

SAUGATUCK TOWNSHIP PLANNING COMMISSION

November 21, 2006

The Saugatuck Township Planning Commission held an informal review for Saugatuck LLC on November 21, 2006, at Saugatuck High School, Saugatuck, Michigan 49453.

Present: Darpel, Edris, Hanson, Jarzembowski, Marczuk and Milauckas

Absent: Rausch

Also present: Planner Sisson, Atty Stephen Neumer and Henry L. Byma for Saugatuck LLC, several members of the general public and newspaper reporters.

Chairman Hanson called the informal meeting to order at 7:05 P. M. in the Saugatuck High School library. There was no general public comment.

Hanson explained that this is an informal review of Saugatuck LLC's preplanning process for possible development of the 400+-acre tract formerly known as the Denison property along Lake Michigan north of the city of Saugatuck. Stephen Neumer, attorney for Saugatuck LLC, thanked the Planning Commission for the opportunity to start an open dialogue on planning for the development of this special property. He envisioned a possibility of six special meetings on this subject. He enumerated all those representatives of local municipalities, the nature conservancy and the DNR with whom he has met already. He invited everyone in the room to continue to attend the meetings to come and promised there would be no secrets, that all information would be shared.

Neumer introduced Henry L. Byma, Vice President of JJR of Ann Arbor, a firm with capabilities in landscape architecture, planning, urban design, civil engineering and environmental science, which is just beginning to study the property. Although Byma said he is not personally working on Harbor project for the cities of Saugatuck and Douglas, he presented a slide program on examples of JJR's past projects involving sensitive environments and steep slopes and on research they have done on the north parcel. They have learned from the DNR agent that there is an old two-track trail formerly used by wagons going to Singapore that connects with the drive serving the former Broward Marine business and the existing residences. They have examined the river and its former channel and talked to the neighbors, the Deams. Byma displayed maps upon which he pointed out other properties abutting the 400-acre site: Saugatuck City, OxBow, Dune Schooners, Saugatuck Dunes State Park, Pine Trail Camp and smaller parcels to the east.

Byma went on to describe the systems to be taken into account: the regulated dune boundaries delineated by the State, steep slopes, site access, vegetation characteristics and wetlands. The topographic survey map showed two ranges of slopes of 33+% on the eastern part of the property. Byma said they wouldn't touch them or even 18-33% slopes because they are always in transition. Pictured on the map were the home of Frank Denison, the Broward Marine boat works, another residence, and the Ken Denison home on the shore. Neumer interrupted to say that Ken retains 10 acres around his parent's

home, has split it in two and will be building a new home on one of the resulting 5-acre parcels. Byma added that there are a number of two track trails through the dunes shown as dashed lines. He pointed out a dark line representing the foredune area and 100-foot setback delineated by the State and another dark line inside it representing the Saugatuck Township regulated dune line and 100-foot setback. Denison Lake House is within the latter.

Byma explained a graphic on wetlands, stating that JJR chose to be more conservative than the DEQ/DNR, recognizing the Lake levels are lower. He explained how wetlands are determined and said they were looking for endangered species in the “islands” of vegetated areas. Any findings will have to be verified by the DEQ/DNR. The dunes are covered with reed grasses, occasional jack pines or black cherry trees. The pine community, which lies in a flat spot, contains Scotch pines (non-native), jack pines, and transitional hardwoods. In the eastern area of steep slopes lies the Hemlock area which contains northern hardwoods.

He said they would continue to study these systems, but the next step is to investigate utility systems, soil conditions, threatened and endangered species, flood plains, the river environment, conditions at the seawall, etc.

Hanson opened the conversation to the Planning Commissioners, and Edris asked whether the hardwood area corresponded with the steep slopes and was told “No, the hardwood area has no bearing on where the steep slopes are; the steep slopes run through the dune areas as well.” Edris also wanted to know about conservation easements, and Byma said they would deal with that when they began to discuss home sites. In answer to a question about vegetation and wetlands, Byma replied that they would have to track the areas through the seasons. When Marczuk asked how they would guarantee the public unhindered views of the channel, he replied they did not have site plans yet.

