

OFFICIAL PROCEEDINGS
KEWEENAW COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
May 5, 2021

A special meeting of the Keweenaw County Board of Commissioners was held on May 5, 2021 beginning at 6:30 p.m. The meeting was held in person and via Zoom due to the COVID 19 pandemic. The special meeting was held to review the proposed changes to the agreements for the sale of county-owned property to Keweenaw Resort that the bike trails traverse near the Keweenaw Mountain Lodge.

The meeting was posted on the door of the Courthouse and on the County website.

Commissioners present: Bob DeMarois, Randy Eckloff, Jim Vivian and Don Piche in person, Del Rajala/Mohawk.

Motion by DeMarois supported by Eckloff and unanimously carried to accept the agenda as submitted.

Molly Ombrello, attorney for Keweenaw Resort/John Mueller, appeared on behalf of her client. Earlier this year, the Board approved a purchase agreement along with trail and conservation easements for the county owned property where several bike trails are on. Keweenaw Resort was willing to purchase the property which would negate the concern coming from the county about liability on the trails. The appraisal was completed and came back at \$285,000. County attorney Miller applied to the DNR to see if they would remove the public purpose restriction and the reverter on the 320 acres of the total 380 acres that Keweenaw Resort would purchase. The DNR reached out and said that there were a couple of issues and since then, even more issues have come to light.

Mr. Mueller would like the trails to open soon and so, there is an alternate proposal to consider. The alternate proposal would have the following changes: Keweenaw Resort would purchase the property subject to the public purpose restriction and reverter, record the trails easement and because of the public purpose restriction staying in effect, the conservation easement is no longer required. The one thing Mr. Mueller did request was to have the County support rezoning the east building envelope from Conservation Environmental Protection to Resort Services 2. Mr. Mueller is willing to pay \$279,500 with the public purpose restriction and reverter remaining on the property. The DNR may take a stance that a transfer of ownership of this property would violate the public purpose restriction and then the DNR may take ownership of the property by exercising the reverter. For that reason, Mr. Mueller has proposed that \$200,000 be held by the county for two years, just in case the DNR does come back and say that the property is reverting to the State. If that occurs, the county will refund Keweenaw Resort the \$200,000 that would be held in escrow. The alternate proposal would be quicker, but Mr. Mueller would prefer the original deal. Board members questioned the \$ proposal and the two-year time frame for the DNR to come back. Either way, the county would no longer have to be concerned about the liability on the trails. Ms. Ombrello will talk to her client to see if there is wiggle room in the \$ amount to be held and the time frame. Both sides will continue to talk and will hold another meeting next week to nail down the details.

Motion by DeMarois supported by Eckloff and unanimously carried to hold a special meeting on Wednesday, May 12, 2021 at 6:30 p.m. to further discuss the proposals.

Time was allowed for public comment.

There being no further business, motion by Eckloff to adjourn at 7:12 p.m. Meeting adjourned.

Donald Piche, Chairman

Julie Carlson, Clerk