



ACME TOWNSHIP PLANNING COMMISSION
SPECIAL MEETING
FEAST OF VICTORY CHURCH
4400 Mt. Hope Road Acme, MI 49610
August 22, 2022 7:00 p.m.

CALL TO ORDER WITH PLEDGE OF ALLEGIANCE 7:00

ROLL CALL: Present; Dan Rosa, Dan VanHouten, Jack Challendar, Steve Feringa, Karly Wentzloff, Jean Aukerman, Marcie Timmins

Staff Present: John Iacoangeli Planner Beckett & Raeder; Jeff Jocks, Legal counsel; Lindsey Wolf, Acme Planning and Zoning Administrator; Marcie Timmins, recording secretary

- A. LIMITED PUBLIC COMMENT:** Members of the public may address the Commission regarding any subject of community interest during public comment periods by filling out a Public Comment Card and submitting it to the Secretary. Public comments are limited to three minutes per individual. Comments during other portions of the agenda may or may not be entertained at the moderator's discretion.

Public comment opened at 7:02

Rachelle Babcock- Community on the water between two popular cities. Talked about lifestyle changes throughout the country. People seek out communities like Acme to live in while they have the ability to work at home. Doesn't think the current apartment buildings do the area justice. Talked about wanting new colors and building materials.

Rick Nuffer- Talked about his concern about not understanding the corporation the township is dealing with. Talked about a newspaper article about Scott Chappelle not having a vested interest in the project. His question is what interest, if any, does he or anyone else have that is contingent interest? Would be hesitant going forward without some further investigation.

Brian Kelley- Talked about the failed Strathmore projects, one in Lansing and one in Ann Arbor. Provided the committee copies of the news articles on the projects. Talked about how the projects used other people's money to fund them and the money lost. Does Acme have a credible strategy to make sure that doesn't happen here? He doesn't see it. Concerned that they need the funds from self-storage to fund the housing on this property. Thinks the late disclosure of the utility trucks storage and additional bay doors should require another public hearing. He believes it is a major change to the plan. Discussed the traffic concerns. Thinks Acme should apply some of Traverse Cities adult use marijuana scoring rubric to developers in Acme. He read some of the metrics he thought should be applied.

Jim Goran- Requesting a new public hearing for the multiple changes in the conditions and unanswered questions. Questioned what the light industry would do for a healthy apartment neighborhood going in or for the neighbors next door. Asked about the new ordinance 7-17 f.8, that talks about all ingress and egress on self storage sites shall be directly on public streets. This development has a neighborhood in between the public street and the facility. What about the noise, traffic and safety concerns with what is stored. What about conditions for all the other places being built within the buildings. Building ten is also a surprise on the plan.

Rick Adair- Thinks if the developers application meets the current zoning and is in line with the Acme Township master plan then it should probably be approved. Factors he thinks are important. Is it in line with the masterplan, does it meet current zoning, will it bring value to Acme township and does it have the support of Acme township residents.

Jim Stevens - concerns that it is anything but conforming. Going away from everything being done in one phase. Will all these other things happen, Who will operate these facilities? Or is everything being done for a warehouse flip. Feels it is so far out from what commercial flex is.

Dave Sexton- Answered that he would be the proprietor of the pickle ball courts. Here to support Strathmore. Talking with the silver sneakers program to make it available to those over 65 would be able to use it for free.

Jim Novack- President of the Men's Shed. Clarified that he did the initial contact with Strathmore Real estate after seeing an ad. Talked about the demographic the men's shed helps.

Stephen Ezell- Co-founder of Truly Free. Spoke about how great Strathmore is to work with. Talked about the risk of letting the buildings atrophy.

Public comment closed at 7:28

APPROVAL OF AGENDA: Motion by Feringa, support by Challendar to approve the agenda with the addition of G.3 Chappelle, G.4 Jamil, G.5 Goran.

Motion Carries

B. INQUIRY AS TO CONFLICTS OF INTEREST: None

C. SPECIAL PRESENTATIONS: None

D. RECEIVE AND FILE:

1. **RECEIVE AND FILE**
 - a. None

E. APPROVAL OF MINUTES:

- a. None

F. CORRESPONDENCE:

1. Fahl
2. Goran
3. **Chappelle-** this was sent to Jeff Jocks, counsel. I was reviewing correspondence for the upcoming PC meeting. I wanted to refute some points made by Jim Goran. Scott Chappelle has no ownership, management, control or decision making capacity of the owner or developer and otherwise has no ability to direct the affairs of their projects. The project and development companies are owned by me and my brother Sam and various unrelated third parties. We are willing to provide a list of owners if that is something you would like to review.
4. **Jamil-** No interest in the Kmart development and question the objective of some criticizing the proposed development. However the character of the developer and his history are relevant to your decision whether to approve their plan. Can they be trusted to do what they say they will do? What does their history say about their integrity and commitment to this community? Are the current owners actually removed from the old one? Is Acme more than just a venue to make money? Two links to articles, one link didn't work.
5. **Goran-** Trustees and planning commissioners we are requesting that a new public hearing is required due to the multiple changes in the proposed application, conditions and the remaining unanswered questions. We believe this is owed to our Windwood Ridge residents and the rest of neighboring residents and business owners. Has there been a compatibility study conducted beyond mixed use PUD ordinance interruption around the introduction of the proposed light industrial operations for this corridor? Has the township insured more than four residential buildings are going to be built before the property is flipped to a self-storage company? Has the township done deudilagance on the Strathmore development with the fast changes in management structure that appear to be occurring during the application process. Are we giving too much non conforming variance away to the non owner property developer versus our current property owners needs and wishes? Has compatibility from a business standpoint been looked at? New self storage here and on Arnold Rd. Have Acme officials done enough homework personally before considering this major change in direction for this most visible core property? Building along the Bay in TC and Elk Rapids is booming, have we pushed hard enough to get conforming desirable property values enhancing, PUD vitality intent businesses?

G. PUBLIC HEARINGS:

If you are planning to attend and are physically challenged, requiring any special assistance, please notify Lisa Swanson, Clerk, within 24 hours of the meeting at 938-1350.

1. None

H. OLD BUSINESS:

1. PD 2022-01 Tom's/Kmart – Formal PD Application

Wentzloff- Start with a clarification that building ten is existing.

Aukerman- Disclosed that she had a discussion with John Iacoangeli today about some questions pertaining to the application, self storage and warehousing. He did not know the answers for me. He suggested I call Sarah Keever. I called Sarah and asked my questions, discussed self-storage and warehousing.

Wentzloff asked the council to comment on why we are not weighing personal or applicant considerations. Jocks- Planning commission has a job to review an application that is before it, and review it within the bounds of the zoning ordinance and Michigan law, by making determinations on the standards. Then making the final determination as to whether to approve or deny the project. An applicant comes to the planning commission as the applicant comes. We were told by email today that the person of concern, amongst most of the public, is not involved in the project according to them and that they would provide a list of owners, if we so desire. The question of whether even an applicant who is at the forefront was an admitted felon, if that were the case you review that application under the same standards as anything else. To the extent you are concerned about the financial wherewithal of the applicants, you utilize tools to address that. One of those is found in your proposed conditions right now. In the form of a performance bond. You ask to require a performance bond that ensures that those parts of a project get done, and if not you utilize that bond to carry out the project if that is what you see fit. You ensure through the financial wherewithal of the entity or the applicant is going to be sufficient with virtue of those kinds of tools.

John I.- Went over revisions of the findings.

First one is on number 1) recommended that the applicant secure an agreement with the GTB for the water. In lieu of that they have the right to provide onsite water subject to approval of the township engineer, Grand Traverse building department and metro fire. The building department the engineer and metro fire will ensure if they use onsite water through their well system that there is adequate pressure, capacity and the ability to have fire suppression within the Kmart building plus the apartment buildings. Changed the trail installation the width from twelve to ten feet which was consistent with TART. Their design was number two.

Number three the planning commission had some questions pertaining to the definition of warehousing. Came up with a definition for the warehousing component in the old Kmart building. The space is limited to skilled trade contractors. Wants to strike the word energy and natural resource companies, removed that in a later draft. It would be a space limited to; skilled contractors, research and development, e-commerce or omni-channel retailers that handle distribution or fulfillment operations. Delivery related businesses, and start up businesses. Excluding bulk storage of materials that are flammable or explosive, or present hazards or conditions commonly recognized as offensive. An Omni channel retailer is a retailer that has a brick and mortar store as well as an e-commerce business. An example would be Talbots, they have a brick and mortar store and a catalog, Walmart is an omni-channel retailer, they have a brick and mortar store and internet sales. Changed the warehousing definition to be much more targeted to the uses that the planning commission was talking about going into the building. The planning commission has the authority to do that because this is a planned development.

Number 8 was the next finding to be changed. Jeff, myself and Lindsey thought it would be better to have a performance bond that was tied to the construction and completion of four apartment buildings and would be tied to the occupancy of the Kmart building. Once any of the four our build then the performance bond would be reduced proportionally.

