



RICK SNYDER
GOVERNOR

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

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DIRECTOR

STATE BOUNDARY COMMISSION

DOCKET #12-AP-2
PROPOSED ANNEXATION OF LAND IN EUREKA TOWNSHIP TO THE CITY OF GREENVILLE

“30-DAY” PUBLIC COMMENT MATERIAL

<u>CORRESPONDENCE FROM</u>	<u>POSITION</u>	<u>ITEM #</u>
Eureka Charter Township	Oppose Annexation	1
Thomas Faussett Zoning Administrator Eureka Charter Township	Oppose Annexation	2
Rodney Schermer Of Scholten Fant Attorney for the City of Greenville	Support Annexation	3
Various Property Owners who front on Backus Road	Oppose Annexation	4
William Beach Of Miller, Canfield, Paddock and Stone, P.L.C. Attorney for Mersen USA Greenville- Michigan Corporation	Support Annexation	5

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MAR 19 2013

OFFICE OF LAND SURVEY &
REMONUMENTATION

Eureka Charter Township
9322 SW Greenville Rd.
Greenville, MI 48838
P.H. (616) 754-5053
Fax: (616) 754-4760
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3/14/2013

Docket No: 12-AP-2, Montcalm County

This submittal is intended to address several issues raised during the public hearing on the captioned matter held on February 14, 2013 at City Hall in the City of Greenville.

Expansion:

During the hearing Eureka Charter Township understood Commissioner Blanding to state that, in his opinion, the City is incapable of expanding for industrial development. The Township respectfully disagrees.

Currently, at least 40% of the City's industrial district is vacant land. (See Exhibit#1) In addition, a number of the City's existing industrial buildings are vacant. Beyond this, the City owns an extensive number of large parcels within the Township which could be developed industrially or commercially.

Some of those City-controlled properties include:

Section	Acreage	Owner
14	70	City of Greenville
14	40	City of Greenville
2	100	City of Greenville
3	60	City of Greenville
3	76	United Solar under Bankruptcy with vacant land and large factory standing vacant
5 and 8	27	Mark Lehman
4 and 9	40	Electrolux Home Products vacant land Company Moved out of Greenville
5	6	Wilco Properties
Approximate Acreage available for development outside of Industrial District ¹	419 Acres	

¹ See Vacant Property Map, attached as Exhibit #2

Ultimately, the City has significant area, in its industrial park and elsewhere (within current City boundaries), in which the expansion of industry may occur. Those parcels that already exist in the City, and are not currently in use, are zoned appropriately and utilities and other services are readily available. Given the significant availability of industrial property both within and outside of (but controlled by) the City, it is difficult to see any rational basis for concluding that, in fact, the City needs more property added to its inventory for industrial expansion.

Indeed, given the overcapacity of industrial and similar property that already exists in the City, several of the criteria upon which the Boundary Commission is to base its decision strongly support a denial of the annexation (e.g., there is no probable future need for industrial property or services that is not already available within the City). The impression that the City is currently without area to permit further industrial expansion is false.

As the petitioner's representative noted during the public hearing, at best, "[i]f history repeats itself, [then an] expansion [may occur] in 20-14-2015." As acknowledged, therefore, by the petitioner, there is no current need to expand the City boundaries by granting the annexation petition. (See Petition, Exhibit VI; the petitioner has experienced growth . . . and "intends" to expand in the future.)

In summary, there is no current need to expand because there is more than suitable current, vacant industrial property within the City's boundaries and the petitioner, by its own admission, has no present need (or plans) to expand. The petitioner has no development plans to which it is committed and there is no current need for public utilities (see below).

Adverse Tax Impact:

Although not mentioned in detail during the public hearing, it is undisputed that approval of the annexation will unnecessarily burden the petitioner and adjoining properties, and adversely impact the Township's revenues and tax base. If approved, the annexation will result in the petitioner paying 12 mills in taxes, as distinguished from its current 3.0425 mills. This would be true for the other parcels included in the petition to the Commission (i.e., the Backus Road properties), despite the fact that no party, including the petitioner, has articulated any reason why the Backus Road parcels ought to be included as part of any annexation to the City. Put more directly, the burden of increased taxes outweighs any speculative benefit that might accrue sometime in the future if the petitioner chooses to expand (see Boundary Commission Criteria 15.)

In addition to losing numerous acres to the City over the past ten years, the Township is unique in that it has over 1000 acres of DNR property for which the Township receives reduced millage set by the state and which is historically lower than residential properties. This makes the Township unique with respect to other townships that do not have large tracts of state land or cities within their boundary. Further annexations, such

as that proposed by the petitioner in this matter only exacerbate these problems for the Township and its operations.

Township Services:

The City has chosen not to collaborate with the Township to allow for the provision of water or sewer service outside the City's boundaries. That is its right. But there should be no illusion that forcing annexations on the Township does not have an adverse impact on the Township and its ability to function. Over the course of the last ten years the Township has already lost over 250 acres of property to the City.

Despite the diminished revenues with which the Township must deal, it has proven to be a consistent and efficient operation and works hard to help businesses within the Township succeed. Township staff is part time and it pays no benefits in order to keep millage rates low. The City, in contrast, has full time employees with benefits and retirement which all adds to the millage rates it sets. Beyond this, the Township is the only township in Montcalm County that has two full time County deputies to cover the Township. Those deputies assist City police officers when and as needed and Township voters have approved a millage to provide this service. Those voters have also approved a millage to pay for fire services. Contrary to the petitioner's assertions, there is no overlap of services between the City and the Township, and the petitioner can point to none (see Mersen Petition, Exhibit VI).

Admittedly, the Township does not offer public water or sewer to this area of the Township; but, these are not services which the petitioner ever indicated during the public hearing it had a need for (which was clearly the time for such an assertion). Indeed, although the petition makes a perfunctory reference to a need for generic public utilities, no specifics are offered and this assertion stands in direct conflict with comments made by the petitioner's principal representative at a meeting with Township officials on December 6, 2012 (during which meeting the representative, Mr. Mitch Taylor, identified as the sole basis for the annexation effort a desire to minimize the number of taxing jurisdictions with which the petitioner must interact). This is not, however a lawful basis under the Boundary Commission's criteria to approve an annexation; indeed, it is safe to say that there are hundreds of situations in the state in which a single property owner owns land in adjacent communities and pays taxes to both.

Thus, as demonstrated above, because the Township already provides all presently needed services and because the petitioner has wholly failed to articulate in a credible manner why an expansion requires public utilities, the petition as presented does not meet the criteria mandating that the petition establish a probable need for future services. (see Boundary Commission Criteria Item 12.)

If the State of Michigan wants local governments to operate efficiently it should support the jurisdictional integrity of townships such as Eureka which provide, at minimal cost to taxpayers, zoning, planning, police, taxing, fire and other services needed by local business.

Backus Road Properties:

Backus Road is a class B road which is restricted to non-industrial traffic much of the year. Backus Road is primarily a residential road with homes on the majority of the Township properties. The Township does not want industrial trucks and traffic on this road for a number of reasons. The road is primarily used as a residential road for owners of property on the road and is not used as an alternative route for industrial traffic as the Industrial Park Road (half a mile to the west) is used for semi-truck and industrial traffic around the City. Beyond this, the Township understands that the cost to the Township to upgrade the road is over \$250,000.00 (see Exhibit #3), and this cost would need to be assessed to the Township's property owners. This is a huge sum of money and it would be grossly unreasonable to make remaining Township residents pay for an upgrade to a road for which they have no need and which will only benefit the City and its businesses.

Currently the property owned by Mersen U.S.A. facing Backus Road is residential with a nice home on it and the Township wants that property to stay residential. Township residents would be put at severe risk if the annexation as proposed is approved. See Petition of Backus Road Property Owners (Exhibit #4). The transfer of this land will also result in a loss of revenue for the Township and will ultimately result in an additional tax burden for remaining Township residents. If the entire Mersen property is annexed, the Township will have no say over the use of the road but would be responsible for all costs for upgrade, repair, and reconstruction of the road if and when it becomes heavily used. Note: Exhibit #4 will be sent via mail outside of this submittal because residents on Backus Road are obtaining signatures.

State Policy:

On a final note the Township wishes to reiterate its on-going commitment to, and efforts towards, resolving this matter through the negotiation of a mutually beneficial agreement with the City. As testified to by the City Manager during the public hearing, the City and Township have historically been able to address the transfer of parcels and provision of services by agreement. This matter should be treated no differently.

Such a policy is consistent with the State of Michigan's efforts to encourage the joint resolution of border issues between local governments. (See Michigan Economic Development Corporation's 2012 Pure Michigan handout, "*Conditional Land Use Transfers (PA 425)*"). As noted by the Michigan EDC, a 425 agreement between communities "is a win-win for all participating municipalities" (id., p 3/12) and allows "neighbors to remain neighbors" (id.).

