

SENATE BILL No. 1036

May 29, 2018, Introduced by Senator SCHMIDT and referred to the Committee on Banking and Financial Institutions.

A bill to authorize the department of technology, management, and budget to convey or transfer parcels of state-owned property in Ionia, Grand Traverse, and Tuscola Counties; to prescribe conditions for the conveyances; to provide for the powers and duties of certain state departments in regard to the property; and to provide for the disposition of revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The department of technology, management, and
2 budget, on behalf of this state, may convey by quitclaim deed or
3 transfer by affidavit of jurisdictional transfer all or portions of
4 state-owned properties now under the jurisdiction of the department
5 of corrections. The properties are described as follows:

6 (a) Property located in the City of Ionia, County of Ionia,

1 described as follows:

2 DEERFIELD CORRECTIONAL FACILITY PARCEL

3 Parcel of land situated in the City of Ionia, County of Ionia,
4 State of Michigan, and described as follows to-wit:

5 That part of the West 1/2 of the Southwest 1/4 of Section 25, T7N-
6 R7W, City of Ionia, County of Ionia, State of Michigan more
7 particularly described as: Beginning at the Southwest corner of
8 said Section 25, Town 7 North, Range 7 West; thence South 89°40'53"
9 East, along the South line of said Section 25, 1319.48 feet to the
10 West 1/8 line of the Southwest 1/4 of said Section 25 as
11 monumented; thence N00°34'03"E, along said 1/8 line as monumented,
12 711.67 feet to the extension of the centerline of an asphalt drive;
13 thence North 24°29'14" West, along said centerline and its
14 extension, 947.46 feet to the south line of a parcel recorded in
15 Liber 221 Page 522, Ionia County records; thence South 82°41'16"
16 West, along the south line of said parcel 244.38 feet; thence North
17 15°16'14" West, along the west line of said parcel, 310.00 feet to
18 the south right of way line of Riverside Drive as shown on survey
19 of Michigan Reformatory and the Ionia State Hospital dated August
20 13, 1929, thence South 74°43'46" West, along said south right of
21 way line, 450.26 feet; thence, continuing on said south right of
22 way line, on a 171.20 foot curve to the left, with a radius of
23 1113.28, and a chord bearing and distance of South 70°19'35" West
24 171.03 feet to the west line of said section 25; thence South
25 00°29'46" West, along said West line of section 25, 1658.38 feet to
26 the to the Point of Beginning. Parcel contains 46.30 acres of land,
27 more or less.

1 SUBJECT TO the public right-of-way of Harwood Road.
2 ALSO SUBJECT TO all agreements, covenants, easements, rights-of-
3 way, reservations and restrictions of record, if any.

4 (b) Property located in Fife Lake Township, Grand Traverse
5 County, described as follows:

6 CAMP PUGSLEY PARCEL 1

7 (Liber 1458 Page 388 of G.T.C.R., December 27, 2000)
8 Township of Fife Lake, Town 25 North, Range 09 West, Section 20.
9 The West one-half (W 1/2) of the Southwest one-quarter (SW 1/4),
10 the Northeast one-quarter (NE 1/4) of the Southwest one-quarter (SW
11 1/4) and the West one-half (W 1/2) of the Southwest one-quarter (SW
12 1/4) of the Southeast one-quarter (SE 1/4)

13 SUBJECT TO the right-of-way of Walton Road over the Southerly 33
14 feet thereof.

15 ALSO SUBJECT TO all agreements, covenants, easements, right-of-
16 ways, reservations and restrictions of record, if any.

17 CAMP PUGSLEY PARCEL 2: (Special Use Permit #12-86, January 6, 1987)
18 T25N, R9W, Sec. 20, SE1/4 of the SW1/4.

19 SUBJECT TO the right-of-way of Walton Road over the Westerly 33
20 feet thereof.

21 ALSO SUBJECT TO all agreements, covenants, easements, right-of-
22 ways, reservations and restrictions of record, if any.

23 (c) Property located in Indian Fields Township, Tuscola
24 County, described as:

