

Bear Creek Township Board/Planning Commission Joint Meeting April 12, 2023

Called to order at 6:30 p.m.

Township Board Roll Call: Hoffman, Golding, Radatovich, Urman, Keiser

Planning Commission Roll Call: Brown, Mays, Cyphert, Kargol, Radatovich
Absent: Gunderson, Haven

Pledge of Allegiance

Presentation by Housing North (Andrea Jacobs)

Andrea Jacobs is a Housing Ready Director from Housing North. She explained that in Bear Creek Township, there is a lot of pressure for residential development. However, the Mitchell/Division area will be impacted by developmental pressure everywhere. Regardless of where development happens, it will bear down on this intersection, as it is the bypass. She introduced her assistant, Lorie, from CMU, who is working with Leadership Little Traverse.

Other introductions were made: Keiser introduced Garrett Muir, the township's new assessing assistant. Nikki Devitt is the Petoskey Chamber president and was recently appointed by Governor Whitmer to the Statewide Housing Partnership. Rebecca Otto is the Community Impact Director for United Way and is also on the interfaith council. Doug Mantha is also part of the interfaith council and is on the housing partnership. Steve Calverley is with Krimson Development, which is a workforce housing provider. Chris Bauer is present from the NLEA.

Jacobs shared that the township continues to identify as a development partner. The intersection of Division and Mitchell became a focus because of things such as sidewalks, lighting, and traffic pressure. A few years ago, there was the Safe Routes to School funding that got started; this money is still available. Jacobs believes this area is underperforming for the township. If the township is going to invest in this area on behalf of the larger area, she would like to explore how it can benefit Bear Creek Township by performing better. One of the biggest issues is the water and sewer infrastructure. This is a large financial demand on the township, and she would like to see how we can prepare for future funding mechanisms. In regard to the Severn property, she noted that the conservancy may be able to be a partner. She noted that water from the city would have to be looped and asked where that would be most effective. She noted there will be commercial and residential partners involved. The sub-area master plan process involves lots of studies and engineering, and includes a public input phase. However, this does not have to fall on the planning commission; rather, this can be a larger subcommittee, which is why she invited community stakeholders today. The timing of this discussion is convenient, because the Bear Creek Master Plan review is next year, so this will give time for us to look at the investment and larger expansion for infrastructure. Jacobs wanted to host a charette with many stakeholders, including NLEA, county representatives, township representatives, school representatives, developers, the road commission, United Way, and more. These are all people who are interested in how the township is going to grow. A pressure point such as this intersection is a great way to begin this conversation. In regard to paying for a sub-area master plan, Jacobs suggested two grant opportunities. The first is through MEDC, which is an essentials program for a Redevelopment Ready Community. This would give the township access to up to \$30,000 for planning assistance. The second opportunity is the Rural Readiness Grant through MDARD, which is for \$50,000 with a 20% match. Having a plan is a requirement for future funding. If the township would like to pursue the second grant, there is a letter of intent that would have to be submitted.

Hoffman noted that one grant could be used for a water study in conjunction with the city. Cyphert noted that we could get a grant for both the water and sewer issue. He noted that the sewer is likely even more important to developers.

Jacobs noted that after funding this plan, the next step would be funding some of the big expansion projects. To access the state and federal infrastructure money, you must have a plan such as this. She noted that we will need to discuss the best use of the space. There are several important pieces here, such as walkability, access to schools, and year-round small businesses. She wants this intersection to be more than just a funnel to the downtown commercial district. The township has prioritized greenspace and preventing sprawl, so she is recommending a mixed-use district. There are already existing roads and parking in Mitchell Park. She would like to see the township specify which types of businesses we want to incentivize. She would like to see us create a livable space that contributes to the quality of life of our township. She noted that there are some tax incentives related to housing, including the Neighborhood Enterprise Zone, Residential Facilities Exemption, PILOTS, and Brownfield/TIF. She would like the township to discuss if a sub-area master plan seems interesting at this time.

Kargol noted that the problem with developing this Mitchell/Division area is the intersection. Even if additional lanes were put in, all lanes would be full. This is the busiest intersection in the township, and to increase the business around this intersection would only increase traffic more.

Jacobs noted that regardless of where development happens in the county, the pressure is going to bear down on this intersection. What kind of expansion needs to happen there? The entire northern county is going to rely on Bear Creek to absorb the pressure at that intersection and to absorb the cost financially. If Bear Creek must do that, we should talk about how we can recoup that financial

investment. Keiser noted that no matter where development happens, Petoskey is the hub. Out of the 13,000 cars that go through the Mitchell/Division intersection every day, a small percentage are Bear Creek residents. People are coming from all over, so no matter where development goes, it is going to put pressure on that intersection.