Approving the annexation petition in this instance, despite the fact that the Township has made repeated efforts to engage the City to enter into a 425 agreement, would be directly at odds with the criteria by which the Boundary Commission is bound and would directly conflict with stated Michigan policy. Approval of the annexation under such

circumstances would set a negative precedent for future requests and do nothing to encourage the parties to work cooperatively (in a collaborative manner) in the future.²

Put another way, if the City is convinced that the Boundary Commission will approve an annexation because an industrial (or other) user may want to expand in the future, what possible incentive would it have to ever seek an agreement and share revenue with the Township in the future? Similarly, why would the Township agree on other cooperative efforts if the message from the Boundary Commission is that the Township (as here) has to accept whatever offer may be made by the City (however unreasonable) or face a winner-take-all outcome? (See Citizens Research Council Report, "*Survey of Economic Development Programs in Michigan*," 2d ed, June 2007, p 100.) The Township, under such circumstances would be forgiven for concluding that its only recourse in the face of any request to transfer property is to fight such efforts with all resources at its disposal. Allowing the annexation to proceed would also be at odds with Boundary Commission Criteria 18 in that it would have the effect of discouraging, rather than encouraging, regional planning and collaboration; i.e., the piecemeal approach that naturally results from annexation and which is antithetical to cooperative, regional planning.

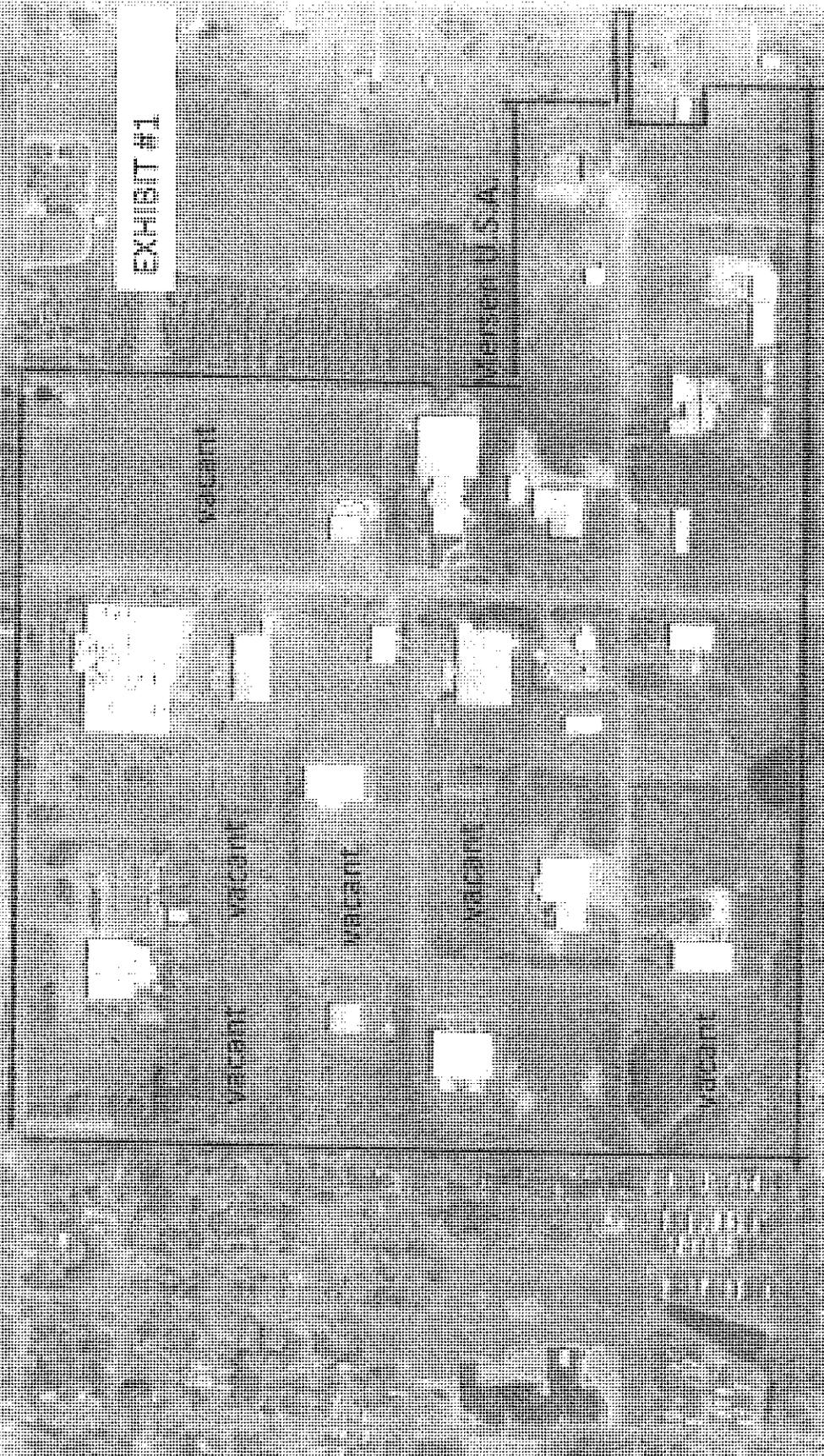
Conclusion:

The circumstances described above are, precisely, those faced by the Township as a result of the petitioner and City's joint efforts to annex the parcels involved with this petition. The Boundary Commission should not be a party to such tactics and should deny the annexation as it is unwarranted at this time in light of the criteria required to be met by state law.

If, however, the Boundary Commission concludes that the petitioner's future expansion is truly required now in order to permit development, and that public water and sewer services are truly required now to accomplish those purposes, then the Boundary Commission should, as it is authorized to do by law, remove the Backus Road parcels from the area to be transferred as it is undisputed that these parcels are not required or needed for any articulated plans of expansion and including those parcels would have a direct and immediate adverse impact on the Township.

² In this regard, granting the annexation as proposed would have an adverse impact on the entire community, in violation of Boundary Commission Criteria 17.

EXHIBIT #1



Greenville Industrial Park

VACANT PROPERTY WITHIN THE CITY OF GREENVILLE (in white) and tax exempt and tax limited property outside the city of Greenville

EXHIBIT #2

WILCO Properties 9.7
 MARK LEVINSON VACANT 27 ACRES
 ELEC ROWLER VACANT 40 ACRES +-
 United Solar
 Bean Krupt 76.46 ACRES +-

City Owned 60 ACRES +-
 City Owned 100 ACRES +-
 City Owned 40 ACRES +-
 City Owned 70 ACRES +-

CITY OF GREENVILLE IN WHITE

Greenville Municipal Airport owned by City of Greenville with no tax base to township.

All State Land in Green and Light Blue frozen at 2003 millage rate. State pays intermittently when funds are available and will not pay any administrative fees. Millage and taxable value is set by state and historically lower than residential property

