



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF CONSTRUCTION CODES
IRVIN J. POKE
DIRECTOR

STEVEN H. HILFINGER
DIRECTOR

STATE BOUNDARY COMMISSION
BUREAU OF CONSTRUCTION CODES

Meeting Location:
2501 Woodlake Circle - Conference Room 3/First Floor
Okemos, MI 48864

February 8, 2012
1:30 p.m.

AGENDA

HURON COUNTY

- 1) Call to Order and Determination of Quorum.
- 2) Approval of Agenda
- 3) Approval of Draft Minutes for January 11th, 2012 meeting.
- 4) Docket #11-AR-1 a petition for the annexation of land in Caseville Township to the City of Caseville.
 - a. Adjudicative Meeting to approve draft Summary of Proceedings, Findings of Fact and Conclusions of Law.
 - 1) Commission Questions/Discussion/Deliberation.
 - 2) Questions and Answers among Commission, staff and Involved Parties.
 - 3) Commission Action.
- 5) Unfinished Business
- 6) New Business
- 7) Public Comment
- 8) Adjournment

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THESE AGENDA ITEMS WILL BE CONSIDERED AT 1:30 P.M., OR AS SOON THEREAFTER AS THEY MAY BE HEARD.

IF YOU HAVE ANY QUESTIONS ABOUT THIS MEETING,
PLEASE CALL (517) 241-6321 BEFORE 4:00 PM ON THE DAY BEFORE THE MEETING.

**PLEASE VERIFY YOUR ATTENDANCE BY TELEPHONE AT (517) 241-6321 OR EMAIL
OBRIENK@MICHIGAN.GOV BY FEBRUARY 6, 2012 TO INSURE REPRESENTATION
FROM A QUORUM OF BOUNDARY COMMISSIONERS AND PARTICIPATION FROM
INVOLVED PARTIES.**

Please make sure all cell phones, pagers, and other personal electronic devices are either turned off or set to vibrate. The meeting site is accessible and includes handicapped parking. In order to enhance accessibility for everyone, individuals attending the meeting are encouraged to refrain from using heavily scented personal care products. Persons with disabilities requiring additional accommodation in order to participate should contact the Boundary Commission Office by either telephone (517-241-6321) or email (obrienk@michigan.gov) at least ten business days in advance.

**MATERIAL FOR THIS AGENDA WILL BE AVAILABLE ON THE WEB
PRIOR TO THE MEETING AT:**

- www.michigan.gov/sbc
- **CLICK ON “ACTIVE PETITIONS AND DOCKET MATERIAL.”**
- **REFER TO THE RESPECTIVE DOCKET TO ACCESS THE DOCKET MATERIAL.**



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**STATE BOUNDARY COMMISSION
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Meeting Location:
2501 Woodlake Circle - Conference Room 3/First Floor
Okemos, Michigan 48864

MINUTES
January 11, 2012

DOCKET# 11-AR-1
HURON COUNTY

MEMBERS PRESENT

Mr. Dennis Schornack, Chairman
Mr. Cameron Priebe, State Commissioner
Mr. James Stewart, State Commissioner
Mr. Mark Green, Local Commissioner

MEMBERS ABSENT

Mr. Clay Kelterborn, Local Commissioner

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS PERSONNEL
ATTENDING

Mr. Kevin O'Brien, P.S., Office of Land Survey and Remonumentation
Mrs. Angela Sanderson, Secretary, Office of Land Survey and Remonumentation
Mr. Chris Beland, Director, Office of Land Survey and Remonumentation
Mr. Keith Lambert, Deputy Director, Bureau of Constructions Codes

OTHERS IN ATTENDANCE

Mr. Andrew Mulder, Attorney for City of Caseville
Mr. William Fahey, Attorney for Caseville Township
Mr. Francis Keating, Attorney for Blue Chip, L.L.C.
Mr. Forrest Williams, Caseville City Clerk
Mr. Alan Mason, City of Caseville
Mr. Wayne Hazzard, City of Caseville
Mr. Leroy Wurtz, Owner of Blue Chip L.L.C

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1. CALL TO ORDER AND DETERMINATION OF QUORUM

Chairman Schornack called the meeting to order at approximately 1:30 p.m. and read the Opening Statement. A quorum was determined present at that time.