Hanson stated that the historical location of Singapore is somewhere in the vicinity of Broward Marine, and he wondered if there was someone at JJR who could analyze remains that might be found. Byma said there has been a lot written about the area but what is left is probably under the dunes. Hanson said he didn’t know where houses might be built, but it looked like the focus is on the pine forest and he thought that might also be part of Singapore. He wanted to know about damage from Broward Marine and was told that the spot where painting took place was found to be clean and there is a report on that. Hanson wondered if the developer had found the trees in the pine forest undesirable and was told that the developer would rebuild the ecology and introduce more diversity.

Milauckas admitted he would like to see how many home sites and where, but he asked what the process would be in future meetings. Neumer said the next two meetings would add layers of studies of the parcels so they would know where the untouchable areas are, and possibly the third meeting they could show where development might occur. Sisson asked if there was a business model, something they thought might work here, and was told there is no model, no business plan, but they hope to profit from development, at the same time protecting the environment. During the purchase negotiations when they were

concerned about litigation, they had prepared a hurried plan which showed that any serious development would take place on the north side of the channel because the south side had access problems and would be much more difficult. Now that they have purchased the entire property, their studies involve both halves, and any plan they come up with now will bear hardly any relation to the former one, Neumer said.

Hanson opened the meeting to public comment, and David Swann, 345 Griffith, Saugatuck, said if they referred to the Tri-Community Plan, they would find references to not only Singapore sites, but Pottawatomie sites, as well, and Neumer said they have the plan. Swann then wanted to know if there were any parallels between this project and the development taking place in Jean Clock Park in Benton Harbor and was told No.

Phil Miller, 966 Holland St., Saugatuck, asked if McClendon would entertain any negotiations with the City of Saugatuck on the south portion, and Neumer replied they are having informal discussions with the City for a short term lease with no charge and possible ownership in the future for long term conservation. One of the issues is the fact that the Deam property blocks access from the south where there are parcels belonging to McClendon bordering Saugatuck's Oval Beach property, and how to develop those parcels. Neumer said in the middle of the negotiations, the property was "down zoned" so the potential went from 300 homes to less than 60. Now there is a cooperative agreement for six months with Saugatuck Township to work together so McClendon can have a good return on the \$47 million he paid for the property. There were questions about how these numbers were calculated, and Hanson said the "numbers are Mr. Neumer's, not the Township's."

Dave Burdick, 385 Fremont, Douglas, said the Supreme Court has ruled that the public has full access along the beach across the Deam property, so there would only be a problem if a road were going in. Burdick wondered if the developer was receiving offers on that part of the property. Neumer replied that he has conversed with the Deams but there is no agreement. He said he thought they were in agreement, however, that the whole property should be involved in a conservancy.

Frederick Royce, 144 Lakeshore Drive, President of the Douglas Lakeshore Association representing 132 families, asked if they were able to develop the north property with X number of sites for X number of dollars, would they be willing to leave the south portion for conservation. Neumer said he could not answer that now.

Dayle Harrison, 3108 62nd St., Saugatuck, said he would be interested in whatever information they collect and he appreciated their taking time to study the area. He suggested they could reap a tax advantage if the entire package were presented rather than piecemeal. Neumer said he was aware of that but if they connected the two issues, they defeated the overall purpose.

Tony Vettori, Saugatuck, asked when the short term lease with the City of Saugatuck would be in effect, for the coming tourist season? And Neumer replied affirmatively. He added that there would be no rent, but Saugatuck would have to be able to man and

control the beach and have the necessary equipment to maintain it. Vettori then asked if soundings had been taken on the south property. Neumer said Deam had also asked if soundings were being taken to build a bridge, and Neumer said No. He then launched into a dissertation on small portions of property which were questionable as far as ownership went. He said there were no law suits, but McClendon had received a judgment on a small piece to the east of Broward Marine. The other piece south of the City/Township line (the so-called Mason property) was still questionable. Miller asked if McClendon was acquiring additional property east of the northern portion and Neumer said Yes. Miller also wanted to know if the Dune Schooners were using any part of McClendon's north property, and Neumer said he did not think so.

