# Adjacent Property Acquisition from the Keweenaw County

written by John Mueller | April 7, 2021

Current Status:

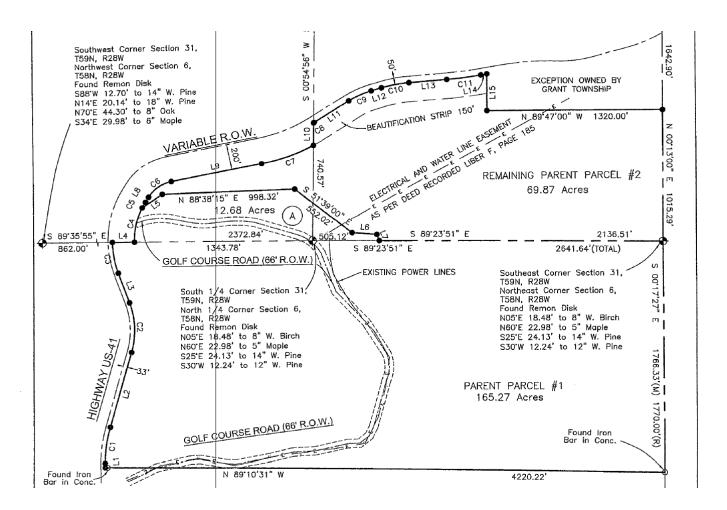
Acquisition completed on March 23, 2022.

**Purpose:** This page is setup to be a source of information for the proposed purchase of the ~383 acres that is adjacent to the Keweenaw Mountain Lodge and is currently owned by Keweenaw County. The property has ~11 miles of trails, which we want to ensure continue to be accessible and enjoyed by the public.

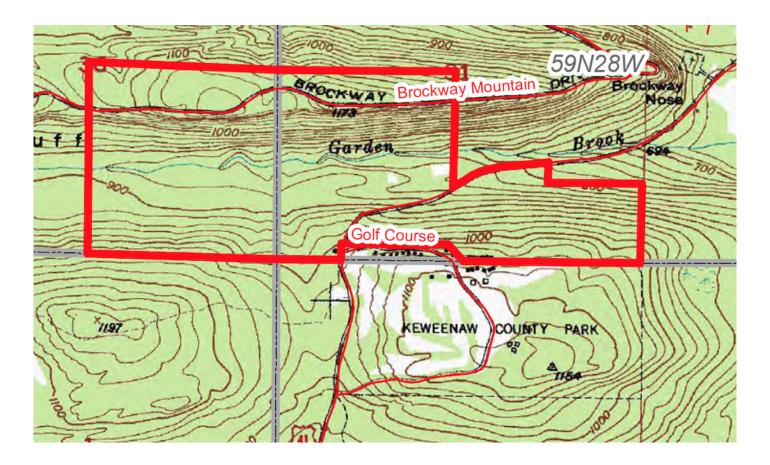
# Background

In 2017, <u>Keweenaw County</u> carved out 177 acres of property they owned, which included the <u>lodge building</u>, the <u>cabins</u>, the hotel (<u>currently employee housing</u>), maintenance structures, and the <u>golf course</u> that is now considered the <u>Keweenaw Mountain Lodge</u>. This 177 acres was sold to <u>Keweenaw Resort</u>, <u>LLC</u> in 2018, and is the current Keweenaw Mountain Lodge property.

The original property, in 1934, included 167 acres, with an additional 10-12 acres added. The additional 10-12 acres is where the 11 forest-side cabins are located on (see property map). This makes up the ~177 acres that the Keweenaw Mountain Lodge currently operates on, and is laid out in the survey below (see the survey below, which was done in 2017).



After the carve out in 2017, and the sell in 2018, this left approximately 380 acres that Keweenaw County owned adjacent to the Keweenaw Mountain Lodge. This land is north and northwest of the current lodge property, as illustrated in the map (the red line is ~380 acres adjacent to the KML property; Keweenaw County Park is the land that is currently the Kewenaw Mountain Lodge).



Since purchasing the Keweenaw Mountain Lodge in 2018, the Lodge leadership has been working to operate year-round. In March 2020, it was announced that the Lodge would have winter operations, and be a year-round operation.

During the summer of 2020, as Keweenaw Mountain Lodge leadership explored the winter outdoor activities for year-round operations, research was done on the snow terrain park that was operated by the county at the Lodge during the winters of 2008-2009 and 2009-2010. In mapping out the existing snow terrain park, it showed that part of the snow terrain park was on the property that was sold in 2018 and part of it was on county property.