In number 11 we added a condition that if there is an interest in leasing the Kmart building to an e-commerce or omni-channel retailer that they could substitute the indoor storage and warehousing space as long as the trip generation does not exceed the trip generation of the former Tom's and Kmart building which was in the Fishbeck traffic assessment. Same condition that we set up for condition number 10. If there were to be a free standing retail and or restaurant that came on to the project site they could be substituted with a residential building, without having to go back through the approval

process.

Number 14 we changed the bicycle parking based on requirements of one bicycle parking space per six dwelling units. One bicycle parking space for every 2000 gross sq. ft. of office space. One space for every 5000 gross sq ft. of retail and one bicycle space for every 10,000 gross sq. ft. of warehousing distribution. We added those up to about 42 bicycle parking spaces for the development. Those were the changes based on the planning commission discussion that took place two weeks ago.

Rosa- Concern about the addition of the skilled tradesman area at the back of the building. Concerned about the traffic in the area. How will they get to their businesses in the back of the building? Wonders how enforcement can happen to ensure they take Shore Rd. instead of cutting through the apartments. Worried about pedestrians and vehicular traffic mixing.

Keever- Discussed the access management plan. The businesses would be required to take a planned route off Shore Rd. It is part of their lease agreement.

Wentzloff asked about the cost of the concrete for the TART trail and what would happen if TART didn't have the budget for it.

Keever- addressed that the developer is responsible for the construction of the trail. Ten foot concrete trail from property line to property line.

John I. corrected the language in the suggested motion.

Challendar- addressed the hours of operation for trucks in the back area of the building.

Feringa addressed the water agreement. It is drafted and going before tribal council but he is not sure when.

Aukerman- Suggested a language change to, distribution and fulfillment operations of ecommerce of omni-channel retailers because that is what truly free is as opposed to talking about them as warehousing space. Thought the distinction should be made.

John I.- clarified that if an ecommerce business had a need for distribution and fulfillment operations they could go into the warehousing portion. That is what the intent was.

Aukerman- under 8, use of performance bond. Referenced Jacob Chappelles letter. Does it change how we use the performance bonds?

John I.- recommendation to still use the performance bond, that is the metric to measure the balance between the renovation of the Kmart building and the development of the apartments.

Wentzloff- questioned if something is written in a lease how does the township know that is followed through on when we don't see the lease?

John I- recommended adding a condition that would include submitting copies of the lease.

Wentzloff- what she likes least in terms of compatible uses with the PD is the warehousing. Hard to see a bunch of apartments next to that. Would be more comfortable with the definition of warehousing in the development being more narrow. Concerned about the noise and storage of vehicles. The warehousing definition is to her the most important part. Went over wording. Also concerned that it feels more phased than not.

Keever- hours of operation would be similar to how the Kmart operated.

Discussion followed about the hours of operation for the warehousing. Hours of 7- 7 and no Sundays was agreed upon.

Planning commission discussed how having the self-storage allowed for fewer parking spots needed thus enabling more green space and housing to be on the site.

John I. -went over the changes to the conditions in the suggested motion.

Motion by Feringa support by Challendar to

move that the Planning commission incorporate and adopt Beckett & Raeder's proposed findings concerning the SH East Bay Holdings South LLC application for PD 2022-01 and recommend approval to the township board. In doing so the Planning Commission finds the the proposed PD 2022-01 does meet the requirements of the Acme Township Zoning Ordinance for a Planned Development on the former Kmart property, 6455 US-31N, Parcel NO28-01-234-036-00 and Tom's Market property, 6261 US-31N, Parcel No 28-01-234-035-00 based on the Conceptual Layout Plan dated, 07-25-2022. The approval shall allow for indoor storage and warehousing in the former Kmart Building and residential uses on the first floor with the following conditions:

- 1) That the applicant secure an agreement for the extension of water to the PD site with the Grand Traverse Band of Ottawa and Chippewa Indians, or provide on-site water subject to the approval by the Township Engineer, Grand Traverse Building Department, and Metro Fire.
- 2) That the Applicant provide an easement to the TART Trails, Inc and for the installation of a 10-foot-wide concrete trail on the applicant property adjacent to the US-31 right-of-way. The width of the easement shall be determined and executed between the parties and recorded with a copy of the recorded easement provided to the Township as part of the site plan approval.
- 3) Warehousing space in the former Kmart building shall not exceed 24,450 square feet.
 - a) Warehousing in the instance of this PD application shall be defined as, A space limited to skilled trade contractors, research and development, e-commerce or omni-channel retailers, distribution and fulfillment operations for ecommerce or omni-channel retailers, delivery related businesses and start up businesses. Excluding bulk storage of materials that are inflammable or explosive, or that present hazardous conditions commonly recognized as offensive.
- 4) Parking of vehicles that are associated with a warehouse on-site tenant may be parked inside the building.
- 5) There shall be no outdoor storage of any materials or products on the PD premises with the exception of enclosed outdoor dumpsters and recycling bins.
- 6) Indoor storage of boats, recreational vehicles, ATV's, OTR's, cars, and trucks is prohibited in the warehousing and indoor storage areas.
- 7) Indoor storage shall not exceed 35,800 square feet.
- 8) To ensure there is a balance in the overall development between redevelopment of the former Kmart building and the residential apartments, applicant shall provide a performance bond equal to the costs to complete no less than four (4) of the residential apartment buildings. The performance bond must be provided prior to the issuance of a land use permit for the redevelopment of the former Kmart building. Applicant may provide more than one bond which when added together totals the costs to complete. The Township will release and return a bond that was provided for a specific building or buildings when they are completed.
- 9) Site lighting shall be painted black, utilized LED as a light source meeting dark sky standards and not to exceed twenty-two feet in height.
- 10) In the event there is interest to build on a PD site freestanding retail and/or restaurant the applicant shall be able to substitute residential building sites for these uses as long as the

trip generation does not exceed the trip generated by the former Tom's Market and Kmart as enumerated in the Traffic Impact Study prepared by Fishbeck, dated May 3, 2022.

- 11) In the event there is interest to lease in the Kmart Building e-commerce or omni-channel retailers the applicant shall be able to substitute the indoor storage and warehousing spaces for these uses as long as the trip generation does not exceed the trip generated by the former Tom's Market and Kmart as enumerated in the Traffic Impact Study prepared by Fishbeck, dated May 3, 2022.
- 12) Sidewalks should be designed based on Section 6.3, Non-motorized Transportation of the new zoning code effective July 31, 2022.
- 13) Snow storage shall be provided with on-site snow storage areas in addition to the required off-street parking area. Snow storage areas shall be provided on the ratio of fifteen (15) square feet per one hundred (100) square feet of off-street parking area. Snow storage areas shall be located in such a manner that does not obstruct required clear vision areas.
- 14) Bicycle parking shall be required on-site. Minimum bicycle parking shall equate to 1 bicycle parking space for every six(6) dwelling units, 1 bicycle parking space per 2,000 gross square feet of office, 1 bicycle parking space per 5,000 gross square feet of retail, and 1 bicycle parking space per 10,000 gross square feet of warehousing distribution.
- 15) Residential apartment units shall be rented at least on a six-month basis or more. NO short term rentals (STR's) shall be allowed.
- 16) Any proposed change of use from apartments to some other type of building, including but not limited to, condominiums, shall require a major amendment of this PD.
- 17) The warehousing tenants shall be required to comply with the access management plan and the applicant shall submit a model lease to the township for review and approval by the township attorney.
- 18) Hours of operation for the warehousing shall be 7am - 7pm with no Sunday deliveries.
- 19) Parking for warehousing staff shall be on the West and North side, back of the building only.

Friendly amendment to item 3, definition of warehousing would be a space limited to skilled trade contractors, research and development. The energy and natural resource companies would be removed.

Feringa revised the motion to strike energy and natural resource companies out of item 3. Challendar supports.

Wentzloff- parking for the warehousing operators, would it be possible to include in the condition that they would be parking in other outside vehicles back by the warehousing?

Feringa revised motion number 19) Parking for warehousing staff shall be on the West and North side, back of the building only. Challendar supports

Roll call vote

Rosa - yes, VanHouten - yes, Challendar - yes, Feringa - yes, Wentzloff - yes, Aukerman - yes, Timmins - yes

Motion carries

I. NEW BUSINESS:

1. None

J. PUBLIC COMMENT & OTHER PC BUSINESS

If you are planning to attend and are physically challenged, requiring any special assistance, please notify Lisa Swanson, Clerk, within 24 hours of the meeting at 938-1350.

Public comment opened at 8:46pm

Jim Goran- Is disappointed with the recommendation. Feels self storage is the mobile homes of the businesses that they are putting in here. He thinks it is the wrong call for the neighborhood. What will keep the self-storage from growing more? Didn't seem to answer the question. Wondered why there were more specific conditions put in to not be able to increase the self storage amount. When is the board meeting going to be when they will look at this?

Robert Wasieleski-Suggest that the board learn more about e- fulfillment businesses before deciding anything. They are cyclical in nature.