Kargol feels that intersection is a bypass.

Keiser noted that if Plath's were to redevelop, to tear it down and widen the intersection would be unaffordable. But if a developer bought it and made a smaller footprint, maybe there is a way. We will have to think outside the box.

Urman noted that the intersection is the key to the whole picture. He believes all four corners would need to be purchased and the hub must be created to expand the road. If you owned the land, there could be 3-4 lanes into town each way to alleviate traffic. He asked about the Lofts and Lumber Square. Nikki Devitt noted that the MEDC has stepped in, and that project is a go. The original funding mechanism for that project failed because it didn't meet the walkability score.

Mays noted that it would be difficult to add lanes to that intersection, because the traffic would still bottleneck into Petoskey, and at the intersection of Division and the highway. Kargol noted that Atkins Rd has taken some of the pressure off Mitchell. He feels that if this intersection is expanded, the traffic will bottleneck at Kalamazoo St. Urman suggested working with the city to have three lanes from the intersection all the way through to the high school.

Tammy Doernenburg noted that planning is key. She explained that the township master plan expires next year. There are also other areas in the township that need to be addressed, such as US 31 from Division to Graham Rd. Would it make more sense to start the master plan early and take a longer period to focus on key areas that have issues? Additionally, the Redevelopment Ready Community program requires someone from your township to be certified.

Presentation by Bear Creek Township Supervisor

Keiser shared the history of sewer infrastructure in Bear Creek Township. From 1990-2000 the population in Bear Creek Township grew by 52%; what we are seeing today is potentially going to be even more than that. At that time, the township also discussed expanding for voting and fire department purposes. In 1978, the sewer went in, in conjunction with other townships. At that time, it was the Springvale Bear Creek Sewer Authority. The objective was to clean up the lakes. At that time, all the growth was on the north side of Petoskey, so the highway and M-119 got sewer. From the 70s until 2010, all the township sewer flowed to the City of Petoskey. There was a small amount of capacity to the south side, and it grew as Walmart went in in 1994. At the time that they ran out of capacity at the city, they discussed putting in a big tank for sewer, and pumping it into the city in the middle of the night, at a low flow time. Then, the township decided to go through the Harbor Springs Area Sewage Disposal Authority. We made a major \$3.5 million investment and put a pipe in from Division to the plant. That opened capacity at the city for growth on the south side. That has worked for the last 15 years, but here we are again. Since 2006, the township has averaged 15-20 REUs a year (a REU is equivalent to one residential home). We have had incremental development throughout the years. However, recently, over the last few years, we have had multiple inquiries for multi-family development. Here are some of the developments and number of REUs they would require: Manthei's for 130 (this has already been approved), Hearthsides for 68 (approved), a developer has looked at the old humane society location for 200+, 400 at the corner of Shaw and US 31, 100 at Dr. Preys, 500-600 at Seveners, plus Petoskey East has been approved for 200. Additionally, we just rezoned a piece of property on the corner of Lears and Howard for 80 units, 140 at Atkins Rd, south of Flynn's pit for 100, south of Intertown for 200, and 100 at the Cooper property. While these are estimates, this would total around 2000! Instead of 15-20 a year, we are looking at requests for thousands. Internally, we receive phone calls all the time from developers, but we just don't have the infrastructure to handle that type of development. The city also has a few projects going on- 60 at Lofts at Lumber Square, 234 at Michigan Maple Block. The city must reserve flow for their own developments, as well as for the hospital. The college is also looking to expand. Developers are also calling from Resort Township, as they have very little sewer. The tribe is also considering apartments at Victory Square. All this pressure leads to the fact that a regional plan is needed. The City of Petoskey and Tribe both have water and sewer, and Harbor Springs Area Sewage Disposal Authority has land, so there are possibilities for expansion. One unit of government cannot handle this, it will need to be regional. We have capacity at the plant, but we need a way to get it there. The flow to the plant needs to be upgraded. The infrastructure is old and there are bottlenecks. There needs to be a sewer highway to the city and to Harbor Springs. Even if this is a regional plan, most of the development will be in Bear Creek. As a township, we are also looking at existing infrastructure. We just hired Gosling Czubak to look at the north end, but we will need to do the south as well. Keiser noted that Bear Creek has seen very little redevelopment, but the Mitchell Park area and the four corners are a major possibility. When he talks with developers, the conversation always surrounds sewer and water. Some developers can do a well and not need water, but they all need sewer. As a group, we also need to consider elections and voting. When all these apartments go in, where are these people going to vote? We also will have to have fire services for them and adequate roads. More housing will also bring more commercial development in. Expanding housing will expand everything. This year, the township board allotted money to work with the county sheriff to add additional police services in Bear Creek. Additionally, Keiser noted that often, the ARPA money goes to communities with failing systems. But in our situation, we are trying to be proactive to prevent the system from failing, and it is hard to get funding. Keiser noted that the county was gracious to offer \$50,000 grants with their APRA money to local jurisdictions. In addition, there is the new Rural Readiness Grant that came out last week, however, he believes it may be capped at \$500,000 total.

