

A special meeting of the City Commission was held in the Commission Room of the City-County building, 325 Court Street, Sault Ste. Marie, Michigan on Tuesday, June 1, 2010 at 12:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn, Munsell and Stefanski

Absent: None

Also Present: City Manager Nebel, City Clerk Robin R. Troyer, and Jim Hendricks

Mayor Bosbous called for a moment of silence in honor of City Engineer, David Strickland and his daughter Lisa Aikens.

**Approval of Release of First Offer Regarding Key Plastic Sale to AMI Industries, Inc.:**

The Use Covenants for the Sault Ste. Marie Industrial Park include a section that provides for a recapture of land in certain instances through a "right of first offer." The relevant language is below.

"10. In the event any purchaser of said land elects to sell any portion thereof not being used in connection with the business or industry of the then owner or which such purchaser desires to sell separate and distinct from any sale of any business or industry then being conducted within said site by such purchaser, the same shall first be offered in writing for sale to the City at the price per acre paid for such land by the purchaser, plus cost of improvements made thereon after such purchase....."

While the purpose of this provision was to prevent a manufacturer who acquired property from the City at a subsidized price from later profiting from the sale of excess land that was not used as part of the operation, the section has apparently been interpreted by the Title company to encompass the current pending sale of the Key Plastics property.

That "right of first offer" provision is impeding the closing of the sale to AMI Industries, Inc., and action by the City Commission is required to remove that impediment. AMI is planning on closing on June 3, and is hopeful of taking possession and moving in immediately.

The attached "Release of First Offer" will allow the City to formally waive the claim of first right offer, and that will clear the title condition.

This provision was not intended to be interpreted in this manner. It has always been in the interest of the City to have a private manufacture occupy this property (or

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any industrial building in the Industrial Park), providing jobs and tax base. There is no reason to not approve the requested Release. Approval of the attached "Release of First Offer" is recommended.

Moved by Commissioner Lynn, supported by Commissioner Munsell

**WHEREAS**, Key Plastics, LLC desires to sell certain property in the Sault Industrial Park to AMI Industries, Inc. for manufacturing purposes as described in exhibit A; and

**WHEREAS**, said property is subject to certain Use Covenants dated April 7, 1975; and

**WHEREAS**, Section 10 of the Use Covenants of the Sault Ste. Marie Industrial Park provides that, in the event any purchaser of said land elects to sell any portion thereof not being used in connection with the business or industry of the then owner or which such purchaser desires to sell separate and distinct from any sale of any business or industry then being conducted within said site by such purchaser, the same shall first be offered in writing for sale to the City at the price per acre paid for such land by the purchaser, plus cost of improvements made thereon after such purchase; and

**WHEREAS**, said Use Covenants provide that the City shall have 90 days to accept or reject the right of first offer; and

**WHEREAS**, the City is not interested in exercising such right of first offer;

**NOW, THEREFOR BE IT RESOLVED**, that the City of Sault Ste. Marie, at a Special meeting held on June 1, 2010, formally resolves that it is not interested in exercising its right of first offer, and that the City hereby waives said right of first offer for the property.

Carried: Yeas: Mayor Bosbous, Commission Bauer, Burton, Gerrie, Lynn, Munsell, and Stefanski  
Nays: None

Moved by Commissioner Munsell, supported by Commissioner Lynn

That the City Commission add the discussion of an acting City Engineer position to the agenda.

Carried: Yeas: Commissioner Bauer, Burton, Gerrie, Lynn, Munsell, Stefanski, and Mayor Bosbous  
Nays: None

**Update on the death of City Engineer, David Strickland and discussion on temporary appointment of an acting City Engineer:**

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City Manager Nebel updated the City Commission on the recent death of City Engineer, David Strickland and his daughter Lisa Aikens. Discussion ensued the status of the Engineering Department and the multiple projects that will require serious attention. City Manager Nebel recommended that the Commission consider bringing in a qualified Engineer on a temporary basis to help transition the Engineering Department through this difficult time. City Manager Nebel intends on having a recommendation for the City Commissions review and consideration at the June 7<sup>th</sup>, City Commission meeting.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the meeting adjourn at 12:20 p.m.

Motion carried unanimously.

**ANTHONY G. BOSBOUS, MAYOR      ROBIN R. TROYER, CITY CLERK**

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