

Rep. Taub offered the following resolution:

House Resolution No. 167.

A resolution to express the sense of the House of Representatives that the pending sale of the former Northville Psychiatric Hospital has not followed statutory requirements and to urge the Department of Management and Budget to reopen bidding on the property.

Whereas, The people of the state enacted 2002 PA 6 to outline the process to be followed to sell certain property. Specifically, this act includes provisions for the conveyance of the former Northville Psychiatric Hospital property in Wayne County; and

Whereas, The state's actions in the summer of 2005 to sell the Northville property do not seem to have followed the provisions of 2002 PA 6. In October, a circuit court judge cited aspects of the bidding process and the proposed sale that violate the statute and may also violate provisions of the state's constitution; and

Whereas, In keeping with 2002 PA 6, the bids for the Northville property were to have been for a price that met the minimum fair market value, as was previously determined by the independent appraisal. Acceptable bids were supposed to be for the property on an "as is" basis, without conditions. Neither of the two initial bids received met these criteria. In response, the state, through its agent, apparently entered into private negotiations with one of the bidders. What resulted from these private meetings was a bid that included a land contract as part of the price; and

Whereas, The privately negotiated price and conditions, the lack of three or more bidders when a broker is used and paid for, the zero interest land contract arrangement, and the cash price as calculated to account for the land contract do not meet the requirements set forth in 2002 PA 6. In addition, the state underwriting the land contract may also violate a constitutional provision prohibiting the state from using its credit for the benefit of a private entity; and

Whereas, Clearly, there are major questions and concerns surrounding the proposed sale of the former Northville Psychiatric Hospital property. Indeed, there seems to be ample justification for the proposed sale to be halted and the bidding process to be reopened; now, therefore, be it

Resolved by the House of Representatives, That we express the sense of the House of Representative that the pending sale of the former Northville Psychiatric Hospital has not followed statutory requirements and to urge the Department of Management and Budget to reopen bidding on the property; and be it further

Resolved, That copies of this resolution be transmitted to the Department of Management and Budget and the State Administrative Board.