

LANSING CONVEYANCE

House Bill 5222 as introduced First Analysis (3-21-00)

Sponsor: Rep. Lynne Martinez
**Committee: Conservation and Outdoor
Recreation**

THE APPARENT PROBLEM:

Public Act 363 of 1998 conveyed a parcel of land that once encompassed the site of the former Boys Training School in the City of Lansing to the city. The act specified that, if the property were not sold to the City of Lansing within one year of the act's effective date, the Department of Management and Budget would have to offer it for sale on the open market. The City of Lansing still intends to use the property, about 24.67 acres, for residential development. Reportedly, however, the initial call for proposals by developers brought an inadequate response, and the city had to go back to the drawing board, so to speak. Further, though the city signed an agreement to acquire the land, the time limit contained in Public Act 363 expired before the state could complete its portion of the arrangement. According to staff at City Hall, there now are several developers interested in the project and the city would like to send out another request for proposals (RFP). Since the time limit placed in the original conveyance has expired, legislation has been offered to extend the time limit for the conveyance to give the city adequate time to request proposals, review the proposals, and complete the necessary legal arrangements for the close of the sale.

THE CONTENT OF THE BILL:

House Bill 5222 would amend Public Act 363 of 1998 to specify that the city would have until one year after the bill's effective date, or until March 31, 2001, whichever occurred sooner, to purchase the property specified in the act.

BACKGROUND INFORMATION:

The state Boys Training School (BTS) in Lansing was closed in 1972, a major portion of the land and buildings were sold to the Lansing School District in 1975, and the remaining land and buildings were declared surplus to the state in September of 1986. In 1992, the City of Lansing adopted a community redevelopment plan for the development of a vacant

parcel of the former BTS property. The parcel is bounded by residential neighborhoods to the west and north, Lansing Catholic Central High School to the east, and the Lansing School District (Eastern High School) to the south. Public Act 363 of 1998 allowed for the conveyance of this land to the City of Lansing. According to staff at the Department of Management and Budget, about 10.38 acres of the land was sold to the city for \$1 for public use purposes. It is reported that the city resold the land to the Lansing School District to use for athletic fields. Also, about five acres of land are covered with lowlands, which, according to City Hall staff, will most likely remain with the city and be used for storm drainage. Possible use of the remaining land has focused on residential development.

FISCAL IMPLICATIONS:

According to a representative of the Department of Management and Budget, any part of the remaining land referenced in Public Act 363 of 1998 that is not used for public purposes would have to be bought by the City of Lansing for fair market value. A current appraisal of the land's value was not available. (3-20-00)

ARGUMENTS:

For:

The original legislation to convey the land in question from the state to the City of Lansing contained a one-year time limit to complete the transaction. This time period has proved insufficient in order to meet all legal requirements. The bill would give the city an additional year from now in which to complete all necessary stages of the conveyance. The end result would be in the best interests of both state government and Lansing citizens.

For:

A part of the parcel already conveyed will be used for athletic fields for the Lansing School District. Though

a final decision on the use of the remaining land has not been reached, it most likely would include market-rate housing and could possibly include some low-cost housing. Any portion of this land that was not used for public purposes would have to be bought by the city at fair market value. Extending the time limit to allow the city to select a developer and complete the negotiation process would benefit area residents and would relieve the state of the costs to maintain the property.

POSITIONS:

The Department of Management and Budget supports the bill. (3-20-00)

The City of Lansing supports the bill. (3-20-00)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.