



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5571 (Substitute H-3 as reported without amendment)

Sponsor: Representative John Bizon

House Committee: Appropriations

Senate Committee: Appropriations

CONTENT

The bill would authorize the State Administrative Board to accept from and reconvey to the City of Springfield, Calhoun County, 67.189 acres in the City of Springfield for the purpose of removing a restriction on the use of the property. The State authorized the conveyance of 67.189 acres to American Legion Hospital, Inc. (subsequently Legion Villa, Inc.) without consideration pursuant to Public Act 50 of 1969, as amended by Public Act 267 of 1974. The legislation required that the property be used for health care facilities. Health care facilities were defined as a licensed hospital, a licensed nursing home, a licensed home for the aged, or a residential facility for senior citizens that provides a regular program for health care and the prevention of illness. Upon termination of the specified uses, or upon use for any other purpose, the legislation and quit-claim deed provided that the property would revert to the State.

Legion Villa, Inc. operated a licensed adult foster care facility on the property dedicated to disabled American veterans. The facility included a main building, apartments, and four houses. Legion Villa, Inc. also leased 5.2 acres to Evergreen Senior Care and Rehab Center, which currently operates a nursing home on the property. Due to the condition of the buildings operated by Legion Villa, Inc, the facility operated by Legion Villa closed in October 2013. Legion Villa's interest in the property was deeded to the City of Springfield in April 2014. Since that time, the City of Springfield has incurred costs totaling approximately \$640,000 to demolish unsafe structures and basically clear the property operated by Legion Villa. The City of Springfield is receiving \$135,000 from the Michigan Land Bank Fast Track Authority to offset a portion of the demolition costs.

FISCAL IMPACT

The consideration for the transfers authorized in the bill would be for \$1. The nursing home facility located on 5.2 acres of the property operated by Evergreen is assessed at \$1.2 million. A recent appraisal on the balance of the 67.189 acres (now vacant property) conducted for the City of Springfield estimated the value of the property at \$5,000 per acre, which would result in a total value of approximately \$310,000.

Date Completed: 6-9-16

Fiscal Analyst: Bill Bowerman