25 CAMP TUSCOLA PARCEL A

26 Property located at 2420 Chambers Road in the Township of Indian
27 Fields, Tuscola County, Michigan, described as:

1 A parcel of land in the W. 1/2 of Section 20, T12N, R9E, Tuscola
2 County, Michigan and more specifically described as commencing at
3 the southwest corner of said Section 20; thence N02°29'58"E 1596.20
4 feet, on the west line of said Section 20 to the point of beginning
5 of this description; thence N02°29'58"E 188.93 feet, on said west
6 section line to a point on the east bank of the Cass River; thence
7 on a meander line on the east high bank of the Cass River on the
8 next nine calls; thence N42°03'45"E 472.98 feet; thence N31°09'17"E
9 592.87 feet; thence N32°30'22"E 138.73 feet; thence N29°45'45"E
10 365.86 feet; thence N04°16'44"E 686.27 feet; thence N35°14'10"E
11 441.67 feet; thence N14°41'05"E 256.84 feet; thence N05°28'20"E
12 254.56 feet; thence N26°21'15"E 33.00 feet, to the centerline of
13 Chambers Road; thence on the centerline of Chambers Road on a curve
14 to the right 239.49 feet, with a central angle of 09°07'26" and a
15 radius of 1503.96 feet; thence S54°31'19"E 28.21 feet, on the
16 centerline of Chambers road; thence 365.44 feet on a curve to the
17 right on the centerline of Chambers Road with a central angle of
18 57°50'27" and a radius of 361.99 feet; thence S03°19'08"W 1533.95
19 feet, on the centerline of Chambers Road; thence 476.60 feet on a
20 curve to the right on the centerline of Chambers Road with a
21 central angle of 71°32'44" and a radius of 381.68 feet; thence
22 S74°51'52"W 532.06 feet, on the centerline of Chambers Road; thence
23 218.50 feet on a curve to the left on the centerline of Chambers
24 Road with a central angle of 16°23'40" and a radius of 763.61 feet;
25 thence S58°28'12"W 549.53 feet, on the centerline of Chambers Road;
26 thence 257.37 feet on a curve to the left on the centerline of
27 Chambers Road with a central angle of 55°58'14" and a radius of

1 263.46 feet, to the point of beginning. The above described parcel
2 contains 40.09 acres, more or less. In addition, all bottom land
3 between the above described meander line and the centerline of the
4 Cass River shall be conveyed with this description. All bearings
5 are relative and referenced to the west line of Section 20, from a
6 previously recorded survey in Liber 578, Page 1253, Tuscola County
7 Records.

8 CAMP TUSCOLA PARCEL B

9 A parcel of land in the S.E. 1/4 of Section 19, T12N, R9E, Indian
10 Fields Township, Tuscola County, Michigan and more specifically
11 described as commencing at the S.E. corner of said Section 19;
12 thence N02°29'58"E 1732.13 feet, on the east line of said Section
13 19 to the point of beginning; thence N02°29'58" 53.00 feet, on the
14 east line of said section to a point on the easterly high bank of
15 the Cass River; thence S55°02'11"W 688.28 feet, along said high
16 bank to the northerly right of way of Washburn Road; thence
17 N74°51'02"E 538.67 feet, on said right of way to the westerly right
18 of way of Chambers Road; thence N02°29'58"E 66.40 feet, on said
19 westerly right of way; thence 141.21 feet on the arc of a curve to
20 the right, on the westerly right of way of Chambers Road with a
21 central angle of 27°17'28" and a radius of 296.47 feet, to the
22 point of beginning, containing 1.42 acres, more or less.

23 CAMP TUSCOLA PARCEL C

24 A parcel of land in the S.E. 1/4 of Section 19, T12N, R9E, Indian
25 Fields Township, Tuscola County, Michigan and more specifically
26 described as commencing at the S.E. corner of said Section 19;
27 thence N87°24'11"W 874.10 feet, on the south line of said section;

1 thence N00°00'00"E 1272.44 feet, to a point on the north right of
 2 way of Washburn Road and the point of beginning; thence S82°39'08"W
 3 835.36 feet, on the northerly right of way of Washburn Road to a
 4 point on the southeasterly high bank of the Cass River; thence
 5 N54°46'13"E 623.54 feet, on the high bank of the Cass River; thence
 6 S51°36'42"E 407.19 feet, on the high bank of the Cass River; thence
 7 to the point of beginning, containing 2.80 acres, more or less.

8 CAMP TUSCOLA PARCEL D

9 A parcel of land in the S.E. 1/4 of Section 19, T12N, R9E, Indian
 10 Fields Township, Tuscola County, Michigan and more specifically
 11 described as commencing at the S.E. corner of said Section 19;
 12 thence N87°24'11"W 33.00 feet, on the south line of said Section 19
 13 to the westerly right of way of Chambers Road and the point of
 14 beginning; thence N02°29'58"E 1460.49 feet, on the westerly right
 15 of way of Chambers Road to the southerly right of way of Washburn
 16 Road; thence on the southerly right of way of Washburn Road on the
 17 next eight calls; thence S74°51'02"W 517.67 feet; thence 403.88
 18 feet on the arc of a curve to the right with a central angle of
 19 07°48'06" and a radius of 2966.08 feet; thence S82°39'08"W 835.36
 20 feet; thence 388.87 feet on the arc of a curve to the left with a
 21 central angle of 46°27'14" and a radius of 479.63 feet; thence
 22 S36°11'54"W 342.84 feet; thence 194.76 feet, on the arc of a curve
 23 to the left with a central angle of 08°28'17" and a radius of
 24 1317.22 feet; thence S27°43'37"W 397.00 feet; thence 44.10 feet on
 25 the arc of a curve to the left with a central angle of 02°24'42"
 26 and a radius of 1047.60 feet to the south line of said Section 19;
 27 thence S87°24'11"E 2498.45 feet, on the south line of said section

1 to the point of beginning, containing 60.57 acres, more or less.