2. APPROVAL OF AGENDA

- a. A **MOTION** was made by Commissioner Priebe and supported by Commissioner Green to approve the Agenda for the meeting. **MOTION CARRIED UNANIMOUSLY.**

3. APPROVAL OF DRAFT MINUTES

- a. A **MOTION** was made by Commissioner Stewart and supported by Commissioner Priebe to approve Draft Minutes for Huron County for the December 8, 2011 meeting. Mr. Schornack cited two **minor amendments to the draft minutes, one on pg. 2 and one on pg. 6, and requested these changes be made before his approval. These changes were later made by OLSR Secretary and re-printed for Chairman Schornack's approval signature. MOTION CARRIED UNANIMOUSLY TO APPROVE DRAFT MINUTES UPON MAKING THE TWO MINOR AMENDMENTS.**

4. DOCKET # 11-AR-1 – ADJUDICATIVE SESSION

a. **Presentations:**

Chairman Schornack opened with an apology to all present for the Commissioners not being able to make a decision at the last meeting regarding this docket and promised there would be a decision made at this meeting. He requested to save public comment for the end of the meeting and began instead with commissioners and parties. He then asked Mr. O'Brien to read the information tax documents provided in the binders for this docket.

Mr. O'Brien referred to and read through the tax estimate documents provided in the commissioners binders that were provided by the city of Caseville and Caseville Township Assessors at the Commissions' request. Kevin went through and explained the calculations in these documents.

Mr. Fahey then explained the tax estimate document that he has provided.

Commission questions/discussion/deliberation: Discussion ensued.

Chairman Schornack opened up commission discussion on this docket as to what kind of a decision they should make. He referred to a discrepancy between the then Village of Caseville's boundary that has been discovered between what the Village and Huron County had on record and what the Office of the Great Seal had on record

January 11, 2012

for the Village of Caseville's boundary at the time that incorporation proceedings began in 2005. He explained that he was inclined to entertain and support a motion to approve the annexation of the area originally petitioned and the expanded area to the city in order to square up the boundaries.

Commissioner Stewart made a **MOTION** and Commissioner Priebe supported the motion to approve the annexation of both the area originally petitioned and the expanded area to the city.

Commission questions/discussion/deliberation: Discussion ensued.

Commissioner Priebe explained that he thought the changes to the boundaries seem premature in regards to how long it's been a city, and that he was very concerned about any job loss. He explained for those reasons he planned to vote against the petition.

Mr. Fahey attempted to interject and Chairman Schornack reminded him that this portion was for commission discussion only and he ruled Mr. Fahey out of order.

Chairman Schornack explained for perspective that as he understood it, there are 8 employees at the facility, only 1 of whom actually lives in the city. He further explained that this property is across the street from the fire dept. in one direction, a "rock's throw" from the police dept., and that they have water and sewer in another direction. Chairman Schornack stated he felt they should pay their fair share for the services they receive. He said that the taxes might go up but that the commission needed to square the boundaries.

Commission questions/discussion/deliberation: Discussion ensued.

Mr. Fahey attempted to interject again and Chairman Schornack reminded him that this portion is for commission discussion only and that he is out of order. Mr. Fahey continued to explain that it is the Township Fire Department and not the City Fire Department that Chairman Schornack had made reference to that is across the street.

Chairman Schornack reminded the group that he would like to keep the discussion going between the commissioners only.

Commissioner Priebe explained that if he was the only one who was holding out, that he would vote yes to the petition in order to bring closure to this docket.

MOTION CARRIED UNANIMOUSLY to approve the annexation of both the area originally petitioned and the expanded area to the city.

Chairman Schornack then asked if there was any old or new business for the commission to discuss. None was presented.

Commission questions/discussion/deliberation: Discussion ensued.

Chairman Schornack then opened up the floor for public comment.

b. Public Comment:

Mr. Keating referred to the previously approved prior meeting minutes. He stated that contrary to what the minutes represent, Blue Chip does pay for the services it receives. He further explained that if the City was going to work with Blue Chip they would have done so by now.