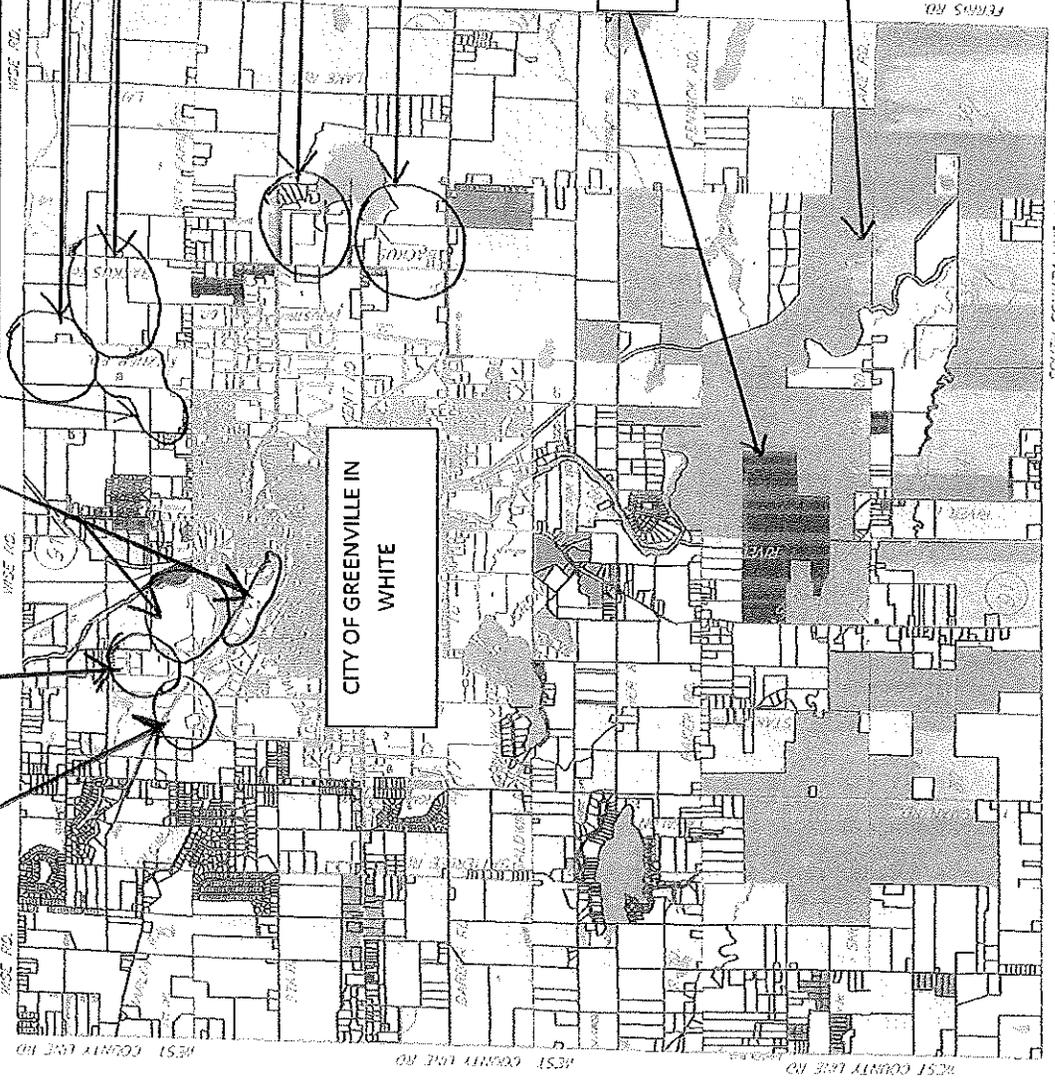


Exhibit 3



ROAD COMMISSION FOR MONTCALM COUNTY

619 WEST MAIN STREET, P.O. BOX 337, STANTON, MICHIGAN 48888-0337
PHONE (989) 831-5285 TOLL FREE (877) 992-6272 FAX (989) 831-8776
www.montcalmroads.com

March 13, 2013

Mr. Thomas Faussett
Eureka Township Zoning Administrator
9322 S. Greenville Road
Greenville, Michigan 48838

RE: BACKUS ROAD

Dear Tom,

This letter is in response to your request for an estimated cost to reconstruct Backus Road between Kent Road and County Farm Road to all-season standards. Please be advised that cost, based on current year prices, is \$250,000.

If you have any further questions, please feel free to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mark Christensen', written over a horizontal line.

Mark Christensen
Superintendent-Manager

/ks

Notice of Assessment, Taxable Valuation, and Property Classification

FROM

EUREKA TWP - MONTCALM CO
LINDA MILLER, ASSESSOR
6731 E KICKLAND ROAD
CARSON CITY, MI 48811

THIS IS NOT A TAX BILL

NAME AND ADDRESS OF OWNER OR PERSON NAMED ON ASSESSMENT ROLL

MERSEN USA CORP
712 INDUSTRIAL DR
GREENVILLE MI 48838

PROPERTY IDENTIFICATION: (Parcel Code required. Property address
and legal description optional.): 59-008-420-001-00
7278 S BACKUS RD

THIS PROPERTY IS CLASSIFIED AS 401 (401 RESIDENTIAL)

PRIOR YEAR'S CLASSIFICATION IF DIFFERENT:

Proposal A, passed by the voters on March 15, 1994, places a limit on the value used to compute property taxes. Starting in 1995, your property taxes were calculated on Taxable Value (see line 1 below). If there is a number entered in the "Change" column at the right side of the Taxable Value line, that number is not your change in taxes. It is the change in Taxable Value.

Prior to 1995, your taxes were calculated on State Equalized Value (see line 4 below). State Equalized Value (SEV) is the Assessed Value multiplied by the Equalization Factor, if any (see line 3 below). State Equalized Value must approximate 50% of market value.

IF THERE WAS A TRANSFER OF OWNERSHIP on your property in 2012, your 2013 Taxable Value will be the same as your 2013 State Equalized Value. Please see line 5 below regarding Transfer of Ownership on your property.

IF THERE WAS NOT A TRANSFER OF OWNERSHIP on your property in 2012, your 2013 Taxable Value is calculated by multiplying your 2012 Taxable Value (see line 1 below) by 1.024 (which is the Inflation Rate Multiplier for the current year). Physical changes in your property may also increase or decrease your Taxable Value. Your 2013 Taxable Value cannot be higher than your 2013 State Equalized Value.

	PRIOR AMOUNT YEAR: 2012	CURRENT AMOUNT YEAR: 2013	CHANGE
1. TAXABLE VALUE (Current amount is tentative):	43,800	44,851	1,051
2. ASSESSED VALUE:	43,800	46,300	2,500
3. TENTATIVE EQUALIZATION FACTOR: 1.000			
4. STATE EQUALIZED VALUE (Current amount is tentative):	43,800	46,300	2,500
5. There WAS/WAS NOT a transfer of ownership on this property in 2012. WAS NOT			

If you believe that these values, the property classification, or the information on line 5 is incorrect you may protest to the Local Board of Review, which will meet at: (enter dates and times and place)

A nonresident may protest to the Board of Review by letter. Letter appeals are to be accompanied by a completed Board of Review petition form (form L-4035 or an alternate petition form used by the local unit of government). The petition form approved by the State Tax Commission (form L-4035) is available at www.michigan.gov/treasury. When you reach the site, click on Forms (at top of page), then click on Property Tax, then click on Board of Review.

EUREKA CHARTER TOWNSHIP HALL ON TUESDAY, MARCH 12TH & WEDNESDAY, MARCH 13TH. BOARD WILL HEAR APPEALS FROM 9:00 A.M. - NOON & 4:30-7:30 P.M. EACH DAY. IF YOU HAVE QUESTIONS, PLEASE CALL ASSESSOR AT 616-754-0189 OR 989-235-6202.

% Exempt As "Homeowners Principal Residence": %00	% Exempt As "MBT Industrial Personal": %00
% Exempt As "Qualified Agricultural Property": %00	% Exempt As "MBT Commercial Personal": %00
Exempt As "Qualified Forest Property": <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

The denial of an exemption from the local school operating tax for "qualified agricultural properties" may be appealed to the local Board of Review. The denial of an exemption from the local school operating tax for a "homeowner's principal residence" may be appealed to the Michigan Tax Tribunal by the filing of a petition within 35 days of issuance of this notice. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

Protest at the Board of Review is necessary to protect your right to further appeals to the Michigan Tax Tribunal for valuation and exemption appeals and to the State Tax Commission for classification appeals. Properties classified Commercial Real, Industrial Real, or Developmental Real may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31. Commercial Personal, Industrial Personal, or Utility Personal Property may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31 if a personal property statement was filed with the local unit prior to the commencement of the Board of Review as provided by MCL 211.19. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

HOME OWNER'S PRINCIPAL RESIDENCE AFFIDAVIT INFORMATION REQUIRED BY P.A. 114 OF 2012: If you purchased your principal residence after May 1 last year, to claim the principal residence exemption, if you have not already done so, you are required to file an affidavit by June 1 for the immediately succeeding summer tax year levy and all subsequent tax levies or by November 1 for the immediately succeeding winter tax levy and all subsequent tax levies.

Notice of Assessment, Taxable Valuation, and Property Classification

FROM

EUREKA TWP - MONTCALM CO
LINDA MILLER, ASSESSOR
6731 E KICKLAND ROAD
CARSON CITY, MI 48811

THIS IS NOT A TAX BILL

NAME AND ADDRESS OF OWNER OR PERSON NAMED ON ASSESSMENT ROLL:

MERSEN USA
712 INDUSTRIAL DR
GREENVILLE MI 48838

PROPERTY IDENTIFICATION: (Parcel Code required. Property address
and legal description optional.): 59-008-011-017-01
7270.1 S BACKUS RD

THIS PROPERTY IS CLASSIFIED AS 301 (301 INDUSTRIAL)

PRIOR YEAR'S CLASSIFICATION IF DIFFERENT:

Proposal A, passed by the voters on March 15, 1994, places a limit on the value used to compute property taxes. Starting in 1995, your property taxes were calculated on Taxable Value (see line 1 below). If there is a number entered in the "Change" column at the right side of the Taxable Value line, that number is not your change in taxes. It is the change in Taxable Value.

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IF THERE WAS A TRANSFER OF OWNERSHIP on your property in 2012, your 2013 Taxable Value will be the same as your 2013 State Equalized Value. Please see line 5 below regarding Transfer of Ownership on your property.