Devitt noted that MDARD will likely have more rounds of this grant. Collaboration between local communities is the key that they are looking for. We could have the city, township, and sewer authority to all apply for a grant for one plan. Keiser agreed that it is nice that authorities are included in this grant. We have been collaborating with other local units for years.

Keiser shared the upgrades the township is currently doing. We will be spending hundreds of thousands to upgrade the infrastructure just to accommodate what has already been approved (not including future development). This is not an expansion, but rather an upgrade to lift station 2. The township is also closing on property for sewer expansion, and we will potentially be spending another \$2.5 million to upgrade for the short-term. When it comes to the long term, Bear Creek cannot do this alone; it will have to be a regional approach. This will take leadership, time, and money, Keiser noted that it was Joe Hoffman's dad that helped get sewer into Bear Creek in the 70s. He noted that Jeff Cyphert has a friend who could talk to us about funding mechanisms. We will need financial and outside consultants; this is not something our office staff can do. At the end of the day, this also must be approved by EGLE. When EGLE approves a development, we must prove that every pipe from the property to the plant has capacity. In addition, EGLE requires a four times factor to the daily flow. So, if a developer needs 10,000 REUs, EGLE requires capacity for 40,000, and that 30,000 that is not being used daily cannot be allocated to anyone else. Keiser noted that the best way to accomplish this is taking a bite at a time. The township is in the planning phase, and we have been saving money to help with this, however, we didn't think this expansion was going to happen this fast. He believes Mitchell Park would be a great area for redevelopment, with offices with living quarters above. However, he doesn't want to see us go above 3 stories. This would help us with housing, even if it is just a few units at a time. In regard to upgrading and expanding our sewer system, the short-term plan will be a couple years out and the long-term will likely be 5-10 years.

Mays asked if the City of Petoskey and Harbor Springs Area Sewage Disposal Authority would be willing to expand. Keiser noted that it would have to be collaborative. There is nowhere for the city to expand, but we could do the big tank idea. If we expanded like this, Bear Creek would have to pay for it, but we would have to get grant funding.

Cyphert asked if the county would consider having an authority to run this infrastructure for all the cities and townships. Doernenburg noted that the EMS is an example of a county wide service and that was challenging for the county. The fire departments, water, and sewer are all individual. She doesn't think the county would want to get involved in a sewer authority, but the county could help with the planning process. There is also still county ARPA funding available. Keiser noted that in our community, authorities scare a lot of people because of taxation. Kargol noted that the elected people have no control over it once it becomes an authority. Devitt explained that authority bylaws can be written in such a way that you have last right of refusal for millages.

Hoffman noted that the Harbor Springs Area Sewage Disposal Authority plant will have to be upgraded, and that will be very expensive. For the township to even afford our lift station expansions, we will have to bond that. Resort Township has been discussing sewer along Walloon Lake in their township, but the city doesn't have capacity for that. He wants to ensure that lots and landowners also have capacity.

Keiser noted that we have 500,000 gallons at the city and we are using approximately 200,000, so there is capacity there, we just have to figure out a way to get it there. We were planning to do a study for the south region, but NLEA got involved and talked about a regional plan, so we held off. Chris Bauer from the NLEA explained that they have been talking about this regional issue. They would like to look at it as a multi-jurisdictional issue. How can the systems work together? How can we come up with innovative funding mechanisms? We will need a plan to support the issue. He agrees about the pressures of this intersection and noted that it is hard to get funding for planning. Keiser noted it would be approximately \$150,000 to have a regional plan.

Jacobs explained that she would like to see this area perform better and an increase in revenue. One thing that Bear Creek does well is commercial. She noted that typically, when you are facing this type of infrastructure, having an industrial partner makes sense. Because we do not have that, it will be stretched over commercial and residential, which is more complex, but it will work. She noted that the school is also still expanding.

Brief recess from 8:03pm-8:19pm.