Brain Kelley- Was at all the PUD planning meetings for the ordinance, this is not what was discussed at those meetings. The PUD planning ordinance was all about protecting open space and about anti sprawl. This is in fact sprawl of warehousing and sprawl of self-storage.

Talked about the performance bond not being enough to ensure the project gets done. Concerned we are only bonding four buildings. When will all nine buildings be occupiable? Worried the lease restrictions won't be enough to keep trucks from driving through the residential areas.

Jim Stevens- When will the board meeting be that the Strathmore project will be voted on.

Wentzloff- Directed them to look on-line or call Doug White to get an exact date.

Public comment closed at 8:56pm

1. Planning & Zoning Administrator Report – Lindsey Wolf- Thanked the folks at Feast of Victory for accommodating us at such short notice. Thanked the Planning commission for making the back to back meetings work all month.
2. Township Board Report – Jean Aukerman- None
3. Parks & Trails Committee Report –

ADJOURN: **Motion by Timmins, support by VanHouten to adjourn.**
Motion carries

Lindsey Wolf

From: Jacob Chappelle <jacobc@c-devco.com>
Sent: Friday, August 19, 2022 9:42 AM
To: Jeff Jocks
Cc: Sam Chappelle; Lindsey Wolf; Sarah Keever
Subject: PUD 2022-01 Special Meeting Packet
Attachments: 8.22.2022_pc_special_meeting_packet.pdf

Good Morning Jeff - I was reviewing the correspondence submissions for the upcoming PC meeting and wanted to refute some points made by Jim Goran.

I want to reiterate that Scott Chappelle has no ownership, management, control, or decision-making capacity of the owner or developer, and otherwise has no ability to direct the affairs of these projects. The project companies and the development companies are owned and managed by me, my brother Sam, and various unrelated third parties. We are willing to provide a list of owners if that is something you would like to review.

We have secured over \$30M in financing for this project, so please be assured that if our financing partners are comfortable with Scott's non-involvement in these matters, it would be reasonable for Acme Township to be as well. We are willing to provide bank references that you can speak to this.

I can provide anything else you may request to substantiate this. bottom line - Scott's issues will not have any impact on these proceedings.

Jacob Chappelle
Strathmore Real Estate Group
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Lindsey Wolf

From: Jim Goran <jgorannrgroup@gmail.com>
Sent: Monday, August 22, 2022 11:58 AM
To: Dale Stevens; Dan Rosa; Dan van Houten; Dave Hoxie; Doug White; Jeff Jocks; Jean Aukerman; Lindsey Wolf; Paul Scott; Steve Feringa; Marcie Timmins
Cc: David Bieganowski; Alan Ashworth; Arlene Beall; Axel Anderson; Beverly and Spence Silk; brian Kelley; Charles Kalil; dawn shields; Grant Snyder; james and johanna Stevens; Jeffrey Budz; John and Irene Stuart; Joseph and Marylou Stec; Judy Passon; Judy Passon; Ken Brzozowski; Kris and Jim Goran; kris Bryant; Marty Mulhall; Matthew Pierle; Melanie and Doug Stieber; Pete and Jan Fusi; Nuffer, Richard; Rick Adair; Robert Garvey; Susan Snyder; Wayne Dockstader
Subject: Acme Township - PD2022-01 Kmart/Tom's ReUse - Comments regarding filed packet for August 22 PC meeting

cc: D. A. Bieganowski, P.C.

Trustees and Planning Commissioners:

We are requesting that a new Public Hearing is required due to the multiple changes in the proposed application, conditions and the remaining unanswered questions. We believe this is owed to our Windward Ridge residents and the rest of neighboring residents and business owners.

Has there been a compatibility study conducted, beyond Mixed-Use PUD ordinance interpretation, around the introduction of the proposed Light Industrial operations for this corridor?

- What is Light Industrial going to do to ensure a healthy and prosperous new apartment neighborhood when it shares the same ingress/egress roads and parking? To the neighboring Windward Ridge Sub. This is far from CF vitality. Actually the opposite.
- Why hasn't the Self Storage ordinance items F and H, that are PROHIBITED, been addressed? I believe we are open to HUGE lawsuit if accident were to occur and we gave variance to these items:

" 7.17 Self Storage Facilities

F. All ingress and egress from this site shall be directly onto a public street."

H. The use of the premises shall be limited to storage only, and shall not be used for any residential, commercial, or industrial uses."

- What about the NOISE at the rear of the building reflecting into neighboring residential areas from truck traffic, dumpster maintenance etc?
 - What about addressing the Safety concerns and regulation of Light Industrial material now introduced into a heavily populated CF district?
 - Over 70 petitioning residents / taxpayers are opposed
 - Dozens have written in and/attended to show opposition to light industrial
 - 2012 survey of Acme residents put Light Industrial at the bottom of our priority list
 - Residents involved in Master Plan development claim this is EXACTLY WHAT WE DON'T WANT
- These are not simple site plan steps that can be addressed later.

Has the township ensured more than 4 residential buildings are going to be built before the property is flipped to Self Storage company?

- NO CONDITIONS have been put on the big box building on what needs to be built before opening non-conforming Light Industrial. No pickleball, no coffee shop, no fitness center, no flex offices, no men's shed
- Why are we only looking to guarantee 4 buildings, versus all 9?

- Why no housing timeframe?
 - What happened to "NO PHASING?"
- Seems like a flip,
- Applicant has insisted he isn't interested in the running or owning Self Storage. "We are a housing developer."
 - Building 10 introduced after Public Hearing, further showing intent to keep building separated from housing to more easily flip
- This tactic is running rampant in depressed areas of our country, permanently lowering property values for what is desired in these areas. WATCH OUT!

Has the township done due diligence on Strathmore Development with the fast changes in management structure that appear to be occurring DURING the application process?

- Who is running Strathmore now?
- Where are the examples of work?
- Who was managing then vs now and how to make the walk?
- How will any fines to Strathmore and former owner/CEO affect the companies ability to fulfill ALL 9 residential buildings and conforming businesses?

Are we giving too much non-conforming variance away to the non-owner property developer versus our current property owners needs and wishes?

- Supervisor Doug White says property not owned by applicant, so why are we giving so much non-conforming away
- Again, this big box building is being set up for a quick flip. The Tom's building quick SUP "Minor" amendment to mostly Light Industrial gives us NO CONFIDENCE the same won't be done here. We don't see the township officials holding up our Master Plan nor our Ordinances with the abuse of Mixed-Use PUD applications and very loose interpretations of previously granted SUPs.

It is difficult to believe that going down this non-conforming path is in our township's interests ... which is the number one job of our officials?

Has Compatibility from a business standpoint been looked at? New Self Storage here and new on Arnold road?

- Another application for self storage on September 12 PC agenda. Arnold road behind Tractor Supply ON LIGHT INDUSTRIAL property.

Special Use Permits are not a right. Especially if you are not a property owner and on land that is not zoned for the use you are requesting.

Have ACME officials done enough homework personally, before considering this major change in direction for this most visible / core property?

- It appears this has been wholly in the hands of Beckert and Raeder to go through the technicalities in findings of fact. Many points have been argued as allowed, but that isn't the purpose of a PUD. It is a "Planned" Unit Development.
- Is this the desired PLAN for our township's future?

This is NO SMALL CHANGE to our Master Plan and direction our township is going. It deserves careful study and full township input considered.

Like Trailer Parks, Self Storage is PERMANENT!

Building along the bay in TC and Elk Rapids is booming. Have we pushed hard enough to get conforming / desirable / property value enhancing / PUD vitality intent businesses?

- Robert Garvey made one phone call over to Munson and found out they are in the preliminary search stage on finding a location for a potential medical building on our side of town
- What other businesses haven't we called ... to be enticed to be part of OUR boom?

To continue my wife and I's philanthropy in the area, we would like to pledge \$50k as an investment in any such business(es) that could fit this bill. I'm sure we are not alone.

It may be appropriate that this meeting is being held at a house of God. We all are looking for honesty, transparency and decisions that are in the spirit of love and respect for thy neighbor thy township.

Sincerely,

--
Jim and Kris Goran, with input from our neighbors

Lindsey Wolf

From: Karly Wentzloff <karly.wentzloff@gmail.com>
Sent: Monday, August 22, 2022 8:27 AM
To: Deyar Jamil; Lindsey Wolf; Jeff Jocks
Subject: Re: Caution on Chappelles

FYI the second link in your email does not work. I will forward this to the PC and add it as correspondence for tonight's meeting.

Regards,

Karly



Real Estate One | 521 Randolph St. Traverse City, MI 49684
www.karlywentzloff.com | m 231.944.9800 | karly.wentzloff@gmail.com

On Mon, Aug 22, 2022 at 8:17 AM Deyar Jamil <deyar.jamil.law@gmail.com> wrote:

Dear Ms. Wentzloff:

I have no interest in the KMart development and question the objective of some criticizing the proposed development. However, the character of the developer and its history are relevant to your decision whether to approve their plan. Can they be trusted to do what they say they will do? What does their history say about their integrity and commitment to this community? Are the current owners actually removed from the old one? Is Acme more than just a venue to make money?