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	PRIOR AMOUNT YEAR: 2012	CURRENT AMOUNT YEAR: 2013	CHANGE
1. TAXABLE VALUE (Current amount is tentative):	6,559	6,716	157
2. ASSESSED VALUE:	13,200	15,300	2,100
3. TENTATIVE EQUALIZATION FACTOR: 1.000			
4. STATE EQUALIZED VALUE (Current amount is tentative):	13,200	15,300	2,100
5. There WAS/WAS NOT a transfer of ownership on this property in 2012. WAS NOT			

If you believe that these values, the property classification, or the information on line 5 is incorrect you may protest to the Local Board of Review, which will meet at: (enter dates and times and place)

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% Exempt As "Homeowners Principal Residence": %0.00	% Exempt As "MBT Industrial Personal": %0.00
% Exempt As "Qualified Agricultural Property": %0.00	% Exempt As "MBT Commercial Personal": %0.00
Exempt As "Qualified Forest Property": <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

The denial of an exemption from the local school operating tax for "qualified agricultural properties" may be appealed to the local Board of Review. The denial of an exemption from the local school operating tax for a "homeowner's principal residence" may be appealed to the Michigan Tax Tribunal by the filing of a petition within 35 days of issuance of this notice. The petition must be a Michigan tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

Protest to the Board of Review is necessary to protect your right to further appeals to the Michigan Tax Tribunal for valuation and exemption appeals and to the State Tax Commission for classification appeals. Properties classified Commercial Real, Industrial Real or Developmental Real may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31. Commercial Personal, Industrial Personal, or Utility Personal Property may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31 if a personal property statement was filed with the local unit prior to the commencement of the Board of Review as provided by MCL 211.19. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

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Statement for SBC public hearing on Feb. 14, 2013

Good afternoon. My name is Tom Faussett and I reside at 7981 W. Fletcher Rd., within Eureka Charter Township. I wish to thank all of you for attending this important meeting called by the State Boundary Commission for annexation of the Mersen U.S.A. property from Eureka Charter Township into the City of Greenville. I am also the Zoning Administrator for Eureka Charter Township and am instrumental in the approval of expansion of Residential, Commercial and Industrial properties within the Township.

First I wish to let the Commission know that the Township has tried to work cooperatively with the City for many years on economic development matters. In 2011, for example, Eureka Township took an active role in the expansion of the Mersen Greenville plant. (Exhibit 1) The Township allowed a number of exemptions in order to expedite the construction process which allowed Mersen to put a retention pond on the Township Property. One of the ways the Township expedited the addition was to delegate engineering review and approval for the storm water system to the City of Greenville Engineering Department (something that is usually the Montcalm County Drain Commission's responsibility). We did this to save time and expedite the expansion, and to save Mersen the additional cost of hiring another engineering firm.

When the Township received this most recent request for annexation into the City of Greenville the Township Board members were very perplexed. The application stated that Mersen wanted this annexation so it could make long term plans for expansion, but currently had no plans to do so. Thus, there is no immediate economic development plan but there would be an immediate economic impact on the Township. One impact of annexing this property would be to take valuable industrial zoned property out of the Township and reduces our ability to maintain essential services for Township residents by placing the burden for these lost tax revenues upon the remaining residents of the Township.

When the Township received a letter from City Manager George Bosanic, our attorney suggested that the Township Supervisor contact the City Mayor and the General Manager for the Mersen Greenville plant to see if some long-range planning could be accomplished. However, when she contacted the parties they initially refused to meet with her.

Later, at a meeting on December 6, 2012, in which representatives of the City, Township, and Mersen were in attendance, Mersen stated that it had no plans on using Backus Road for ingress or egress to their plant, but it wanted all of the property including the residential property on Backus Road annexed into the City. (Exhibit 2) If the Backus Road parcels are included in an annexation there will be nothing to prevent Mersen, despite its previous commitment, from using that property to access its adjacent plant. This would severely adversely impact the Township because Backus Road is a Class B road and weight restrictions are enforced during spring thaw preventing trucks from using the road. Allowing Mersen's trucks and commercial vehicles to use Backus will adversely affect the Township. The Township tax base pays for maintenance and repair of Backus Road, we get no contribution from the City.

Also at the Dec. 6th meeting, the General Manager for the North American Mersen factories stated that Mersen had no objection to revenue sharing between the City and the Township, however, they wanted immediate annexation. When asked if they had a specific need for annexation, such as the need for utility extensions for their production, they stated no, as their

tooling does not require water or sewer use. Mr. Taylor only stated that they didn't want to be concerned with having personal property tax requirements for property located in the City and the Township. As you know, the personal property taxes for industrial properties are being eliminated for industrial properties, making this no longer an issue for Mersen. Even if that were not the case we have another industrial property, Ellenbaas Steel that has part of their plant in the City and part in the Township. In fact, one large steel sheer is partially located within the Township and partly in the City. The Township Assessor simply asked the owner what percentage of the sheer was in the Township and she has been collecting personal property tax based on the percentage of the value that is located in the Township for years. The owner has never had a problem with this method.

At the end of the Dec. 6th meeting with the City and Mersen our Township Supervisor, Laura Shears, stated that the Township would allow a transfer of the property but wanted it to be incorporated into a 425 agreement, which is the standard method to transfer properties between governmental bodies. No one in the meeting objected to this arrangement and the meeting ended.

The Township completed a 425 agreement by the end of the next week which included a 5 year termination date if Mersen did not expand during that time. The 425 was then submitted to Mersen, the City Council, and the Greenville Daily News; however we received no response from either Mersen or the City. The revenue sharing in the draft 425 was set similar to the previous Wal-Mart transfer and was proposed to run for 25 years. Eventually the City sent the Township supervisor a one line e-mail stating that only a 108 was acceptable as had been used in the past and that the parties ought to discuss terms with revenue sharing. The City also stated that they would not accept any agreement that would return the property back to the Township even if the property was never developed.

To help remedy the concerns of the City and Mersen without the Township giving up all future protection from annexation of properties contiguous to the Mersen property, the Township offered a second 425 agreement. This revised agreement removed the short term agreement to place the property back in the Township if development did not occur and offered immediate transfer. Furthermore, the revised agreement allowed revenue sharing splitting the city revenue with the township until expansion occurred, then revenue sharing millage would drop to 3 mill for 25 years, which is similar to the Wal-Mart annexation with a shorter term.

After Township Supervisor Laura Shears went on medical leave on advice of her doctors, Rod Roy took over as interim Supervisor. Rod attempted to get negotiations moving by offering to form a committee and meet with the City's Committee members. Finally a meeting was held at which the City Manager expressed his opinion that the State Boundary Commission was going to allow the annexation and he wasn't sure they could enter into an agreement with the Township at this time. Acting Supervisor Roy asked the City Manager if there was anything that the City would consider in terms of an agreement to save unnecessary legal fees. The Manager again reiterated that they might still consider 3 mill revenue sharing until expansion occurs, and then it would be reduced to .5 mills for not to exceed 25 years. Rod stated that he would not likely be able to get the .5 mill approved because it was not reasonable, but would consider discussing a 1 mill revenue sharing agreement with the Board. Mr. Bosanic stated he would get back to Rod.

The Township developed a committee consisting of Rod Roy, Marty Posekany, and Lee Gilman and they met on January 28, 2013 with Mayor John Hoppough, City Manager George Bosanic, and Councilman Mark Lehman. At this meeting, Rod stated that he would not likely be able to get the Township Board to agree to the ½ mill because the Township has never agreed to that low of revenue sharing, but would consider taking back to the Board a 3 mill revenue sharing until Mersen develops, and then it would drop to 1 mill for 25 years. The City Manager stated that he would need to take the request back to the City Council, so no agreement was made. The Township Board has since approved utilizing an agreement like the Wal-Mart Agreement previously used by the parties and allowing revenue sharing of 3 mill until development, then reducing it to 1 mill for 25 years. Since then the City Manager has indicated those terms were consistent with what the City was willing to offer. So, we remain hopeful that an agreement can be reached and the Township is committed to negotiating with the City in good faith.

But, if an agreement cannot be reached, then annexing the property at this time would be bad policy and set a poor precedent. During the January Committee meeting, the City Manager began discussing his plans for consolidating Eureka Township and the City of Greenville completely, and stated that future annexations are already in the works, but he would not elaborate on them. When Governor Snyder discusses local governments sharing services, we believe he was discussing sharing of essential services such as Water, Sewer, Police and Fire Protection Community Library services, and Road Maintenance, not the wholesale elimination of communities. The Township already supplies many essential services; contracting with the County for Police Protection and Fire Safety Code compliance, and with the City for firefighting services. The City, however, during a City Council meeting on March 20, 1990, adopted a resolution that the City "shall not extend outside the City limits any utilities unless those areas to be served shall first be annexed into the City of Greenville." Since that time they have maintained this position, even though, due to loss of industrial businesses such as Electolux, and Solar Ovonic, the City water system is operating at 1/3 its capacity. The City has a domestic water capacity of 6,200,000 gpd, and is only utilizing 2, 615,000 gpd. This is not good for a water system as it can allow stagnation to occur if constant flushing of dead end lines does not occur and increases the cost of maintenance.

This is the prime time for the City and the Township to jointly review all properties within the Township that abut the City and come up with a viable plan for future land use that meets the reasonable standards for both governmental bodies. (Exhibit 3) If you look at the Township Zoning Map you will see city property where there is no intent of the City extending utilities to these locations that should be farm land or residential properties within the Township. The Township also has little islands of township property within the city that makes no sense.

The Township has for the past 20 years been able to negotiate revenue sharing arrangements as part of the transfer of property, and this project should be no different. I believe this is the way the State would want local governmental bodies to work together. If the SBC decides to unilaterally annex this property into the City without requiring some additional land use work to make sense of the boundaries, then, with all due respect, the State Boundary Commission is not doing its job.

