

**SUBSTITUTE FOR
HOUSE BILL NO. 5207**

A bill to authorize the state administrative board to release, accept, and convey certain interests in property in Kalamazoo county; to prescribe certain conditions for the release, acceptance, and conveyance of those interests; to provide for certain powers and duties of the department of management and budget in implementing certain conveyances; to provide for disposition of certain revenue; and to repeal certain acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, for consideration of \$1.00, may release the right of

1 reverter and the right of reentry and terminate the restrictions on
2 use, including terminating any restriction that the property be
3 used for public purposes, contained in the July 22, 1989, quitclaim
4 deed to western Michigan university recorded in Liber 2083, page
5 1264, Kalamazoo county records, on real property located in
6 Kalamazoo county, Michigan, and more particularly described as:

7 A parcel of land in the NW 1/4 of section 16, T2S, R11W, City
8 of Kalamazoo, Kalamazoo County, Michigan, described as the N 1/2 of
9 Government lot #36, Plat #2 of the revised plat of section 16, T2S,
10 R11W, except the east 19 rods of the north 20 rods.

11 Also including all that part of the S 1/2 of said lot #36
12 lying east of Hilbert Street and north of North Street and west of
13 a line parallel with and 165 feet west of the east line of said lot
14 #36.

15 Also except commencing at the NW corner of said lot #36;
16 thence southerly 33 feet, on the west line of said lot #36 to the
17 point of beginning; thence southerly 196.77 feet, on the west line
18 of said lot #36; thence S 88°31'00" E 297.00 feet; thence southerly
19 440.00 feet, parallel with the west line of said lot #36 to the
20 north line of the Assessor's Plat of Newtons Addition to the City
21 of Kalamazoo, Kalamazoo County, Michigan; thence S 88°30'30" E
22 66.00 feet, on the north line of said plat; thence N 21°37'00" E
23 300.00 feet, to a point which is 473.50 feet east of the west line
24 of said lot #36; thence N 20°31'30" W 374.77 feet, to the south
25 line of Blakeslee Street; thence N 88°22'00" W 33.00 feet, on the
26 south line of Blakeslee Street; thence N 88°25'00" W 306.82 feet,
27 on the south line of Blakeslee Street to the point of beginning.

1 Sec. 2. The description of the parcel in section 1 is
2 approximate and for purposes of the release is subject to
3 adjustment as the state administration board or attorney general
4 considers necessary by survey or other legal description.

5 Sec. 3. The release and termination authorized by section 1
6 shall be recorded by instrument approved by the attorney general.

7 Sec. 4. The revenue received under section 1 shall be
8 deposited in the state treasury and credited to the general fund.

9 **CONVEYANCE OF NOBLE LODGE PROPERTY**

10 Sec. 5. The state administrative board, on behalf of the
11 state, may convey to western Michigan university, for consideration
12 of \$1.00, certain real property now under the jurisdiction of the
13 department of corrections and located in Kalamazoo county,
14 Michigan, and more particularly described as:

15 A parcel of land in the SW1/4 of Section 21, T2S,R11W, City of
16 Kalamazoo, Kalamazoo County, Michigan and more particularly
17 described as commencing at the S1/4 corner of said Section 21;
18 thence S89°48'12"W 1,564.12 feet, on the south line of said Section
19 21 to the centerline of Oakland Drive; thence N22°47'00"E 258.39
20 feet, on the centerline of Oakland Drive; thence N 79°05'07"W 33.72
21 feet, to the point of beginning of this description and westerly
22 right-of-way of Oakland Drive; thence N79°05'07"W 488.27 feet;
23 thence S00°17'51"W 270.00 feet, to the northerly right-of-way of
24 Howard Street; thence S78°11'48"E 32.94 feet, on said right-of-way;
25 thence 293.13 feet on the arc of a curve to the left whose central
26 angle is 12°00'00", radius of 1,399.40 feet and a long chord
27 bearing and distance of S84°29'48"E 292.60 feet, on said right-of-

1 way; thence N89°48'12"E 68.27 feet, on said right-of-way to the
2 westerly right-of-way of Oakland Avenue; thence N22°47'00"E 230.06
3 feet, on said right-of-way to the point of beginning, containing
4 2.55 acres, more or less. All bearings are relative and referenced
5 to previous surveys/descriptions of Kalamazoo Regional Psychiatric
6 Hospital properties.

