

HOUSE BILL NO. 4090

February 19, 2025, Introduced by Rep. Farhat and referred to Committee on Government Operations.

A bill to authorize the state administrative board to convey state-owned property in Wayne County; to prescribe conditions for the conveyance; to provide for powers and duties of state departments, agencies, and officers regarding the property; and to provide for disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Fair market value" means the highest estimated price that
3 the property will bring if offered for sale on the open market,
4 allowing a reasonable time to find a purchaser who would buy with

1 knowledge of the property's possible uses.

2 (b) "Net revenue" means the proceeds from the sale of the
3 property less reimbursement for any costs to the department of
4 technology, management, and budget associated with the sale,
5 including, but not limited to, administrative costs, including
6 employee wages, salaries, and benefits; costs of reports and
7 studies and other materials necessary to the preparation of sale;
8 environmental remediation; legal fees; and any litigation costs
9 related to the conveyance.

10 (c) "Public use" means, subject to subdivision (d), actual use
11 of the property by members of the public or actual use by the unit
12 of local government for any of the following:

- 13 (i) General government administration.
14 (ii) Publicly owned and operated correctional facilities.
15 (iii) Law enforcement purposes.
16 (iv) Emergency management response purposes.
17 (v) Public educational use.
18 (vi) Public transportation.
19 (vii) Public parks and recreational areas.
20 (viii) Public health uses.
21 (ix) Wildlife conservation or restoration.

22 (d) Public use does not include use by a for-profit enterprise
23 or any use that is closed to the public.

24 (e) "Unit of local government" means a township, village,
25 city, county, school district, intermediate school district, or
26 community college district.

27 Sec. 2. (1) The state administrative board, on behalf of this
28 state, may convey by quitclaim deed in accordance with this act all
29 or portions of real property described in subsection (2) that is

1 owned by this state, that is under the jurisdiction of the
2 department of corrections, and that was formerly the site of the
3 Mound and Ryan Correctional Facilities in the City of Detroit in
4 Wayne County.

5 (2) The real property that may be conveyed under this act is
6 described as follows:

7 A Parcel of Land situated in the City of Detroit, County of
8 Wayne, State of Michigan, and described as follows to wit:

9 Commencing at the East One-quarter corner of Section 8, Town 1
10 South, Range 12 East, City of Detroit, County of Wayne, State of
11 Michigan; thence $S00^{\circ}09'59''E$, along the East line of said Section
12 8, 339.20 feet; thence $N89^{\circ}37'40''W$ 33.00 feet to the Westerly
13 right-of-way line of Mound Road and the point of beginning; thence
14 $S00^{\circ}09'59''E$, along said Westerly right-of-way line of Mound Road,
15 1019.85 feet to the Northerly right-of-way line of the Detroit
16 Terminal Railroad; thence along said Northerly railroad right-of-
17 way line for the following ten (10) courses: $N63^{\circ}31'31''W$ 155.37
18 feet; thence 244.55 feet along a curve to the left whose radius is
19 805.05 feet, and chord bearing and distance are $N72^{\circ}13'39''W$ 243.61
20 feet; thence $N80^{\circ}55'48''W$ 361.00 feet; thence 142.03 feet along a
21 curve to the left whose radius is 913.13 feet, and curve bearing
22 and distance are $N85^{\circ}23'10''W$ 141.89 feet; thence $N89^{\circ}50'31''W$
23 1689.10 feet to the North and South One-quarter line of said
24 Section, as monumented; thence continuing $N89^{\circ}50'31''W$ 158.96 feet;
25 thence 63.55 feet along a curve to the left whose radius is 407.72
26 feet, and chord bearing and distance are $S85^{\circ}41'34''W$ 63.49 feet;
27 thence $S81^{\circ}13'39''W$ 447.44 feet; thence 81.99 feet along a curve to
28 the right whose radius is 526.04 feet, and chord bearing and
29 distance are $S85^{\circ}41'34''W$ 81.91 feet; thence $N89^{\circ}50'31''W$ 1840.16

1 feet to the Easterly line of Ryan Avenue; thence, along the
 2 Easterly line of Ryan Avenue, N00°54'12"E 913.70 feet; thence
 3 N89°44'40"E 1288.52 feet; thence S00°26'31"W 10.59 feet; thence
 4 S89°35'47"E 9.94 feet; thence S00°50'23"W 17.74 feet; thence
 5 N88°56'46"E 100.58 feet; thence S60°38'37"E 197.07 feet; thence
 6 S67°20'46"E 100.71 feet; thence S89°00'42"E 133.93 feet; thence
 7 S89°55'05"E 363.54 feet; thence S89°26'23"E 518.31 feet; thence
 8 N00°03'16"W 446.28 feet to the Southerly right-of-way line of
 9 Nevada Avenue; thence S89°36'36"E, along said Southerly right-of-
 10 way line of Nevada Avenue, 100.19 feet to the East Line of the
 11 Detroit Police Department Property; thence, along the said Detroit
 12 Police Department Property line the next following (3) courses:
 13 S00°03'16"E 621.57 feet and S89°50'16"E 440.00 feet and N00°03'16"W
 14 619.82 feet to the Southerly right-of-way line of Nevada Avenue;
 15 thence S89°36'36"E 299.93 feet; thence S00°06'42"E 435.24 feet;
 16 thence S89°31'49"E 256.51 feet; thence S89°31'50"E 375.10 feet;
 17 thence N00°03'16"W 133.61 feet; thence S89°37'40"E 975.93 feet to
 18 the point of beginning.