I implore you, therefore, to give the parties time to negotiate in good faith to resolve this issue. This is necessary especially in light of the fact that, as Mr. Basanic has said, there are other annexations on the horizon. To simply grant annexation at this time without requiring further

discussions with both Planning Commissions would be shameful in light of the fact that there are no immediate needs for annexation of the Mersen Property. Forcing an annexation at this time will set a dangerous precedent for future intergovernmental relations between the Township and the City and will harm Township interests unnecessarily.

NORTH

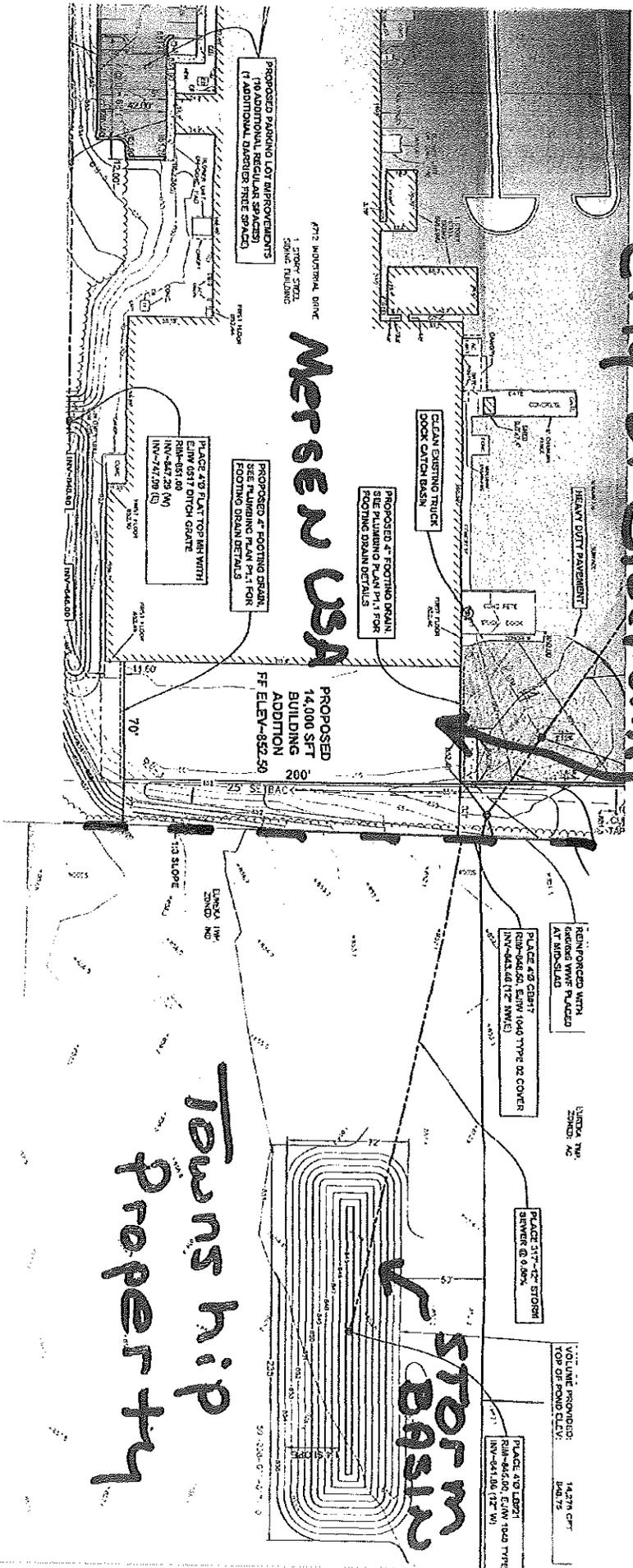
City of Greenville

14,000 sq ft Addition

Township Property

Storm Basin

Mersen USA



Mersen Addition showing 14,000 sq. ft addition and storm water retention basin installed in township 2011

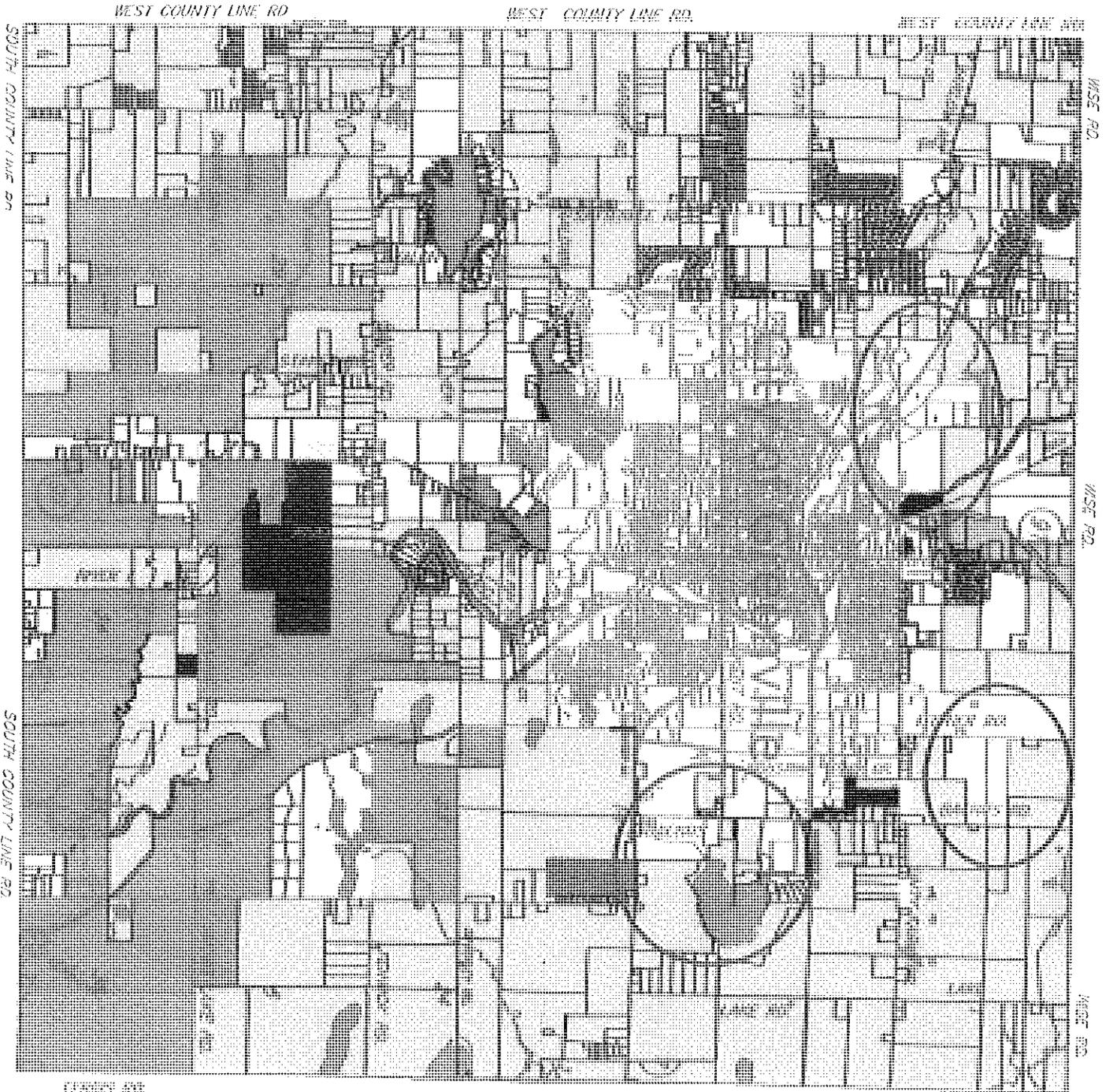
SOUTH

INDUSTRIAL
DRIVE

INDUSTRIAL
DRIVE

INDUSTRIAL
DRIVE

BACKUS RD



Village

KENT RD.

