



**House
Legislative
Analysis
Section**

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THE APPARENT PROBLEM:

A Federal Aviation Administration (FAA) rule regarding the minimum distance between airport runways and nearby buildings specifies that no building be located within 750 feet of the centerline of any runway. Currently, the Michigan Department of Transportation's (MDOT) Aeronautics Division is housed within a building located on the grounds of the Capitol City Airport in Lansing. Although the building currently stands in violation of the rule, the FAA waived the distance requirement for the building — conditioned on a requirement that pilots landing their planes clear the building by a specific minimum distance. However, recent developments in airway safety, particularly an increase in the number of plane crashes that have occurred near airports, reportedly has prompted the FAA to adhere more stringently to its minimum distance rule for buildings. MDOT officials have devised a plan for conveying land on which the state hangar is located to the airport authority and plan to build a new facility on land conveyed to it by the authority. In addition, the airport has requested the use of office space in state-owned buildings located on airport grounds.

THE CONTENT OF THE BILL:

The bills would provide for the conveyance at fair market value of certain state land and the use of buildings located on these lands to the Capitol Region Airport Authority (CRAA), would give the state certain accessibility rights to various parcels of land located in Clinton County (within the airport's boundaries), and would increase from two to four the number of persons who would represent certain counties on the CRAA board.

House Bill 4795 would amend Public Act 73 of 1970 (MCL 259.818) to delete language which provides for state ownership and occupancy of the state hangar, paint shop, and 3 quonset-type storage sheds (consisting of approximately 87,120 square feet) located within the boundaries of the airport. The bill would also delete language relative to the state's authorized use (i.e. fueling rights, terminal occupancy, ramp access, aircraft parking, ingress/egress, etc.) of various other parcels of land located within the airport's boundaries, and instead would give the state "use" rights to three other parcels of land ranging in size from .69 to 4.75 acres. The act currently provides that certain land located near the airport is reserved for use by the Department of Public Health, for various purposes including use as a "sanitary land fill." The bill would strike language providing for the use of the land for this purpose. Property described in language that would be deleted would be conveyed to the CRAA at fair market value by House Bill 4797. The bill is tie-barred to House Bill 4797. (Note: Substitute H-1 for House Bill 4795 contains an amendment to Section 2 which the committee

CONVEY LAND TO CAPITOL CITY AIRPORT

**House Bill 4795 (Substitute H-1)
House Bill 4796 with committee amendment
House Bill 4797 (Substitute H-1)
First Analysis (5-18-89)**

**Sponsor: Rep. Francis R. Spaniola
Committee: Transportation**

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apparently intended to include, instead, in House Bill 4796. The description of House Bill 4796, below, includes that language, dealing with the membership of the CRAA board.)

House Bill 4796 would amend Public Act 73 of 1970 (MCL 259.802) to specify that the CRAA's governing board would consist of four members (instead of the current two) who represent a county having a city with over 100,000 people located within its boundaries (the City of Lansing). The bill also would increase from two to four the number of members representing other counties composing the authority who are appointed by their respective legislative bodies.

House Bill 4797 would authorize the transportation department, on the state's behalf, to convey to the CRAA for at least fair market value a 2.9 acre parcel of land in Clinton County. Further, the bill would authorize the department to convey to the authority for \$600,000 use of 11,240 square feet of space within the airport's terminal building, which is currently being used by the state aeronautics commission. The department could purchase from the authority for not less than fair market value a one-story, masonry building, approximately 40 by 80 feet in size, and located on approximately .69 acres of land within airport boundaries. The fair market value of the properties that would be conveyed would be determined by an appraisal based on the property's highest and best use, as prepared by an independent appraiser and reviewed by an independent review appraiser. The authority would not be liable for the costs of or responsibility for cleaning up any environmental impairment to or from the property conveyed to it by the state, regardless of its source or nature. This provision would not apply to the extent that an environmental impairment occurred as a result of acts on the property after transfer of ownership was completed. The conveyance would be by quitclaim deed approved by the attorney general, and revenue received under the bill would be deposited in the State Aeronautics Fund. The bill is tie-barred to House Bill 4795.

FISCAL IMPLICATIONS:

According to a spokesperson from MDOT's aeronautics division, the bills would increase state revenues by approximately \$1.225 million, which would be used to help defray the costs of building a new state hangar facility (estimated at \$3.825 million). (5-16-89)

ARGUMENTS:

For:

The bills would authorize the state to make conveyances which are in its best interests. MDOT's aeronautics division is currently housed in a building which fails to meet FAA

H.B. 4795 (5-18-89)

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rules for safe distance from one of Capitol City Airport's runways. The department wishes to initiate a number of conveyances on a trade-off basis with the airport authority which would allow it to use other airport land to build another hangar on, and would permit the department to lease out various office space to the airport authority. Revenues raised under the bills would be used to help defray the costs of building a new state hangar.

Response: Because the department's aeronautics division will continue to be located on airport grounds and has substantial interaction with airport authorities, it should be represented on the airport authority's governing board. As originally introduced House Bill 4795 would have given the division representation on the board, but that provision was removed by the Transportation Committee. The bill should be amended to replace this provision.

Against:

House Bill 4795 would increase the number of board members representing constituent counties of the airport from two to four. Increasing the proportion of local representation on the board should be addressed at the local level.

POSITIONS:

The Department of Transportation supports the bills, but would like the deputy director of the aeronautics division to be included as a member on the airport authority's board. (5-16-89)

The City of Lansing supports the substitute versions for House Bills 4795 and 4797, but feels House Bill 4796 should not change the composition of the authority's board membership. The city says that changes made to the board's composition should be negotiated at the local level. (5-16-89)