



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
Tuesday, January 4, 2011 7:00 P.M.

MEETING CALLED TO ORDER AT 7:00 P.M.

Members present: D. Dunville, R. Hardin, W. Kladder, P. Scott, E. Takayama, L. Wikle, F. Zarafonitis
Members excused: None
Staff present: S. Vreeland, Township Manager and Recording Secretary

A. STUDY SESSION: None

B. LIMITED PUBLIC COMMENT:

C. APPROVAL OF AGENDA:

Motion by Dunville, support by Wikle to approve the agenda as amended to add a discussion regarding the Shoreline Fruit Processing Plant. Motion carried by unanimous roll call vote.

D. INQUIRY AS TO CONFLICTS OF INTEREST: None noted.

E. CONSENT CALENDAR:

Motion by Takayama, support by Dunville to approve the Consent Calendar as amended to remove approval of the December 7, 2010 Board minutes for discussion, including:

RECEIVE AND FILE:

1. [Treasurer's Report](#) as of 12/29/10
2. [Clerk's Report](#) as of 12/28/10
3. Draft Unapproved Meeting Minutes:
 - a. [Planning Commission 12/20/10](#)
 - b. [Zoning Board of Appeals 12/23/10](#)
 - c. [Metro Emergency Services 10/26/10](#)
4. [Parks and Maintenance Report](#) – Tom Henkel:
5. [Planning, Zoning & Administrative Update](#) – S. Vreeland
6. [Metro Emergency Services Newsletter December 15, 2010](#)
7. [Status Update – VGT-Phase I SUP Application #2009-01P](#)

ACTION – Consider approval:

8. ~~Township Board meeting minutes of [12/07/10](#)~~
9. [Accounts Payable](#) of \$172,735.14 through 12/28/10 (recommend approval: Dunville)
10. [Resolution](#) R-2011-01 establishing alternative March Board of Review starting meeting date

Motion carried by unanimous roll call vote.

F. REPORTS:

1. [Sheriff's Report](#) – **Mike Matteucci:** There was one fatal traffic accident during December and a total of 217 calls for service. There was an increase in domestic issues near the holidays, which is customary. They would be included under the category of criminal complaints. For the year there were a total of 3,040 calls for service in the township. Deputy Matteucci recently participated in a local unused prescription medication collection event. There has been an increase county-wide in reports of prescription theft, so advice is also offered on how to keep medications secured. It is a good idea to be alert to guests or workers

in one's home. There is a county-wide program goal of talking to at least 1,800 residents about this topic.

2. **County Commissioner's Report – Larry Inman:** Kladder congratulated Commissioner Inman on becoming the Chair of the County Commission. Their organizational meeting was held a few days ago. Larry Fleis is the Vice Chairman, and most Commissioners received committee assignments that meshed well with their desires and interests. Two members are brand-new to the Commission and one is returning after a brief absence. The Commission hopes to spend a full day discussing goals for 2011 that can become a work plan within the next two months. Strategic planning and a new budgeting process geared around outcomes will be discussed. Concerns still exist about the impact of tax tribunal case outcomes on local governmental revenues, and there is curiosity about how Governor Snyder's new initiatives will affect local government funding. A plan has been developed for improving the financial status of the septage treatment plant, and any discussion about potentially raising rates has been deferred until approximately April. Inman personally would rather increase public education and encourage more pumping and flows than to increase rates. The County will continue to promote the ability to elect Road Commissioners by districts in 2011 at the state level. Steve Cassens announced his retirement as the airport manager after 34 years at the end of the year. Inman applauded his achievement of creating the only airport in Michigan that is self-sustaining financially. Steve Kline has been the deputy director for about 8 years and expressed interest in moving up. The airport commission has agreed to give him a minimum 6-month trial in the position starting April 1 in consideration of his skills, training, industry relationships and dedication. There has been a hitch in approval of the new American Waste recycling facility proposed for Garfield Township. The state DNRE is requiring that the plant be part of the County solid waste plan. This will require a time-consuming process including formation of a 14-member committee, Board of Public Works approval, and approval by all townships and the County that may delay the plant opening for 6-9 months. Inman expressed frustrations over the delay in creating the jobs and enhancing recycling services in the area to legislative requirements. American Waste is still moving forward, and has volunteered to keep the countywide centralized recycling bins in place at no charge throughout 2011. The County Farmland Board has opened a second PDR application cycle specifically for Acme Township to assist us because there may be additional state and/or federal grant funding opportunities coming up.