7 Sec. 6. (1) The description of the parcel in section 5 is
8 approximate and for purposes of the conveyance is subject to
9 adjustment as the state administrative board or the attorney
10 general considers necessary by survey or other legal description.

11 (2) The property described in section 5 includes all surplus,
12 salvage, and scrap property or equipment.

13 Sec. 7. The conveyance authorized by section 5 shall provide
14 for all of the following:

15 (a) The property shall be used exclusively for public purposes
16 and upon termination of that use or use for any other purpose, the
17 state may reenter and repossess the property, terminating the
18 grantee's estate in the property.

19 (b) If the grantee disputes the state's exercise of its right
20 of reentry and fails to promptly deliver possession of the property
21 to the state, the attorney general, on behalf of the state, may
22 bring an action to quiet title to, and regain possession of, the
23 property.

24 (c) If the state reenters and repossesses the property, the
25 state shall not be liable to reimburse any party for any
26 improvements made on the property.

27 Sec. 8. (1) If the property described in section 5 is not sold

1 to western Michigan university within 6 months after the effective
2 date of this act, the director of the department of management and
3 budget shall take the necessary steps to prepare to convey the
4 property described in section 5 using any of the following at any
5 time:

6 (a) Competitive bidding designed to realize the best value to
7 the state, as determined by the department of management and
8 budget.

9 (b) A public auction designed to realize the best value to the
10 state, as determined by the department of management and budget.

11 (c) Use of real estate brokerage services designed to realize
12 the best value to the state, as determined by the department of
13 management and budget.

14 (d) A value for value conveyance negotiated by the department
15 of management and budget designed to realize the best value to the
16 state. In determining whether value for value consideration for the
17 property represents the best value, the department may consider the
18 fair market value or the total value based on any positive economic
19 impact to the state likely to be generated by the proposed use of
20 the property, especially economic impact resulting in the creation
21 of jobs or increased capital investment in the state.

22 (e) Offering the property for sale for fair market value to a
23 local unit or units of government.

24 (f) Offering the property for sale for less than fair market
25 value to a local unit or units of government subject to subsection
26 (2).

27 (2) Any conveyance to a local unit of government authorized by

1 subsection (1)(f) shall provide for all of the following:

2 (a) The property shall be used exclusively for public purposes
3 and if any fee, term, or condition for the use of the property is
4 imposed on members of the public, or if any of those fees, terms,
5 or conditions are waived for use of this property, all members of
6 the public shall be subject to the same fees, terms, conditions,
7 and waivers.

8 (b) In the event of an activity inconsistent with subdivision
9 (a), the state may reenter and repossess the property, terminating
10 the grantee's or successor's estate in the property.

11 (c) If the grantee or successor disputes the state's exercise
12 of its right of reentry and fails to promptly deliver possession of
13 the property to the state, the attorney general, on behalf of the
14 state, may bring an action to quiet title to, and regain possession
15 of, the property.

16 (d) If the state reenters and repossesses the property, the
17 state shall not be liable to reimburse any party for any
18 improvements made on the property.

19 (e) If the local unit of government intends to convey the
20 property within 3 years of the conveyance from the state, the local
21 unit shall provide notice to the department of management and
22 budget of its intent to offer the property for sale. The department
23 of management and budget shall retain a right to first purchase the
24 property at the original sale price within 90 days after the
25 notice. In the event that the state waives its first refusal right,
26 the local unit of government shall pay to the state 40% of the
27 difference between the sale price of the conveyance from the state

1 and the sale price of the local unit's subsequent sale or sales to
2 a third party.

3 Sec. 9. (1) The conveyance authorized by section 5 shall be by
4 quitclaim deed approved by the attorney general. The state shall
5 not reserve oil, gas, or mineral rights to the property conveyed
6 under section 5. However, the conveyance authorized under section 5
7 shall provide that if the purchaser or any grantee develops any
8 oil, gas, or minerals found on, within, or under the conveyed
9 property, the purchaser or any grantee shall pay the state 1/2 of
10 the gross revenue generated from the development of the oil, gas,
11 or minerals. This payment shall be deposited in the general fund.

12 (2) The state reserves all aboriginal antiquities including
13 mounds, earthworks, forts, burial and village sites, mines, or
14 other relics lying on, within, or under the property with power to
15 the state and all others acting under its authority to enter the
16 property for any purpose related to exploring, excavating, and
17 taking away the aboriginal antiquities.

