

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 523**

A bill to authorize the department of natural resources to convey certain state owned property in Otsego county; to authorize the state administrative board to convey certain state owned property in Wayne county; to prescribe conditions for the conveyances; to provide for disposition of the revenue from the conveyances; and to create a fund.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The department of natural resources, on behalf
2 of the state, may convey to the county of Otsego, for considera-
3 tion of \$1.00, 2 parcels of property now under the jurisdiction
4 of the department of natural resources and located in the city of
5 Gaylord, T30N, R3W, Section 4, and further described as follows:
6 Parcel #1: commencing at the intersection of the South Line of
7 Third Street (now called Fourth Street) and the West line of
8 Michigan Central Railroad right of way, thence West along the

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1 South line of Third Street (now called Fourth Street) thirty (30)
2 rods more or less to the East line of "B" Street, thence South
3 along the East line of "B" Street to South 1/8 line of Sec. 4, T
4 30N, R3W, which was the South line of said village (now City) of
5 Gaylord, thence East along the former South line of said Village
6 (now City) to the West line of the Michigan Central Railroad
7 right of way, thence North along the West line of said Railroad
8 right of way to the point of beginning excepting therefrom a
9 parcel in the Northeast corner of the above described lands
10 beginning at the intersection of the South line of Third Street
11 (now called Fourth Street) and the West line of the Michigan
12 Central Railroad right of way, thence West along the South line
13 of Third Street (now called Fourth Street) twelve (12) rods,
14 thence in a southerly direction parallel with the West line of
15 said Railroad right of way fifteen (15) rods, thence East paral-
16 lel with the South line of Third Street (now called Fourth
17 Street) Twelve (12) rods to the West line of said Railroad right
18 of way, thence Northerly along the West line of said Railroad
19 right of way, fifteen (15) rods to the point of beginning, also
20 reserving a right of way for road purposes of a strip of land two
21 (2) rods wide running North and South adjacent to the West side
22 of the above described exception, also excepting therefrom a
23 parcel of land commencing at intersection of South One-eighth
24 line and West line of Penn-Central Railroad (formerly MCRR) right
25 of way, thence North Eighty-one Degrees (81°) Eighteen Minutes
26 (18') Thirty Seconds (30") West Four Hundred Sixty and Thirty-two
27 Hundredths (460.32) feet to East line of S. Illinois Avenue

1 (formerly "B" Street), North Zero Degrees (00°) Seven Minutes
2 (07') Fifty Seconds (50") East along said East line Forty-six
3 (46) feet, South Eighty-three Degrees (83°) Forty-nine Minutes
4 (49') Ten Seconds (10") East Four Hundred Sixty-one and
5 Thirty-one Hundredths (461.31) feet to a point on West line of
6 said Penn-Central Railroad right of way that is Sixty-six (66)
7 feet North Three Degrees (03°) Thirteen Minutes (13') Zero
8 Seconds (00") East of the point of beginning, South Three Degrees
9 (03°) Thirteen Minutes (13') Zero Seconds (00") West Sixty-six
10 (66) feet to said point of beginning.

11 Parcel #2: commencing at a point on the West line of "D" street
12 twenty rods South of the South line of Third Street (now called
13 Fourth Street) in the city of Gaylord, running thence Westerly
14 parallel with the South line of Third Street (now called Fourth
15 Street) to the East line of the Michigan Central Railroad right
16 of way thence Southerly along the East line of the Michigan
17 Central Railroad right of way to a point in line with the North
18 line of Fourth street thence easterly parallel to the South line
19 of Third street (now called Fourth Street) to the West line of
20 "D" street, thence northerly along the West line of "D" street to
21 the place of beginning.

22 (2) The conveyance under this section shall provide that the
23 department reserves an easement for the remediation of groundwa-
24 ter contamination including but not limited to the treatment
25 buildings, monitoring wells, flow lines, utility rights-of-way,
26 and ingress and egress to the same which are supporting the
27 remediation effort. The boundaries of the easement shall be

1 delineated in a survey conducted by the department. The easement
2 shall remain in effect until completion of the groundwater reme-
3 diation as determined by the department. Any uses that interfere
4 with or damage the operation and maintenance of the remediation
5 effort and equipment are prohibited. The county of Otsego, by
6 acceptance of this conveyance, agrees not to disrupt the area
7 defined in the easement by excavation, wells, or other subsurface
8 disturbance without written permission of the department.