Mr. Fahey reiterated that he wasn't at the SBC Meeting last month and wasn't able to then or at this time give a presentation. He explained that the commission had not addressed the 18 criteria required to make a decision. He stated that the commission had made a mistake in their decision and that it was wrong because it does not at all address the legal requirements that they are required to address in order to approve an annexation. He went on to explain that in order to approve any annexation, the 18 statutory criteria of the inventory have to be addressed. He stated that "one of those criteria is not that there has been a mistake made; this doesn't give any basis to annex any property" and that was the only alleged basis for the decision that had been made by the Commission. He stated that "in order to annex property you have to find that those 18 criteria have been met". Mr. Fahey stated that the commission had violated the law. He stated that he has addressed each of the 18 criteria, but that the city did not address the 18 criteria, yet they claim that an alleged mistake was made. He argued that the commission is taking a property owner in the township and moving him in the city at 10+ additional mills for nothing. He stated that the sewer and water is paid for separately in their rates; and that the fire is provided by the township and the police is provided by the sheriff. He continued that there would be no additional service provided as a result of this annexation and that there is nothing in the statute that allows the commission to make this decision. He concluded with stating that the commission had not made a valid decision and that he plans to appeal this decision to Circuit Court.

Chairman Schornack goes through the 18 Point Criteria (one by one) that the commission considered in making their decision to approve the annexation. He stated that the Commission had considered and addressed all 18 required criteria.

Mr. Fahey asked which one criteria was the basis of the Commission's decision.

Chairman Schornack answered saying that it was a general consideration of all of the criteria not just one. He stated again that the Commission had considered all 18 criteria in making their decision.

Mr. Williams wanted the commission to know that the city tried to work with Blue Chip in coming to a mutual agreement. He explained that they will continue to try to cooperate with them.

Mr. Hazzard thanked the Commission for correcting the area that should have been squared off 4 years ago when they became a city. He went on to say that regarding the fire dept., they need to see who pays the most for the fire dept. He stated that

there would be no fire dept if it weren't for City and then thanked the Commission once again.

Mr. Mason referred to the aforementioned fire department and stated that the majority of the volunteers are city dwellers. He continued to say that since they became a city they've been kicked out of the fire dept and treated as a "contract customer". He stated that Chairman's Shornack's point that the fire dept was on one side and the city hall and police dept on the other side of the building is in fact valid. Mr. Mason explained that when Mr. Wurtz asked for tax abatement they had said yes and that they've tried to work with him and his company in the past. He explained that at the public meeting last year, the issue of correcting the lines was brought up again with Mr. Wurtz and his general manager and they had asked them if they were to correct the line if Blue Chip, would they be willing to agree with that and Blue Chip had agreed verbally, but then when it came time to send the affidavit in, Blue Chip denied it. Mr. Mason stated that he believed the Commission had made the correct decision and that their decision was correcting a clerical error that had been made previously.

Mr. Mulder addressed the assertions made by Mr. Fahey. He stated that if the record is looked at in its totality, certainly what the focus has been with the Commission in allowing the annexation, is the delivery of organized services to the area – those organized services are being delivered by the city under the assumption that this area would be incorporated in. He said that another factor that was looked at by the Commission was the desire to square off the boundaries of this property; he explained that is his client's goal as well. He felt the decision that was made by the Commission was an appropriate one. He referred to the question of cooperation with the City and referred to a request that had been made in the Township to come to an agreement. He stated that this agreement for mutual annexation was rejected by Caseville Township on September 8, 2010. He reiterated that this effort was made prior to the filing of this petition. He stated that the City was willing to back off on the additional area and had filed a letter to that effect. He also stated that they intend to continue to work with Blue Chip, L.L.C. in the future. He finished saying that they have tried to work this out and they are thankful that the commission is behind them.

Mr. Wurtz stated that he was disappointed with the decision. He said that he had made some mistakes when he bought the property because it was split into the two jurisdictions. He stated that his intentions were to put the high cost equipment in the Township and use the City portion for storage. He then put a million and a half dollars into the township portion. He said that decision will cost him \$10,000 per year. He stated that he will work with city, but if he does, it's going to cost more money, and going forward it will be much more difficult to work on that property. He ended saying that the Commission's decision clarifies things for him.

6. **ADJOURNMENT**

Commissioner Priebe made a **MOTION** and Commissioner Stewart supported the Motion to adjourn the session on Docket 11-AR-1 at 2:14 p.m.