So in August 2020, the Lodge approached Keweenaw County to revitalize the snow terrain park in the same area where it operated during the winters of 2008-2009 and 2009-2010. With the original snow terrain park partly on Lodge property and partly

on county property, the Lodge requested to have an easement put in place in order to operate the snow terrain park starting in the 2020-2021 winter. This proposal is provided below:

• KML Snow Terrain Park — Conceptual Plan (initial proposal that was presented at the Keweenaw County Board of Commissioner's meeting on August 19, 2020)

#### PROPOSED FUTURE

It is proposed to revitalize the terrain park to create an additional outdoor winter activity in the Keweenaw [ name of terrain park yet to be determined ]. The same location of the original terrain park will be used. The length of the terrain park would be 350-400 feet.

With the sale of the Lodge by the county in 2018, part of the original terrain park is on Lodge property, and part of the terran park is on property that the county did not sell with the Lodge transaction. Thus, the proposed terrain park would be on both private and public property.

#### LOCATION

 The terrain park is located behind cabins 23 and 24 of the Keweenaw Mountain Lodge (14252 US Hwy 41, Copper Harbor, MI 44918), starting on Lodge property and extending onto county property.



The map below indicates the outline of the terrain park and the location of the trees that have lights on them. The acreage of the terrain park is approximately 0.55 acres. A line on the map roughly indicates the property line separation between property owned by Keweenaw County and property owned by Keweenaw Resort, LLC.



The county commissioners examined the proposal during multiple meetings in August and September. After review and discussion, it was decided that the county would like to sell the property, as they did not want to have the liability of the snow terrain park along with the liability that goes along with the mountain biking trails on the entire property the county owned adjacent

to the Lodge. The Lodge was a willing buyer for the adjacent property (~380 acres).

The Lodge's vision is to provide and foster outdoor activities in the wilderness. This is for its guests, as well as the general public (see the <u>outdoor activities</u> that the Lodge provides to get an understanding of this philosophy). Ensuring that the trails and the wilderness near the Lodge are fostered to be the best in the nation is the main intention for this purchase. This entails having a balance between structural and infrastructure development, wilderness trail development, and nature.

So with that, upon the county's request, the Lodge has spent a considerable amount of time negotiating with the <u>Copper Harbor Trails Club</u> and <u>KORC</u> to draft terms for trail and conservation easements that will be on ~310 acres of the property, with the remaining acreage (~70 acres) being in a development envelope. There are 10-11 miles of trails on the 380 acre property. The development envelope is setup to allow for intelligent development that is in harmony with the Keweenaw wilderness (Lodge leadership uses <u>Grant Grove Village</u> in <u>Sequoia / Kings Canyon National Parks</u> as an example).

Below is a Copper Harbor Trails Club Map, with the outline of the property hand drawn (by Bob Wild, Fort Wilkins, DNR). This provides you an idea of the trails that are on the property.



A purchase agreement between Keweenaw County and Keweenaw Resort, LLC (the owner of the Keweenaw Mountain Lodge) was signed on March 1, 2021, with a closing to take place within 90 days. This agreement didn't get executed.

Since then several things have occurred, with the offer pulled off the table in late June / early July. The purchase agreement has been revitalized and has been agreed upon by Keweenaw County again as of December 6th, with the DNR to review and agree.

In Summary: The purchase of the adjacent land to the Lodge, with the trails and conservation easements, ensure that the trails will stay in tact and the property to retain its wilderness feel with intelligent and harmonious development.

# Easements Put in Place of the 1946 Deed Restriction

To understand why the two easements are important to put in place for this purchase, one must understand the request to remove a 1946 deed restriction (reverter) on the adjacent property (per the Michigan Department of Natural Resources). The deed restriction from 1946 said that the property should be accessible by the general public, or it would revert to the state of Michigan. It was simply worded, with not much explanation. So this caused concern for both the Lodge and the county. There was case law that suggested the transaction could possibly trigger the deed restriction and revert the property to the State of Michigan. The Lodge's intentions is to provide and foster outdoor activities in the wilderness, not just for its quests but for the public; however, it is not in the best interest for any organization to have funds not be fully utilized — and purchasing property that then is reverted to neither the seller or buyer without any payback would not be in the best interest of either the county nor the Lodge. So, if the Lodge purchased the property with the 1946 deed restriction reverter on it, those funds would not be utilized in a good It was thus decided between the county and the Lodge to see if the deed restriction (1946 reverter) could be changed to trail and conservation easements.