19 Parcel contains 96.14 acres of land, more or less.

20 (3) The description of the property in subsection (2) is
 21 approximate and, for purposes of a conveyance under this act, may
 22 be adjusted as the state administrative board or the department of
 23 attorney general considers necessary because of a survey or another
 24 legal description.

25 Sec. 3. The director of the department of technology,
 26 management, and budget shall first offer the property described in
 27 section 2 to the City of Detroit, which will have the first right
 28 to purchase the property for 2 years after the effective date of
 29 this act. The City of Detroit may acquire the property for \$1.00

1 or, if approved by the director of the department of technology,
2 management, and budget, any portion of the property for \$1.00.
3 Conveyance of the property or any portion of the property for \$1.00
4 is subject to the conditions prescribed in section 5.

5 Sec. 4. (1) Except as provided in section 3, the department of
6 technology, management, and budget may take the necessary steps for
7 the conveyance of the real property described in section 2 using
8 any of the following means:

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

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

15 (c) The use of real estate brokerage services designed to
16 realize the best value to this state, as determined by the
17 department of technology, management, and budget.

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

28 (e) Offering the property for sale for fair market value to 1
29 or more units of local government in which the property is located.

1 (f) Offering the property for sale for less than fair market
2 value to the units of local government in which the property is
3 located.

4 (g) Conveying the property to a land bank authority created
5 under the land bank fast track act, 2003 PA 258, MCL 124.751 to
6 124.774.

7 (2) If real property is to be sold for fair market value under
8 this section, the fair market value must be determined by a fee
9 appraisal prepared for the department of technology, management,
10 and budget by an independent appraiser.

11 Sec. 5. A sale to a unit of local government under section 3
12 or 4(1)(f) must be subject to all of the following conditions:

13 (a) The property must be used exclusively for public use. If a
14 fee, term, or condition is imposed on members of the public for use
15 of the property, or if the fee, term, or condition for use is
16 waived, all members of the public must be subject to the same fees,
17 terms, conditions, and waivers. The public use restriction must be
18 included in the deed.

19 (b) If the unit of local government intends to convey the
20 property, the unit must provide notice to the department of
21 technology, management, and budget of its intent to offer the
22 property for sale. The department of technology, management, and
23 budget retains a right to first purchase the property at the
24 original sale price within 1 year after the notice. If this state
25 waives its first refusal right, the unit of local government must
26 pay to this state 100% of the difference between the sale price of
27 the conveyance from this state and the sale price of the unit of
28 local government's subsequent sale or sales to third parties.

29 (c) The unit of local government must reimburse this state at

1 closing for costs demonstrably incurred by this state that were
2 necessary to prepare the property for conveyance.

3 (d) The department of technology, management, and budget may
4 require the unit of local government to record the deed of
5 conveyance with the office of register of deeds for the county in
6 which the property is located at the unit of local government's
7 expense.

8 Sec. 6. (1) A deed authorized by this act must be approved as
9 to legal form by the department of attorney general.

10 (2) Real property conveyed under this act includes all
11 surplus, salvage, and scrap property or equipment remaining on the
12 property on the date of the conveyance.

13 (3) This state shall not reserve oil, gas, or mineral rights
14 to property conveyed under this act. However, the conveyance
15 authorized under this act must provide that, if the grantee or any
16 successor develops any oil, gas, or minerals found on, within, or
17 under the conveyed property, the grantee or any successor must pay
18 this state 1/2 of the gross revenue generated from the development
19 of the oil, gas, or minerals. A payment under this subsection must
20 be deposited in the general fund.

21 (4) A conveyance under this act must reserve to this state all
22 aboriginal antiquities, including mounds, earthworks, forts, burial
23 and village sites, mines, or other relics lying on, within, or
24 under the property, with power to this state and all others acting
25 under its authority to enter the property for any purpose related
26 to exploring, excavating, and taking away the aboriginal
27 antiquities.

28 (5) If property conveyed under this act is used in a manner
29 that violates any of the restrictions imposed under section 5 or

1 subsection (3) or (4), this state may reenter and take the
2 property, terminating the grantee's or any successor's estate in
3 the property.

4 (6) If a grantee or successor disputes this state's exercise
5 of its right of reentry under subsection (5) and fails to promptly
6 deliver possession of the property to this state, the attorney
7 general, on behalf of this state, may bring an action to quiet
8 title to, and regain possession of, the property.

9 (7) If this state reenters and repossesses property under
10 subsection (5) or (6), this state is not liable to reimburse any
11 person for any improvements made on the property.

12 Sec. 7. The state administrative board shall deposit the net
13 revenue received from the sale of property under this section in
14 the state treasury. The state treasurer shall credit the money
15 deposited to the general fund.