



**House  
Legislative  
Analysis  
Section**

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**CONVEY LAND TO CAPITOL CITY AIRPORT**

**RECEIVED**

House Bill 4795 as enrolled  
House Bill 4797 as enrolled  
Second Analysis (7-27-90)

**OCT 08 1990**

Sponsor: Rep. Francis R. Spaniola Mich. State Law Library  
House Committee: Transportation  
Senate Committee: State Affairs, Tourism, &  
Transportation

***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), and would give the state certain accessibility rights to various parcels of land located in Clinton County (within the airport's boundaries). The bills are tie-barred to each other.

House Bill 4795 would amend Public Act 73 of 1970 (MCL 259.818), which provides for airport authorities, to delete provisions governing 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 regarding 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." Under the bill, the land could not be used as a sanitary landfill site. Property described in language that would be deleted would be conveyed to the CRAA at fair market value by House Bill 4797 (which was enacted as Public Act 162 of 1989). Finally, the bill would repeal a portion of the act that authorizes the state aeronautics

commission to occupy the current airport terminal building (which includes about 11,240 square feet of space).

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, 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 to 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.

***FISCAL IMPLICATIONS:***

According to the aeronautics division of the Department of Transportation, the conveyance and sale of property provided for under Public Act 162 of 1989 (House Bill 4797) — including a property transfer specified in House Bill 4795 — would generate \$1.26 million to the State Aeronautics Fund, and would be used to defray costs of building a new state hangar facility (estimated at \$3.825 million). (7-26-90)

***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 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 that would allow it to obtain other airport land on which to build another hangar, and would permit the department to lease available 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.

H.B.s 4795 & 4797 (7-27-90)