senators PRUSI, ALLEN, VAN WOERKOM, JELINEK, OLSHOVE and CHERRY and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain state owned property in Delta county; to prescribe conditions for the conveyance; to provide for certain powers and duties of the department of management and budget; and to provide for disposition of the revenue from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, shall convey to Delta county, for consideration of \$1.00,
3 certain state owned property located in the city of Escanaba, Delta
4 county, Michigan, and further described as follows:

PARCEL A

6 PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 19
7 T.39N.,R.22W. CITY OF ESCANABA - DELTA COUNTY, MICHIGAN. LYING WEST
8 OF STATE HIGHWAYS U.S. 2 & 41, & M-35.

1 **EXCEPT:** THE WEST 35.00 FEET THEREFROM FOR HIGHWAY PURPOSES.

2 **PARCEL B**

3 THE NORTHEAST 1/4 OF SOUTHEAST 1/4 OF SECTION 24, T.39N., R.23W,
4 CITY OF ESCANABA - DELTA COUNTY, MICHIGAN.

5 **EXCEPT:** THE ESCANABA & LAKE SUPERIOR RAILROAD RIGHT-OF-WAY.

6 **ALSO EXCEPT:** BEGINNING AT THE SOUTHEAST CORNER OF SOUTHWEST 1/4 OF
7 THE NORTHEAST 1/4 OF SECTION 24 T.39N., R.23W, THENCE N.89°49'36"W.
8 ALONG THE SOUTH LINE OF SAID SOUTHWEST 1/4 OF NORTHEAST 1/4 A
9 DISTANCE OF 155.00 FEET, THENCE N.0°10'16"W. PARALLEL WITH THE EAST
10 LINE OF SAID SOUTHWEST 1/4 OF NORTHEAST 1/4 A DISTANCE OF 510.00
11 FEET, THENCE S.89°49'36"E. PARALLEL WITH THE SOUTH LINE, A DISTANCE
12 OF 200.00 FEET TO A POINT EAST OF THE WEST LINE OF THE SOUTHEAST
13 1/4 OF NORTHEAST 1/4 OF SAID SECTION, THENCE S.0°10'16"E. PARALLEL
14 WITH SAID WEST LINE A DISTANCE OF 510.00 FEET TO THE NORTH LINE OF
15 NORTHEAST 1/4 OF SOUTHEAST 1/4 OF SAID SECTION, THENCE S.0°18'39"E.
16 PARALLEL WITH AND 45 FEET EAST OF WEST LINE OF SAID NORTHEAST 1/4
17 OF SOUTHEAST 1/4 A DISTANCE OF 1044.80 FEET TO A POINT THAT IS
18 50.00 FEET NORTHERLY OF AND MEASURED AT RIGHT ANGLES FROM THE
19 CENTER LINE OF THE ESCANABA LAKE SUPERIOR RAILROAD AS NOW LOCATED,
20 THENCE NORTHWESTERLY ALONG A 1477.04 FOOT RADIUS CURVE TO THE LEFT
21 PARALLEL WITH AND 50.00 FEET NORTHERLY OF SAID CENTER LINE A CHORD
22 BEARING OF N.49°39'25"W. A CHORD DISTANCE OF 55.37 FEET TO THE WEST
23 LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4, THENCE
24 N.00°18'39"W. ALONG SAID WEST LINE A DISTANCE OF 1012.90 FEET TO
25 THE POINT OF BEGINNING.

