



**ACME TOWNSHIP REGULAR BOARD MEETING  
ACME TOWNSHIP HALL  
6042 Acme Road, Williamsburg MI 49690  
Tuesday, June 19, 2008 7:00 P.M.**

**MEETING CALLED TO ORDER WITH PLEDGE OF ALLEGIANCE AT 7:00 P.M.**

**Members present:** D. Dunville, B. Boltres, R. Hardin, W. Kladder, P. Scott, E. Takayama, F. Zarafonitis  
**Members excused:** None  
**Staff present:** S. Vreeland, Township Manager/Recording Secretary

**A. LIMITED PUBLIC COMMENT:** None

**B. NEW BUSINESS:**

**1. Consider approval of Conceptual Understanding between the Grand Traverse Band of Ottawa and Chippewa Indians, Grand Traverse County and Acme Township:** A letter from the Department of the Interior was received on May 23 indicating intent to grant trust status to the 145 acres of land under application at Turtle Creek. Acme Township, Whitewater Township and the County have until June 23 to file an appeal of the determination. Whitewater Township held a special meeting earlier this month and determined they would not file an appeal, and have not been involved in any of the discussions between the Tribe, County and Acme that were initiated by County Administrator Dennis Aloia. County Commission Chair Sonny Wheelock, Kladder, Vreeland and Bill Rastetter (on behalf of the Tribe) met last week, and the intention this evening was to have a letter of understanding prepared for possible adoption this evening. The County Ways and Means Committee met last evening, and an excerpt from their draft minutes relative to this issue was provided to the Board.

County Commissioner Larry Inman reported that there has been an extended process relative to the application to place additional lands at Turtle Creek into trust. The townships, county and some private citizens sent public comment to the Department of the Interior in 2007. In response to some of the concerns raised, the Tribe had an environmental study performed. In the Tribal response to public concerns about lost revenues, a statement was made that the Tribe was working with local municipalities on this issue. Following up on that statement, the County approached the Tribe several months ago to begin discussions about some form of payments to replace lost tax revenue, but the Tribe asked that the discussions be deferred until after their tribal council elections in May so that the officials in place as a result of the election would be the ones involved. When the decision letter arrived in late May the County renewed its request to have discussion regarding replacement payments for all affected governments, and to address any corridor planning and zoning/site design issues the townships might have. In a meeting held over coffee, Tribal Chairman Bob Kewaygoshkum and Tribal EDC CEO Ron Olson agreed that these were valid issues and a suggestion was made that a sample agreement be drafted for their council to review.

At the Ways and Means Committee meeting the County did not end up adopting a draft agreement or letter of understanding. Instead, they took a "leap of faith" that all parties will be able to meet and develop a formal agreement that will cover not only the current trust status application lands but any that may be added to trust in the future as well. The County's motion indicated that if the Tribe is willing to entertain ongoing discussions, the County would not file an appeal of the trust status decision.

The document provided to the Board for review represents key components of or an outline for further discussion about replacement payments. The County is asking Acme Township to agree to work with them and the Tribe, and Whitewater Township if they wish to be included, on payment and other issues. Messrs. Aloia and Kewaygoshkum both believe an agreement can be reached no later than December 31, 2008.

Kladder noted that he, Dunville and Vreeland have been meeting monthly for conversation and coffee with the Tribal Chairman, the Resort General Manager and other tribal representatives. The outline for the eventual agreement only addresses financial matters and not any site planning considerations. At the most recent coffee, Mr. Olson mentioned that Tribal sovereignty over trust land development issues must be recognized and upheld, but within that context they should be able to work with other local units of government to some extent on land use issues.

Mr. Rastetter noted that when land at Turtle Creek was first placed in trust status approximately 10 years ago, there were 9 or 10 county public hearings and ultimately litigation. The process could have gone differently and been more cooperative in nature, and the Tribe is committed to further discussion in this situation. Mr. Rastetter has not been involved in the planning issues, but suggested there may be room to work together on aspects such as landscaping and lighting. In some communities where Tribal housing developments exist, the Tribe has contracted with local zoning administrators to handle some zoning issues. He expects Mr. Olson and Steve Feringa to continue to work with the township on these types of issues as they have in the past.

Mr. Rastetter agreed that on page 8 of the tribal response to the BIA about concerns about their application, a statement was made that they were willing to work with local communities to ensure that granting trust status to the land would not create a funding gap. He perceives that this philosophy is being implemented. Tribal legal counsel John Petoskey, who is on medical leave, is aware of what has been discussed and is conceptually in agreement with having the value of new construction on the trust status lands assessed as any normal property would be.