Research on the individuals behind the developer is alarming and suggests they are capable of misleading and spiting those that get in their way:

https://www.fox47news.com/neighborhoods/east-lansing-okemos/developer-scott-chappelle-is-suing-east-lansing-info-for-libel-and-defamation?_amp=true

<https://eastlansinginfo.news/ask-eli-chappelle-indictment-allegations/>

I urge you to exercise utmost caution at the beginning of your decision-making before bestowing rights to any developer, especially one with an alarming history. We do not want to be stuck with an out of town developer that cares only about maximizing their profits.

Thank you for considering this input.

Deyar Jamil

To: Acme Township Planning Commission

From: Brian Kelley

Subject: Kmart / Toms PUD

Good evening,

The disclosure at the August 8 2022 PC meeting that the Strathmore project would include the addition of bay doors for storage of active use utility trucks (up to tractor trailer size) was very concerning. I could not find those features or use on any plan sheets or recall any prior discussion.

This high intensity use is not compatible with surroundings.

The noise, and disruption from this intensive use is not compatible with the adjacent residences or the commercial zoning district. Backup alarms, loading and unloading noise, trash, bay doors. This noise is likely to reflect off the rear of the former Kmart building and transmit into the Deepwater Point residences. There is also an active Eagle nest adjacent to the site. It defies belief to expect this activity not to impact the nesting birds.

John Iacoangelli has cited the traffic study numerous times, that all of this traffic is fine so long as it does not exceed the historic use. However, at the last meeting he mentioned the metric is actually "Full Utilization". Those are very large parking lots and in decades of being a customer I have never seen anything approaching "full utilization". I would like to hear more about the "full utilization" metric and whether that is actually credible or realistic. It seems it is an artificial construct that will allow traffic levels and intensity far beyond anything ever experienced at this site.

The introduction of these new project elements, along with other challenging and incomplete conditions, should force another Public Hearing. Or, the project should just be denied.

At the meeting the Applicant described how the self storage portion of the project was essential to fund the apartment buildings. This raises concerns that this is not a fully funded project and creates doubts about whether the project will be completed. That is especially true given the on-going concerns of an extended economic recession.

While searching for information on past Strathmore projects I found the failed Broadway Commons project in Ann Arbor, and the failed City Center II project in Lansing.

There are dozens of articles on those failed developments, the years of delay, and the millions of dollars lost. Those give pause. I found no such information about Lormax Stern.

Thank you,
Brian Kelley

Broadway Village

Broadway Village was a proposed development in [Lower Town](#) that was never built. It was a private development, but the city was involved as a potential provider of [Tax Increment Financing \(TIF\)](#).

Timeline: Broadway Village

2016 February 6. See [1140 Broadway](#).

October, 2015. [Vacant Village: As high rises sprout downtown, more than six acres on Broadway lie fallow](#). Ann Arbor Observer. "Developer Peter Allen assembled the property in 2000. **He sold it to East Lansing-based Strathmore Development Company, which after years of negotiations with the city, county, and state won approval to build a grandiose retail, condo, and office development called Broadway Village at Lower Town.**"

- [Other People's Money, Ann Arbor Observer, Judy McGovern](#), 8/30/2010

Strathmore planned to pay for much of the project's cost from money Broadway Village otherwise would have paid in property taxes. Since it was never built, that's now moot. But the state still lost money on the project: the State of Michigan Retirement System (SMRS), which manages pensions for 565,000 Michigan public school employees, state workers, state police, and judges, made a \$20 million equity investment.

4. Broadway Village at Lower Town. This may be the longest duration for an unrequited project in the city, which may be fitting given its history as both controversial and enormous. The reasons for building on the site still exist - it offers an excellent location with proximity to downtown and U-M's Medical Center, and it could become a gem for residential and destination retail. Yet in the meantime, we could look at fencing and broken concrete for some time.

- [Broadway Village at Lower Town loses state grant and loan, pledges to reapply, Dan Meisler, Ann Arbor Business Review](#), February 2009

[Scott Chappelle](#), president of [Strathmore Development Co.](#) in East Lansing, said he's in talks with several potential financing sources for the 7.3 acre project, but that "credit markets remain frozen."

With the ceremonial shovels turned Jan. 10 at Broadway Village at Lower Town, [Clark Construction Co.](#) is now pressing ahead on a bullish construction schedule it hopes will have the \$171 million project opened in 2010. [Strathmore Development Co.](#) estimates it will take about 30 months and 6,000 personnel hours to complete the project, which includes 152,689 square feet of medical and office space, 138,275 square feet of retail and 185 apartments.

- [Ann Arbor Business Review](#), 10 Jan 08: [Governor at groundbreaking for long-awaited development in Ann Arbor](#)

Gov. [Jennifer Granholm](#), Michigan Economic Development CEO [James Epolito](#), and Ann Arbor Mayor Pro-Tem [Marcia Higgins](#) were among the dignitaries who took part in the ceremonial shovel turning. Work by contractor [Clark Construction Co.](#) actually began at the \$171 million mixed-use commercial and residential project in November.

- Strathmore Development's [Broadway Village project](#)

Public records

- [Resolution Authorizing Publication of Notice of Intent to Issue Bonds](#)
- [The City's Broadway Village website](#)
- [Brownfield Projects](#), City of Ann Arbor

News references

- [Broadway Village stories on AnnArbor.com](#)
- [Broadway Village stories on Ann Arbor Chronicle](#)
- [Broadway Village stories on Ann Arbor Observer](#)
- [Broadway Village stories in Heritage Media newspapers](#)
- [Broadway Village stories in the Google News archives](#)

City Center II Grabs \$57.8 Million in State and Local Aid

Wednesday, August 27, 2008 | Source: [Capital Gains](#)

Share

Phase one of the proposed \$116 million City Center II project in the [City of East Lansing](#) recently got a \$57.8 million boost from state and local governments.

The state gave [Strathmore Development Company](#) a \$10 million brownfield tax credit for the project. State and local tax captures of \$57.8 were also awarded to the developer for the project.

“Without that incentive, the project simply would not be feasible,” says Tim Dempsey with the City of East Lansing.

Strathmore is developing a 5.46 acre parcel of land in the heart of East Lansing. The project will include six new commercial and residential buildings, a pedestrian overpass and 520-space parking deck comprising 585,000 square feet, and capital investment of \$84 million.

Phase one consists of 10-story, mixed-use building that will include a restaurant and hotel, office space, residential apartments and a performing arts center. It is anticipated that the first phase will create 150 jobs.

Source: Tim Dempsey, City of East Lansing

Ivy Hughes, development news editor, can be reached [here](#).

Former City Center II property in foreclosure, county records show

By

- [Angela Wittrock | awittroc@mlive.com](mailto:Angela.Wittrock@mlive.com)

The former Citizens Bank building at 100 West Grand River Ave. in East Lansing. Angela Wittrock | MLive.com

EAST LANSING, MI – The property at the center of the failed City Center II development is in foreclosure, according to documents filed with the Ingham County Register of Deeds.

The former Citizens Bank building, 100 W. Grand River Ave. in East Lansing, is owned by CADA Investment Group, LLC.

Representatives of the ownership group [presented new plans for the property](#) to the East Lansing City Council on Oct. 25. But the property itself had gone into foreclosure just days before and was sold at auction after the mortgage went into default.

County records show the property was purchased at sale Oct. 18 for \$533,371.63 by ROB, LLC, the holder of the \$600,000 mortgage on the property.

The mortgage sale marks the "last step" in the foreclosure process, Ingham County Register of Deeds Curtis Hertel Jr. said.

"They still own the property and they can still do what they will until the redemption period is up," he said.

The redemption period ends Feb. 25, 2013.

To retain ownership of the property, CADA would need to pay the \$533,371.63 sale price to ROB, LLC, as well as a daily interest rate equal to the interest rate on the mortgage – in this case, 24 percent, or more than \$350 per day, Hertel said – all by Feb. 25.

On top of that, CADA could be billed for insurance costs, taxes and attorney fees, among other possible fees.

The mortgage for the property is signed by Scott Chappelle, president of Strathmore Development Co., the developer of the scuttled City Center II project.

Chappelle also signed an agreement to shorten the redemption period of the loan, a highly unusual move, Hertel said, because it reduces the amount of time CADA has to get the money together to save the property.

Reached Tuesday, Chappelle said several times he is not affiliated with CADA and was not authorized to reveal the names of the owners.

According to a 2011 filing with the state's Department of Licensing and Regulatory Affairs, CADA is registered to Thomas Eckhardt at 1427 W. Saginaw Highway in East Lansing; that's also the address for Strathmore Development Co., and City Center Two Project LLC, [the owners of the other parcel](#) in the latest redevelopment plan.

The same filing names Chappelle as the entity's authorized agent.

Chappelle said Strathmore represents about 200 entities that use the address, but that Strathmore was not affiliated with CADA.

Strathmore "previously provided leasing and development services to CADA Investment Group, LLC as to the expired City Center Project for a fee," Chappelle said in an email.