APPROVED:

Dennis Schornack, Chairman
State Boundary Commission

Date

DRAFT



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
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STATE BOUNDARY COMMISSION

In the matter of:

**State Boundary Commission
Docket #'s 11-AR-1**

**The proposed annexation of land
in Caseville Township to the City of Caseville,
Huron County.**

SUMMARY OF PROCEEDINGS, FINDINGS OF FACT AND CONCLUSIONS OF LAW

SUMMARY OF PROCEEDINGS

1. This petition requesting annexation of this area to the City of Caseville was received on January 20, 2011 and was approved for legal sufficiency on June 16, 2011. The legal description of the area requested to be annexed is included in Attachment 'A'. At the June 16, 2011 meeting the Commission also expanded the area under consideration for annexation for accepting comment at the public hearing. The legal description of the area expanded by the Commission to receive public comment is shown in Attachment 'B'.
2. The Public Hearing was held in the City of Caseville on October 4, 2011; the 30-day comment period expired November 3, 2011 and the 7-day rebuttal period expired on November 17, 2011.
3. At the December 8, 2011 meeting the Commission voted to postpone the final decision on this docket.
4. At the January 11, 2012 meeting Commissioners Dennis Schornack, James Stewart, Cameron Priebe and Mark Green voted 4 to 0 to approve this petition including the expanded area added by the Commission prior to the public hearing. Commissioner Clay Kelterborn was absent.

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Information on the record from the City of Caseville:

1. This petition included minutes from the August 9, 2010 Caseville City Council meeting where the Council unanimously adopted a resolution to file an annexation petition with the State Boundary Commission. (Source: Petition for Docket #11-AR-1)
2. The land area of the City of Caseville is 115 acres. The population of the City of Caseville by the 2010 census is 777 for a density of 6.76 persons/acre. (Source: City of Caseville Questionnaire)
3. The City provides the following services to its residents: (Source: City of Caseville Questionnaire)
 - a) Public water (Owned and operated by the City of Caseville). Public water is already servicing the proposed annexation areas.
 - b) Sanitary sewer (Owned and operated by the City of Caseville). Public sewer is already servicing the proposed annexation areas.
 - c) Fire Protection (through Caseville Area Fire Protection Association paid by a millage.)
 - d) Police Protection (City of Caseville Police Department paid by General Operating Funds)
 - e) Garbage Collection (by contract with a private firm. Each homeowner is billed by governmental unit)
 - f) Street Lighting (provided by City paid out of General Operating fund)
 - g) Parks (provided by City paid out of General Operating fund)
 - h) Leaf and Brush Pickup (provided by City paid out of General Operating fund)
 - i) Street sweeping and snow plowing (provided by City out of road fund)
 - j) Marina (provided by Harbor Authority through fees)
 - k) Storm Water System (provided by city out of road fund)
 - l) Ambulance Service (by contract paid out of General Operating Fund)
 - m) Library (provided by area wide system)
4. State Equalized Value SEV (Real & Personal combined) (Source: City of Caseville Questionnaire)

2011	\$38,367,150
2010	\$45,888,789
2009	\$48,379,300
5. Current City Millage (Source: City of Caseville Questionnaire)

2010	14.075
2009	13.373
2008	13.373
6. The Village of Caseville built, and the City of Caseville maintains, John Lynn Drive which is used by Blue Chip Machining, L.L.C. in its daily operations. (Source: City of Caseville Public Hearing Handout)

7. According to City officials annexing the area of the petition is merely correcting a boundary error that occurred when the City was incorporated beginning in 2005 and completed in 2010. The area of the petition has historically been taxed as part of the Village of Caseville and the tax records in Huron County show that this area was taxed as part of the Village of Caseville before city incorporation. Services or taxes in the area proposed for annexation have never been provided or levied by the Township in the past. The residential property owner (Mr. James Devroye) indicated at the public hearing that he would like to be annexed into the City. Blue Chip Machining, L.L.C., the other property owner in the area proposed for annexation has indicated its opposition to annexation. (Sources: petition and public hearing).

Information on the Record from Caseville Township:

1. The land area of Caseville Township is 12.6 square miles. The population of Caseville Township is 1793. The population density is 142 persons/square mile. (Source: Caseville Township Questionnaire)
2. Caseville Township adopted a Master Plan in 2002 which was updated in 2007 and has a zoning code and a zoning board. The area originally proposed for annexation and the expanded area are both zoned industrial. (Source: Caseville Township Questionnaire)
3. The Township provides the following services to its residents: (Source: Caseville Township Questionnaire)
 - a) Public Water (through a treatment plant owned by the City of Caseville)
 - b) Fire Protection (through Caseville Fire District which serves City of Caseville, Caseville and Lake Townships paid by special assessment.)
 - c) Police Protection (through Huron County Sheriff's Department paid by Township through contract with Huron County)
 - d) Garbage Collection but not to the area of the proposed annexation (by contract with a private firm. Each homeowner is billed by individually by the hauler)
 - e) Library Service (operated by Township)
 - f) Ambulance Service (provided by Township paid out of General Fund)
4. State Equalized Value (SEV) (Real & Personal combined) (Source: Caseville Township Questionnaire)

