## SUBSTITUTE FOR

## SENATE BILL NO. 1297

(As amended, June 23, 2004)

A bill to authorize the state administrative board to convey certain parcels of state owned property in various counties; to prescribe conditions for the conveyances; to provide for the disposal of certain buildings; to provide for certain powers and duties of certain state departments in regard to the parcels of property; to provide for disposition of revenue derived from the conveyances; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. (1) The state administrative board, on behalf of
 the state, may convey, for not less than fair market value, all
 or portions of state owned property now under the jurisdiction of
 the department of state police and located in the city of Mount
 Pleasant, Isabella county, Michigan, and further described as
 follows:

7 Commencing at a point 445.85 feet North of the intersection of

the North line of Pickard Street and the West line of Mission
 street thence Southerly along the West line of Mission Street one
 hundred feet (100 feet) thence West one hundred thirty two feet
 (132 feet) thence North one hundred feet (100 feet) thence East
 about one hundred thirty two feet (132 feet) to the place of
 beginning.

(2) Before offering the property described in subsection (1) 7 for public sale, the director of the department of management and 8 budget shall first offer the property for sale for less than fair 9 market value to the local units of government in which the 10 property is located. In order to exercise its right to purchase 11 12 the property under this subsection, a local government must enter into a purchase agreement within 60 days after the date of the 13 offer and must complete the purchase within 120 days after the 14 date of the offer. If a local unit of government purchases the 15 property and, within 1 year after the date of that purchase, 16 conveys the property for use other than for public purposes, the 17 local unit of government shall pay to the state 50% of the net 18 profit, if any, realized from that conveyance. 19

(3) Any conveyance to a local unit of government authorized
by subsection (2) shall provide for all of the following:
(a) The property shall be used exclusively for public
purposes and if any fee, term, or condition for the use of the
property is imposed on members of the public, or if any of those
fees, terms, or conditions are waived for use of this property,
resident and nonresident members of the public shall be subject
to the same fees, terms, conditions, and waivers.

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(b) Upon termination of the public purpose use described in
 subdivision (a) or in the event of use for any nonpublic purpose,
 the state may reenter and repossess the property, terminating the
 grantee's estate in the property.

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

10 (4) The fair market value of the property described in
11 subsection (1) shall be determined by an appraisal prepared by an
12 independent appraiser.

(5) If the property described in subsection (1) is offered for sale at not less than fair market value, the sale shall be conducted in a manner designed to realize the highest price from the sale or the highest value to the state. The sale of this property shall be done in an open manner that utilizes 1 or more of the following:

19 (a) A competitive sealed bid.

20 (b) Real estate brokerage services.

21 (c) A public auction.

(6) A notice of a sealed bid, public auction sale, or use of
broker services regarding the property described in subsection
(1) shall be published at least once in a newspaper as defined in
section 1461 of the revised judicature act of 1961, 1961 PA 236,
MCL 600.1461, not less than 10 business days before the sale. A
notice shall describe the general location and size of the

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property to be offered, highlights of the general terms of the
 offer, and directions on how to get further information about the
 property, as available, prior to the sale. The notice shall also
 list the date, time, and place of the sale or bid opening.

5 (7) The description of the parcel in subsection (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 other legal
9 description.

(8) The net revenue received under this section shall be 10 11 deposited in the state treasury and credited to the general 12 fund. As used in this subsection, "net revenue" means the proceeds from the sale of the property less reimbursement for any 13 costs to the department of management and budget associated with 14 the sale of the property, including the cost of securing 15 discharge of liens or encumbrances. If the revenue received 16 under this section is insufficient to reimburse the department of 17 management and budget for its costs of using outside vendors in 18 surveying, appraising, and closing the sale of the property 19 20 offered in this section, those costs shall be reimbursed by the department of state police within 30 days after being presented 21 an itemized bill for those costs. 22

(9) The conveyance authorized by this section shall be by
quitclaim deed prepared and approved by the attorney general,
subject to easements and other encumbrances of record. The
quitclaim deed shall provide for both of the following:
(a) If the property is reentered and repossessed by the

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state, the state shall have no liability for any improvements
 made on the property.