He said neither he personally nor Strathmore represented the CADA as it [seeks approval for a new development proposal](#) for the property.

A LinkedIn page for Eckhardt, the registered agent for CADA, [says he has been](#) the general counsel for Strathmore since 1997.

A message left for Eckhardt at his Strathmore office was not returned.

E-mail Angela Wittrock: [awittroc at mlive dot com](#) and follow her on Twitter

[attwitter.com/AngelaWittrock](#) and [Facebook](#), or reach her by phone at 517.219.7073

New plan for Acme K-Mart spurs criticism

- [By Jordan Travis jtravis@record-eagle.com](mailto:jtravis@record-eagle.com)

ACME — Plans by a developer to build apartments and reuse two empty retail buildings in Acme are the center of debate as neighbors, prospective tenants and others weigh in.

Acme Township planning commissioners will meet Monday to consider the request by East Lansing-based Strathmore Real Estate Group. The company proposes building 186 apartments in nine buildings outside the former Kmart and Tom's Food Market on U.S. 31, north of M-72.

It also has plans to use the former Kmart for a variety of purposes, while the former Tom's is set to become the home for a Traverse City-based cleaning products company.

Jacob Chappelle, principal and attorney for Strathmore Real Estate Group, said he sees the uses working together well. Playgrounds and walking paths are planned and apartment tenants could use amenities inside the repurposed Kmart, such as six pickleball courts, a fitness center, office space for rent and a potential future coffee shop.

They also could rent indoor self-storage planned for the vacant big-box store, Chappelle said. That would be offered as an option on their reservation forms.

“These uses we feel are very strong community uses, not only in their own right, but they really complement the housing,” he said.

For the former Tom's Food Market adjacent to the empty big-box retailer, Truly Free Home is leasing the building after outgrowing its existing home, Chappelle said.

The company sells eco-friendly home cleaning products and recyclable, refillable bottles, plus subscriptions for refills, according to its website. Submitted plans show the company would have some retail space in the former grocery store while using much of the rest to pack mail orders.

There's more: Inside the former Kmart would be warehouse space, plus a spot for the Grand Traverse Men's Shed.

Jim Novak, the nonprofit's president, said the group aims to give men a place to go. It's aimed largely at retirees, who could keep busy with woodworking projects like Little Free Libraries and wooden crosses for the Onominese Cemetery. They also would volunteer at festivals and other events.

Novak said he reached out to the developer when he heard of the company's interest in the former store and, for \$1 a month for 10 years, the developer offered the club a workspace for its tools.

“And we're young yet, so money is a huge concern for us,” he said, referring to the local nonprofit. It's not the pickleball courts, fitness center and nonprofit space that have drawn criticism. It's the planned 35,800 square feet of self-storage space and 22,000 more square feet of warehousing.

Several critics, some stating they live nearby, have written and spoken to planners since they began discussing the proposal earlier in the year. Many of them balked at the self-storage, a use they say

shouldn't be allowed under township zoning and one that seems a poor fit for such a prominent commercial site.

Jim Goran, who owns a self-storage business in Acme Township, said he also believes the building could be put to a better use. He acknowledged he has a business interest at stake, but said his misgivings about the plan go beyond that.

For one, he wants township officials to challenge the developer to come up with a better use, one that would add more vitality to the township, Goran said. "It's like, why not take a certain part and say, 'Hey, we challenge you to find something that's conforming, whether it's more residential,'" he said. "This commercial flex district is pretty wide open, except light industrial."

Goran also wants assurance that the developer will build everything it proposes, expressing doubt that the self-storage space in the building would ever be used for anything else.

Objections from township residents opposed to the plans have some similarity to those concerning since-withdrawn plans from Lormax Stern, which called for even more storage inside the former Kmart. Those plans were the second latest in a string of proposals for the vacant building that didn't come to pass.

Township Planner Lindsey Wolf said she's been facilitating the review by planning consultant Beckett & Raeder. She acknowledged there's some resistance to the proposal, and said township planners have requested the developer find another use that would cut back on the amount of storage.

"So the planning commission has asked them to decrease the storage and, if possible, if they could obtain an occupant that would lessen that space, they've been hoping that this will kind of transform over time but we haven't seen that quite yet," she said.

Chappelle said revised plans already shrunk the amount of storage a few times, and the extent that's still there would only be what's necessary to finance the rest of the building. He also believes much of it would be used by the apartment tenants.

Others have voiced support, especially for the pickleball courts. Phil and Carol Heles of Rapid City told planners as much in an email, as did Karen Somers of Kewadin. Others said they were glad to see the vacant buildings repurposed, meeting minutes show.

Some commenters, including Goran and a group called Acme Strong, pointed to an ongoing criminal case involving some past company filings that court records identified as the development company's onetime president, Scott Chappelle.

Jacob Chappelle said Scott is his father, and said that case has nothing to do with the project; Jacob and his brother now run the company.

Scott Chappelle pleaded guilty in April to a single charge in a case involving allegations of tax fraud, court filings show. Federal prosecutors agreed to drop several other charges in exchange for the plea.

In the plea, Scott Chappelle admitted to not giving the IRS employment taxes he withheld from company employees' paychecks, according to a Department of Justice release. He also admitted to

making false statements to IRS employees, those included concealing a home in Harbor Springs and the source of mortgage payments for an East Lansing condominium.

During the investigation he also filed a false tax return claiming his company had no employees or income, according to the release. The allegations date between 2007 and 2018, according to the plea agreement.

Court documents show Scott Chappelle is scheduled for sentencing Sept. 12 before U.S. District Judge Jane Beckering in Grand Rapids. The maximum sentence is five years in prison, according to the release.

Timothy Belevetz, Scott Chappelle's attorney, declined to comment when asked about the case. Jacob Chappelle said his father is retired and has no vested interest in, nor authority over, the Acme Township project.

The comments about his father's case seemed unfair to Jacob Chappelle, he said, adding he believes they're made by people who oppose the project for other reasons. "I would ask that we be judged by our submission and what we've done to facilitate this project," he said. "I think we've done an outstanding job working with the awesome people in Acme to create a project."

Karly Wentzloff, the planning commission chair, declined to comment on the criminal case, nor did she want to discuss her thoughts about the submission ahead of Monday's meeting. She was unsure if planners would have the information they need to vote, but added it's possible.

That vote, if commissioners agree to the project, would set up a final decision by township trustees at a later date, Wolf said.

If You Go

What: Acme Township Planning Commission special meeting

When: 7 p.m. Monday

Where: Feast of Victory Church, 4400 Mt. Hope Rd



ACME TOWNSHIP PLANNING COMMISSION
SPECIAL MEETING
FEAST OF VICTORY CHURCH
4400 Mt. Hope Road Acme, MI 49610
August 22, 2022 7:00 p.m.

**CALL TO ORDER
WITH PLEDGE OF ALLEGIANCE**

ROLL CALL:

- A. LIMITED PUBLIC COMMENT:** Members of the public may address the Commission regarding any subject of community interest during public comment periods by filling out a Public Comment Card and submitting it to the Secretary. Public comments are limited to three minutes per individual. Comments during other portions of the agenda may or may not be entertained at the moderator's discretion
- B. APPROVAL OF AGENDA:**
- C. INQUIRY AS TO CONFLICTS OF INTEREST:**
- D. SPECIAL PRESENTATIONS:**
- E. RECEIVE AND FILE:**
 - 1. RECEIVE AND FILE**
 - a. None**
- F. APPROVAL OF MINUTES:**
 - a. None**
- G. CORRESPONDENCE:**
 - 1. Fahl**
 - 2. Goran**
- H. PUBLIC HEARINGS:**
 - 1. None**
- I. OLD BUSINESS:**
 - 1. PD 2022-01 Tom's/Kmart – Formal PD Application**
- J. NEW BUSINESS:**
 - 1. None**
- K. PUBLIC COMMENT & OTHER PC BUSINESS**
 - 1. Planning & Zoning Administrator Report – Lindsey Wolf**
 - 2. Township Board Report – Jean Aukerman**
 - 3. Parks & Trails Committee Report –**

ADJOURN:

Lindsey Wolf

From: Bill Fahl <bfahl2908@aol.com>
Sent: Tuesday, August 9, 2022 3:08 PM
To: Lindsey Wolf
Subject: Kmart / Toms development project

Karly Wentzloff-Chair
Acme Township Planning Commission

I have two questions regarding the Kmart project.

1. I did not hear any report of the Sanitary Sewer requirements from the Township Planner. I read in one report that the pump station at Bunker Hills was reviewed and found to be adequate to handle the increased volume.
Nothing has been mentioned regarding the increased volume on the Sanitary Sewer treatment plant in Traverse City. The plant is already experiencing overflow into Boardman Lake and into West Bay during times of heavy rain.
2. The Acme Junk Ordinance needs to be revised and updated.
The apartments at the Kmart Project will cause much outside clutter turning into junk if not enforced.

I have attended the last two Planning Commission meetings and feel the Commission as a whole is trying to do the necessary review before making its recommendation to the Twp. Board.

