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BILL



ANALYSIS

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House Bill 5284 (Substitute H-1 as passed by the House)

Sponsor: Representative Vanessa Guerra

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 1-23-18

CONTENT

The bill would require the Department of Technology, Management, and Budget (DTMB) to convey by quitclaim deed one-half of a vacated right-of-way (a 356-foot-long, 33-foot-wide strip on North Baum Street from the north line of East Genesee Avenue to the center line of Tuscola Street) in the City of Saginaw, to the City of Saginaw for \$1. The bill would require the City of Saginaw then to convey the property to Delta College for \$1 by September 30, 2018. If the City of Saginaw did not convey the property to Delta College, the property automatically would revert to the State.

The conveyance of the State-owned right-of-way would be subject to the following conditions:

- The property would have to be used exclusively for public use.
- Any fees, terms, or conditions for the use of the property would have to be applied uniformly to all members of the public who are residents of this State.
- If Delta College intended to convey the property, it first would have to offer the property for sale to the State, at the original sale price.
- The State would not be liable for any improvements or liens placed on the property, if it agreed to reacquire the property.
- The DTMB could require the City of Saginaw to reimburse the State at closing for costs that were necessary to prepare the property for conveyance.

The State would not reserve oil, gas, or mineral rights, but would have to be paid one-half of the gross revenue generated if those rights were developed. The State would reserve rights to aboriginal antiquities lying on, within, or under the property.

If the grantee or successor violated any of the above restrictions, the State could reenter and take the property. The State would not be liable to reimburse any person for any improvements made on the property or compensate any person for any part of an unfulfilled contract or license.

BACKGROUND

The street described in the bill has been closed for a number of years and has been used as part of a parking lot. There are no structures on the property and no estimated value of the land. Delta College plans to use the vacated Baum Street area as part of a green oasis and also as a rain water reclamation area, with shrubs and grasses. The property is next to the site of Delta College's recently State-approved Saginaw Center capital outlay project. The \$12.7 million project consists of 37,520-square-foot facility that will include high level technology, special use training rooms, general purpose and active learning classrooms, and

basic science and computer labs. The 1.5-acre site that the Saginaw Center will be constructed on is being transferred by the City of Saginaw to Delta College for \$1.

FISCAL IMPACT

The bill would require the conveyance of the property described above from the State to the City of Saginaw for a nominal value of \$1. Net revenue from the sale of the vacated right-of-way would have to be deposited in the General Fund.

Fiscal Analyst: Bill Bowerman

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