3 (b) The state shall reserve all rights in aboriginal
4 antiquities, including mounds, earthworks, forts, burial and
5 village sites, mines, or other relics, including the right to
6 explore and excavate for the aboriginal antiquity by the state or
7 its authorized agents.

(10) The state shall not reserve the mineral rights to the 8 property conveyed under this section. However, the conveyance 9 10 authorized under this section shall provide that, if the purchaser or any grantee develops any minerals found on, within, 11 12 or under the conveyed property, the purchaser or any grantee 13 shall pay 1/2 of the gross revenue generated from the development of the minerals to the state, for deposit in the state general 14 15 fund.

16 (11) If the property described in subsection (1) is not sold 17 pursuant to subsection (2) and fails to sell at a public sale for 18 fair market value, the director of the department of management 19 and budget with the concurrence of the state administrative board 20 may do any of the following:

21 (a) Order a reappraisal of the property.

22 (b) Withdraw the property from sale.

23 (c) Offer the property for sale for less than fair market24 value.

(12) If the property is offered for sale pursuant to
subsection (11), the sale shall be conducted in a manner designed
to realize the highest price from the sale or the highest value

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1 to the state.

Sec. 2. (1) The state administrative board, on behalf of
the state, may convey to the township of Calumet, in Houghton
county, for consideration of \$1.00, property now under the
jurisdiction of the department of state police and located in the
township of Calumet, Houghton county, Michigan, and further
described as follows:

8 Lots thirty-two (32), thirty-three (33), and forty-two (42)
9 Plat of Calumet Avenue Estates, Calumet Township, Houghton
10 County, Michigan as recorded in Liber I, pages 94 and 95.

Excepting and reserving, however, to a previous Grantor (UOP 11 12 Inc., City of Des Plaines, Cook County, Illinois), its successors and assigns forever, all ores, metals, and minerals in, on, or 13 under the said described parcels of land and the right to mine 14 the same to within fifteen (15) feet of the surface of the rock, 15 and the right at all times to carry on mining operations of all 16 kinds under and beneath the said parcels of land and to within 17 fifteen (15) feet of the surface of the rock; and further 18 expressly saving, reserving, and excepting to the said Grantor, 19 20 its successors and assigns, the right to cause subsidence of the said premises by the withdrawal of lateral or subjacent support, 21 22 whether through the conduct of mining operations, or otherwise. (2) The conveyance authorized by this section shall provide 23 for all of the following: 24

(a) The property shall be used exclusively for public
purposes and if any fee, term, or condition for the use of the
property is imposed on members of the public, or if any of those

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fees, terms, or conditions are waived for use of the property,
 resident and nonresident members of the public shall be subject
 to the same fees, terms, conditions, and waivers.

4 (b) Upon termination of the public purpose use described in
5 subdivision (a) or in the event of use for any nonpublic purpose,
6 the state may reenter and repossess the property, terminating the
7 grantee's estate in the property.

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

13 (3) If the property described in subsection (1) is not sold 14 to the township of Calumet under subsection (1), the director of 15 management and budget may offer the property for sale, for a 16 public purpose, to the government of the United States or its 17 subdivisions, under the same conditions.

18 (4) The fair market value of the property described in
19 subsection (1) shall be determined by an appraisal prepared by an
20 independent appraiser.

(5) If the property is offered for sale at not less than fair market value, the sale shall be conducted in a manner designed to realize the highest price from the sale or the highest value to the state. The sale of this property shall be done in an open manner that utilizes 1 or more of the following:

26 (a) A competitive sealed bid.

27 (b) Real estate brokerage services.

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1 (c) A public auction.

(6) A notice of a sealed bid, public auction sale, or use of 2 broker services regarding the property described in this section 3 shall be published at least once in a newspaper as defined in 4 5 section 1461 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 business days before the sale. A 6 notice shall describe the general location and size of the 7 property to be offered, highlights of the general terms of the 8 offer, and directions on how to get further information about the 9 property, as available, prior to the sale. The notice shall also 10 list the date, time, and place of the sale or bid opening. 11

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12 (7) The description of the parcel in subsection (1) is 13 approximate and for purposes of the conveyance is subject to 14 adjustments as the state administrative board or the attorney 15 general considers necessary by survey or other legal 16 description.