We are a 45 year resident of Acme Township.

I am in the undecided group regarding the total project until all the facts are in.

BILL FAHL
LOT 18 CRESTRIDGE HILLS
3288 MICHAEL DR.
WILLIAMSBURG, MI 49690
231-938-2869

Lindsey Wolf

From: Jim Goran <jgorannrgroup@gmail.com>
Sent: Monday, August 15, 2022 10:54 AM
To: Marcie Timmins; Jean Aukerman; Dan Rosa; Amy Jenema; Dave Hoxie; Doug White; Dale Stevens; Lindsey Wolf; Steve Feringa; Paul Scott; Jeff Jocks; Dawn Kuhns
Cc: Kristen Goran; David Bieganowski; Alan Ashworth; Arlene Beall; Axel Anderson; Beverly and Spence Silk; Charles Kalil; dawn shields; Grant Snyder; james and johanna Stevens; John and Irene Stuart; Judy Passon; Judy Passon; Ken Brzozowski; kris Bryant; Marty Mulhall; Matthew Pierle; Melanie and Doug Stieber; Nuffer, Richard; Pete and Jan Fusi; Rick Adair; Robert Garvey; Susan Snyder; Wayne Dockstader; Budz_jeffrey@yahoo.com
Subject: PD2022-01 - Input for Conditions and Objections to Potential Vote

D. A. Bieganowski, P.C.

For the record, we are providing the following and request action and/or feedback please.

We appreciate the hard work and progress with regard to this property developed for our township. We see some good work/progress on the housing element, with more green space and more neighborhood-like elements. As it becomes more livable, it does make the undesirable / non-conforming light industrial uses more concerning. We also appreciate the commission's look at being open to future uses like "dark store" examples. However, unlike the example offered to date, Costco, IKEA, etc. are storage warehouses that integrate a retail experience. This is not the case for Truly Free, as this is a packaging and shipping prep factory with only a small non-integrated footprint for their retail experience. Likewise, the Cherry Republic example, has a packaging factory at their e-commerce facility that is on Light Industrial property. The Kmart piece is way short of this target, being mostly undesirable self storage and warehousing. We must be truthful on what we are getting here, and whether all elements and outcomes are what we want for this central beautiful rolling bayside property.

Quality of Housing - Protect our Property Values

Building material conditions - To replicate renderings so we make sure we get what was presented. If you look at drawings, it looks like we will go from resort looking batten-board siding and stone to horizontal vinyl siding. This is the attention to detail we need to make sure it is a desirable development versus low income only. We must prevent a cheap row housing look. Despite Beckert and Raeder's continued statements to wait later during site planning, etc., now is the time when we have the leverage to get what we want.

Make sure Housing piece gets completed: Prevent Meijer and Lochenheath repeats

Effectively creating a unique zoning ordinance - We should have BOTH completion timing and number or square foot of conforming in operation before non-conforming / less desirable elements are allowed to open. Having the number of conforming elements is easily enforceable when up front. So we definitely need to keep that piece. Timeframe is very messy. Township can pull their Special Use Permit by some deadline, but make enforcement a complete mess and open to litigation by many. Many of us will be on top of this deadline to make sure SUP is enforced. We really need both for belt and suspenders to not recreate our other experiences. There are many items that can be used as timeline excuses down the line that would be difficult to combat in court. Unfortunately, such a large amount of undesirable elements for this area is making this effort no short of a new zoning category. Red lights should be going off as this may be an indication of a development that still has too much risk of downside.

Condition: Why were the Big Box location Conforming Uses Timing Requirement not included in Aug 8 Conditions?

It should be required that the conforming Pickle ball, Health Club, Coffee Shop and Flex Offices need to open

before or at time of the opening of the non-conforming Light Industrial Storage / Warehousing. This was ignored in the August 8 draft conditions with the 100% focus on the housing element.

Condition / Non-Phasing: Why are we allowing not all infrastructure put in place up front?

As a condition of the project of "non-phased", it should be required that full land be excavated, all roads and all major utilities be put in place for ALL units, otherwise it is being phased, and we are enabling the walk-away factor.

Building 10 - Maintenance Equipment Building: Should be denied.

Missing for Public Hearing - Not on original plan as filed and presented at Public Hearing nor filed in packet for August 8 PC vote meeting.

Use current building that applicant is "struggling" to find uses - As we try to help applicant find uses to "save" the current structure, this is a function that could easily be accommodated by the current building, as part of the new Light Industrial Contractor Warehouse space in the rear of the building. Granting this additional building is enabling more non-conforming use than necessary. The only logic to needing is to maximize non-conforming uses AND/OR to keep separate from big box build building to allow a clean separation of properties for quick flip at a later date (e.g. Public Storage, Uhaul Self Storage, etc).

Limiting Non-Conforming - Need more push for good of project and neighborhood

Condition: Why not require additional Facade Investment - The applicants claim the center of building is unusable with conforming uses. This is really only due to their own very limited investment into converting the big box building. This is only a low price refacing of one facade. We still have failed to challenge them to further meet the Commercial Flex district by utilizing a second or third or fourth facade for customer ingress egress. The North side of the building is perfect for creating more storefront and village feeling. How about it?

Condition: Why not require a portion of Self Storage as conforming Tenant Storage - We have also failed to push them to provide/section-off storage space for neighborhood tenants, that would be conforming. The only reason not to is profit and keeping big box building separate from the neighborhood to facilitate future sale to other Self Storage entities.

Condition: Why not hold back a portion of the sq footage - As a challenge to the developer over the next couple years to find conforming uses? We lose all our leverage on this desire once the application is approved. Wishing for e-commerce opportunities to come later when the lucrative, low investment Self Storage deal is complete is highly unlikely. Self Storage facilities NEVER go away once created. Condition challenges versus a wish is more prudent.

Township Due Diligence with regard to Indictment - Slow down and get answers that are PUBLIC is common sense

Misplaced sympathy - There seems to be an odd sympathy for the guilty pleading developer by the PC Chair, when a mention of the Federal case is brought up. Legal taxpayers of Acme deserve to get answers to who their township is working with and what the sentencing implications may be to the pending project. The charges as relayed by the U.S. Attorney's office, are not minor back tax items. They fall in the category of outright deception.

Managerial Continuity / Financial Solvency - Michigan U.S. Attorney Timothy Verhey said that due to the extensive charges, Mr. Chappelle is highly likely going to prison as a result of his upcoming sentencing on September 12. This is highly likely to come with stiff fines. So, being highly probable that Mr. Chappelle is a key operator in this development, is highly likely to be a large seed investor in his son's LLC for Oak Commons development and piling on uncertain economy, how can the voters feel reasonably comfortable that their Trustees have looked into these concerns and established some assurance.

Action: Why not be wise and put on hold until sentencing complete and implications known - It is perfectly within the township's power and should be common sense to tell the applicant that we realize that the next PC meeting on September 12 conflicts with Mr. Chappelle's sentencing, but the township needs to wait for that hearing's results and needs to get an open-to-the-public plan with assurances from the applicant on handling of fines and company management, before taking next steps on application action.

Developer Track Record - Absent from package is the history of successes (and failures?) of Strathmore developments. There are several online and some are not very good.

https://www.lansingcitypulse.com/stories/embarrassed-developer-files-defamation-suit-against-local-blog_17328

<https://www.lansingstatejournal.com/story/news/local/2015/11/25/chappelle-still-fighting-but-fading-park-district/76041228/>

<https://annarborobserver.com/other-peoples-money/>

Zoning Ordinance Violation - Needs to be answered / issue has been ignored to date

Self Storage zoning says ingress/egress must be directly onto the main road - The development has created a Light Industrial Self Storage and Warehouse facility in the back of a neighborhood. All Ingress/Egress will have to occur through that neighborhood to get to the main road. In fact, the facility shares parking with the housing element. Not sure that is desirable?

Self Storage zoning says that Self Storage facilities can only be used for self storage. This seems to conflict, as this facility is multi-use. I brought up this issue to the township supervisor during the draft of this provision, but it was passed into ordinance anyway.

PUD/Mixed-Use Ordinance abuse - Is being used to rezone and flip, and I will push this point continually, because it is clear and obvious and admitted by applicant

Comparison to Lormax/Stern is irrelevant - Regardless of how this compares to the Lormax/Stern application, it is still a major abuse and request for major deviation, equivalent to a rezoning. This is the typical rezone effort that the Self Storage industry is pushing for throughout the country and municipalities are allowing in depressed areas.

Why this property - This property is an encumbered piece of property to develop residential housing. There is plenty of other land for the residential. It has been sought out because of the Self Storage flip. ISS recognizes it as a Self Storage development:

<https://www.insideselfstorage.com/development/self-storage-development-and-zoning-activity-april-2022>

Claims of not interested in Self Storage only residential - Why is the applicant so entrenched in not coming up with other options other than the self storage element. Recordings/minutes have him agreeing that this is the key element of the project that makes it work.

