

**Questionnaire for Annexation
State Boundary Commission**
Office of Land Survey and Remonumentation
Bureau of Construction Codes/LARA

SBC DOCKET #13-AP-2 from TeriDee, LLC
Proposed Annexation of Land in Clam Lake Township
to the City of Cadillac, Wexford County

**BOUNDARY COMMISSION QUESTIONS
FOR
DEVELOPING PUBLIC HEARING INFORMATION**

1. a) Why is annexation necessary or desirable at this time?

Petitioners for annexation are TeriDee, LLC and certain related parties ("TeriDee"). Approximately 95% of the privately owned property proposed for annexation is owned by TeriDee. The TeriDee property is located at the intersection of two major highways – US-131 and M-55. The area is clearly in the path of probable future urban growth. TeriDee has been trying to develop this property for a retail center for over five years, but has been stymied by actions of Clam Lake Township and Haring Charter Township. There is a demand for such a development at this location.

Clam Lake Township does not own municipal sewer or municipal water services. The City of Cadillac has available City sewer and water services in the immediate vicinity which can be provided on a cost effective and timely basis to the proposed development. Petitioners desire to connect to City sewer and water services. The City has indicated its willingness to provide those services to the property when it is annexed. The proposed development will provide a significant number of much needed jobs for the area as well as a significant increase to the area's tax base.

- b) Have you reviewed other alternatives that might accomplish your goals without annexation?

Yes

- c) What are these alternatives?

In 2008, TeriDee proposed an Act 425 Agreement between Clam Lake Township and the City of Cadillac with regard to the TeriDee property. The Clam Lake Township Board, on its own motion, placed the question of an Act 425 Agreement with the City of Cadillac on the ballot, but did not support the proposal. Voters in the 2008 Clam Lake Township election rejected the idea of an Act 425 Agreement with the City of Cadillac.

For many years Haring Charter Township has been discussing the construction of new waste water treatment plant in Haring Charter Township. Such a plant does not now exist. Whether the plant will actually be built remains a matter of speculation. Certainly, the completion of such a plant will not occur until late 2015. And the construction of infrastructure to connect that plant to the TeriDee property would take even longer. (In contrast, the City of Cadillac utilities are immediately available.) The capacity of the proposed Haring Charter Township Waste Water Treatment Plant and its ability to timely serve TeriDee and Clam Lake Township property is also at issue. Finally, according to bond counsel for the waste water treatment plant, the capital cost of connecting TeriDee to the speculative Haring Charter Township system is significantly more than \$1,000,000.00 for sewer service and \$1,000,000.00 for water service, which according to the Clam Lake Township board discussion on September 18, 2013, must be paid up front by TeriDee. Compared to the cost of connecting to City of Cadillac utilities, these projections increase the cost of public utilities for the proposed TeriDee development by over \$1,000,000.00. In addition, it is expected that the commodity charges for sewer services (excluding capital costs described above), will also be significantly higher than the commodity charges for City of Cadillac sewer services.

d) Why were they rejected?

See 1c above.

2. a) If annexation is accomplished, will the existing land use change?

TeriDee owns approximately 141 acres of the area proposed for annexation. It is almost entirely vacant land. A significant portion of that property will be developed.

b) If yes, how will it change?

TeriDee proposes a retail development called Cadillac Junction on the portion of the property which is immediately adjacent to US-131 and M-55. Approximately 15 acres on the eastern edge of the property will not be developed for commercial use and will be left as a buffer.

c) How soon can this change be expected?

TeriDee is proposed to begin infrastructure connections to the City of Cadillac utilities within a few months of approval of the requested annexation (weather permitting). It is expected that construction of improvements on the property will begin in the spring of 2014, assuming timely approval of the requested annexation.

3. a) What governmental services are currently being provided to the area proposed for annexation?

TeriDee defers to the responses of the City and the Township. However, TeriDee emphasizes that the property is not now served by public sewer or water services. Clam

Lake Township does not provide such services and cannot provide them on a timely and cost efficient basis.

b) From which jurisdiction?

See 3a above.

4. a) What new or additional governmental services do you expect to be made available if the land is annexed?

The City of Cadillac provides more services than does Clam Lake Township. As a part of the City, the TeriDee property will benefit from those additional services. The primary new governmental services provided to the property will be public sewer and public water services from the City of Cadillac which can be provided immediately and at a reasonable cost.

b) Are these services available without annexation?

Public sewer and public water are not immediately available without annexation to the City of Cadillac. Clam Lake Township simply does not provide these services. Provision of such services from Haring Charter Township, if ever available, will only be available at significantly higher cost and only on an extended timeline.

c) From which jurisdiction?

Only the City of Cadillac can provide public sewer and public water services on a timely basis and at a reasonable cost.

d) Under what conditions?

The City of Cadillac sewer and water services are available and in the immediate vicinity. Clam Lake Township does not provide these services. Haring Charter Township sewer and water can only be provided to the site at some indeterminate date two years or more from now, assuming the plant is actually built. That is further conditioned on the Haring Charter Township plant being built with enough treatment capacity for the TeriDee property, the future construction of infrastructure to connect the TeriDee property to the plant (which will cost the petitioner significantly more than \$1,000,000.00 each for both water and sewer and which adds over \$1,000,000.00 to the cost of the development), possible acquisition of easements for same, and payment of higher commodity charges on an ongoing basis.

5. If the annexation were approved, what would be the impact of the city, the township, and the greater community?

The vacant property at the intersection of two major highways will be developed for a use that is typically found at such major highway interchanges. It will be provided

with public water and sewer services by the City. These City services are immediately available to serve the development at a reasonable cost. A significant number of jobs and hundreds of thousands of dollars of tax revenues will be provided to the regional economy and the greater Cadillac community. The greater community will also benefit from increased shopping opportunities. In contrast, Clam Lake Township would lose less than 1% of its population (20 or fewer residents, some of whom support the annexation), approximately 1% of its land area, and a miniscule fraction of its SEV.

6. If the annexation were denied, what would be the impact on the city, the township, and the greater community?

Clam Lake Township has admitted that the upfront cost of providing water and sewer services to the TeriDee property will exceed \$1,000,000.00 each. That means that the upfront water and sewer costs to TeriDee will be approximately \$1,000,000.00 more than they would be if the annexation is approved. And, ongoing commodity charges are expected to be more costly than from the City of Cadillac. In addition, there is the uncertainty as to the timing of the provision of services, if ever, from Haring Charter Township. Based on these factors, if the annexation is denied, TeriDee will have to reassess whether it goes forward with the development. If the Project does not go forward, the significant positive impacts to the greater community discussed in question 5 above are at risk.

SUBMITTED OR PREPARED BY:

Randall W. Kraker

Print Name



Signature

October 8, 2013

Date