17 (8) The net revenue received under this section shall be deposited in the state treasury and credited to the general 18 19 fund. As used in this subsection, "net revenue" means the 20 proceeds from the sale of the property less reimbursement for any costs to the department of management and budget associated with 21 the sale of the property, including the cost of securing 22 discharge of liens or encumbrances. If the revenue received 23 under this section is insufficient to reimburse the department of 24 management and budget for its costs of using outside vendors in 25 surveying, appraising, and closing the sale of the property 26 27 offered in this section, those costs shall be reimbursed by the

department of state police within 30 days of being presented an
 itemized bill for those costs.

3 (9) The conveyance authorized by this section shall be by
4 quitclaim deed prepared and approved by the attorney general,
5 subject to easements and other encumbrances of record. The
6 quitclaim deed shall provide for both of the following:

7 (a) If the property is reentered and repossessed by the
8 state, the state shall have no liability for any improvements
9 made on the property.

10 (b) The state shall reserve all rights in aboriginal 11 antiquities, including mounds, earthworks, forts, burial and 12 village sites, mines, or other relics, including the right to 13 explore and excavate for the aboriginal antiquity by the state or 14 its authorized agents.

15 (10) The state shall not reserve the mineral rights to the property conveyed under this section. However, the conveyance 16 authorized under this section shall provide that, if the 17 purchaser or any grantee develops any minerals found on, within, 18 or under the conveyed property, the purchaser or any grantee 19 20 shall pay 1/2 of the gross revenue generated from the development of the minerals to the state, for deposit in the state general 21 22 fund.

(11) If the property described in subsection (1) is not sold
pursuant to subsection (2) or (3) and fails to sell at a public
sale for fair market value, the director of the department of
management and budget with the concurrence of the state
administrative board may do any of the following:

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1 (a) Order a reappraisal of the property.

2 (b) Withdraw the property from sale.

3 (c) Offer the property for sale for less than fair market4 value.

5 (12) If the property is offered for sale pursuant to
6 subsection (11), the sale shall be conducted in a manner designed
7 to realize the highest price from the sale or the highest value
8 to the state.

9 Sec. 3. (1) The state administrative board, on behalf of the state and subject to the terms stated in this section, may 10 convey for not less than fair market value all or portions of 11 12 certain state owned property now under the jurisdiction of the department of management and budget and located in the city of 13 Detroit, Wayne county, Michigan, commonly known as the Michigan 14 labor building and land, and more particularly described as: 15 16 PARCEL A:

All of Lots 1 through 9, inclusive, the strip of land twenty 17 (20) feet in width lying between the east line of said Lots 1 and 18 2 and the west line of said Lot 3, being the alley vacated by the 19 20 Common Council of the City of Detroit by resolution adopted October 22, 1912, and the West 11.80 feet of Lot 10, Atkinson's 21 Subdivision of the South Part of Lot One of the Subdivision of 22 Quarter Section Fifty Seven, Ten Thousand Acre Tract, Township of 23 Hamtramck (now City of Detroit), Wayne County, Michigan, as 24 recorded in Plat Liber 7, Page 33, Wayne County Records, and the 25 Southerly 27-1/2 feet and the Easterly 155 feet of the North 80 26 27 feet of Lot 1, Bagg's Subdivision of part of Lot 1 in Quarter