2 CAMP TUSCOLA PARCEL E

3 A parcel of land in the N.E. 1/4 of Section 30, T12N, R9E, Indian
4 Fields Township, Tuscola County, Michigan and more specifically
5 described as commencing at the N.E. corner of said Section 30;
6 thence N87°24'11"W 1291.30 feet, on the north line of said Section
7 30 to the point of beginning; thence N87°24'11"W 1207.15 feet, on
8 the north line of said Section 30 to the easterly right of way of
9 Washburn Road; thence 72.12 feet on the arc of a curve to the left,
10 on the easterly right of way of Washburn Road, with a central angle
11 of 03°56'40" and a radius of 1047.60 feet; thence S21°22'15"W
12 276.19 feet, on the easterly right of way of Washburn Road; thence
13 S87°24'11"E 1322.34 feet; thence N02°27'54"E 328.93 feet, to the
14 point of beginning, containing 9.56 acres, more or less. In
15 addition, all bottom land between the above described high bank
16 line and the centerline of the Cass River shall be a part of this
17 description. All bearings are relative and referenced to the west
18 line of Section 20, from a previously recorded survey in Liber 578,
19 Page 1253, Tuscola County Records.

20 ALSO SUBJECT TO all agreements, covenants, easements, right-of-
21 ways, reservations and restrictions of record, if any.

22 (2) The department of technology, management, and budget shall
23 not convey property under this section unless the conveyance and
24 the terms of the conveyance have been approved by the state
25 administrative board.

26 (3) The descriptions of the property in subsection (1) are
27 approximate and, for purposes of the conveyances, are subject to

1 adjustments as the department of technology, management, and budget
2 or the attorney general considers necessary by survey or other
3 legal description.

4 (4) Real property conveyed or transferred under this section
5 includes all surplus, salvage, and personal property or equipment
6 remaining on the property on the date of the conveyance or
7 transfer.

8 (5) If the property is to be sold for fair market value under
9 this section, the property must first be appraised by an
10 independent fee appraisal prepared for the department of
11 technology, management, and budget, or by an appraiser who is an
12 employee or contractor of this state.

13 (6) The state agency with jurisdiction over the real property
14 under this section is responsible for all expenses of maintaining
15 the property until the time of conveyance or transfer or, for a
16 conveyance under subsection (11), until the property is sold by the
17 Michigan land bank fast track authority.

18 (7) The department of attorney general shall approve as to
19 legal form all deeds or affidavits of jurisdictional transfer
20 authorized by this section.

21 (8) The department of technology, management, and budget may
22 transfer the property described in subsection (1)(a) and (c), with
23 or without consideration, through jurisdictional transfer to
24 another state agency. If property is transferred under this
25 subdivision, the transfer must be made by an affidavit of
26 jurisdictional transfer in recordable form rather than a quitclaim
27 deed.

1 (9) The department of technology, management, and budget may
2 take the necessary steps to convey the real property described in
3 subsection (1)(a) and (c) using any of the following means:

4 (a) Any publicly disclosed competitive method of sale,
5 selected to realize the fair market value to this state, as
6 determined by the department of technology, management, and budget.

7 (b) Offering the property for sale for fair market value to 1
8 or more local units of government.

9 (c) Exchanging some or all of the property for other real
10 property if the other real property is determined by the department
11 of technology, management, and budget to be of reasonably equal
12 value to this state.

13 (d) Offering the property for sale for less than fair market
14 value to the local units of government, subject to the following
15 conditions:

16 (i) If a local unit of government makes an offer to purchase
17 the property, which is accepted by the department of technology,
18 management, and budget, the local unit of government shall enter
19 into a purchase agreement within 60 days after making an offer for
20 the property and complete the conveyance within 180 days after the
21 date of the offer. The department of technology, management, and
22 budget may extend the period to complete the conveyance as needed.

23 (ii) The property must be used exclusively for public use for
24 30 years following the conveyance, subject to subsection (15). If
25 any fee, term, or condition for the use of the property is imposed
26 on members of the public, or if any of those fees, terms, or
27 conditions are waived for use of the property, all members of the

1 public must be subject to the same fees, terms, conditions, and
2 waivers. The public use restriction must be included in the deed.

