

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Jeremy Howard, City Manager
DATE: December 12, 2024
RE: Approve Purchase and Sales Agreement – Clare Industrial Park #3

For the Agenda of December 16, 2024

Background. The Clare Industrial Development Corporation has negotiated and voted to execute a purchase and sale agreement with a developer (Scannell Properties) who are interested in potentially purchasing and developing 15.5 acres of land in the newly created Industrial Park #3 at the south end of Clare. This agreement will allow the developer to work with the IDC to complete the developer's due diligence for the project and then if everything lines up, they will purchase the land and begin the development process with the City, including Planning Commission site plan approval. The City Commission is asked to authorize the Mayor and/or the City Manager to sign the Purchase and Sales Agreement with Scannell Properties authorizing both the agreement and the eventual potential sale of the land at the agreed upon purchase price.

Issues&QuestionsSpecified. Should the city commission approve the PSA with Scannell Properties?

Alternatives.

1. Approve the PSA with Scannell Properties.
2. Deny the PSA with Scannell Properties.
3. Set aside the decision regarding this matter to a later date.

FinancialImpact. The purchase price is \$25,000 per acre for a total of \$387,500. Under the terms of the contract between the City of Clare and the Clare IDC, the proceeds of the sale will be relinquished to the IDC. The IDC uses these funds for future industrial development within the City and will likely use some or all the funds to begin to extinguish the 0% interest loan that Steve Letherer graciously gave the city to purchase the IP#3 property. If the development occurs, it would likely result in substantial job creation and a significant increase to the City's tax base.

Recommendation. I recommend the city commission approve the Purchase and Sale Agreement with Scannell Properties and authorize the Mayor and/or City Manager to sign any and all documents necessary to complete the transaction by adoption of Resolution 2024-102 (*copy att'd*).

Attachments.

1. Resolution 2024-102.

RESOLUTION 2024-102

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE PURCHASE AND SALE AGREEMENT WITH SCANNELL PROPERTIES IN THE CITY'S INDUSTRIAL PARK #3.

WHEREAS, The Clare Industrial Development Corporation, on behalf of the City of Clare, has negotiated the Purchase and Sale Agreement with Scannell Properties for 15.5 acres of industrial property; and

WHEREAS, the City Commission deems the PSA and sale of said property to be in the absolute best interests of the City of Clare and its residents.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the Purchase and Sale Agreement with Scannell Properties for 15.5 acres of industrial property in the City's newest Industrial Park, IP3, for \$25,000 per acre for a total of \$387,500 and authorizes the Mayor and/or City Manager to sign any and all necessary documents to complete the PSA.

BE IT FURTHER RESOLVED THAT the City Treasurer shall transfer all proceeds of said sale if/when it occurs, minus those reasonable administrative costs associated with the sale of said property, to the Clare Industrial Development Corporation in accordance with the terms of the contractual agreement between the City of Clare and said organization, said agreement designating the Clare IDC as the City's primary agent for industrial development within the City, to include the purchase and sale of property on behalf of or owned by the City for industrial purposes.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

**The Resolution was introduced by Commissioner _____ and supported by Commissioner _____.
The Resolution declared adopted by the following roll call vote:**

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 16th day of December, 2024.

Diane Lyon, City Clerk