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BILL



ANALYSIS

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House Bill 4133 (Substitute H-3 as passed by the House)
Sponsor: Representative Lynne Martinez
House Committee: Regulatory Affairs
Senate Committee: Local, Urban and State Affairs

Date Completed: 12-3-96

CONTENT

The bill would permit the State Administrative Board, on behalf of the State, to convey several parcels of property currently under the jurisdiction of the Department of Management and Budget (DMB) and the Department of Natural Resources (DNR) to the City of Lansing and Michigan State University. All of the parcels would be conveyed for \$1 per conveyance, with the revenue deposited in the Department of Treasury to be credited to the General Fund.

Under the bill, the State Administrative Board could convey to the City of Lansing certain parcels currently under the jurisdiction of the DMB and located in the City of Lansing, in Ingham County, referred in the bill as the following: "Parcel #1": a portion of Pennsylvania Avenue, which would have to be used as a public highway; and, "Parcel #2": a vacated portion of Capitol Avenue.

The bill also would permit the conveyance to the City of Lansing of property described as Ferris Park and parking ("Block 78 and Block 79"), which currently is under the jurisdiction of the DMB. The bill specifies that the description of the property would be approximate and subject to adjustment as considered necessary by the Administrative Board or Attorney General by survey or other legal description. This conveyance would have to provide for the following.

- The property would have to be dedicated park land to be used exclusively for public park purposes and upon termination of that use or use for any other purpose, the State could reenter and repossess the property. All residents and nonresident members of the public using the property would be subject to the same annual and daily fees, terms, and conditions. The grantee could waive daily fees or waive fees for the use of specific areas or facilities.
- The Attorney General, on behalf of the State, could bring an action to quiet title to, and regain possession of, the property, if the grantee disputed the State's exercise of its right of reentry and failed to deliver promptly possession of the property to the State.
- The grantor could continue to operate and maintain the existing hard surface parking lot that occupied the southern portion of Block 79 until the State and city were able to agree on an alternate parking plan for employees. The bill specifies that the State and city would have to use their best efforts to develop and agree on an alternate parking plan. The State, however, would be the final judge of whether an acceptable parking plan had been established.
- The State would have to discontinue using the parking lot on the northern portion of Block 79 no later than one year after the property's conveyance.

- The city would be required to reseed, develop, and implement a landscape plan for the remainder of Block 79 upon the property's conveyance.

The DNR, on behalf of the State, could convey to the City of Lansing, the following parcels of State-owned property located in Ingham County and referred in the bill as the following: "Parcel A": a parking lot on Grand Street; "Parcel B": Groesbeck Golf Course; "Parcel C": Comstock City Park; and "Parcel D": Tourist Park. The conveyances would have to require that Parcel A be used exclusively for municipal parking purposes and that Parcels B, C, and D be dedicated park land used exclusively for park and recreational purposes and be available for use by the general public without regard to the place of residence. Upon termination of that use, title to the property would revert immediately to the State with the State assuming no liability for any improvements made by the city or any other party.

These DNR conveyances would be conditioned upon the adoption by the Lansing city council of a resolution committing the city to hold, use, and maintain the parcels of property in the manner required in the bill.

In addition, the DNR, on behalf of the State, could convey to Michigan State University a parcel of State-owned property in the City of East Lansing located near the Red Cedar River. The conveyance would have to require that the property be used exclusively for park and recreational purposes and be available for use by the general public without regard to the place or residence. Upon termination of that use, title to the property would have to revert immediately to the State with the State assuming no liability for any improvements made by the university or any other party.

The DNR conveyances would have to be by quitclaim deed approved by the Attorney General.

The conveyances authorized by the bill would not reserve the mineral rights to the State, but would have to provide that if the grantee derived any revenue from the development of any minerals found on, within, or under the conveyed property, the grantee would have to pay one-half of that revenue to the State, for deposit in the State General Fund.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would authorize the conveyance of a number of property parcels, which can be considered in the following groups:

- Parcels 1, 2, and 3 represent a portion of Pennsylvania Avenue, nine feet of sidewalk adjacent to the Olds Plaza and west Maple Street between Pine and State Street, respectively. These properties are now maintained by the city and assuming that they would continue to be used for current purposes, there would be no fiscal impact on the State or local units of government.
- Parcels A, B, C, and D represent a small portion of a parcel on which the city-owned Grand Avenue parking ramp is located, Groesbeck Golf Course which has been leased from the State for 45 years, Comstock Park, adjacent to the School for the Blind, and Tourist Park at the end of the Lansing River Trail of which part would be conveyed to the City of Lansing and part to Michigan State University. The bill would require that parcel A be used exclusively for municipal parking and parcels B, C, and D for recreational purposes. To the degree that these properties are currently used for a public purpose, and the public purpose is protected by a reverter clause, there would be no fiscal impact on the State or local government except

for the “potential” revenue associated with a fair market value sale of the property. The Department of Management and Budget has indicated that an appraisal of the property has not been undertaken.

- The third parcel consists of property adjacent to Ferris Park operated by the City of Lansing. Currently, the Department of Management and Budget maintains a paved (290 spaces) and a “dirt” (115 spaces) lot on the property. The paved portion is utilized by the House of Representatives according to the DMB. The bill specifies that the unpaved portion of the lot would have to be vacated within one year. The paved portion would be available for State use until the city and State agreed on an alternate parking plan. There is a potential, but indeterminate, cost associated with development of new parking spaces.

Fiscal Analyst: R. Abent

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.