INDUSTRIAL

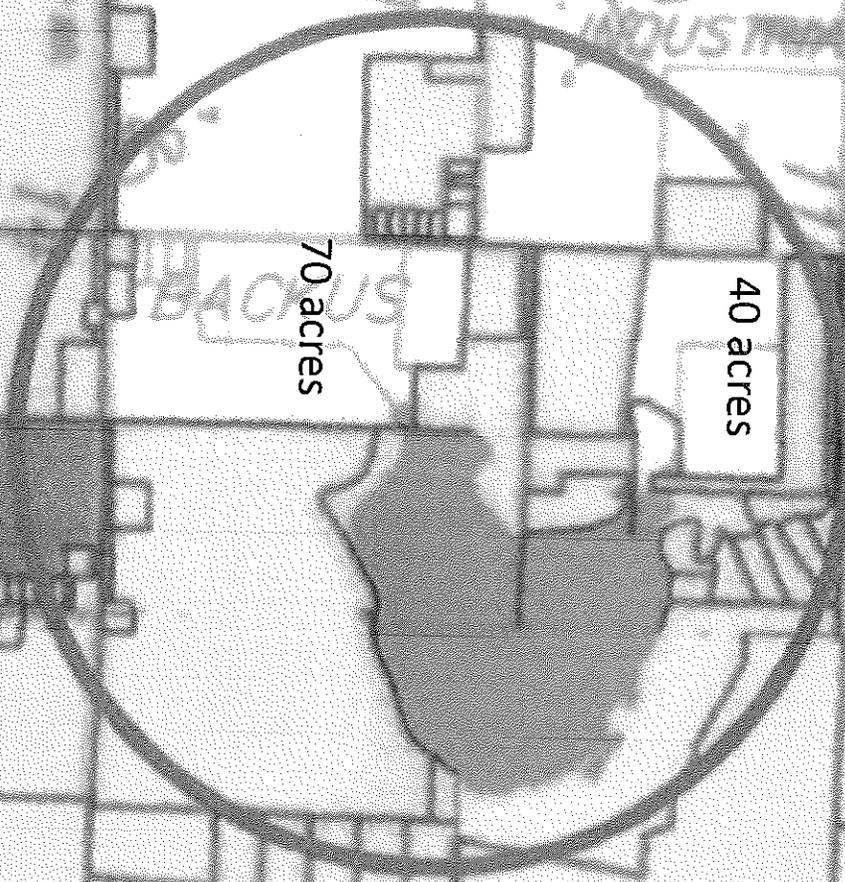
PARK DR.

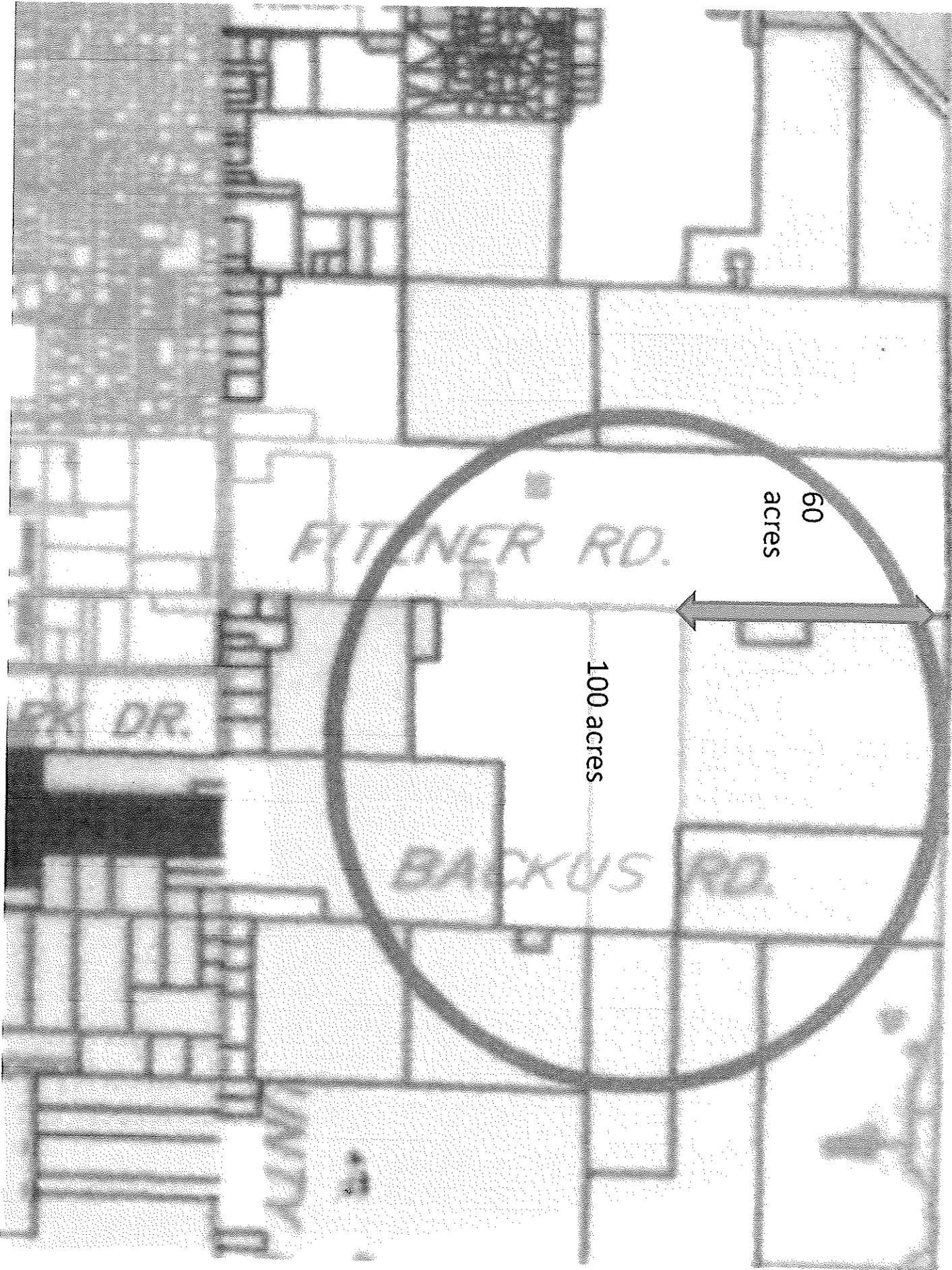
BACKUS

40 acres

70 acres

LAKE RD.





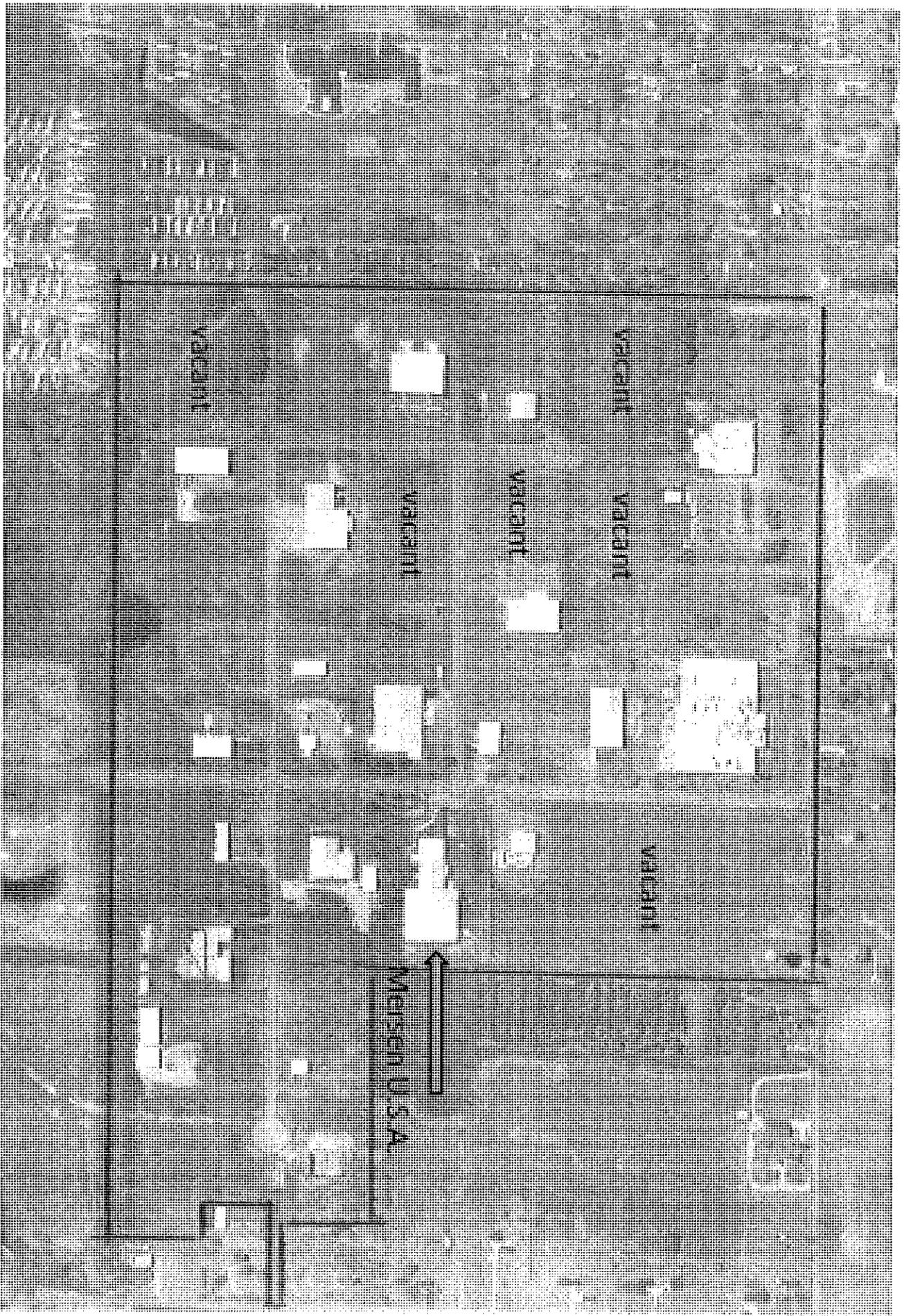
FITZNER RD.