9 (3) The conveyance authorized by this section shall provide
10 for both of the following:

11 (a) That the property shall be used exclusively for a public
12 purpose, including, but not limited to, constructing and operat-
13 ing a jail, courthouse, or law enforcement facility, and that
14 upon termination of that use or use for any other purpose, the
15 state may reenter and repossess the property, terminating the
16 grantee's estate in the property.

17 (b) That if the grantee disputes the state's exercise of its
18 right of reentry and fails to promptly deliver possession of the
19 property to the state, the attorney general, on behalf of the
20 state, may bring an action to quiet title to, and regain posses-
21 sion of, the property.

22 (4) The conveyance authorized by this section shall be by
23 quitclaim deed approved by the attorney general and shall not
24 reserve mineral rights to the state. However, the conveyance
25 shall provide that if the grantee develops the mineral rights,
26 the state shall receive not less than 1/2 of the net royalties
27 derived from that development.

1 (5) The revenue received under this section shall be
2 deposited in the state treasury and credited to the general
3 fund.

4 Sec. 2. (1) The state administrative board, on behalf of
5 the state, may convey for consideration of not less than fair
6 market value as determined pursuant to subsection (5), all or any
7 portion of the property now under the jurisdiction of the depart-
8 ment of agriculture located in the city of Detroit, in Wayne
9 county, and further described as follows:

10 Lot 1 through lot 179 inclusive, also that part of abandoned
11 Alameda Avenue lying east of the east line of Kenneth Avenue,
12 also that part of an abandoned alley lying east of lot 1 and lot
13 113, except lot 62, lot 127 through lot 136 inclusive, lot 161
14 through lot 164 inclusive, lot 169, and lot 170, German Montrose
15 Park Subdivision, Wayne County, according to plat thereof as
16 recorded in Liber 29, Page 83, Wayne County Records and
17 Lot 1 through lot 177 inclusive except lot 16 through lot 26
18 inclusive, State Fair Subdivision No. 2, Wayne County according
19 to the plat thereof as recorded in Liber 28, Page 20 of Plats,
20 Wayne County Records.

21 (2) The description of the property in subsection (1) is
22 approximate and for purposes of the conveyance is subject to
23 adjustment as the state administrative board or attorney general
24 considers necessary by survey or other legal description.

25 (3) The conveyance authorized in this section shall be by
26 quitclaim deed approved by the attorney general.

1 (4) The state shall not reserve the mineral rights to the
2 property conveyed under this section. The state may reserve any
3 easements necessary for the operation of the state fairgrounds.

4 (5) The fair market value of the property described in sub-
5 section (1) shall be determined by an appraisal based on the
6 property's highest and best use, as prepared by the state tax
7 commission or an independent fee appraiser retained by the
8 department of management and budget. However, the fair market
9 value shall not be less than \$4,621,298.00, representing the
10 amount of money spent by the Michigan natural resources trust
11 fund for the acquisition of the property.

12 (6) The revenue received from the conveyance under this sec-
13 tion shall be transmitted to the state treasurer for deposit as
14 follows:

15 (a) An amount equal to 87.5% of the revenue or
16 \$4,621,298.00, whichever is greater, shall be deposited in the
17 Michigan natural resources trust fund.

18 (b) The balance of the revenue, after making any deductions
19 required by law and reimbursing any expenses relative to the
20 sale, shall be deposited in the state fair and exposition fund,
21 which is hereby created in the state treasury. The state trea-
22 surer shall direct the investment of the state fair and exposi-
23 tion fund and shall credit to the fund any interest and earnings
24 from fund investments. Money in the state fair and exposition
25 fund at the close of the fiscal year shall remain in the fund and
26 shall not lapse to the general fund. Money in the state fair and

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1 exposition fund shall be expended, upon appropriation, only for
2 the operation and management of the state fair.