G. SPECIAL PRESENTATIONS/DISCUSSIONS: None

H. CORRESPONDENCE: None

I. PUBLIC HEARINGS: None

J. NEW BUSINESS:

1. **Grand Traverse Metro Emergency Service request to borrow \$374,949 for 10 years at 0% interest, from Cherry Electric Cooperative to [purchase Tanker Truck](#):** GT MESA has been awarded the ability to purchase a new tanker truck through a 0% interest loan from Cherryland Electric Cooperative based in a federal grant that was awarded. Any time there is a proposal to finance a purchase the Boards of each MESA member township must adopt a resolution agreeing to the financed purchase. The loan was included in the budget adopted for this year. The truck, expected to be delivered around June, is brand-new but is not a custom chassis item as most fire trucks are.

The proposed resolution prepared by the attorneys for GT MESA has been reviewed by the township attorney. Kladder read the key portions of the proposed resolution aloud.

Motion by Scott, support by Dunville to adopt Resolution R-2011-02 Approving Interest Free Financing for Fire Truck Purchase as presented at 7:36 p.m. Motion carried by unanimous roll call vote.

2. Discussion about potential to share cost of an attorney to review the issues related to the forming a Sewer- Water authority or organizing with an intergovernmental agreement:

Acme is one of five townships out of all the County DPW member units of government that financially guaranteed the construction and bonding for the septage treatment plant. There has been concern that these guaranteeing townships do not always have direct input into decisions that affect them financially that are made by the DPW. This has led to discussion about potential alternative models for intergovernmental cooperation for providing public utility service.

At a recent special meeting of the “G5” which Kladder attended by phone, the question was discussed as to whether the guaranteeing townships should remain members of the DPW or whether they should look into forming a different sort of intergovernmental organization. There are many pros and cons and costs to investigate before a decision is made, but one idea is for the G5 townships to work together and share the costs through a single attorney of examining the issue, making a decision, and moving forward.

Kladder stated that several people at the County level have looked into potential attempts to seek legislative change in Lansing that would change the statutory make up of a Board of Public Works that might provide for more equitable representation. Commissioner Inman commented that the existing Department of Public Works structure attempted to address the issue through the formal formation of the G5 committee and the Sewer and Water Committee. Their decisions would theoretically move from their meetings to the Board of Public Works for official ratification. Long time county bond counsel John Axe was asked to apply his expertise to review the situation and provide some feedback on the function of the current structure and alternatives that might be more effective. One idea that has come up is that a group of townships with water and/or sewer service could form an authority and make their own decisions about the operation and maintenance of the system. Such an authority could contract for services with the County DPW, or it could contract with other entities and would have the full decision-making authority for the assets under their control. The County could limit its direct decision-making to solid waste, composting, recycling and education. The Sewer and Water Committee would be dissolved, being no longer necessary. The G5 Committee might or might not still be necessary. Such an operational structure change would require approximately 2 years for completion. Inman’s opinion and that of the County Commission in general is that the solution that is deemed best by the townships should have County support. Administrative costs for having all the committees that could be reduced are significant

The rural townships that do not currently provide water and/or sewer services feel they should have representation in a new authority if formed to the extent that they have adopted ordinances requiring septic wastes generated in their townships to be transported to the county septage treatment plant. This would be so they would have input into decisions impacting costs to their residents.

Kladder believes that one key component of the question is whether such a change would be best for the long-term. The problems related to the septage treatment plan will be solved one day and should not be the only basis for such an organizational change. He will report back as he learns more about potential costs and processes involved so a decision can be made.

