



House
Legislative
Analysis
Section

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THE APPARENT PROBLEM:

The U.S. Veterans' Administration (VA) has been leasing space from St. Mary's Hospital in Grand Rapids for the operation of a veterans' outpatient clinic. In recent years, the VA has been researching the possibility of building an outpatient clinic, because the VA's operations have outgrown its present location. One possibility that was explored was for the VA to set up a cooperative venture with the Department of Public Health (DPH) for a "sole source pilot project" whereby the DPH would have built a clinic near the state VA home in Grand Rapids and leased it to the VA. No agreement was reached at the federal level, however, and the proposal was scuttled. The DPH subsequently submitted a bid on a project to build the clinic, but withdrew from the bidding process when it was determined that a leasing agreement between the state and the VA, as proposed in the plan, would not have been beneficial to the state. In the end, the VA entered into an agreement to have a private developer — VA Ventures of Indiana — build a clinic and lease it to the VA. A site in northwest Grand Rapids was selected for construction and purchased by the developer. Objections to the site surfaced, however, when the developer requested a change in zoning. Some people, including members of various veteran's groups, reportedly felt that the site was an inappropriate location for the clinic, since it was not situated near public transportation, was far from the downtown area, and was inconvenient for most of the veterans who would use the clinic — many of whom are disabled and retired. As a result, the city rejected the proposed zoning change. Officials from DPH, city officials, and the developer then met and reached a consensus that the VA clinic should be located at a site near the state veterans' facility, since many of the veterans who are served at that facility, which is a nursing home that provides basic nursing, skilled nursing, and a residential setting, would be using the services of the federal clinic. A conveyance of the state land to the City of Grand Rapids has been proposed to enable the city and the developer to carry out their agreement, under which the city would exchange the DPH property for the developer's parcel in northwest Grand Rapids, so that plans can proceed for the construction of the VA outpatient clinic.

THE CONTENT OF THE BILL:

The bill would authorize the State Administrative Board to convey for \$1 property now under the jurisdiction of the Department of Public Health, at the State Veterans Administration Home. The property would be conveyed by quitclaim deed, reserving coal, oil, gas, and other mineral rights to the state. The bill would require that the property be used for the construction of a veterans' affairs outpatient clinic, operated by the federal government, and that unless the clinic was completed by January 1, 1995, the property would revert to the state, which would assume no liability for any improvements made on it. Under the bill, if the facility were constructed but used for a purpose other than a veterans' affairs outpatient facility, or were constructed

VETERANS CLINIC LAND CONVEYANCE

House Bill 5605 as introduced
First Analysis (3-22-90)

Sponsor: Rep. Thomas C. Mathieu
Committee: State Affairs

and used as a veterans' outpatient facility for a period of time but subsequently used for another purpose, the state would have a first option to purchase the facility for fair market value. If the conveyance resulted in a net revenue gain to the city because of the less than fair market conveyance price of the property, the city would be required to expend that revenue for purposes for which the state expends funds. The bill would also require that easements be provided for access by the state and city to the veterans' home and to the veterans' affairs outpatient clinic, and for access to and maintenance of a watermain and a storm sewer line.

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

With the conveyance of the state property near the state Veterans Administration Home, the VA would be able to proceed with plans for construction of a veterans' affairs outpatient clinic. Given the proximity of the proposed federal facility to the state veterans' facility, services could be provided more conveniently and comprehensively to the veterans of western Michigan.

For:

For many veterans, the state Veterans' Administration Home has been a place to be feared, and the stigma of being placed there one to be avoided. Veterans' organizations, therefore, have sought to have an outpatient clinic located close to the home in the hope that exposure to the facilities provided at the updated facility will remove the stigma, and that veterans will familiarize themselves with the amenities available at the nursing home. Since transportation is already available, the new clinic proposed in the bill could serve all these needs.

POSITIONS:

The American Legion supports the bill. (3-21-90)

The Department of Public Health supports the bill. (3-21-90)

H.B. 5605 (3-22-90)