Doernenburg noted that 4-5 years ago, when the housing partnership started, a list of barriers was shared. Zoning was on there, and she knew this was something she could help with. She worked on the master plan and ordinance, and sometimes that gets forgotten, because other housing barriers are still there. Recently, the planning commission approved 12 units per acre density when sewer is available (7.5 if it is not available). The Emmet County Planning Commission would also like to see incentives made for density bonuses, so we will start working on that. This could be if you have proximity to sidewalks or schools, or perhaps it would be staying away from wetlands or the waterfront. We are working to make a difference in zoning. Keiser noted that Tammy Doernenburg and Hilary Taylor have been instrumental in helping with these zoning changes. The other townships often follow what we do.

Radatovich noted that whether there is an authority, regional committee, or not, Bear Creek always ends up being the regional leader. For example, our fire department covers many townships, and Al continues to get requests for more. We have been the regional leader in many ways thus far, but eventually, we will not be able to afford to be the regional leader for everyone.

Hilary Taylor noted that if the township went for these grants, we would already have some guidelines in place for when a developer comes in. It will help dictate what we want to see in an area. The sewer and water discussion needs to be regional.

Steve Calverley, with Krimson Development, noted that this discussion has been very helpful, because it helps him to better understand the issue in the community. The piece they are looking to develop is the Severn property. They can handle the water system with a well, but will need sewer. They have done a market study and understand the need for workforce housing in Petoskey. However, he noted that even if there was water and sewer, bringing 250 cars onto Division will really increase the traffic issue. Road infrastructure would likely have to be redone. For a developer, it is all about timing. Sometimes, there are obstacles that must be fixed before a developer can consider coming in. His due diligence period on the property is up in June. Across the state, so much development has gone in in the last few years, and infrastructure hasn't been upgraded, which is causing this issue. He explained that they put in 216 units in Greenville, and they were filled right away. He could see that happening here, but the project must be built first. Calverley noted that 200 units is a good amount for developers.

Rebecca Otto noted that she is driven by the ALICE numbers for the community, which represents the working poor. The numbers in Bear Creek are in the mid-30s. These are people who are above the poverty line but are below the household living. New ALICE numbers will be coming out soon, and Petoskey is trending upwards. Because there is no transit system, people are going to want to stay close to the Petoskey area. Bear Creek Township is the next frontier. When working on a regional level, she encouraged the township to lean into the nonprofits and coalitions, because when you have a committee of all elected officials, it can lead to territorial disputes. Working with nonprofits will add a layer of mediation. They are working for the community too.

Keiser noted that what happens in Petoskey is good for Bear Creek and vice versa. At a local level, we are fortunate, because we never dip as low as the federal or state, and often, our highs are even higher than the national average. In his work assessing for the township, he recently saw a modular home that sold for \$450,000 (vs. \$200,000 in 2018).

Doug Mantha noted that the township board has a difficult job, and he wants to be supportive as a Bear Creek Township homeowner.

Kargol noted that the Division/Mitchell intersection never used to be this busy. We can't try to expedite things quicker than they can be done, but we can try to move swiftly.

Mays would like to see the sub-area master plan and master plan done in conjunction. Cyphert feels we need to get started. He noted that one of the lots on the corner of Division/Mitchell is currently for sale. Brown noted that he hears the need for housing every day, and this has motivated him as a planning commissioner. He would like to get started on the master plan early. Keiser would like to start the master plan early and noted that we need a good quality consultant. Hoffman noted that he learned a lot from this discussion, and agreed that Mitchell never used to be this busy. Radatovich understands the housing struggle and would like the township to start the master plan early. Urman noted that if we rework that intersection, it will be road infrastructure as well as what is buried underground. He has been working to learn more about the sewer. Golding agrees.

Doernenburg noted that there are two issues that need to be worked on separately, but parallel to one another: the master plan and sewer system. When we are looking at the master plan, we will be looking at where the sewer is to determine when housing can go. We need to look at this collectively.

Keiser asked if we should meet again. Jacobs asked what needs to be done to start the master plan early. We will need to hire a consultant. Chris Bauer noted that the NLEA is looking for alternative money sources to get a regional plan for infrastructure.

Kargol asked if the planning commission can require a developer to tell us if the funding for a project is secure. Keiser noted that we likely cannot ask for that, but when a developer is looking at a piece of land, they should do their due diligence. Steve Calverley noted that it is not uncommon for developers to be asked for that. Brown noted that homes require a preapproval letter. Doernenburg noted that it would need to be incorporated into the zoning ordinance. However, our ordinance does allow us to ask if sewer and water are available, so we could start requiring that in writing.

Request from the Floor/Discussion: None

Other Business: None

Adjournment: 9:00p.m.

Respectfully submitted,

Emma Radatovich

Emma Radatovich, Bear Creek Township Clerk