D. 1=/30/46 R. 1/14/47

DEED STATE OF MICHIGAN

to

Keweenaw County Park Trustees

Kecalved for accord out

REGISTER OF DEEDS

Deed under Act 223, P.A. 1909, as amended by Act 33, P.A. 1935, and Act 154, P.A. 1941.

THIS INDENTURE, Made this 30th day of December, in the year of our Lord, 1946 BY AND BETWEEN, The DEPARTMENT OF CONSERVATION for the STATE OF MICHIGAN, the successor in office and trust to the Public Domain Commission of the State of Michigan, under and by virtue of the authority in said department vested by Act No. 17, of the Public Acts of 1921, party of the first part, and KEWEENAW COUNTY PARK TRUSTEES, Ahmeek, Michigan parties of the second part.

WITNESSETH. That

WHERBAS, Keweenaw County Park Trustees the said parties of the second part have purchased of the State of Michigan the tract or parcel of tax reverted lands situate and being in the County of Keweenaw, State of Michigan, and described as follows, to-wit:

Township 59 North, Range 28 West Section Thirty-one (31) Southwest quarter (SW1), subject to easement for highway right of way to Board of County Road Commissioners of Keweenaw County, also subject to easement for highway right of way described as a strip of land 400 feet wide lying 200 feet each side of and adjacent to the center line of Highway US 41 as now established, over the So of SWa.

Township 59 North, Range 29 West Section Thirty-six (36) Southeast quarter (SE4), subject to easement for highway right of way to Board of County Road Commissioners of Keweenaw County. Containing Three Hundred Three and Eighty Hundredths (303.80) Acres, according to the returns of the Surveyor General.

AND WHEREAS, it is expressly understood that the land herein described shall be used solely for Public purposes, and, when same ceases to be used for such purposes, it shall revert to the State of Michigan.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, That the said DEPARTMENT OF CONSERVATION for the State of Michigan, party of the first part as aforesaid, acting for and in behalf of the State under and by virtue of the authority vested in it by said Act 223, P.A. 1909, as amended by Act 33, P.A. 1935, and Act 154, P.A. 1941, in consideration of the premises and of the sum of One (\$1.00) dollar paid by said party of the second part to said first party. the receipt whereof is hereby acknowledged, does by these presents, grant, convey, release, and quit claim unto the said KEWEENAW COUNTY PARK TRUSTEES parties of the second part, and to their successors, and assigns, for the purposes stipulated herein, all the right, title and interest acquired by the State in and to all of said above described premises, SAVING AND EXCEPTING OUT OF THIS CONVEYANCE and always reserving unto the said State of Michigan, all mineral, coal, oil and gas, lying and being on, within or under the said lands hereby conveyed, with full and free liberty and power to the said State of Michigan, its duly authorized officers, representatives and assigns, and its or their lessees, agents, or workmen, and all other persons by its or their authority or permission, whether already given or hereafter to be given, at any time and from time to time, to enter upon said lands and take all usual, necessary, or convenient means for emploring, mining, working, piping, getting, laying up, storing, dressing, making merchantable, and taking away the said mineral, coal, oil and gas; and also saving and reserving unto the People of the State of Michigan the rights of ingress and egress over and across all of the above mentioned descriptions of land lying along any watercourse or stream, pursuant to the provisions of Section 12, of Act 280, Public Acts of 1909, as amended. Further, excepting and reserving to the State of Michigan all aboriginal antiquities including mounds, earth-works, forts, burial and village sites, mines or other relics and also reserving the right to explore and excavate for the same, by and through its duly authorized agents and employees, pursuant to the provisions of Act 173, Public Acts of 1929.

IN WITNESS WHEREOF, the said party of the first part, by the Director thereof, has hereunto subscribed its name and affixed the seal of said Department of Conservation the day and year first herein above written.

DEPARTMENT OF CONSERVATION FOR THE STATE OF MICHIGAN

Signed, Sealed and Delivered in Presence of:

Rhee Arndt RHEA ARNDT DEPARTMENT

SEAL

Bv:

P.J. Hoffmaster

P.J. HOFFMASTER

Director

fps

Greta Field GRETA FIELD

STATE OF MICHIGAN)

County of Ingham )

On this Thirtieth day of December, A.D. 1946, before me a Notary Public in and for said county personally appeared P.J. Hoffmaster, Director of the Department of Conservation for the State of Michigan, to me known to be the same person who executed the within instrument, end who acknowledged the same to be his free act and deed and the free act and deed of the Department of Conservation for the State of Michigan in whose behalf he acts.

