

**SUBSTITUTE FOR
HOUSE BILL NO. 4803**

A bill to authorize the state administrative board to transfer or convey a certain parcel of state-owned property of approximately 6 acres in Wayne county; to prescribe conditions for the transfer or conveyance; to create a state fairgrounds sale advisory committee; to provide for certain powers and duties of certain state departments and agencies in regard to the property; to provide for disposition of revenue derived from the conveyance of the property; and to provide for the disposal of fixtures and equipment on the property.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of this
2 state, may convey by quitclaim deed or transfer, as provided in
3 this act, all or portions of certain state-owned property under the

1 jurisdiction of the department, which is part of the property
2 commonly known as the Michigan state fairgrounds, is located in the
3 city of Detroit, Wayne county, Michigan, and is further described
4 as follows:

5 A parcel of land in the NE 1/4 of Section 2, T1S, R11E, City of
6 Detroit, Wayne County, Michigan; the boundary of said parcel being
7 described as commencing at the North 1/4 Corner of Section 2, T1S,
8 R11E, Michigan Meridian; thence N 88°00'34" E, along the North
9 Section line, 30.11 feet; thence S 31°13'25" E, along the
10 Northeasterly right of way of the Grand Trunk Western Railroad,
11 1538.78 feet to the POINT OF BEGINNING; thence N 88°05'49" E,
12 537.23 feet; thence S 01°15'10" E, 937.64 feet; thence N 31°13'25"
13 W, along said right of way line, 1075.34 feet to the point of
14 beginning; said parcel contains 5.78 acres.

15 (2) The description of the property in subsection (1) is
16 approximate and, for purposes of the conveyance, is subject to
17 adjustments as the state administrative board or the attorney
18 general considers necessary by survey or other legal description.

19 (3) The department shall attempt to dispose of surplus,
20 salvage, and scrap fixtures and equipment on the property described
21 in subsection (1) by donating or selling the fixtures and equipment
22 to county or other local fairs. The department may dispose of as
23 otherwise provided by law any surplus, salvage, or scrap fixture or
24 equipment not donated or sold to a county or other local fair. The
25 property described in subsection (1) includes all surplus, salvage,
26 and scrap property or equipment remaining on the property as of the
27 date of the conveyance.

1 Sec. 2. (1) The department shall take the necessary steps to
2 prepare for the conveyance or transfer of the property at any time.

3 (2) The department may prepare for the conveyance of the
4 property by any of the following means:

5 (a) Competitive bidding designed to realize the best value to
6 this state, as determined by the department.

7 (b) A public auction designed to realize the best value to
8 this state, as determined by the department.

9 (c) Real estate brokerage services designed to realize the
10 best value to this state, as determined by the department.

11 (d) A negotiated sale process conducted by the department in a
12 manner to provide this state with consideration for the property
13 representing at least a fair exchange of value for value. In
14 determining whether consideration for the property represents a
15 fair exchange of value for value, the department may consider the
16 highest return and best value to this state based on either or both
17 of the following:

18 (i) The fair market value of the property as determined by an
19 appraisal prepared for the department by an independent appraiser.

20 (ii) The total value to this state of the sale of the property
21 considering the best interests of this state, including, but not
22 limited to, any positive economic impact to this state likely to be
23 generated by the proposed use of the property, especially the
24 creation or retention of jobs, increased capital investment,
25 environmental remediation, or avoidance of property ownership costs
26 for this state, as determined by the department.

27 (e) Offering the property for sale to a local unit or units of

1 government for fair market value as determined by an appraisal
2 prepared for the department by an independent appraiser.

3 (f) Offering the property for sale for less than fair market
4 value to a local unit or units of government subject to subsections
5 (5) and (6).

6 (3) The department may prepare for the transfer of the
7 property to the state land bank fast track authority, subject to
8 sections 3 and 4.

9 (4) A conveyance under subsection (2) or section 4 of all or a
10 portion of the property described in section 1 shall provide for
11 all of the following:

12 (a) The property conveyed shall not be used for a horse racing
13 track, auto racing track, casino, railroad freight yard, jail, or
14 prison.

15 (b) In the case of a conveyance under subsection (2)(f), the
16 property conveyed shall be used exclusively for public purposes.

17 (c) If the property conveyed is used in a manner inconsistent
18 with subdivision (a) or, if applicable, subdivision (b), this state
19 may reenter and repossess that property, terminating the grantee's
20 or successor's estate in that property.

21 (d) If the grantee or successor disputes this state's exercise
22 of its right to reenter and fails to promptly deliver possession of
23 that property to the state, the attorney general, on behalf of this
24 state, may bring an action to quiet title to, and regain possession
25 of, that property.

26 (e) If this state reenters and repossesses that property, this
27 state is not liable to reimburse any party for any improvements

1 made on that property.

2 (5) A conveyance for less than fair market value authorized by
3 subsection (2)(f) shall provide that, if requested by this state,
4 the grantee shall reimburse this state for costs necessary to
5 prepare the property for conveyance.

6 (6) If all or a portion of the property is conveyed for less
7 than fair market value pursuant to subsection (2)(f) and if the
8 local unit of government intends to convey the property within 10
9 years after the conveyance under subsection (2)(f), the local unit
10 shall provide notice to the department of its intent to convey the
11 property. The department shall retain a right to first purchase the
12 property at the price of the conveyance from this state under
13 subsection (2)(f) within 90 days after the notice is received. If
14 this state repurchases the property, this state is not liable to
15 any party for improvements to, or liens placed on, the property. If
16 this state waives its right to first purchase the property, the
17 local unit of government shall pay to this state 40% of the
18 difference between the price of the conveyance from this state
19 under subsection (2)(f) and the price of the local unit's
20 subsequent conveyance to a third party.