1 PARCEL C

2 BEGINNING AT THE SE CORNER OF THE NW1/4 OF THE SE1/4 OF SECTION 24
3 T.39N.,R.23W., THENCE N.89°11'00"W. A DISTANCE OF 745.53 FEET,
4 THENCE N.00°15'50"E. A DISTANCE OF 522.35 FEET TO THE SOUTH RIGHT-
5 OF-WAY LINE OF ESCANABA & LAKE SUPERIOR RAILROAD SAID POINT BEING
6 ON A 1196.08 FOOT RADIUS CURVE TO THE LEFT, THENCE SOUTHEASTERLY
7 ALONG SAID CURVE A CHORD BEARING OF S.65°15'43"E. A CHORD DISTANCE
8 OF 251.05 FEET, THENCE S.71°17'10"E. A DISTANCE OF 131.60 FEET TO
9 THE BEGINNING OF A 1377.06 FOOT RADIUS CURVE TO THE RIGHT, THENCE
10 SOUTHEASTERLY ALONG SAID CURVE, ALL BEING ALONG SAID SOUTH RIGHT-
11 OF-WAY LINE, A CHORD BEARING OF S.62°01'27"E. A CHORD DISTANCE OF
12 440.99 FEET TO THE EAST LINE OF SAID NW1/4 OF SE1/4, THENCE
13 S.00°18'39"E. ALONG SAID EAST LINE A DISTANCE OF 178.83 FEET TO THE
14 POINT OF BEGINNING. CONTAINING 6.22 ACRES.

15 PARCEL D

16 BEGINNING AT THE E1/4 CORNER OF SECTION 24 T.39N.,R.23W., THENCE
17 N.00°14'35"W. ALONG THE EAST LINE OF THE SE1/4 OF NE1/4 OF SAID
18 SECTION A DISTANCE OF 909.83 FEET TO THE EASTERLY EXTENSION OF THE
19 SOUTH RIGHT-OF-WAY LINE OF 14TH AVE. NO. (F.K.A. BURNS ST.), THENCE
20 S.89°58'34"W. ALONG SAID SOUTH RIGHT-OF-WAY LINE AND ITS EASTERLY
21 EXTENSION A DISTANCE OF 1273.68 FEET TO A POINT THAT IS 45.00 FEET
22 EAST OF THE WEST LINE OF SAID SE1/4 OF NE1/4, THENCE S.00°10'16"E.
23 PARALLEL WITH SAID WEST LINE A DISTANCE OF 905.48 FEET TO THE SOUTH
24 LINE OF SAID SE1/4 OF NE1/4 THENCE S.89°50'25"E. ALONG SAID SOUTH
25 LINE A DISTANCE OF 1274.83 FEET TO THE POINT OF BEGINNING.
26 CONTAINING 26.55 ACRES.

1 THE EAST 35.00 FEET OF THE ABOVE DESCRIBED PARCEL BEING SUBJECT TO
2 THE RIGHTS OF THE PUBLIC FOR STREET PURPOSES.

3 **PARCEL EA**

4 FROM THE NE CORNER OF THE SE1/4 OF THE SE1/4 OF OF SECTION 24,
5 T.39N.,R.23W. THENCE MEASURE S.00°10'15"E. ALONG THE EAST LINE OF
6 SAID SE 1/4 OF SE 1/4 A DISTANCE OF 382.00 FEET TO THE POINT OF
7 BEGINNING OF THE LAND HEREIN DESCRIBED, THENCE CONTINUE
8 S.00°10'15"E. ALONG SAID EAST LINE A DISTANCE OF 637.57 FEET TO THE
9 NORTHEASTERLY RIGHT-OF-WAY LINE OF THE ESCANABA AND LAKE SUPERIOR
10 RAILROAD, SAID POINT BEING ON A 911.70 FOOT RADIUS CURVE TO THE
11 RIGHT, THENCE NORTHWESTERLY ALONG SAID CURVE A CHORD BEARING OF
12 N.54°59'50"W. A CHORD DISTANCE OF 786.85 FEET, THENCE N.29°25'57"W.
13 A DISTANCE OF 453.10 FEET TO THE BEGINNING OF A 1477.06 FOOT RADIUS
14 CURVE TO THE LEFT, THENCE NORTHWESTERLY ALONG SAID CURVE, ALL BEING
15 ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, A CHORD BEARING OF
16 N.33°49'07"W. A CHORD DISTANCE OF 225.93 FEET TO THE NORTH LINE OF
17 SAID SE1/4 OF SE1/4, THENCE S.89°11'00"E. ALONG SAID NORTH LINE A
18 DISTANCE OF 544.18 FEET TO A POINT THAT IS 445.80 FEET WEST OF THE
19 NE CORNER OF SAID SE1/4 OF SE1/4, THENCE S.00°10'15"E. PARALLEL
20 WITH SAID WEST LINE A DISTANCE OF 382.00 FEET, THENCE S.89°11'00"E.
21 PARALLEL WITH SAID NORTH LINE A DISTANCE OF 445.80 FEET TO THE
22 POINT OF BEGINNING.
23 **EXCEPT** THE NORTH 40 FEET THEREFROM FOR ROAD AND HIGHWAY PURPOSES AS
24 SET FORTH IN INSTRUMENT RECORDED IN LIBER 210 OF DEEDS, PAGE 611,
25 DELTA COUNTY RECORDS.