60
acres

100 acres

BACKUS RD.

EK DR.



Greenville Industrial Park



N.W. City Property

WISE RD.

MAR 19 2013 '12 AP 0 2

STATE BOUNDARY COMMISSION



Scholten Fant
Attorneys

Over 50 Years of Service

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100 North Third Street, P.O. Box 454, Grand Haven, MI 49417-0454
www.scholtenfant.com

March 18, 2013

Mr. Kevin O'Brien
State Boundary Commission
P.O. Box 30704
Lansing, MI 48909

VIA E-MAIL (ObrienK@michigan.gov) and
FIRST CLASS MAIL

Re: Petition for Annexation of Land in Eureka Township to City of Greenville

SBC Docket # 12-AP-2

City of Greenville's 30-Day Additional and Supplemental Information

Dear Mr. O'Brien:

Attached for filing is the Additional and Supplemental Information submitted on behalf of the City of Greenville under Administrative Code, Rule 123.68. Please include the attached in the record of Docket # 12-AP-2 pending before the State Boundary Commission.

Thank you for your attention in this matter.

Very truly yours,

SCHOLTEN FANT

Rodney L. Schermer,
Attorneys for the City of Greenville

RLS/skc
Attachment

cc: Mr. George Bosanic, City Manager, City of Greenville (w/attachments; via e-mail)
Greenville 22 Ltr 03152013 O'Brien With City's 30 Day Additional and Supplemental Information

Docket # 12-AP-2

Petition for Annexation of Land in Eureka Township to the City of Greenville (Montcalm County)

**CITY OF GREENVILLE'S ADDITIONAL AND SUPPLEMENTAL INFORMATION
SUBMITTED UNDER RULE 123.68**

INTRODUCTION

The Petitioner is Mersen USA Greenville-MI Corp. ("Mersen" or the "Company"). The Company was formerly Graphite Engineering & Sales Company before being acquired in 2010 to become a Mersen subsidiary company.

Before and after its purchase the Company has been a quality manufacturing business in the City of Greenville ("City"). It has expanded its facilities/operations a number of times, but has always maintained its locations within the City. Presently, it is located in the City's Industrial Park, with an address of 712 Industrial Park Drive.

Mersen has purchased approximately 9.7 acres of land in Eureka Township which is the subject of this annexation proceeding (the "Property"). The Property abuts, on the east, Mersen's current property in the City's Industrial Park.

Most of the subject Property is vacant. There are a few residential lots along Backus Road at the Property's east end. There is one home on those lots which Mersen owns and leases. The remainder of the parcel to be annexed is vacant except for a retention pond which provides storm water retention for Mersen's facility in the Industrial Park. It should be noted that the Property adjoins the City limits on two sides.

Mersen seeks to expand its operations by construction of new manufacturing buildings and accessory structures on the Property to be annexed, as its current parcel in the Industrial Park lacks room for expansion.

The City supports Mersen's petition to annex the Property. It recognizes Mersen as an attribute to the City and its industrial, base and as a good employer in the area. The City has for decades provided Mersen with public services that enabled it to grow and remain in the area and is capable of doing so in the future. At the same time, Mersen has contributed to Greenville and the surrounding community. The City certainly seeks to foster Mersen's continued growth and commitment to remain located in Greenville. Mersen's continued investment and job creation are vital to Greenville's economy.

**CRITERIA TO BE CONSIDERED BY THE
STATE BOUNDARY COMMISSION**

The City submits that this is a relatively simple annexation. Many of the criteria were addressed in the Questionnaires filed prior to the public hearing. Most are not particularly pertinent to this annexation matter as was shown by the lack of any dispute at the public hearing.

Accordingly, such matters as population, population density, topography, natural boundaries and drainage basins, land areas and land uses, and the need for community services, are addressed in the responses to the Questionnaire and the documents submitted with it. There is nothing remarkable relating to such criteria that suggest annexation would not be proper.

As to past and probable future urban growth, this certainly favors the annexation of Mersen's Property into the City. The past and future industrial growth in the area has and will lie within the City. Indeed, the Property to be annexed already abuts the City's Industrial Park on two sides as previously mentioned.

The City already provides services for Mersen's existing facilities in its Industrial Park. The costs and adequacy of such services will not be altered or adversely impacted. Public water, transportation, and sewer, fire and police service, zoning and building regulation will easily be extended to the small annexed Property that will be united with an existing manufacturing business operation in the City. The City has the financial ability to maintain the services.

Such services cannot be provided by the Township, or at any less cost or in a fashion that is "more adequate." The Township is not in a position to maintain the public services required, especially sewer, water, and transportation. As the Commission can see from the Township's Zoning Map and Master Plan the Township is essentially residential and agricultural in character. The potential for industrial growth is very limited and/or restricted by its lack of adequate infrastructure.

The annexation of the Property would entail an increase in taxes as the land would be subject to the City's millage rate, not the Township's. However, the City understands that Mersen finds that acceptable as it will be benefitted by having its facilities under one local jurisdiction and by the public services available.

In essence, the only real objections raised by the Township at the public hearing was the loss of tax revenue and the potential damage to Backus Road from truck use entering or exiting the Property.

As to the former, most every annexation will result in a loss of tax base to a township. We understand from Mersen that the subject Property, both the vacant land and the residential lots, have an aggregate taxable value of \$50,359.00 and the taxes collected by the Township based on its current millage is \$151.08. There is, therefore, no real adverse impact on the Township's coffers.

With regard to the assertion that Mersen's use of Backus Road for freight traffic would cause the Township to have to expend funds for repair by the Road Commission, that is speculation. Backus Road is a Class B local county road, and it is not paved for its entire length. Although it does intersect with M-57, Mersen fronts on Industrial Park Drive which is a newer multi-lane road within the Industrial Park to provide access to and from M-57. There is no evidence that Mersen would use Backus Road for secondary truck traffic access. Further, the City, by site plan review can certainly provide for such freight traffic to use the City's drive to M-57.

Finally, the public comment did not show any true opposition to the annexation. If we recall correctly, only one Township resident residing on Backus Road felt that the Property should remain residential, at least the residential lots on the east side, and otherwise did not object to the annexation of the remainder of Mersen's vacant land. Others generally did not dispute the annexation of the Property into the City, but felt it should be done by an agreement that would provide for some tax revenue sharing with the Township.

Whether or not the City and Township may reach any form of an agreement is not one of the criteria for the State Boundary Commission to consider on Mersen's petition for annexation. Action on the petition should not be delayed to Mersen's detriment. The City will only reiterate what was stated at the public hearing. In the past, the City and the Township have worked cooperatively on a number of instances where property was annexed to the City under an agreement. Those prior agreements resulted in mutual benefit to the City, the Township and the various property owners, and provided for growth and employment in the greater Greenville area. Unfortunately, that cooperative spirit was sidetracked in the case of Mersen's Property. The City remains willing to continue working in a cooperative manner to reach an amicable resolution if one can be reached in a reasonable timeframe. However, in the background are Mersen's needs and desires, which unfortunately have already suffered substantial delays and expense in this matter.

In conclusion, the City supports Mersen's annexation request and believes that granting the petition is warranted under the facts and circumstances presented to the State Boundary Commission.

Exib. 4

Eureka Charter Township
9322 SW Greenville Rd.
Greenville, MI 48838
P.H. (616) 754-5053
Fax: (616) 754-4760
E-mail – eurekatp@yahoo.com

RECEIVED

MAR 19 2013

OFFICE OF LAND SURVEY &
REMONUMENTATION

3/7/2013

State Boundary Commission
Department of Licensing and Regulatory Affairs
Att: Kevin O'Brien
P.O. Box 30254
Lansing, MI 48838

RE: SBC Docket #12-AP-2 Montcalm County

Dear Commission members

As residents of Backus Road, we are against the annexation of the Mersen U.S.A. property as described in its petition to the State Boundary Commission. We do not want industrial trucks and traffic on this road as it is a restricted county road. We understand that the cost to the Township to upgrade the road is over \$250,000.00 and would be assessed to the Township Residents. This is a huge sum of money for us and it would be grossly unreasonable to make remaining Township residents pay for an upgrade to a road for which they have no need and which will only benefit the City of Greenville and its businesses. Currently the property owned by Mersen U.S.A. facing Backus Road is residential with a nice home on it and we want that property to stay residential and this would be put at severe risk if the annexation as proposed is approved. The transfer of this land will also result in a loss of revenue for the Township and will ultimately result in an additional tax burden for remaining Township residents. Accordingly, we urge you to deny the annexation request.