21 Sec. 3. (1) If all or a portion of the property is transferred
22 to the state land bank fast track authority pursuant to section
23 2(3), the state fairgrounds sale advisory committee is created
24 within the department.

25 (2) The committee does not have the power to authorize or
26 prohibit any action by the state land bank fast track authority and
27 is advisory only.

1 (3) The committee shall consist of 1 representative, appointed
2 by the governor, from each of the following neighborhood
3 organizations from the vicinity of the state fairgrounds:

4 (a) Sherwood Forest neighborhood association.

5 (b) University district neighborhood association.

6 (c) Detroit golf club homeowners association.

7 (d) Palmer Woods neighborhood association.

8 (e) Greenacres neighborhood association.

9 (4) The members first appointed to the committee shall be
10 appointed within 60 days after the property is transferred to the
11 state land bank fast track authority.

12 (5) Members of the committee shall serve for terms of 3 years
13 or until a successor is appointed, whichever is later, except that
14 of the members first appointed under subsection (3), 3 shall serve
15 for 3 years and 2 shall serve for 2 years.

16 (6) If a vacancy occurs on the committee, the unexpired term
17 shall be filled in the same manner as the original appointment.

18 (7) The first meeting of the committee shall be called by the
19 executive director of the state land bank fast track authority. At
20 the first meeting, the committee shall elect from among its members
21 a chairperson and other officers as it considers necessary or
22 appropriate. After the first meeting, the committee shall meet at
23 least quarterly, or more frequently at the call of the chairperson
24 or if requested by 2 or more members.

25 (8) A majority of the members of the committee constitute a
26 quorum for the transaction of business at a meeting of the
27 committee. A majority of the members present and serving are

1 required for official action of the committee.

2 (9) The business that the committee may perform shall be
3 conducted at a public meeting of the committee held in compliance
4 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

5 (10) A writing prepared, owned, used, in the possession of, or
6 retained by the committee in the performance of an official
7 function is subject to the freedom of information act, 1976 PA 442,
8 MCL 15.231 to 15.246.

9 (11) Members of the committee shall serve without
10 compensation.

11 (12) Subject to subsection (2), the committee shall provide
12 input and make recommendations to the state land bank fast track
13 authority on the sale and use of the property transferred to the
14 state land bank fast track authority pursuant to section 2(3).

15 (13) The state land bank fast track authority shall provide
16 necessary staffing for the committee and cooperate with the
17 committee in the fulfillment of the committee's duties.

18 (14) The committee is dissolved 60 days after all property
19 transferred to the state land bank fast track authority pursuant to
20 section 2(3) of this act and section 2(3) of Senate Bill No. 515 of
21 the 96th Legislature is conveyed by the state land bank fast track
22 authority.

23 (15) This act and Senate Bill No. 515 of the 96th Legislature
24 do not together create more than 1 state fairgrounds sale advisory
25 committee.

26 Sec. 4. If all or a portion of the property is transferred to
27 the state land bank fast track authority pursuant to section 2(3),

1 and the state land bank fast track authority subsequently conveys
2 the property to a third party, the state land bank fast track
3 authority shall establish performance requirements and penalty
4 provisions within the purchase agreement or other agreements
5 related to the subsequent conveyance. Not more than 30 days after
6 conveying property under this subsection, the state land bank fast
7 track authority shall submit a report to the legislature describing
8 the terms of the conveyance and providing a full accounting of all
9 revenue from and costs associated with the conveyance. The state
10 land bank fast track authority shall not convey the property to a
11 county authority or local authority.

12 Sec. 5. (1) A quitclaim deed or transfer document authorized
13 by this act shall be approved as to legal form by the department of
14 attorney general.

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

23 (3) This state reserves all aboriginal antiquities including
24 mounds, earthworks, forts, burial and village sites, mines, or
25 other relics lying on, within, or under the property with power to
26 this state and all others acting under its authority to enter the
27 property for any purpose related to exploring, excavating, and

1 taking away the aboriginal antiquities.

2 (4) The net revenue received by this state from the conveyance
3 of property under this act, including conveyance by the state land
4 bank fast track authority, shall be deposited in the state treasury
5 and credited to the general fund.

6 Sec. 6. As used in this act:

7 (a) "Committee" means the state fairgrounds sale advisory
8 committee established pursuant to section 3(1).

9 (b) "County authority" means that term as defined in section 3
10 of the land bank fast track act, 2003 PA 258, MCL 124.753.

11 (c) "Department" means the department of technology,
12 management, and budget.

13 (d) "Local authority" means that term as defined in section 3
14 of the land bank fast track act, 2003 PA 258, MCL 124.753.

15 (e) "Net revenue" means the proceeds from the conveyance of
16 the property less reimbursement for any costs to the department,
17 land bank fast track authority, or other state department or agency
18 associated with the maintenance, preparation for sale, or sale of
19 property, including, but not limited to, administrative costs,
20 including employee wages, salaries, and benefits; costs of reports
21 and studies and other materials necessary to the preparation of
22 sale; environmental remediation; legal fees; any litigation related
23 to the conveyance of the property; and costs to the land bank fast
24 track authority to provide necessary staffing for the committee and
25 cooperate with the committee in the fulfillment of the committee's
26 duties.

27 (f) "State land bank fast track authority" means the land bank

1 fast track authority established under section 15 of the land bank
2 fast track act, 2003 PA 258, MCL 124.765.

3 Enacting section 1. This act does not take effect unless
4 Senate Bill No. 515 of the 96th Legislature is enacted into law.