April Schultz, Grand Haven, representing Land Conservancy of West Michigan, reported that in the successful 2003 trust fund request she worked on with City of Saugatuck representatives, the location and situation of the Deam property was not a hindrance to the acceptance of the request for grant funds from the state because they had worked out a provisional access arrangement that she was confident they could have completed if there were conservation ownership. She emphasized that the Deams are not blocking conservation ownership, and Neumer agreed, but he added that economically it was better to think of the property as a whole. Schultz further asked if conservation of the south side could be connected to development of the north side. She demonstrated a way in which the tax advantage could be achieved by offsetting development with conservation. Neumer countered this argument with the statement that he was not coming with a PUD to trade the north for the south because they could not live with the PUD described in the Zoning Ordinance, rather he was coming for a zoning change for the north parcel.

Harrison said the threatening beginnings of relationships between McClendon's representatives and the Township seemed to center on a quarrel with the method of noticing the public hearing for rezoning the property to R-4, which fit with the Tri-Community Plan. Neumer said what upset him was the down zoning by 80% of the property without compensation, which he maintained was unconstitutional and resulted in the taking of property. Hanson said the Township had said McClendon could come to the Planning Commission with a PUD that did not fit with the Ordinance and the P. C. would discuss it, but the numbers are not definite. Darpel said he was sure there is a bottom line profit to make it work.

Mike Shaw, Riverside Drive, asked if it is possible to gain profit in some other way than dividing it up into home lots, and Neumer said he would entertain any ideas, but the locals and state people worked very hard and they could only come up with enough to buy the southern portion if the Denison family could have agreed.

Burdick said he assumed there would be a marina and only the south side of the channel provided enough space to accommodate all the slips needed; therefore, there is strong incentive to develop the south side, rather than preserve it, because the homes would be so much more valuable being near the marina. Byma pointed out that the deep water is on the north side of the channel so dredging would be necessary to build a marina on the south side.

Miller wanted to know if the plans, when they come, could be made public and said he was confused about the PUD comment. Hanson asked if all these proposed meetings are going to result in a plan of some sort or if they are simply to convince the Planning Commission to rezone the property. Neumer quoted the Zoning Ordinance as allowing only up to 20% in excess of the allowed density in a PUD for R-4. He said his conversations with the Township attorney, supervisor and manager led him to believe he was coming to ask for a change in zoning because the restrictions on the PUD in the Ordinance would not give the Township the flexibility to work with the developer. However, the letter containing the agreement between the developer and the Township referred to a plan being presented, whether it conformed to the Zoning Ordinance or not, which might result in an amendment to the zoning in conjunction with the development plan. Sisson said without going through the PUD process, the plan can be considered as a conditional rezoning request.

Harrison said there are national and international biologists who are interested in this site, and Neumer said they might assist JJR in their studies. Harrison asked them to hold off on the leasing agreement with Saugatuck until they finalize plans for the north side or at least until a study can be done to protect species.

Joan Lamb, Douglas, asked if they thought they could comply with all the environmental laws and was told that they were just beginning to study the environment. Neumer said the first issue they may try to remedy is replacing the dune where the current road goes after establishing, with approval of Gertrude Denison Trust, a road along the old trail to Singapore.

Milauckas made a motion to adjourn and Darpel supported. Motion carried and the meeting adjourned at 9:25 P.M. The next informal review will probably take place in January. The next regular meeting of the Planning Commission is November 27 at 7:00 P.M.

Betty A. White, Recording Secretary

Sandy Rausch, Secretary