1 Section 57, Ten Thousand Acre Tract, Town 1 South, Range 12 East, as recorded in Plat Liber 7, Page 33, Wayne County Records, said 2 parcel of land being more particularly described as: 3 BEGINNING at the northeast corner of Woodward Avenue and East 4 5 Grand Boulevard at the southwest corner of said Lot 1 of said Atkinson's Subdivision; thence N25 degrees 59 minutes 43 seconds 6 W 145.04 feet along the northeasterly line of said Woodward 7 Avenue to the southerly line of said Southerly 27-1/2 feet of 8 said Lot 1 of said Bagg's Subdivision; thence N63 degrees 57 9 minutes 05 seconds E 65.00 feet along said southerly line; thence 10 N25 degrees 59 minutes 43 seconds W 80.03 feet to the 11 12 southeasterly line of Horton Avenue; thence N63 degrees 57 minutes 39 seconds E 155.00 feet along said southeasterly line to 13 the easterly line of said Lot 1 of said Bagg's Subdivision and 14 the west line of a 20 foot wide public alley; thence S25 degrees 15 59 minutes 43 seconds E 107.5 feet to the southeasterly line of a 16 15 foot wide public alley; thence N63 degrees 57 minutes 05 17 seconds E 361.41 feet along said southeasterly line and 18 northwesterly line of said Lots 3 through 10 to the southwesterly 19 20 line of John R Street; thence S25 degrees 46 minutes 52 seconds E 109.95 feet along said southwesterly line to the northwest corner 21 of said John R Street and East Grand Boulevard; thence S63 22 degrees 56 minutes 30 seconds W 581.00 feet along the 23 northwesterly line of East Grand Boulevard to the Point of 24 Beginning, containing 1.928 acres and being subject to easements 25 and restrictions of record. 26

**27** PARCEL B:

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The East 10 feet of Lot 2, all of Lots 3 through 13, inclusive,
 and the West 1.80 feet of Lot 14, Bagg's Subdivision of Part of
 Lot 1 in Quarter Section 57, Ten Thousand Acre Tract, Town 1
 South, Range 12 East, as recorded in Plat Liber 7, Page 33, Wayne
 County Records; said parcel of land being more particularly
 described as:

BEGINNING at the southwest corner of Horton Avenue and John R 7 Street at the northeast corner of said West 1.80 feet of Lot 14 8 of said Bagg's Subdivision; thence S25 degrees 46 minutes 52 9 seconds E 99.95 feet along the southwesterly line of said John R 10 **11** Street to the northwesterly line of a 15 foot wide public alley; 12 thence S63 degrees 57 minutes 05 seconds W 341.47 feet along said 13 northwesterly line and southeasterly line of said Lots 3 through 13 to the northeasterly line of a 20 foot wide public alley; 14 thence N25 degrees 59 minutes 43 seconds W 100.00 feet to the 15 southeasterly line of Horton Avenue; thence N63 degrees 57 16 minutes 39 seconds E 341.80 feet along said southeasterly line to 17 18 the Point of Beginning, containing 0.784 of an acre and being subject to easements and restrictions of record. 19

**20** PARCEL C:

21 All of Lots 88, 89, and the Northerly 53 feet of Lot 90, Hibbard 22 Baker's Subdivision of Lot No. 2 of the Subdivision of 1/4 23 Section 57, Ten Thousand Acre Tract, Hamtramck (now City of 24 Detroit), Town 1 South, Range 12 East, as recorded in Plat Liber 25 7, Page 90, Wayne County Records, said parcel of land being more 26 particularly described as:

27 BEGINNING at the southeast corner of said Lot 89 on the

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1 northwesterly line of Horton Avenue which is S63 degrees 57 minutes 39 seconds W 31.82 feet from the southeast corner of 2 Horton Avenue and John R Street at the northwest corner of said 3 Lot 90 of said Hibbard Baker's Subdivision; thence continuing 4 5 along said northwesterly line of Horton Avenue S63 degrees 57 minutes 39 seconds E 60.03 feet to the southwest corner of said 6 Lot 88; thence N25 degrees 48 minutes 16 seconds W 124.95 feet to 7 the southeasterly line of a 20 foot wide public alley; thence N63 8 degrees 56 minutes 35 seconds E 91.90 feet along said line to the 9 10 northeast corner of said Lot 90; thence S25 degrees 46 minutes 52 seconds E 53.00 feet to the southerly line of said Northerly 53 11 12 feet of Lot 90; thence S63 degrees 56 minutes 35 seconds W 31.83 13 feet along said line to the southwesterly line of said Lot 90; thence S63 degrees 47 minutes 36 seconds E 71.97 feet along the 14 northeasterly line of said Lot 89 to the Point of Beginning, 15 containing 0.211 of an acre and being subject to easements and 16 restrictions of record. 17