1 PARCEL EB

2 FROM THE NW CORNER OF THE SE1/4 OF THE SE1/4 OF SECTION 24,
3 T.39N.,R.23W., THENCE MEASURE S.00°16'07"E. ALONG THE WEST LINE OF
4 SAID SE1/4 OF SE1/4 A DISTANCE OF 980.00 FEET TO THE POINT OF
5 BEGINNING OF THE LAND HEREIN DESCRIBED, THENCE S.89°11'00"E.
6 PARALLEL WITH THE NORTH LINE OF SAID SE1/4 OF SE1/4 A DISTANCE OF
7 923.11 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ESCANABA &
8 LAKE SUPERIOR RAILROAD, SAID POINT BEING ON A 1011.70 FOOT RADIUS
9 CURVE TO THE LEFT, THENCE SOUTHEASTERLY ALONG SAID CURVE A CHORD
10 BEARING OF S.69°33'28"E A CHORD DISTANCE OF 419.37 FEET TO THE EAST
11 LINE OF SAID SE1/4 OF SE1/4, THENCE S.00°10'15"E. ALONG SAID EAST
12 LINE A DISTANCE OF 209.83 FEET TO THE SE CORNER OF SAID SE1/4 OF SE
13 1/4, THENCE N.88°29'57"W ALONG THE SOUTH LINE OF SAID SE1/4 OF
14 SE1/4 A DISTANCE OF 1315.48 FEET TO THE SW CORNER OF SAID SW1/4 OF
15 SW1/4, THENCE N.00°16'07"E. ALONG SAID WEST LINE A DISTANCE OF
16 335.00 FEET TO THE POINT OF BEGINNING.
17 **EXCEPT** THE SOUTH 40.00 FEET AS RECORDED AT LIBER 857 ON PAGE 412.

18 PARCEL EC

19 FROM THE NW CORNER OF THE SE1/4 OF THE SE1/4 OF SECTION 24,
20 T.39N.,R.23W., THENCE MEASURE S.00°16'07"E. ALONG THE WEST LINE OF
21 SAID SE1/4 OF SE1/4 A DISTANCE OF 699.00 FEET TO THE POINT OF
22 BEGINNING OF THE LAND HEREIN DESCRIBED, THENCE CONTINUE
23 S.00°16'17"E. ALONG SAID WEST LINE A DISTANCE OF 281.00 FEET,
24 THENCE S.89°11'00"E. PARALLEL WITH THE NORTH LINE OF SAID SE1/4 OF
25 SE1/4 A DISTANCE OF 923.11 FEET TO THE WESTERLY RIGHT-OF-WAY LINE
26 OF THE ESCANABA & LAKE SUPERIOR RAILROAD, SAID POINT BEING ON A

1 1011.70 FOOT RADIUS CURVE TO THE RIGHT, THENCE NORTHWESTERLY ALONG
2 SAID CURVE A CHORD BEARING OF N.45°54'35"W. A CHORD DISTANCE OF
3 409.86 FEET, THENCE N.89°11'00"W. A DISTANCE OF 630.02 FEET TO THE
4 POINT OF BEGINNING. CONTAINING 4.88 ACRES.

