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Chelsea Milling buys Bookcrafters building

Building to get new use after nine years of city ownership

By Krista Gjestland
Special Writer

The Chelsea City Council accepted a purchase offer from Chelsea Milling Company for the city-owned Buchanan building Tuesday night.

City Manager John Hanifan said Chelsea Milling offered \$175,000 for the property. The building was appraised in March for

\$385,000 and was advertised for sale this past month, he said.

Using 20-year bonds, the city purchased the 4.1-acre property at 140 Buchanan St., which formerly housed Bookcrafters, for \$995,500 in 2002.

It has been in the municipality's hands ever since.

"Specific to this building, there hasn't been a whole lot of action," Hanifan said.

"There's been a whole lot of inaction."

Hanifan suggested that it's in the board's best interest to go forward with the sale.

"We were fortunate to receive any offer. It's my recommendation to all of you to move forward with accepting this conditional purchase offer," Hanifan said.

Several council members, including Kent Martinez-Kratz, was concerned about the price.

"My concern is that perhaps we're selling

this property too low," Martinez-Kratz said.

Because of the building's inactivity, Hanifan said the sale would provide more revenue for the city.

"The minute that property is out of our hands," he said. "Any negotiated price we get to, we're gonna recoup that with a year of taxes. Conservatively, anywhere from \$15,000 to \$30,000 annually just on the taxes for that size of parcel."

Chelsea Milling's CEO, Howdy Holmes, said the company's use for the

building has yet to be determined.

"The building is not in good shape," he said. "So, we are undecided. We may use just a portion of the building. The warehouse is in pretty good shape, but the offices are not."

The property's location was the major factor in Chelsea Milling's decision to pursue the purchase.

"That land is close to land we already own," Holmes said. "It's just a prudent business decision."

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BUILDING

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Chelsea Milling had their own appraisal of the property done before making an offer, which came to \$156,000.

Holmes said the state of the market effected the differences in appraisals, though the difference was shocking to him.

"I was quite surprised at the difference in appraisals," he said. "But our offer included 10 percent above our appraisal. We're trying to help ourselves, but we're also trying to help the city."

Next, the city will have a lawyer review the sale. The approval of the sale is contingent on a lawyer review.

In other Council news:

The board passed the first reading an ordinance amendment that would

allow RV retailers to apply for special land use permits in the C3 zone, closest to I-94.

The amendment came about after Llyod Bridges Traveland attempted to purchase the former Palmer Ford lot on Old Manchester Road as a storage lot for its RVs.

Because of the ordinance's language, the Planning Commission denied owner Jerry Bridges' request to use the Palmer lot as a storage space if he were to purchase it.

Bridges was on hand Tuesday night to explain why he wants to purchase the lot.

"Unlike a lot of businesses in the last few years, Lloyd Bridges Traveland has had to completely change the way we do business," he said. "We had to start buying RVs in bulk."

Because they are now buying RVs in bulk,

Bridges explained, they now need someplace to store their inventory that is close to their location.

Bridges has already been using the lot for the past 18 months, with no complaints from the community, he said.

"It's a good fit, us being here," he said. "The lot has always been a vehicle lot. It's very ideal for our situation."

If he wasn't able to purchase the lot and had to buy another lot, it wouldn't be cost-effective, Bridges said. He said he would have to consider relocating the business elsewhere.

Biff Weber was also on hand, representing the Palmer family.

Weber said the business' impact is important to the community and loosing it would be detrimental.

"Chelsea has got to have a successful business," he said. "It is imperative to have a positive impact so

that other businesses that want to locate to Chelsea will look and say, 'Hey I've got a guy who's doing great things for the city.'"

Councilmember Cheri Albertson was concerned about overriding the Planning Commission's decision.

"Their decision was based 100 percent on findings, and there was not one personal opinion voiced at all," she said.

In the end, the board decided that with the current state of the economy, supporting local businesses is of high importance.

"I think we ought to clear as many paths to development as possible," Councilmember Ann Feeney said.

The council also appointed Populist Cleaning Co. as the cleaning company for the city offices and new police building.

The council will meet again at 7 p.m. Dec. 13.