

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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House Bill 4814 (as reported without amendment)

Sponsor: Representative Bart Stupak

House Committee: State Affairs

Senate Committee: State Affairs, Tourism, and Transportation

Date Completed: 12-7-89

RATIONALE

The Department of Social Services (DSS) has searched for several years for a site on which a 32-bed youth detention and treatment facility could be built to serve the State's northernmost geographic region. In addition to the appropriate geographic and physical requisites, the site must be compatible with local land use plans. Delta County has offered the State just such a site, located in the City of Escanaba. According to the Department, the site meets the necessary requirements for public utilities, transportation, zoning and buffering, and emergency services. In addition, the land is currently publicly held, so the city would not experience a change in property tax revenues. Construction of the facility is planned to begin in the spring of 1990 if the acquisition is authorized.

CONTENT

The bill would authorize the State Administrative Board to acquire for not more than \$1 approximately 24 acres of land in the City of Escanaba, Delta County, to construct a child care institution for the Department of Social Services. All documents regarding the acquisition would require the Attorney General's approval.

FISCAL IMPACT

The bill would cost the State \$1 for the purchase of 24 acres of land in order to construct a child care institution. Fair market value for the land is estimated to be approximately \$90,000.

ARGUMENTS**Supporting Argument**

The proposed property transfer is a good example of the State government and local communities working together. Since the DSS estimates that construction of the facility will involve capital costs of \$3.6 million and annual operating costs of \$1.76 million, the detention center will provide jobs in the Escanaba area, and the State would acquire the land at almost no cost.

Opposing Argument

The Department of Natural Resources (DNR) plans a series of interconnecting snowmobile trails across the Upper Peninsula, and had a contract with Delta County for a right-of-way for a portion of the trails that crosses the northern border of the property on the proposed youth detention site. The DSS plans to renew this contract with the DNR. Having a public snowmobile trail cross the proposed site would appear to invite harassment problems.

Response: The DSS contract with the DNR for a right-of-way on the proposed site would be subject to annual review by the DSS so that an assessment could be made to ensure that the trail did not present problems. In such an isolated area as this region, it is not anticipated that the youth center would attract attention from snowmobilers or vice versa.

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