5 Sec. 2. (1) The description of the property in section 1 is
6 approximate and for purposes of the conveyance is subject to
7 adjustments as the state administrative board or the attorney
8 general considers necessary by survey or legal description.

9 (2) The property described in section 1 includes all personal,
10 surplus, salvage, or scrap property or equipment.

11 Sec. 3. The conveyance authorized by section 1 shall provide
12 for all of the following:

13 (a) The property shall be used exclusively for public
14 purposes, including, but not limited to, conducting an annual Upper
15 Peninsula state fair, and if any fee, term, or condition for the
16 use of the property is imposed on members of the public, or if any
17 of those fees, terms, or conditions are waived for use of this
18 property, resident and nonresident members of the public shall be
19 subject to the same fees, terms, conditions, and waivers.

20 (b) In the event of activity inconsistent with subdivision
21 (a), the state may reenter and repossess the property, terminating
22 the grantee's estate in the property.

23 (c) If the grantee disputes the state's exercise of its right
24 of reentry and fails to promptly deliver possession of the property
25 to the state, the attorney general, on behalf of the state, may
26 bring an action to quiet title to, and regain possession of, the
27 property.

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

4 Sec. 4. (1) If the property described in section 1 is not sold
5 to Delta county within 180 days after the effective date of this
6 act, the department of management and budget shall take the
7 necessary steps to prepare to convey the property described in
8 section 1 using any of the following at any time:

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

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

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

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

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

27 (f) Offering the property for sale for less than fair market

1 value to a local unit or units of government subject to subsection
2 (2).

3 (2) Any conveyance to a local unit of government authorized by
4 subsection (1)(f) shall provide for all of the following:

5 (a) The property shall be used exclusively for public purposes
6 and if any fee, term, or condition for the use of the property is
7 imposed on members of the public, or if any of those fees, terms,
8 or conditions are waived for use of this property, all members of
9 the public shall be subject to the same fees, terms, conditions,
10 and waivers.

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

14 (c) If the grantee or successor disputes the state's exercise
15 of its right of reentry and fails to promptly deliver possession of
16 the property to the state, the attorney general, on behalf of the
17 state, may bring an action to quiet title to, and regain possession
18 of, the property.

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

22 (e) If the local unit of government intends to convey the
23 property within 3 years of the conveyance from the state, the local
24 unit shall provide notice to the department of management and
25 budget of its intent to offer the property for sale. The department
26 of management and budget shall retain a right to first purchase the
27 property at the original sale price within 90 days after the

1 notice. In the event that the state waives its first refusal right,
2 the local unit of government shall pay to the state 40% of the
3 difference between the sale price of the conveyance from the state
4 and the sale price of the local unit's subsequent sale or sales to
5 a third party.

6 Sec. 5. (1) The conveyance authorized by this act shall be by
7 quitclaim deed designed or otherwise approved as to legal form by
8 the attorney general. The state shall not reserve oil, gas, or
9 mineral rights to the property conveyed under this act. However,
10 the conveyance authorized under this act shall provide that if the
11 purchaser or any grantee develops any oil, gas, or minerals found
12 on, within, or under the conveyed property, the purchaser or any
13 grantee shall pay the state 1/2 of the gross revenue generated from
14 the development of the oil, gas, or minerals. This payment shall be
15 deposited in the general fund.

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

22 Sec. 6. The revenue received under this act shall be deposited
23 in the state treasury and credited to the general fund. As used in
24 this section, "net revenue" means the proceeds from the sale of the
25 property less reimbursement for any costs to the state associated
26 with the sale of property, including, but not limited to,
27 administrative costs; costs of reports and studies and other

1 materials necessary to the preparation of sale; environmental
2 remediation; legal fees; and any litigation related to the
3 conveyance of the property.