Who will run the Self Storage or will it be sold - The developer has been quite vocal that they are not, nor have been in the Self Storage business and that they are in the housing development building. This begs the question on how this will be operated? Why hasn't the question been asked, in case new conditions need to be drafted as a result of the answer?

Mixed Use Abuse - The amount on non-conforming Light Industrial, an element that residents are so far against, is at a level that is an abuse of the Mixed-Use intent of this ordinance. The added / non-conforming elements are supposed to, per our ordinance, "provide increased township value and vitality, etc." These elements are actually items residents don't want per 2012 survey, recent public hearings and petitions. The only thing that this non-conforming elements provide is the financial benefit to the developer.

Condition: Why not put a time limit developer must hold the big box portion before flip - If this is not a flip tactic, require it to be held by the developer / investment group for 10 years.

Please consider the above and neighbors' concerns. The people's trust is on edge with government and considering their input first, without excuses, will help ensure Acme officials aren't part of this perception. We do appreciate all the volunteer work we all do to keep the world running, but we do look for hard work without negligence for those who step up to the call.

To a better plan. Thank you for your consideration.

--
Jim Goran

Founder and General Manager
NR Group

igorannrgroup@gmail.com

FINDING OF FACTS

Acme Shore Planned Development
Former Tom's Market and Kmart Property
6261 and 6455 US-31 N
28-01-234-035-00
28-01-234-036-00
PD 2022-01

DATE: 08.22.2022

APPLICANT: SH East Bay Holdings South LLC
5030 Northwind Drive, Suite 120
East Lansing, MI 48832

CASE SUMMARY

1. An initial application was submitted March 11, 2022, by Jacob Chappelle, Authorized Secretary for SH East Bay Holdings South LLC . The Applicant is proposing to reuse the former Tom's Market and Kmart property for a mixed-use planned development (PD) which includes residential apartments, retail, office, personal services, indoor recreation, indoor storage and warehousing.

Initial application review dated April 05, 2022, concluded "The application as submitted satisfied items f.2, f.3, f.4, f.5, and f.7, and partially satisfies f.6 and f.8 in Section 19.3, meeting the minimum five of the nine objectives under item f. Based on the findings of the review the application does meet the minimum criteria of qualifications to submit a formal PD application." ¹

Motion by Timmins Support by Aukerman to approve the pre-application for PD 2022-01 submitted by Northview 22LLC on behalf of SH East Bay Holdings South LLC for a mixed use planned development at 6455 US-31 N. The findings of the fact submitted in this report support the pre-application dated March 3, 2022, meets the minimum standards under Section 19.3 of the Acme Township Zoning Ordinance to qualify for the formal planned development application submission with the following conditions: The planning commission will not accept a phasing plan. Motion carries unanimously.²

2. Revised application materials were submitted by the Applicant for consideration at the June 13, 2022 Planning Commission meeting. The application materials noted that the former Tom's Market would not be used indoor storage but rather utilized by Truly Free, a Traverse City based e-commerce retailer. The use of the former Tom's Market for the use proposed by the applicant for Truly Free was determined to be a minor amendment to the original Tom's Market special use permit.

¹ Pre-Application review conducted by John Iacoangeli, Beckett & Raeder, Inc., dated 04-05-2022..

² Planning Commission meeting minutes, dated 04-11-2022.

Motion by Rosa, support by Challendar to schedule a public hearing for July 11, 2022, to solicit public comment on application PD 2022-01 submitted by Northview 22 LLC on behalf of SH East Bay Holdings South LLC for a mixed use planned development at 6455/ US-31 N. Friendly amendment to the address adding 6261 to represent both buildings. Motion carries

3. On July 11, 2022 the Planning Commission held a public hearing at the Mackinaw Room at the Grand Traverse Resort to solicit public comment on the proposed PD application.

Public Hearing held July 11, 2022. Motion by Timmins, support by Challender to close the public hearing. motion carries.³

BACKGROUND DOCUMENTS

The following documents are included as part of the public record. This list may not be all-inclusive but does contain the bulk of materials submitted throughout the application process.

Pre-Application Review Packet I	04-11-2022
Pre-Application Review Packet II	05-12-2022
Public Hearing Packet I	06-27-2022
Preliminary Review Packet	07-26-2022
4 th Submission Materials	
PUD Site Plan C1	07-25-2022
Existing Conditions C2	07-25-2022
Site Utility Plan C3	07-25-2022
Site Grading & Stormwater Plan C4	06-27-2022
Site Lighting Plan C5	07-25-2022
Access Management Plan C6	07-25-2022
Entrance Drive Section C7	07-25-2022
Conceptual Layout Plan (Oak Shore Commons)	07-25-2022

FINDING OF FACTS

- a. **Section 19.3 a.** The properties are zoned R-1, R-2, R-3, A-1, MHN, C, CF, and B-4 Districts.

FINDING: The subject property is zoned CF (Corridor Flex). As a result of the property's zoning classification, the property is eligible to use the PD (Planned Development) provisions in the zoning ordinance.

STATUS: Satisfied.

- b. **Section 19.3 b.** The use of this option shall not be for the sole purpose of avoiding the applicable zoning requirements. Any permission given for any activity or building or use not normally allowed shall result in an improvement to the public health, safety, and welfare in the area affected.

FINDING: The proposed project includes a variety of uses as highlighted in **Table 1**. Several elements of the proposal that are not included in the CF District include indoor storage,

³ Unapproved Meeting Minutes, July 11, 2022 Planning Commission meeting.

warehousing, and first floor residential. The indoor storage and warehousing are confined to the former Kmart Building. Unlike, the former PD submission for the Kmart property advanced by Lomax Stern in 2019 which called for the entire building to be used for indoor storage the current proposal limits these uses to 57,800 square feet. Further, the amount of indoor storage square footage was reduced when the former Tom's Market building was converted from indoor storage to the Truly Free business.

Section 19.1.c of the Zoning Ordinance (2018 edition) states "*use of the PD option will allow flexibility in the control of land development by encouraging innovation through an overall, comprehensive development plan to provide variety in design and layout; to achieve economy and efficiency in the use of land, natural resources, energy and in the provision of public services and utilities; to encourage useful open spaces suited to the needs of the parcel in question; to provide proper housing including workforce housing; and to provide employment, service and shopping opportunities suited to the needs of the residents of the Township.*"⁴ (Emphasis added)

Both the former Tom's Market and Kmart building are considered functionally obsolete. This argument was advanced by the Lomax Stern, owner of the Kmart property, at a recent Michigan Tax Tribunal hearing. Known as the "dark store theory" where building owners make the argument that the market value of their stores should be based on the sale of stores of similar sizes, even if those commercial properties are vacant, i.e. Kmart. As noted in a presentation at the public hearing the adaptive reuse of these buildings requires a combination of market suave and innovation on reuse options.

As noted in Table 1 there are a variety of uses within the proposed development consistent with the term mixed-use. The intent of the CF District is "to provide for a flexible mixture of retail, office, commercial, residential and institutional uses within walkable and connected neighborhoods. The objective is to create an environment where residents can live, work and shop for day-to-day amenities in the same area."⁵ The PD proposal provides a combination of these uses consistent with the CF District but relies on the PD provisions to allow the introduction of indoor storage and warehousing to fully utilize the building footprint of the former Kmart building.

STATUS: Satisfied.

- c. Section 19.3 c. The PD shall not be used where the same land use objectives can be carried out by the application of conventional zoning provisions or standards. Problems or constraints presented by applicable zoning provisions shall be identified in the PD application.

FINDING: Based on the recent submission the indoor pickleball courts, fitness center, café, flex-office space and residential housing (above the first floor) are allowable uses within the CF District. The indoor storage and warehousing are uses limited to the former B-4, now referred to as the LIW district. However, §19.1. d of the PD Intent and Purpose states, "may be used to allow nonresidential uses of residentially zoned areas; to allow residential uses of nonresidential zoned areas; to permit densities or lot sizes which are different from

⁴ Acme Township Zoning Ordinance, Effective 12-01-2008, Amended through 02-06-2018

⁵ §6.6.3 CF District. Acme Township Zoning Ordinance, Effective 12-01-2008, Amended through 02-06-2018

the applicable district and to allow the mixing of land uses that would otherwise not be allowed;⁶

As a result, the PD provisions provide the Planning Commission and Township Board the flexibility to allow a mix of uses that are not normally allowed within a specific zoning district is that introduction promotes and encourages the economic and efficient use of the property. In its totality, the PD provides a mixture of land uses, residential and non-residential uses

STATUS: **Satisfied**

- d. **Section 19.3 d.** The Planned Development option may be effectuated only when the proposed land use will not materially add service and facility loads beyond those considered in the Township Master Plan, and other public agency plans, unless the proponent can prove to the sole satisfaction of the Township that such added loads will be accommodated or mitigated by the proponent as part of the Planned development.

FINDING: The Preliminary Review concluded that the PD as proposed would not materially add service and facility loads beyond those provided by the respective agencies. The outstanding service is the final approval on the water extension from GTB through an agreement between the applicant and GTB Tribal Council.