18 PARCEL D:

All of Lots 61 and 62, Hibbard Baker's Subdivision of Lot No. 2 19 20 of the Subdivision of 1/4 Section 57, Ten Thousand Acre Tract, Hamtramck (now City of Detroit), Town 1 South, Range 12 East, as 21 recorded in Plat Liber 7, Page 90, Wayne County Records, said 22 parcel of land being more particularly described as: 23 BEGINNING at the southwest corner of Custer Avenue and John R 24 Street at the northeast corner of said Lot 61 of said Hibbard 25 26 Baker's Subdivision; thence S25 degrees 46 minutes 52 seconds E 27 124.98 feet to the southeasterly line of a 20 foot wide public

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alley; thence S63 degrees 56 minutes 35 seconds W 61.89 feet
along said line to the southwest corner of said Lot 62; thence
N25 degrees 48 minutes 16 seconds W 124.96 feet along the
southeasterly line of said Lot 62 to the southeasterly line of
said Horton Avenue; thence N63 degrees 55 minutes 31 seconds E
61.94 feet along said line to the Point of Beginning, containing
.0178 of an acre and being subject to easements and restrictions
of record.

9 PARCEL E:

The West 10 feet of Lot 287 and all of Lots 288 and 289, except 10 that part taken for East Grand Boulevard, Frisbie and Foxen's 11 12 Subdivision of Part of Fractional Section 31 and Lot 18 of Theodore J. and Denis J. Campau's Subdivision of Fractional 13 Sections 29 and 32, T 1 S, R. 12 E, Detroit, Wayne County, 14 Michigan, as recorded in Plat Liber 6, Page 78, Wayne County 15 Records, said parcel of land being more particularly described 16 17 as:

18 BEGINNING at the northwest corner of said Lot 289 of said Frisbie and Foxen's Subdivision; thence N63 degrees 59 minutes 51 19 20 seconds E 70.00 feet to the northeast corner of said West 10 feet of said Lot 287; thence S25 degrees 44 minutes 45 seconds E 21 175.32 feet to the southeast corner of said West 10 feet of said 22 Lot 287; thence S63 degrees 59 minutes 51 seconds W 70.00 feet 23 along the southeasterly line of said Lots 287 to 289 to the 24 southwest corner of said Lot 289; thence N25 degrees 44 minutes 25 45 seconds W 175.32 feet along the southwesterly line of said Lot 26 27 289 to the Point of Beginning, containing 0.282 of an acre and

1 being subject to easements and restrictions of record.

2 (2) The fair market value of the parcels of property
3 described in subsection (1) shall be determined by an appraisal
4 prepared by an independent appraiser.

5 (3) If the property is offered for sale at not less than fair 6 market value, the sale shall be conducted in a manner designed to 7 realize the highest price from the sale or the highest value to 8 the state. The sale of this property shall be done in an open 9 manner that utilizes 1 or more of the following:

10 (a) A competitive sealed bid.

11 (b) Real estate brokerage services.

12 (c) A public auction.

(4) A notice of a sealed bid, public auction sale, or use of 13 broker services regarding the property described in this section 14 shall be published at least once in a newspaper as defined in 15 section 1461 of the revised judicature act of 1961, 1961 PA 236, 16 MCL 600.1461, not less than 10 business days before the sale. 17 Α notice shall describe the general location and size of the 18 property to be offered, highlights of the general terms of the 19 20 offer, and directions on how to get further information about the property, as available, prior to the sale. The notice shall also 21 22 list the date, time, and place of the sale or bid opening.

(5) The descriptions of the parcels of property in subsection
(1) are approximate and for purposes of the conveyance are
subject to adjustments as the state administrative board or the
attorney general considers necessary by survey or other legal
description.

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(6) The net revenue received under this section shall be
 deposited in the state treasury and credited to the general
 fund. As used in this subsection, "net revenue" means the
 proceeds from the sale of the property less reimbursement for any
 costs to the department of management and budget associated with
 the sale of the property, including the cost of securing
 discharge of liens or encumbrances.