K. OLD BUSINESS:

- 1. Shoreline Fruit:** Nels Veliquette addressed the Board on behalf of Shoreline Fruit. At last month’s meeting the Board heard an informational presentation from Tino Breithaupt of the Traverse Bay Economic Development Corporation. Shoreline Fruit is considering an expansion of their fruit processing plant capacity either at their facility in Acme Township or their facility in New York state. They are evaluating a number of factors as part of the process, including potential state and local economic development incentives such as those discussed last month at each location. Shoreline Fruit sought and received a required approval

for potential expansion of their existing plant from the Zoning Board of Appeals at a meeting on December 23. They have reviewed the economic incentive programs available in Michigan and believe that an agricultural processing renaissance zone would be most beneficial to them. Graceland Fruit, Oceana Farms(?), Chase Farms, New Era Canning Company and Grand Company are all businesses in the state with which Shoreline competes in some way or another and which currently benefit from agricultural processing renaissance zone incentives.

Shoreline Fruit is seeking to engage the township through a suitable process in discussions about potential economic incentives if the expansion is made at their local plant. Their decision-making process is moving rapidly. They have been shipping some cherries for processing to New York and back again in past years, and have received inquiries from numerous other fruit growers and processors for partnerships that would expand Shoreline's business. They have received an unsolicited overture from Indiana to see if they would like to take over some repossessed facilities there for a processing plant and received various economic and job training incentives as well. They have been asked by a significant apple supplier of theirs in Washington state why they don't locate a plant out there. Many people are soliciting their business, and Shoreline Fruit will make a business decision that is most favorable to them.

Mr. Veliquette stated that the potential expansion would be about 50,000 sq. ft. and would result in approximately 80 new jobs at both production and upper management levels. A Phase I process engineering initiative is underway for a local expansion or for a New York expansion as an alternative.

Hardin asked the cranberry and apple processing business currently performed in New York would be relocated to here or just the cherry business that is being shipped to New York from here. Mr. Veliquette replied that if the expansion is done here it is likely that all the work being performed in New York would be moved to here. A large part of the expansion involves the need for a second fruit dryer to be in continuous operations. At current demand levels, one dryer is needed 24 hours per day, 7 days per week just for cherries, so a second dryer is needed for all the other fruits. Their quality is well known in the industry and demand for their products is growing. Their fruit growing operation has never had to dump cherries on the ground to satisfy the marketing orders; they are able to use their expansive and diversified system to legitimately make use of their entire crop. To fulfill orders last year they purchased 17 million pounds of cherries in addition to their own crops. The technology at the New York facility needs upgrading in the form of a solid workhorse of a fruit dryer. The equipment costs \$1.2 million and needs to be in place within a year to keep up with dried fruit demands.

New York is aware that if Shoreline Fruit does not locate the new equipment and jobs there, the jobs existing at that plant will most likely be entirely relocated to the expanded facility and the New York plant will be closed.

The total value of the investment in the physical components of the planned expansion project is approximately \$8 million. If there were to be a 15% cost over-run in projected costs as often occurs in a new building project, the total cost over-run would be more than the amount of the incentives Shoreline is seeking.

The incentive process involves many steps and several governmental bodies. The first step in forming an agricultural processing renaissance zone would be a resolution of support by the township board. Next would be a resolution of support from the County and further approval by 3 state agencies. They can't start purchasing equipment and construction until everything is approved. Meeting the need to have the new capacity on line within a year will be tight given the needed time for approval, construction and equipment delivery. Mr. Veliquette stated that time is of the essence in making the decision for his company, and they would

hope to negotiate with the township during January and ask the Board to adopt a resolution supporting an agricultural production renaissance zone at the February 1 meeting.

Takayama stated that he needs more information to understand the impact of the proposed incentives on the funding of township operations. He would support the formation of a committee including a variety of people that can contribute the required knowledge and information towards making a decision. He suggested that having Shoreline Fruit submit a proposal would be a helpful starting point in the negotiation process and for the Board to see how the process forms and flows through proposals and counter-proposals. Mr. Veliquette agreed and stated he needs to know precisely who to make the offer to. Takayama stated that the township does value Shoreline's operation and jobs, new job creation and farmland preservation. Scott echoed Takayama's comments.

