



**ACME TOWNSHIP
FARMLAND & OPEN SPACE PRESERVATION
CITIZENS ADVISORY COMMITTEE
Tuesday, February 22, 2005, 1:00 p.m.
Acme Township Hall
6042 Acme Road, Williamsburg MI 49690**

Meeting called to Order at 1:00 p.m.

Members present: B. Garvey (Chair), B. Boltres, B. Carstens (1:10 p.m.) B. Kurtz, P. Brink, N. Veliquette, M. McDonough

Members excused: R. Saylor

Staff present: S. Corpe, Office & Planning Coordinator/Recording Secretary

Garvey provided brief introductory comments for the inaugural meeting of the F&OSP Advisory. This meeting is specifically geared towards discussion about increasing interest in preservation of non-farmland properties. He has consulted with Kurtz and with David Krause, who headed an earlier effort to begin a fundraising campaign for this purpose. His initial has also lead to contact with MDOT and the Grand Traverse Regional Land Conservancy (GTRLC). Both agencies need to know more about what types of land or particular parcels the township might seek to preserve as open or view space.

Kurtz stated that several properties along the bayfront have been coming up for sale and/or redevelopment. One includes the parcel owned by George Sarris just north of East Bay Marina; another would be the Srdjak/Surfside motel property which is due for redevelopment as a total of 12 condominium units. Michael Srdjak has indicated a willingness to talk about acquisition of some or all of his land by the township, and about the potential for building the northern of his two proposed 6-unit buildings first in case the township can find funding for the southern portion, which is adjacent to the MDOT roadside park. There some uncertainty, but the asking price for the whole Srdjak property may be in the neighborhood of \$1 million.

A. Correspondence:

1. E-mail from George Sarris regarding waterfront property located immediately north of the East Bay Marina

B. Reports

C. Limited Public Comment

D. New Business: Non-Farmland Open Space Preservation

1. Discussion with MDOT re potential availability of highway beautification funds
 - a. Transportation function
 - b. Potential sources of matching funds

and

2. Discussion with GTRLC re: potential for funding sources for non farmland open space or viewshed properties.

Gary Niemi and David Langhorst were present to represent MDOT. Mr. Niemi mentioned the TEA21 program, which provides enhancement funds for properties contiguous to state trunklines. Bayfront properties along US 31 might be eligible.

Projects can include streetscaping or viewshed preservation, the latter of which seems most applicable. The concern would be price; bayfront land is generally expensive. Funding levels are normally \$300,000 - \$500,000 and competition is stiff.

In the past the DEQ and DNR have partnered with MDOT and local units of government to protect scenic properties. Coastal Management properties might also be applicable. Recently MDOT partnered with the Little Traverse Bay Conservancy to preserve some land. MDOT would not expect to be a sole funding source. A property with a total price around \$1 million might be feasible through a partnership if the application is strong. Properties along Acme's waterfront are along a highway and would provide a scenic opportunity for travelers. Demolishing existing structures would also be key.

TEA21 funds are federal dollars that are allocated to states on an annual basis. Right now Michigan is receiving 1/12 of the full annual amount received 2 years ago each month until reauthorization occurs. Right now, decision-making is very short-term.

The township and/or the Conservancy could produce an application, which would then be reviewed by Mr. Niemi at the local MDOT office. The application would actually be submitted by MDOT, which guarantees a minimum 20% MDOT match. The higher the match, the better the chances of funding. Firm commitments from other agencies would be of assistance and a substantial match from the township would be expected as well. On average, the expected total match is about 37%; MDOT would bring at least 20% to the table leaving 17% for the township to find. Federal funds can't be used to match federal funds, so for instance a Coastal Zone Management grant couldn't be used to match but could be used for other related purposes, such as reducing the amount of the grant needed to complete property purchase.

MDOT matching funds are not allocated throughout the state by a particular formula. The Northern Michigan region (Ludington to the Bridge) has received a high percentage of those enhancement funds relative to the rest of the state in recent years due to aggressive preservation efforts at the local office.

Garvey asked McDonough if the Conservancy might be interested in helping to purchase the Srdjak property. McDonough replied that assistance with grant applications would be realistic, but for this type of property any significant amount of private fundraising would not be realistic. The staff is already committed to other projects for the entire year in this regard. He suggested that there might be Waterways Commission dollars available. Overall, he felt the Conservancy could only make a limited commitment at this time.

Mr. Langhorst stated that MDOT is not good at identifying other state agencies with applicable funds available; they rely on local agencies and municipalities to identify these sources. He also said that two or three appraisals of any land are required prior to receiving any federal funds, and these appraisals must be paid for out of township funds and not grant funds. It is unknown if federal funds could be applied to demolition costs. McDonough said that the DNR Trust fund used to pledge small amounts over several years rather than large amounts in any single year for some projects and asked if TEA21 funds are ever given in a phased approach. Mr. Niemi said that this has been done for physical improvements to roadways, but it has not yet been tried for viewshed preservation. Mr. Langhorst found it doubtful such a year-to-

year approach would be approved at the outset. Mr. Niemi also expressed concerns about potential environmental contamination.