8 (7) The conveyance authorized by this section shall be by
9 quitclaim deed prepared and approved by the attorney general,
10 subject to easements and other encumbrances of record. The
11 quitclaim deed shall not reserve mineral rights to the state.

12 (8) If the property described in subsection (1) fails to sell 13 at a public sale for fair market value, the director of the 14 department of management and budget with the concurrence of the 15 state administrative board may do any of the following:

16 (a) Order a reappraisal of the property.

17 (b) Withdraw the property from sale.

18 (c) Offer the property for sale for less than fair market19 value.

(9) If the property is offered for sale pursuant to
subsection (8), the sale shall be conducted in a manner designed
to realize the highst price from the sale or the highest value to
the state.

Sec. 4. The department of management and budget may demolish, dismantle, or otherwise dispose of the surplus building known as the "The Grounds Shop", which is under the jurisdiction of the department of management and budget and is located due

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Senate Bill No. 1297 as amended June 23, 2004 1 west of, and directly behind, the Lewis Cass building, in the

2 city of Lansing, Michigan.

<<Sec. 5. (1) The state administrative board may accept from the county of Marquette a parcel of real property described in subsection (3), which the state conveyed to the county of Marquette on or about December 31, 1982, pursuant to section 36 of 1982 PA 280.

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(2) The state administrative board may quit claim the property described in subsection (3) to teaching family homes of upper Michigan, a nonprofit organization, for fair market value.

(3) The property is described as follows: All that part of the Southwest Quarter of the Southeast Quarter (SW1/4-SE1/4), Excepting the East Five-hundred and thirty feet (530.00); and the East Five-hundred and forty-one feet (541.00) of the Southeast Quarter of the Southwest Quarter  $(SE1/4-SW1/4 \mbox{ of Section Eleven (11), in T.47 N.,R.25 W, in Sands$ Township, Marquette Co., Michigan. Said parcel subject to a One Hundredfifty (150') wide right of way which crosses said parcel whose centerline is described as follows: Commencing at the SW Corner of said Section 11; thence S 89°40'05"E 659.77 feet (along the South Section Line); thence N 0°13'05"E 945.51 feet, (along the East Line of W1/2-SW1/4-SW1/4 and a point of curvature) and the Point of Beginning of said C/L; thence 526.29 feet along a curve to the right (D=21°03'06", R=1432.39 feet, L.C. bears S 70°47'08"E 523.33 feet); thence S 60°15'35"E 208.34 feet; thence 323.65 feet on a curve to the left (D=37°51'14", R=489.87 feet, L.C. bears S 79°11'12"E 317.79 feet; thence N 81°53'11"E 193.51 feet; thence 599.14 feet on a curve to the right (D=53°33'30", R=640.94 feet, L.C. bears S71°20'04"E 577.56 feet); thence 352.49 feet on a curve to the left (D=12°58'17", R=1556.98 feet, L.C. bears S 51°02'27"E 351.73 feet); thence S 57°31'35"E 590.74 feet; thence 299.01 feet on a curve to the left (D=52°21'08", R=327.25 feet, L.C. bears S 83°42'09"E 288.72 feet; thence 155.80 feet on a curve to the right (D=10°51'13", R=822.48 feet, L.C. bears N 75°32'53"E 155.57 feet, to the West end of Silver Creek Road, and Point of Ending. Also subject to all conditions and reservations contained in the recorded chain of title to said land. Said parcel contains 40.0+ acres including right of ways.

(4) The state shall retain and reserve all mineral, coal, oil, and gas on, within, or beneath the property.

(5) The state shall reserve all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics, including the right to explore and excavate for the aboriginal antiquity of the state or its authorized agents.

(6) The conveyance authorized by subsection (2) shall be by quitclaim deed, prepared and approved by the department of attorney general.

(7) Any revenue received pursuant to the conveyance authorized by subsection (2) shall be deposited in the state treasury and credited to the general fund.

Enacting section 1. Sections 1 to 7 of 2003 PA 166 are repealed.>>