18 Sec. 10. The net revenue received from the sale of property
19 under section 5 shall be deposited in the state treasury and
20 credited to the general fund. As used in this section, "net
21 revenue" means the proceeds from the sale of the property less
22 reimbursement for any costs to the state associated with the sale
23 of property, including, but not limited to, costs of reports and
24 studies and other materials necessary to the preparation of sale,
25 environmental remediation, legal fees, and any litigation related
26 to the conveyance of the property.

27 **COLONY FARM PROPERTY**

1 Sec. 11. The state administrative board, on behalf of the
2 state, subject to and contingent upon the conveyance of the
3 property to western Michigan university as provided in section 13,
4 may accept from western Michigan university, for consideration of
5 \$1.00, certain real property that was originally conveyed to
6 western Michigan university in the June 25, 1978 quitclaim deed to
7 western Michigan university recorded in Liber 1059 page 1057,
8 Kalamazoo county records, and is located in Kalamazoo county,
9 Michigan, and more particularly described as:

10 (a) All that part of the southeast 1/4 of section 25 lying
11 easterly of the east right of way line of highway U.S. 131
12 relocated which is described as: commencing at the east 1/4 corner
13 of section 25; thence north 00° 16' 40" east, 915.61 feet; thence
14 south 74° 09' 21" west, 600.56 feet; thence south 15° 50' 39" east,
15 78.00 feet to a point of beginning; thence south 38° 24' 10" west,
16 194.65 feet; thence south 15° 25' 14" west, 313.38 feet; thence
17 south 74° 34' 46" east, 25.00 feet; thence south 15° 25' 14" west,
18 500.00 feet; thence north 74° 34' 46" west, 25.00 feet; thence
19 south 15° 25' 14" west, 329.65 feet; thence south 01° 46' 06" west,
20 425.63 feet; thence south 07° 39' 46" east, 624.84 feet; thence
21 south 10° 54' 46" east, 418.39 feet to the point of curvature of a
22 curve to the left (radius 2761.79 feet) and being concentric to and
23 103.00 feet easterly of the center line of the northbound roadway
24 of highway U.S. 131 relocated; thence southeasterly along the arc
25 of said curve 670 feet, more or less, to the center line of
26 Parkview avenue and a point of ending; excepting therefrom the
27 south 75 feet of the southeast 1/4 of section 25 lying easterly of

1 the east right of way line of said highway U.S. 131 relocated.

2 (b) Also all of that part of the northeast 1/4 of section 25,
3 T2S, R12W, described in this subdivision which lies easterly of the
4 east right of way line of highway U.S. 131 relocated as described
5 in subdivision (a): beginning at the east 1/4 corner of section 25;
6 thence north along the east line of section 25, 62.0 feet; thence
7 south 89° 17' 15" west, 987.5 feet parallel to the east-west 1/4
8 line of section 25; thence south parallel to the east line of
9 section 25, 62.0 feet; thence north 89° 17' 15" east, 987.5 feet
10 along the east-west 1/4 line of section 25 to the point of
11 beginning.

12 Sec. 12. The description of the parcel in section 11 is
13 approximate and for purposes of the conveyances is subject to
14 adjustment as the state administrative board or attorney general
15 considers necessary by survey or other legal description.

16 Sec. 13. The state administrative board, on behalf of the
17 state, after receiving the conveyance authorized in section 11, may
18 reconvey to western Michigan university, for consideration of
19 \$1.00, the real property described in section 11.

20 Sec. 15. The reconveyance of property under section 13 shall
21 provide that the state reserves all aboriginal antiquities
22 including mounds, earthworks, forts, burial and village sites,
23 mines, and other relics, on, within, or under the property, with
24 power to the state, and all others acting under its authority, to
25 enter the property for any purpose related to exploring,
26 excavating, and taking away aboriginal antiquities.

27 Sec. 16. The reconveyance authorized by section 13 shall be by

1 quitclaim deed or other instrument approved by the attorney
2 general.

3 Sec. 17. The following acts and parts of acts are repealed:

4 (a) Sections 2 and 3 of 1977 PA 158.

5 (b) Section 1830 of 1996 PA 480.

6 (c) Section 1 of 1996 PA 157.