My commission expires June 1, 1947

M. Irene Gorsline

M. IRENE GORSLINE

Notary Public, Ingham County, Michigan

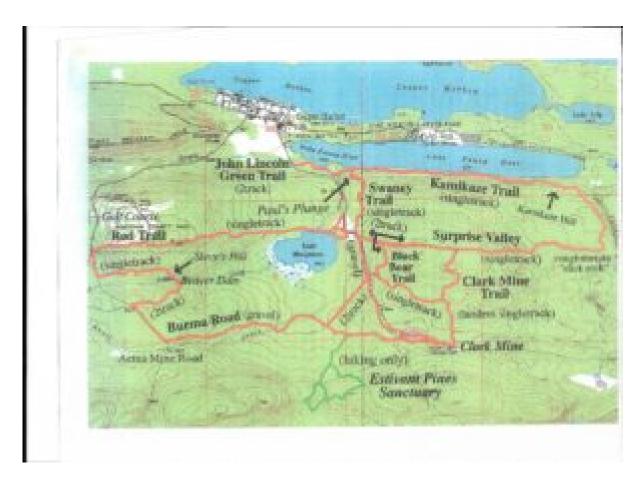
Recorded in Liber 117 of Deeds, Page 355

Upon negotiations, it was decided to have a trails easement and a conservation easement consisting of 310 acres, while having a 70-acre development envelope (which allows for the opportunity of a snow terrain park).

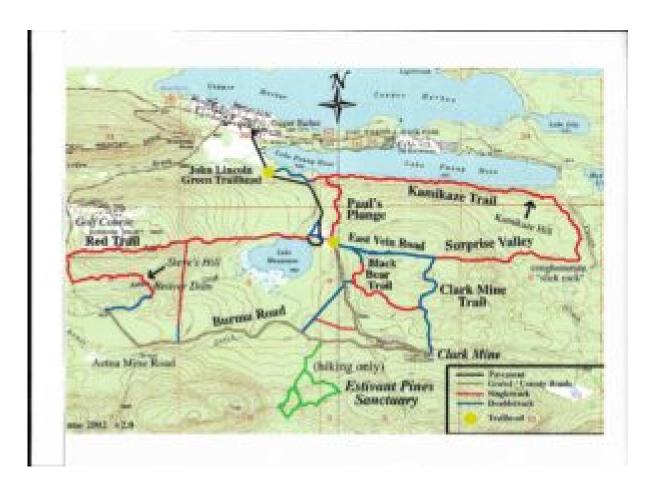
# **Additional Resources**

To provide reference of the evolution of the Copper Harbor Trails System, here are several maps since 2000.

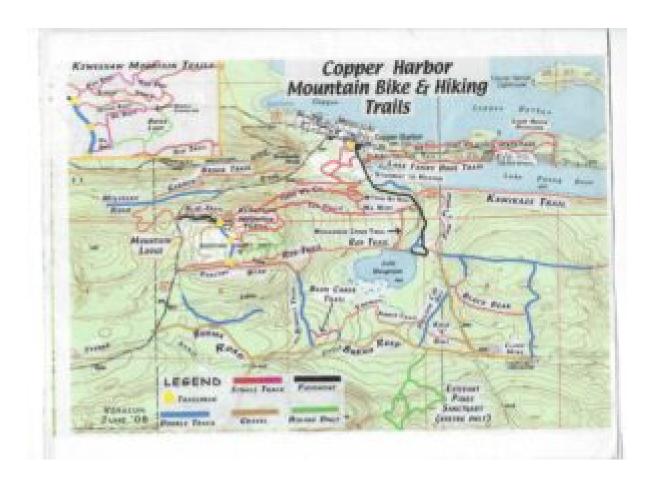
Copper Harbor Trail System Map, circa 2000



Copper Harbor Trail System Map, circa 2002



Copper Harbor Trails System Map, circa 2008



# History of Main Activities Associated with Proposed Purchase

# March 23, 2022

 Acquisition completed. The closing date of the property transaction occurred on March 23rd. All final paperwork was signed and funds transferred. [ <u>Executed Purchase</u> <u>Agreement with Exhibits</u> | <u>Final Trails Easement</u> | <u>Final</u> <u>Conservation Easement</u>]

# March 9, 2022

• All paper- and title-work has been finalized for the property transaction.