Kladder stated that he had begun thinking about people who would be valuable to a committee working on the township's behalf. He spoke to many people including County Planning Director John Sych, and by extension County EDC Director Jean Derenzy, and also representatives from the Northwest MI Council of Governments. Kladder feels it would be important to form the committee within a matter of days with people experienced in all of the potential incentive program alternatives who can help the township evaluate which program or programs would be favorable to the township. He also stated that perhaps the Board would want to schedule a special meeting for later in January to allow plenty of time for discussion and exploration if a potential decision might be made at the February meeting.

Takayama and Scott had recommended inclusion of Kladder, Wikle and Vreeland on the committee, and Kladder mentioned such individuals from the township could be included along with other expert advice and township legal counsel. Kladder and Mr. Veliquette noted that an informational meeting has been planned for this coming Friday to include representatives from Shoreline Fruit, the township, the Michigan Economic Development Corporation, the County EDC, the Michigan and the Michigan Department of Agriculture, as well as Conservancy Farmland Preservation Specialist Brian Bourdages so that everyone may discuss and explore the pros and cons of various options further. The four programs discussed at last month's Board meeting each allow for different combinations of incentives; some allow for property tax abatements, some allow for real and personal property tax abatements, each have different allowable time periods, some provide for abatements of all state and local taxes with state reimbursement to schools for deferred revenues or abatements of payroll taxes for new jobs.

Kladder asked what would happen if Shoreline Fruit were not to fulfill its obligations under a potential incentive agreement. Mr. Veliquette stated that agreements can contain "clawback" provisions that require the repayment of all abated taxes back to the beginning of the agreement period if the business' obligations for receiving the abatement are unfulfilled. It can be hard to collect the back taxes from a business that fails. There is also a philosophical question as to whether or not a clawback clause is meaningful if the unit of government was willing to forego the tax revenue in favor of job creation or other benefits from a business relocation or expansion. Some clawback provisions are set up so that certain terms only have to be fulfilled for a portion of the tax incentive period.

Zarafonitis asked what would happen to the local plant if the expansion is made at the New York facility. This facility would continue to function as is.

Mr. Veliquette thanked the Board for its time and consideration. Based on the township's orientation towards farmland preservation, Shoreline Fruit believes an agricultural production renaissance zone is the most mutually favorable option. The more capacity the plant has, the more land will continue to be needed in farmland.

2. Township Board meeting minutes of [12/07/10](#): Takayama had thought that some of the

paragraphs detailing the conversation about different business development tax incentives were not presented in the order the discussion took place. Vreeland and Wikle confirmed that the discussion flowed in the order presented in the minutes. One typographical error was corrected to note that the Treasurer's report was as of November 29 rather than December 29 as originally printed.

Motion by Takayama, support by Zarafonitis to approve the minutes of the December 7, 2010 board meeting as corrected. Motion carried by unanimous roll call vote.

L. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:

Takayama has been reviewing the VGT Phase I application submission, and also read the discussion and questions submitted at the December 20 Planning Commission meeting. He was wondering if now would be a good time to renew the township's offer of \$50,000 towards working with town center-potential property owners to work on some of the concerns being raised and ideas for addressing such concerns in a mutually beneficial way between the township and applicant. Many of the concerns being raised appear to be new urbanism oriented, and the original purpose of the money that has been set aside was to work with landowners towards developing a true central mixed use community center.

Kladder reported that more of the sewer lines serving the Shoreline Project Phase I properties are being cut and capped. The township and Northern A-1 will soon begin offering complete smaller buildings to interested members of the public. In February there will be additional deconstruction process. Sally Frye has again expressed interest in starting her evaluation of the historical preservation value of the Knollwood house.

Kladder has also been working on having the invasive Phragmites that were chemically treated in the fall cut and burned.

Meeting adjourned at 8:43 p.m.