



**House  
Legislative  
Analysis  
Section**

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***THE APPARENT PROBLEM:***

In 1983, a sewer line collapsed on 15 Mile Road in the City of Fraser, Macomb County. Under the Emergency Preparedness Act (Public Act 390 of 1976), the state, in conjunction with the City of Detroit, purchased three parcels of land, consisting of some 18.5 acres, to store heavy equipment and crushed interceptor supplies. The purchase price of one section of the property, consisting of two of the parcels, was \$243,000, with the city paying 50.5 percent of that amount and the state 49.5 percent; the purchase price of the third parcel was \$113,000, with the city paying 37 percent. Reportedly, it was agreed at the time that the properties would be sold for fair market value when the sewer project was completed, and that the proceeds of the sale would be divided between the city and the state in proportion to their contributions toward the purchase price.

Detroit's Water and Sewerage Department has completed the sewer project and the land can now be sold. Some feel, however, that selling the property would not be consistent with past land transfer policy, by which state land that is to be used for a public purpose is conveyed to the local government, rather than sold. The first section of this property will be used for a public purpose (part of the property will be used for a recycling station, the rest for a public park), and was conveyed to the City of Fraser under Public Act 243 of 1989. It has been suggested that the other section of property be conveyed to Macomb Community College.

***THE CONTENT OF THE BILL:***

The bill would authorize the state administrative board to convey to Macomb Community College a parcel of state land at the corner of 15 mile and Hayes Road in Clinton Township, Macomb County, that is now under the jurisdiction of the Department of Management and Budget. The property would be conveyed by quitclaim deed, with the state reserving all coal, oil, gas, and other mineral rights. The property would be conveyed for the consideration of \$1. The conveyance would reserve a non-exclusive easement over the property's easterly 62 feet for the installation of underground utility lines and for vehicle and pedestrian use, and would be subject to all easements, restrictions, or encumbrances of records.

***BACKGROUND INFORMATION:***

The conveyance authorized by the bill was originally proposed in House Bill 4241. The Senate State Affairs, Tourism, and Transportation Committee adopted a substitute bill that would have authorized the conveyance of DNR property to Shelby Township, in addition to the conveyance to Macomb Community College of the Department of Management and Budget property. The language in House Bill 5818 is the result of a compromise worked out in the conference committee on House Bill 4241.

**FRASER, CLINTON TOWNSHIP CONVEYANCES**

**House Bill 5818 as introduced  
First Analysis (5-31-90)**

**Sponsor: Rep. Sharon Gire  
Committee: State Affairs**

***FISCAL IMPLICATIONS:***

According to the Department of Management and Budget, the property conveyed in the bill could have been sold for \$150,000. The proceeds of the sale would have been split with the City of Detroit. Instead, a \$250,000 grant has been appropriated to the City of Detroit in the fiscal year 1989-90 general government budget bill (Senate Bill 223). (5-30-89)

***ARGUMENTS:***

***For:***

The transfer of the property would address Macomb Community College's need for property to expand its facilities. The conveyance also would be consistent with past land transfer policy under which land that is to be used for a public purpose be conveyed to local government.

***Against:***

The state and the City of Detroit entered into an agreement when they purchased the properties in 1983 under which the property would be sold for fair market value and each would receive a part of the sales price in proportion to their contribution. By conveying the property instead of offering it for sale, the bill would break the state's part of that contract.

***Response:*** The agreement was an understanding, not a formal contract, and specified that the proceeds of the sale of the property would be divided IF the property were sold for fair market value. Since the property is to be used for public purposes, however, state policy requires that it be conveyed for \$1. In any case, the City of Detroit raised its user fees after the purchase and recouped some of the costs of the purchase. In addition, a \$250,000 grant has been appropriated to the city in the fiscal year 1989-90 general government budget bill.

***POSITIONS:***

The Department of Management and Budget supports the bill. (5-30-90)

H.B. 5818 (5-31-90)