Kladder noted that without a formal letter of understanding in place at this time, there could be some concerns raised, and asked how the Tribe's commitment to the discussion and process has been made concrete. Mr. Rastetter stated that at the most recent Tribal Council meeting, tribal staff was given direction to work towards a formal agreement with a December 31, 2008 deadline.

Mr. Rastetter also suggested the idea that an extra regularly-scheduled monthly meeting could be held between the township and Tribal representatives devoted exclusively discussion to mutual land use planning, zoning and site development issues. Most of the land that would be usable for development in the 145 acres being added to trust status is likely within Acme Township's boundaries; the portion in Whitewater Township is largely taken up by the existing SBR wastewater treatment plant, wetlands and wellhead protection open space.

Scott is mainly concerned with site design issues, and recognizes that the Tribe will have the absolute right to dictate the land use types. Takayama expressed concerns with the potential size of commercial development on the property in question, as this has been an ongoing issue in the township. A huge retail development in this area could kill any chance for a viable downtown area for Acme, or could negatively impact downtown Traverse City or even the existing shopping malls in the area by taking business away from them. He sees a need for harmony in tribal development with the township's goals for development scope. The Tribe needs to and should make money, but to develop all 145 acres would harm the surrounding area. Mr. Rastetter suggested that ongoing dialogue with Mr. Olson would be appropriate, and he will urge Messrs. Olson and Feringa to set up a regular process with us that would include all interested parties on an informal basis.

Zarafonitis stated that Acme is trying to be a good neighbor to the Tribe. His key concern has been loss of tax revenue, but he is hearing that this issue is being specifically addressed. Mr. Rastetter stated that a formal payment in lieu of taxes (PILT) would only be allowed by federal law on properties used for gaming, and the property in question will not be used for gaming. There will be some form of tax revenue replacement payment, which could come from the 2% of video gaming revenue fund. The County and Townships will need to decide how to allocate those funds – will they distribute the money to every taxing authority for which they collect payments as if they were ordinary taxes? Normally the 18 mill school operation levy is sent to Lansing, and not all of those funds come back to the public schools in this area – would the local governments prefer to distribute

funding directly to the local school systems? It's also important to note that the replacement payments would not preclude the local governments from requesting additional 2% grant funding. And, if any tribal housing is developed on the trust lands the federal government will make per-pupil payments to local schools as well.

Boltres expressed willingness to wait until more details are developed. Hardin expressed understanding of how the 2% grants work, but is concerned that if the replacement payments are made from 2% grant funds there may be some sort of restrictions on use that grants often have that would differ from how the taxes would have been used. Mr. Rastetter stated that to some extent the word "grant" is a misnomer for the situation. The explicit purpose of the 2% allocations is to make local governments whole for extra services they must provide related to tribal gaming. Revenues generated by video gaming have far exceeded initial expectations, generating more than is needed purely for additional governmental services. Now the Tribe makes additional distributions on a completely discretionary basis. Any restrictions placed on how funds the township receives from the tribe will come from the township itself.

Kladder asked what changes could occur that would impact a tribal/county/township agreement when the Tribe and the state renegotiate their compact in a few years. Mr. Rastetter guesses that the state will ask for a larger share of gaming revenues than they currently received, but would like to think that the negotiations between the Tribe and the state will have no effect on the local situation.

Kladder believes that working out an agreement with the Tribe is a good idea because it continues to develop the spirit of mutual respect and helps to formalize the understandings involved. He read the county Ways and Means Committee motion, suggesting that the Board could adopt something similar.

Mr. Rastetter stated that there will be a legal notice published in the *Record Eagle* regarding the trust status decision. Members of the general public will have 30 days during which to file an appeal if they chose.

**Motion by Boltres, support by Scott to direct the township to negotiate an agreement based on the conceptual understanding presented, to be brought back to the board for final approval by December 31, 2008, and that by doing so, we further agree that this eliminates the need to file an appeal. Motion carried unanimously.**

Kladder stated that Olson, Bzdok and Howard will be unable to assist us in preparing and reviewing the agreement. A conflict of interest exists because Mr. Rastetter of their firm represents Tribal interests. The Board was in agreement that Kladder and Vreeland are authorized to seek a suitable entity to help advise the township through the final negotiations.

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

**Meeting adjourned at 7:56 p.m.**