Name and Address	Signature	Date
Tom Lindeman 8060 Backus - Greenville		3/7/13
Ronda Dyer 7109 Backus	Ronda Dyer	3/16/13
Laurence Dyer	Laurence Dyer	3-16-13
Steve Kuntz 7305	Steve Kuntz	3-16-13
Mike Garcia 7330 Backus	Mike Garcia	3-16-13
LAURENNE ADAMS	Laurenne Adams	3-16-13
Ben Wilson 8070 Backus	Ben Wilson	3/16/13
Barbara Lindeman 8060 Backus	Barbara Lindeman	3/16/13
Jim Nyperola 894-0601	Jim Nyperola	3-16-13

4559

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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TEL (313) 496-7617
FAX (313) 496-8450
E-MAIL beach@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

FLORIDA: Tampa

ILLINOIS: Chicago

NEW YORK: New York

OHIO: Cincinnati

CANADA: Toronto • Windsor

CHINA: Shanghai

MEXICO: Monterrey

POLAND: Gdynia
Warsaw • Wroclaw

March 13, 2013

Via Email and U.S. Mail

Mr. Kevin O'Brien P.S.
State Boundary Commission
Office of Land Survey and Renumeration
P.O. Box 30254
Lansing, MI 48909

Re: Additional and Supplemental Information Presented Under
Rule 123.68 Docket #12-AP-2
Petition for Annexation of Land in Eureka Township to the
City of Greenville (Montcalm County)

Dear Kevin:

I have attached the Additional and Supplemental Information permitted to be submitted thirty (30) days after the public hearing. Please incorporate them into the file on behalf of Mersen USA Greenville, MI-Corp. Thank you.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____

William B. Beach

WBB/hfm
Enclosure

cc: Mitch Taylor (Mersen)
George Bosanic (City of Greenville)

DISCLOSURE UNDER TREASURY CIRCULAR 230: The United States Federal tax advice contained in this document and its attachments, if any, may not be used or referred to in the promoting, marketing or recommending of any entity, investment plan or arrangement, nor is such advice intended or written to be used, and may not be used, by a taxpayer for the purpose of avoiding Federal tax penalties. Advice that complies with Treasury Circular 230's "covered opinion" requirements (and thus, may be relied on to avoid tax penalties) may be obtained by contacting the author of this document.

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REMONUMENTATION

ADDITIONAL AND SUPPLEMENTAL
INFORMATION PRESENTED UNDER RULE 123.68

Docket # 12-AP-2
Petition for Annexation of Land in
Eureka Township to the City of
Greenville (Montcalm County)

Petitioner: Mersen USA Greenville-MI Corp

Mersen USA Greenville-MI Corp (“Mersen”) was formerly known as Graphite Engineering & Sales Company (“Graphite Engineering”). That company had been formed in 1978 by local residents of the City, (Melvin, Todd and Thad Taylor) and it was originally located at 425 Fairplains Street in the City of Greenville. Graphite Engineering outgrew the 425 Fairplains location in 1991 and moved to 712 Industrial Park Drive in the City’s industrial park. Mersen has gone through seven expansions since 1991. It currently encompasses 74,000 square feet under one roof and employs 105 employees.

Graphite Engineering was purchased by Carbone Lorraine, a French international company in 2010. Carbone Lorraine is a publicly traded company on the Paris stock exchange. Mersen is a global expert in materials and solutions for extreme environments as well as in the safety and reliability of electrical equipment. Mersen designs innovative solutions to address its clients specific needs to enable them to optimize their manufacturing process in sectors such as energy, transportation, electronics, chemical, pharmaceutical and process industries. Carbone Lorraine amended the articles of incorporation of Graphite Engineering to rename it to MERSEN USA Greenville-MI Corp. in 2010. At the same time all other wholly owned subsidiaries of Carbone Lorraine changed their names to MERSEN.

Mersen filed its petition for annexation with the State Boundary Commission on October 18, 2012, after six months of less than successful discussions with the City and Township.

City of Greenville

The City of Greenville (the “City”) was founded by a sawmill operator in 1844 and became a center for Danish immigrants, Fred Meijer being the most notable favored son. It was also once known as the refrigerator capital of the world with Gibson, White Consolidated, Frigidaire and Electrolux as corporate residents.

The City is moderately hilly and its 6.7 square miles is surrounded by farmland and wood tracts. The City is bisected by the Flat River and encompasses 4 navigable lakes, along with many unnamed ponds, peat bogs and wetlands. The population of the City is 8,481 (2010 census). It has a density of 1,337.7 residents per square mile. It is zoned mostly residential with areas designated for commercial along its major thoroughfares and industrial in its industrial parks and industrial zoned areas.

The City provides full municipal services including, but not limited to, police, fire, water and sewer, public works, parks and recreation, planning and zoning, public transportation, library, and a municipal airport. The major truck lines that pass through the City are M-57 (east-west) and M-91(north-south). The City is located seventeen miles from US-131 and twenty six miles from I-96. The City has an assessed valuation of \$292,606,500 dollars.

The City continues to attract commercial businesses. Wal-Mart has just located on property annexed into the city through a 108/Act 7 agreement. The City anticipates continuing to grow and attract other businesses in the near future.

Response to Public Comments

A. No Immediate Plans to Expand: History shows us that Mersen has expanded its physical plant on the average of every two years. Its growth is dependent on the global market demand for its products and approvals sought from worldwide, intra-company competition for budget dollars. Expansion plans have to, therefore, be carefully planned and meticulously justified before the parent company in France will even notice, much less approve. This process takes several years before the first spade enters the ground.

The first step for any company's growth plan is to secure control of the land on which the projected expansion is to grow. Mersen took that first step by acquiring the 9.7 acres immediately adjacent to its current site in the City's industrial park. Those 9.7 acres, unfortunately lie across the municipal boundary in Eureka Township.

B. Other Vacant Areas Available in the City. None of the vacant sites referred to by the speakers for the Township as vacant and available for expansion purposes are closer to the existing Mersen site than the proposed annexed parcel. No other properties are adjacent to the existing site of the Mersen plant. Some of the suggestions were clear across town and were not served with public utilities. Any separation of company facilities would give rise to costly logistics to transfer materials and equipment between them. The most efficient and cost effective expansion plan would be the proposed simple addition of square footage to the existing Mersen plant's structure. The property proposed to be annexed is without question the best and only choice for expansion.

C. Class B Status of Backus Road. The property petitioned to be annexed abuts Backus Road at its Eastern end. Backus Road begins 1.2 miles South of the Mersen site at M-57 or W. Carson City Road. From the Mersen site, Backus Road runs North for .2 miles to Van Deirse Street where it then turns into a dirt road. It terminates approximately 2.5 miles further North at Fuller road. Backus Road is not a connecting road between major roads. It would not suit Mersen for its trucking purposes because of this and because of weight restriction imposed on Class C roads.

The Greenville industrial park is serviced by a three lane concrete, Class A road specifically designed to handle the industrial (truck) traffic. The Mersen plant fronts on this road and it uses the industrial park road for ingress and egress of its trucks.

D. Loss of Township Revenue.

The Township assesses the large vacant parcel of annexed land at \$13,200. The assessed value of the three residential lots is \$43,800. The current township taxes on a total assessed value of \$50,359 at 3 mills would be \$151.08. The loss of tax revenue to the township would not substantially effect the operation of the township.

E. Availability of Government Services

The City has the capacity and the availability to provide the annexed property with full governmental services. Such services would be simple extensions from and through the existing and adjacent property occupied by Mersen. Mersen would pay approximately 12 mills for the privilege of tying into the City's utilities.

F. Negative Impact of Failure to Secure Annexation

If Mersen were unable to annex the adjacent property in the Township, any expansion onto the adjacent parcel would take place under the jurisdiction of a separate municipality, subject to different ordinances, building codes, permitting and licensing processes, different assessors and inspectors. Set back requirements would have to be waived by both zoning administrators. Different books would have to be kept for conducting business in the separate communities. A yellow line would have to be drawn at an agreed upon boundary across the floor of the facility, separating the facility for two different enforcement agencies.

MERSEN SA (parent company) would think twice about allocating capital dollars to a Greenville/Eureka location. The French decision makers would rather put the next expansion project in a location that only had to deal with one set of politicians, such as Pennsylvania, Virginia, Europe, or Asia. It would be more difficult for local management to lobby with the parent corporation for expansion dollars if the annexation were unsuccessful.

G. Other Specific Objection to Annexation

Most of the objections presented at the public hearing were not against Mersen expanding the plant, nor were they against the annexation of the land into the City. Many actually approved of the annexation to permit Mersen room to expand. The speakers focused their objections to annexation by any method that would not include the sharing of taxes between the City and the Township. Annexation through the State Boundary Commission would not provide for the sharing of taxes between the Township and the City. The preferred alternative suggested by the Township was through Act 425 or through mutual agreement under Section 5a of Act 7 of PA 1967 (MCL 124.505a) or what is commonly known as an Act 108 Amendment. Annexation under such agreement would incur by mutual consent of the two municipalities and the Township would be able to negotiate receiving a share of the property tax revenues from the annexed property.

Mersen would not be a party to a tax sharing agreement. Both 425 and 108 agreements are inter-local agreements between two governmental entities. Mersen, therefore, reserves the right to not make any comment on both the history of the discussions between the City and Township on this subject and/or the potential on-going negotiations in the future. Mersen simply would like to have its property in the township annexed into the City as soon as possible.

20,895,342.2\138445-00001