3 (iii) Within 30 years after the conveyance, the unit may offer
4 the property for sale, in writing, to this state, which may
5 purchase the property at the original sale price. This state must
6 be provided 120 days to consider reacquiring the property. If this
7 state agrees to reacquire the property, this state is not liable to
8 any person for improvements to or liens placed on the property. If
9 this state declines to reacquire the property, the public use
10 restrictions described in subparagraph (ii) remain in effect.

11 (iv) If the local unit of government retains the property for
12 30 years after the conveyance date from this state, the public use
13 restrictions under subparagraphs (ii) and (iii) automatically
14 terminate, subject to subsection (15).

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

20 (vi) If this state reenters and repossesses the property, this
21 state is not liable to reimburse any party for any improvements
22 made on the property, nor to compensate any party for any part of
23 an unfulfilled contract or license issued for the provision of
24 goods or services on or for the property.

25 (vii) The department of technology, management, and budget may
26 require the local unit of government to reimburse this state at
27 closing for this state's demonstrably incurred costs as were

1 necessary to prepare the property for conveyance.

2 (10) The department of technology, management, and budget may
3 transfer all or portions of the property described in subsection
4 (1)(a) and (c) to the Michigan land bank fast track authority
5 established under section 15 of the land bank fast track act, 2003
6 PA 258, MCL 124.765. For properties or portions of properties
7 conveyed to the Michigan land bank fast track authority, the
8 Michigan land bank fast track authority shall do both of the
9 following:

10 (a) Convey the property in accordance with the land bank fast
11 track act, 2003 PA 258, MCL 124.751 to 124.774.

12 (b) Deposit the net revenue received by this state or the
13 Michigan land bank fast track authority from the sale of property
14 under this subsection into the land bank fast track fund to be used
15 for the demolition and remediation of state-owned properties.

16 (11) The department of technology, management, and budget
17 shall convey the property described in subsection (1)(b) to the
18 Michigan land bank fast track authority established under section
19 15 of the land bank fast track act, 2003 PA 258, MCL 124.765, for
20 \$1.00. The Michigan land bank fast track authority shall sell the
21 property described in subsection (1)(b) in a manner and on terms
22 that the authority, in its discretion, determines are calculated to
23 realize the greatest benefit to this state.

24 (12) The net revenue received from the sale of property under
25 this section must be deposited in the state treasury and credited
26 to the general fund, except as provided otherwise under subsection
27 (10).

1 (13) This state shall not reserve oil, gas, or mineral rights
2 to the property conveyed under this section. However, the
3 conveyance authorized under this section shall provide that, if the
4 purchaser or any grantee develops any oil, gas, or minerals found
5 on, within, or under the conveyed property, the purchaser or any
6 grantee shall pay this state 1/2 of the gross revenue generated
7 from the development of the oil, gas, or minerals. This payment
8 must be deposited in the general fund.

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

15 (15) If property conveyed under this section was used by this
16 state as a historical monument, memorial, burial ground, park, or
17 protected wildlife habitat area, it must be maintained and
18 protected for that purpose in perpetuity in accordance with
19 applicable law.

20 (16) If the property is used for any purpose that is
21 inconsistent with any restrictions under subsection (9)(d), (13),
22 (14), or (15), this state may reenter and repossess the property,
23 terminating the grantee's or successor's estate in the property.

24 (17) The department of technology, management, and budget may
25 require a grantee of a property conveyed under this section to
26 record the instrument of conveyance or jurisdictional transfer with
27 the applicable register of deeds and provide the department with a

1 recorded copy of the recorded instrument as a condition of closing.

2 (18) As used in this section:

3 (a) "Fair market value" means the highest estimated price that
4 real property will bring if offered for sale on the open market,
5 allowing a reasonable time to find a purchaser who would buy with
6 knowledge of the property's possible uses.

7 (b) "Local unit of government" means the township, village,
8 city, county, school district, intermediate school district, or
9 community college district in which the property is located.

10 (c) "Net revenue" means the proceeds from the sale of the
11 property less reimbursement for any costs to the department of
12 technology, management, and budget or to the Michigan land bank
13 fast track authority associated with the sale of property,
14 including, but not limited to, administrative costs, including
15 employee wages, salaries, and benefits; costs of reports and
16 studies and other materials necessary to the preparation of sale;
17 environmental remediation; legal fees; and any litigation costs
18 related to the conveyance of the property.

19 (d) "Public use" means, subject to subdivision (e), actual use
20 of the property by members of the public or for the local unit of
21 government to use the property for any of the following:

22 (i) Publicly owned and operated correctional facilities.

23 (ii) Law enforcement purposes.

24 (iii) Emergency management response purposes.

25 (iv) Public educational use.

26 (v) Public transportation.

27 (vi) Public parks and recreational areas.

- 1 (vii) Public health uses.
- 2 (viii) Wildlife conservation or restoration.
- 3 (e) "Public use" does not include use by for-profit
- 4 enterprises or other uses closed to the public.