Agency	Service	Preliminary Status	Date
Grand Traverse County Department of Public Works	Sewer	Favorable – Gosling Czubak, the Township Engineer concluded that the downstream pumping station has capacity to support the proposed development.	07.21.2022
Grand Traverse Band of Ottawa and Chippewa Indians	Water	Favorable – In process for formal approval by GTB Tribal Council. Water Agreement given to Applicant for review prior to Tribal Council approval.	TBD
Michigan Department of Transportation	Traffic	Favorable – Proposed development closes one curb cut on US-31.	TBD
Grand Traverse Metro Fire Department	Fire/EMS	Favorable – Plans reviewed have been reviewed with suggested revisions.	07.01.2022

⁶ §19.1.d, PD Purpose and Intent, Acme Township Zoning Ordinance, Effective 12-01-2008, Amended through 02-06-2018

Agency	Service	Preliminary Status	Date
BATA	Bus	Favorable – Plans reviewed and approved.	06.28.2022
Township Engineering	Stormwater	Detail review submitted with site plans if the PD is approved. Overall reduction in impervious pavement with more lawn and landscape area.	TBD
Traffic – Fishbeck	Traffic	Favorable. Traffic Impact Study concluded trip generation for proposed PD is less than Tom's Market and Kmart during their operation/	05.03.2022

STATUS: Partially Satisfied. (*due to lack of an executed water agreement*)

- e. Section 19.3 e. The PD shall not be allowed solely as a means of increasing density or as a substitute for a variance request; such objectives should be pursued through the normal zoning process by seeking a zoning change or variance.

FINDING: The CF Zone allows for buildings with a height of four (4) stories and forty-five (45) feet. The allowable residential density is 18 units per acre. The proposed PD as noted is within this limitation. The proposed residential buildings are three (3) stories and the density does not exceed 18 units per acre.

STATUS: Satisfied

PROPOSED MOTION

Motion to Approve

I move that the Planning Commission incorporate and adopt Beckett & Raeder's proposed findings concerning the SH East Bay Holdings South LLC application for PD 2022-01. In so doing, the Planning Commission finds that the proposed PD 2022-01 does meet the requirements of the Acme Township Zoning Ordinance for a Planned Development on the former Kmart property, 6455 US-31N, Parcel No 28-01-234-036-00 and Tom's Market property, 6261 US-31N, Parcel No 28-01-234-035-00 based on the Conceptual Layout Plan dated, 07-25-2022. The approval also allows for indoor storage and warehousing in the former Kmart Building and residential uses on the first floor.

Motion to Approve with Conditions

I move that the Planning Commission incorporate and adopt Beckett & Raeder's proposed findings concerning the SH East Bay Holdings South LLC application for PD 2022-01. In so doing, the Planning Commission finds that the proposed PD 2022-01 does meet the requirements of the Acme Township Zoning Ordinance for a Planned Development on the former Kmart property, 6455 US-31N, Parcel No 28-01-234-036-00 and Tom's Market property, 6261 US-31N, Parcel No 28-01-234-035-00 based on the Conceptual Layout Plan dated, 07-25-2022. The approval also allows for

indoor storage and warehousing in the former Kmart Building and residential uses on the first floor with the following conditions:

- 1) That the Applicant secure an agreement for the extension of water to the PD site with the Grand Traverse Band of Ottawa and Chippewa Indians, or provide on-site water subject to approval by the Township Engineer, Grand Traverse Building Department, and Metro Fire.
- 2) That the Applicant provide an easement to the TART Trails, Inc. for the installation of a 10-foot-wide concrete trail on the applicant property adjacent to the US-31 rights-of-way. The width of the easement shall be determined and executed between the parties and recorded with a copy of the recorded easement provided to the Township as part of site plan approval.
- 3) Warehousing space in the former Kmart building shall not exceed 24,400 square feet. Warehousing in the instance of this PD application shall be defined as,
A space limited to skilled trade contractors, energy and natural resource companies, research & development, e-commerce or omnichannel retailers that handle distribution and fulfillment operations, delivery-related businesses, and start-up businesses excluding bulk storage of materials that are inflammable or explosive or that present hazards or conditions commonly recognized as offensive.
- 4) Parking of vehicles that are associated with a warehouse on-site tenant may be parked inside the building.
- 5) There shall be no outdoor storage of any materials or products on the PD premises with the exception of enclosed outdoor dumpsters and recycling bins.
- 6) Indoor storage of boats, recreational vehicles, ATV's, OTR's, cars, and trucks is prohibited in the warehousing and indoor storage areas.
- 7) Indoor storage shall not exceed, 35,800 square feet.
- 8) To ensure there is a balance in the overall development between redevelopment of the former Kmart building and the residential apartments, applicant shall provide a performance bond equal to the costs to complete no less than four (4) of the residential apartment buildings. The performance bond must be provided prior to issuance of a land use permit for the redevelopment of the former Kmart building. Applicant may provide more than one bond which when added together totals the costs to complete. The Township will release and return a bond that was provided for a specific building or buildings when they are completed.
- 9) Site lighting shall be painted black, utilized LED as a light source meeting dark sky standards and not to exceed twenty-two feet in height.
- 10) In the event there is interest to build on the PD site freestanding retail and/or restaurant the applicant shall be able to substitute residential building sites for these uses as long as the trip generation does not exceed the trip generated by the former Tom's Market and Kmart as enumerated in the Traffic Impact Study prepared by Fishbeck, dated May 3, 2022.

- 11) In the event there is interest to lease in the Kmart Building e-commerce or omnichannel retailers the applicant shall be able to substitute the indoor storage and warehousing spaces for these uses as long as the trip generation does not exceed the trip generated by the former Tom's Market and Kmart as enumerated in the Traffic Impact Study prepared by Fishbeck, dated May 3, 2022.
- 12) Sidewalks should be designed based on Section 6.3, Non-Motorized Transportation of the new zoning code effective July 31, 2022.
- 13) Snow storage shall be provided with on-site snow storage areas in addition to the required off-street parking area. Snow storage areas shall be provided on the ratio of fifteen (15) square feet per one hundred (100) square feet of off-street parking area. Snow storage areas shall be located in such a manner that does not obstruct required clear vision areas.
- 14) Bicycle parking shall be required on-site. Minimum bicycle parking shall equate to 1 bicycle parking space for every six (6) dwelling units, 1 bicycle parking space per 2,000 gross square feet of office, 1 bicycle parking space per 5,000 gross square feet of retail, and 1 bicycle parking space per 10,000 gross square feet of warehousing and distribution.
- 15) Residential apartment units shall be rented at least on a six-month basis or more. No short term rentals (STR's) shall be allowed.
- 16) Any proposed change of use from apartments to some other type of housing, including but not limited to, condominiums, shall require a major amendment of this PD.

Other Conditions Required by Planning Commission:

17)

Motion to Deny

I move that the Planning Commission incorporate and adopt Beckett & Raeder's proposed findings concerning the SH East Bay Holdings South LLC application for PD 2022-01. In so doing, the Planning Commission finds that the proposed PD 2022-01 does not meet the requirements of the Acme Township Zoning Ordinance for a Planned Development on the former Kmart property, 6455 US-31N, Parcel No 28-01-234-036-00 and Tom's Market property, 6261 US-31N, Parcel No 28-01-234-035-00 based on the Conceptual Layout Plan dated, 07-25-2022 for the following reasons:

- 1)
- 2)

Table 1
Allocation of Uses

Use	Parking Classification	Spaces per 1000 Sq.Ft.	Sq.Ft.	Required
Kmart Building				
Warehousing	Warehousing	2	22,000	44
GT Men's Shed	Warehousing	2	2,450	5
Storage (Indoor)	Self-Storage Facility	1	35,800	36
Coffee Shop	Retail	1.5	1,225	3
Pickleball	Private Recreation Facility, Indoors	3	12,300	37
Fitness	Private Recreation Facility, Indoors	3	5,000	15
Flex Office	Business Services	2	8,900	18
Subtotal			84,000	157
		Number Dwellings	Spaces per Dwelling	Required
Apartments				
Building Type 1	8 Dwellings (2,4,2)	24	1.00	24
Building Type 2	6 Dwellings (0,6,0)	54	1.00	54
Building Type 3	8 Dwellings (4,4,0)	24	1.00	24
Building Type 4	3 Dwellings (1,2,0)	18	1.50	27
Building Type 5	10 Dwellings (4,4,2)	30	1.00	30
Building Type 6	12 Dwellings (6,6,0)	36	1.00	36
Subtotal		186		195
		Spaces per 1000 Sq.Ft.	Sq.Ft.	Required
Truly Free				
Office	Business Services	2	5,122	10
Retail	Retail	1.5	1,991	3
Mechanical/Electrical	N.A.	0	804	-
Restrooms	N.A.	0	607	-
R&D	R&D	1	425	0
Receiving Area	Warehousing	2	1,225	2
Warehouse/Storgae	Warehousing	2	10,432	21
Sorting & Mailing	Warehousing	2	24,664	49
Subtotal			45,270	86
PD TOTAL				439
Provided per plan				461
Surplus/(Deficit)				22