2011	\$207,398,800
2010	\$241,617,300
2009	\$241,450,252
5. State Equalized Value (SEV) of original area proposed for annexation. Note: Township has granted an Industrial Facility Tax Exemption for Blue Chip Machining ending 12/2021. (Source: Caseville Township Questionnaire)

2011	\$421,700
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6. State Equalized Value (SEV) of expanded area (Source: Caseville Township Questionnaire)

2011	\$64,000
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7. Unit Millage (Source: Caseville Township Questionnaire)	
2010	3.8012
2009	3.8012
2008	3.9012

8. The Township maintains that due to the substantial increase in taxes without an increase in services in the annexation area Blue Chip Machining, L.L.C. is likely to move its business elsewhere, possibly out of Michigan, if this annexation is approved. This would cause a decrease in tax revenue for Caseville Township, the City of Caseville, Huron County, local schools and the State of Michigan. The Township Board opposes the annexation believing that it is not appropriate to increase the City's boundaries so soon after incorporation. Township residents oppose the annexation, as they opposed the incorporation. Some city residents are filing detachment proceedings after seeing the increase in their taxes following incorporation. (Source: Caseville Township Questionnaire)

Other Information from the Record

1. Population (based on federal decennial census data):

	<u>City</u>	<u>Township</u>
2010	777	1793
2000	888	1835
1990	857	1282

- Blue Chip Machining L.L.C. and the then Village of Caseville signed an Industrial Facilities Exemption Certificate in 2009 for \$2,029,500 investment in the factory and the creation of 50 new jobs.
- Blue Chip Machining L.L.C. and Caseville Township signed an Industrial Facilities Exemption Certificate in 2009 for \$4,984,500 investment in the factory.

FINDINGS OF FACT

- The current boundary line between the City of Caseville and Caseville Township bisects the building and property owned by Blue Chip Machining, L.L.C.
- The petitioned area has been taxed as being in the Village of Caseville since the 1950's. Huron County's records show the petitioned area as being in the Village of Caseville for many years. The records at the local and county levels differed from those on file with the Secretary of State Office of the Great Seal. When the Village of Caseville filed a petition in 2005 to Incorporate as a Home Rule City they used the records on file with the Secretary of State. This resulted in the municipal boundary bisecting the building and property as noted in item #1 above.

3. The land to the south of the petitioned area that was included in the Commissions expanded area has always been in Caseville Township's jurisdiction. However, this area is also part of the current site of the Blue Chip Machining L.L.C. factory site.

CONCLUSIONS OF LAW

1. This petition requesting annexation of this area to the City of Caseville from Caseville Township was received on January 20, 2011 filed pursuant to MCL 117.9(7)(a).
2. The State Boundary Commission, pursuant to MCL 117.9(2) and R123.52, determined the validity of the petition and approved it for legal sufficiency with an expanded area on June 16, 2011. The legal description of the area requested to be annexed is included in Attachment 'A'. The legal description of the area expanded by the Commission to receive public comment pursuant is shown in Attachment 'B'. A map showing the areas described in Attachments 'A' and 'B' is provided in Attachment 'C'.
3. The Public Hearing was held in the City of Caseville on October 4, 2011 pursuant to MCL 123.1008(3); the 30-day comment period expired November 3, 2011 pursuant to R123.68; and the 7-day rebuttal period expired on November 17, 2011 pursuant to R123.68.
4. At the January 11, 2012 meeting, after consideration of all of the criteria stipulated under Section 9 of 1968 PA 191, and the testimony and information contained within the record of this docket, Commissioners Dennis Schornack, James Stewart, Cameron Priebe and Mark Green voted 4 to 0 to approve this petition, including the expanded area added by the Commission prior to the public hearing, pursuant to MCL 123.1010(1). Commissioner Clay Kelterborn was absent.
5. Pursuant to Executive Reorganization Order 1996-2, this approval is contingent on the concurrence of the Director of the Department of Licensing and Regulatory Affairs. A draft order for the Director's signature approving the annexation area described in Attachment 'A' and the expanded area described in Attachment 'B' is included in Attachment 'D'.

Dennis Schornack, Chairperson

ATTACHMENT A

DRAFT

ATTACHMENT B

DRAFT

ATTACHMENT C

DRAFT

ATTACHMENT D

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