#### February 16, 2022

• At the monthly meeting, Keweenaw County Board of Commissioners confirmed the DNR's approval and approved the final agreement documents for the property sale. Approved giving authority to county attorney Chuck Miller for closing the trails property.

# February 10, 2022

■ The transaction has been approved by DNR Director during his February 10th meeting.

#### January 18, 2022

• Official letter for Land Transaction Case #20210051, from the LERC committee (signed).

#### December 29, 2021

• The transaction information has been posted on the <u>DNR's</u> web site, as well it will be posted in the Daily Mining Gazette and the L'Anse Sentinel on January 5th. [ <u>DNR Public Notice</u>]

# December 16, 2021

■ The <u>DNR's</u> Land Exchange Review Committee (LERC) reviewed the proposed purchased and approved. As part of the DNR approval process, they now pass the proposed transaction to the DNR Director. He will make the final decision during the February 10, 2022 Natural Resource Commission meeting. [ Versions of the documents: <u>purchase agreement</u> (2021-12-10) | <u>trails easement</u> (2021-12-06) | <u>conservation easement</u> (2021-12-10) ]

## December 6, 2021

• Keweenaw County Board of Commissioners <u>public meeting</u> about the latest proposed purchase agreement (with the trails easement and the conservation easement). The board voted and approved the 2021-12-06 purchase agreement, with the two easements [ 2021-12-06 versions of the documents: <u>purchase agreement</u> | <u>trails easement</u> | <u>conservation</u> easement ]

#### November 19, 2021

• We have talked with both the DNR and Keweenaw County representatives, and both have agreed in principal to revitalize this purchase agreement — with the purpose of getting the trails open for 2022.

#### July 16, 2021

• Cancelled the transaction / offer before receiving an official response from the county and DNR on the latest proposed purchase agreement. As of this date, we pulled our offer to acquire the property in its form as of the end of June / beginning of July.

# End of June / Beginning of July 2021

Proposed going back to the original negotiated purchase agreement with the trails easement, conservation easement, and the development envelope, with an increased price

#### June 2021

 Discussions with the DNR about what their position on the property

# May 26, 2021

• Closing date for the purchase of the property. Meeting at the title company. CANCELLED meeting and closing, due to

the response from the DNR. Discussions continue with the DNR based upon their response.

#### May 12, 2021

• Keweenaw County, special meeting [ agenda | meeting minutes ]

#### May 5, 2021

• Keweenaw County, special meeting [ agenda | meeting minutes ]

#### Late April 2021

 Proposed a new purchase agreement arrangement, with just a trails easement and keeping the reverter in place

#### April 21, 2021

Keweenaw County Board of Commissioner meeting [ <a href="meeting minutes">meeting minutes</a>], Trails Club discussing insurance and making sure the trails open in May for the 2021 season

#### March 17, 2021

• Keweenaw County Board of Commissioner meeting [ agenda | meeting minutes ], adopted the resolution of the release of the reverter

# March 1, 2021

• Keweenaw County, special meeting [ agenda | meeting minutes ]

# January 11, 2021

• Keweenaw County, special meeting [ meeting minutes ]

# December 30, 2020

 Keweenaw County Board of Commissioner special meeting to discuss purchase agreement

#### December 22, 2020

 Keweenaw County, meeting to discuss preliminary purchase agreement

#### December 16, 2020

Keweenaw County Board of Commissioner regular meeting [
 meeting minutes ], voted to hold a special meeting to
 discuss and vote on (to be held on December 30th)

## December 4, 2020

• Keweenaw County Board of Commissioner special meeting

#### Late November - Early December 2020

Started negotiations with suggested easement holders:
 Copper Harbor Trails Club and Keweenaw Outdoor Recreation
 Coalition (KORC)

# November 18, 2020

• Keweenaw County Board of Commissioner meeting [ agenda | meeting minutes ], discussions to purchase the property and replace the reverter with a trails easement and conservation easement — to be negotiated with the Copper Harbor Trails Club and Keweenaw Outdoor Recreation Coalition (KORC)

# September 16, 2020

 Keweenaw County Board of Commissioner regular meeting, further discussions about the <u>snow terrain park conceptual</u> <u>plan / proposal</u>, with the option discussed for purchasing the property

# August 19, 2020

 Keweenaw County Board of Commissioner regular meeting, presented the <u>snow terrain park conceptual plan / proposal</u> (proposed an easement) [ <u>meeting minutes</u> ]