An appraisal to federal standards costs between \$2,000 - \$3,000. One of the required multiple appraisals must occur prior to the grant application as a basis for the request. It is unknown if the granting of an option by a property owner has a positive effect, although a recent such request from Suttons Bay may provide an answer soon.

The Conservancy could assist with identifying alternative funding sources to help with grants. They have both a mission and an acceptance criteria for accepting projects, and a limited number of projects that can be effectively processed each year. There is a lot of interest, to obtaining the Conservancy's time has become a competitive process. One thing that could make properties more enticing is if several properties in one area or along one corridor were linked together. This has been done before by a group of properties that each had unique aspects and were packaged together to form a single interest group that successfully obtained public approval for a bond and a millage. The broader a base of community support, the more successful the project. MDOT likes to see a local master plan for a project and likes to see participation. Seeking to obtain properties when there is a plan to obtain more is helpful, and it's easier to obtain funding for the final property than the first.

Mr. Sarris asked what would happen if an initial appraisal came in much higher than the subsequent appraisals. Mr. Garvey stated that there would be a contract between the township and the property owner that would set forth conditions for various circumstances. McDonough shared an experience when the Conservancy and a property owner arrived at a purchase price after an appraisal was performed. They typically don't offer more than fair market value; when they do they generally don't exceed 105% of FMV. If a property acquisition is to occur over time they do allow something for appreciation during the period. They don't apply for grants until a property is under option. Sometimes there is an initial or periodic option payments. He advises that the township not seek any funding until an option on any given property is obtained. Their option agreements generally leave the opportunity to assign the eventual interest in the property to another entity in case the original entity loses interest.

Kurtz asked if there is a political aspect to the enhancement grant process. Mr. Langhorst stated that this is a process that has remained reasonably apolitical to date. Letters of support from legislators are always welcome and generally easy to obtain.

McDonough asked if a bargain sale writeoff by the property owner can be used as part of the match for enhancement grants. Mr. Langhorst does not believe it can be in that particular circumstance.

Garvey asked if packaging parcels is a help or a hinderance to an enhancement application, noting that brinking in more parcels raises the community's costs. Mr. Langhorst didn't have a hard-and-fast rule. Brink asked how a request from Acme to preserve a waterfront parcel or number of parcels would compare to other projects requesting funds. Mr. Langhorst felt that a plan to ultimately purchase all of the properties along a stretch of US 31 and remove the structures, leaving the land for public use in a way similar to the downtown Traverse City area would be the most attractive.

Producing a plan to reclaim the land along the waterfront would be a very large project. The township could apply to the Conservancy for assistance in this regard, but it would be very unlikely that this assistance could be gained in 2005.

Garvey asked if the advisory committee would like to make a recommendation to the Board regarding whether or not to pursue such a project. McDonough suggested that the first step would be to do some research: inventory all of the properties, find out whether they are available and if so what the asking prices are. Mr. Langhorst indicated that the township's assessor could give a pre-appraisal indication of potential land values through the assessing process and as compared to neighboring or similar properties.

Mr. Niemi indicated that access management (limiting curb cuts) is also a very popular concept right now. Along with the viewshed aspects of preserving the properties, this would be another plus in terms of any application. Kurtz noted that opening up the waterfront to public view and use would remove land from the tax rolls but would also enhance property values on the east side of US 31.

MDOT does not take ownership of or maintain properties acquired under a grant program. Garvey noted that previous discussions centered on the idea of the township acquiring the MDOT roadside park.

There are funds that might be available through the local congressional district, High Priority Project (HPP) funds. These funds are available for highway-related purposes at the sole discretion of the Congressman for the district, and have been used in the past for a wide variety of specific purposes. These funds are generally reauthorized every six years. Dave Camp would be the local contact. Unspent funds can be reauthorized for another use.

Veliquette questioned the fact that that this is a Farmland & Open Space Committee but the township currently has an ordinance and millage in place that can be used for farmland only. He wondered if the committee should be split into two for the two aspects. He feels the millage was defeated in at least two of the other four townships because there wasn't enough public information. Garvey believes that Farmland will be the key focus of the committee in the short-term, but that needs and desires for other open space are also being expressed. He would want to ensure that the farmland preservation effort doesn't suffer. Veliquette hopes to avoid public concerns about time being spent on general open space when the money was voted in for farmland only. Brink believes that the dual nature of the question is why two separate meetings were set up for the same committee this afternoon. Carstens felt that he was supporting both types of preservation and that many of the citizens do as well.

Garvey is excited by the opportunity to protect millions of dollars worth of farmland and open space for the community and looks forward to discussing the farmland aspect of the overall effort at 3:30.

Brink would like to learn more about HPP funds; Mr. Langhorst suggested talking directly to Congressman Camp's office. It is unlikely that this project would be placed on MDOT's HPP annual list for 2005. There might be an impact if the Governor's Conference is attracted for 2007.

Garvey believes that the committee might recommend to the Board that if they are interested in pursuing any sort of waterfront land acquisition project, a good start would be having the assessor determine rough property values and to determine potential availability of land. Other variables such as funding sources that might or might not be useful should also be explored. Mr. Langhorst stated that MDOT would be willing to generally support the township if it's serious about the project.

E. Public Comment/Other Business: None

Meeting adjourned at 2:15 p.m.