

# LAKE TOWNSHIP PLANNING COMMISSION

Unapproved Minutes  
Wednesday, July 2, 2008

The meeting of the Lake Township Planning Commission was called to order at 7:15 PM by Chairman Colletta. Members Gerry Geppert, Rich Ehrlich, Tim Lalley and Valerie McCallum also present along with approximately 42 guests including Matt Kapp from Michigan Farm Bureau, Chuck McKeown from the Land Policy Institute of Michigan State University and Brion Dickens from the State of Michigan Wind Outreach Team. The meeting was held at the Sleeper State Park Outdoor Center.

Minutes of May 14, 2008 and May 28, 2008 approved upon motion by Lalley, seconded by Geppert. Motion carried.

No correspondence.

## **New Business:**

**Site Plan Review:** Lalley recused himself from the site plan review and left the room.

Todd Gordon – 3888 Port Austin Road. Applicant is proposing an addition to an existing nonconforming structure adding an additional floor above the existing structure. This is a waterfront parcel on M-25. The existing garage appears to be very close to the road right-of-way – no measurement on the survey. The existing structure is over the allowable lot coverage. Question on adequate parking area. The site plan cannot be approved.

*(Lalley returned to the meeting).*

(7:25 PM) Chairman Colletta introduced Matt Kapp from Michigan Farm Bureau. Matt had a prepared handout which he provided to the planning commission members and a few guests. He began his presentation with an overview of electric power demand and how much it is anticipated to increase over the next 20 years and the current drive for renewable energy. He stated that there are currently many bills on renewable energy, both at the national level and state level, and both political parties are supportive of the concepts.

He stated that with the possibility of a renewable portfolio standard which will require mandates, electric companies and venture capitalists are exploring and buying up easements. He mentioned that there is a lot of talk about noise produced by wind turbines and stated that some people think it is soothing and others find it annoying. He compared it to people liking different types of music

and people may find another's choice of music annoying to listen to, that noise is subjective. He stated there is sound science research done over years that can be used to determine sound levels. He read from the Michigan Land Use Guidelines for Siting Wind Energy Systems, page 10, Common Sound Levels and compared wind turbine noise of 50 decibels to that of a quiet suburban area. He stated that a kitchen refrigerator makes more noise than a wind turbine. He also stated that we need to remember that the 50 decibel noise level of a wind turbine is the sound at its base and from the road or property line it is going to be less than 50 decibels.

Mr. Kapp concluded his presentation by stating that the Michigan Farm Bureau encourages renewable energies and recommends legislation and zoning that will enable harvesting of wind energy from farms. According to Mr. Kapp, wind is not the only renewable energy Michigan Farm Bureau is encouraging and supporting, but wind is the topic of tonight's meeting.

(7:40 PM) Chairman Colletta introduced Chuck McKeown of the Land Policy Institute, MSU. Mr. McKeown provided handouts of the Michigan Siting Guidelines and Global Wind Overview.

Mr. McKeown stated that the Land Policy Institute was designed to bring decent science behind land use policies. He stated that all renewable forms of energy are landscape intensive. He stated that in the early 80's the US lead the development in wind energy but then cheap fuel stopped it here while Europe stayed with it. He stated that it is a large business world wide which is exploiting a resource whereby companies can move in quickly and set up power systems. Germany has the largest development of wind energy. The US and China are in the top ten for new capacity and China is not only installing wind energy developments but is also manufacturing wind turbines. He stated it is a mature industry, a multi-million dollar business and wind is a resource that is being underutilized.

He further stated that the recent Senate Bill 213 has repealed electric choice in Michigan and the electric industry will again become a regulated utility if signed by the Governor. He stated that renewable energy is a national policy and all three presidential candidates and leaders of both houses advocate a national renewable standard. He stated it is a speculative market with leases such that people are showing up with bags of money at farmer's doors. He cautioned everyone to take a few steps back, stating that globally it is seen as a gold rush.

He went on to state that Lake Township ranks 70<sup>th</sup> in the state and that there are only 32 townships out of 1800 in the state that have zoning. He stated that the coastal area and one mile back inland are not good areas for wind turbines. He also stated that Michigan does not like exclusionary zoning, so a township does have to make it possible to have wind energy somewhere unless there are very compelling reasons not to. He made reference to mobile home parks and how townships tried to exclude them and could not.

He stated that wind is an acceptable land use in Michigan and that Senate Bill 213 provides the Public Service Commission with authority to preempt local zoning if zoning does not allow wind energy or proves to be overly onerous. He stated that any ordinance must be carefully crafted and advised not to be overly restrictive on sound unless other noise regulations for industry are similar.

(8:05) Chairman Colletta introduced Brion Dickens. Mr. Dickens stated he is the wind authority in this area, having been the first to install wind energy on an individual scale at his residence and then at a small scale at the Laker Wind Farm and then as a member of the Oliver Township Planning Commission. He stated he was appointed by the Governor through the Department of Energy to Wind Powering America. He stated that Michigan has the most potential of any state for the manufacturing and installation of wind turbines and that Wind Powering America gave \$178,000 to promote wind energy in Michigan. He stated that Michigan ranks 14<sup>th</sup> in the nation for wind and that wind is not new to the world or the US but is new to Michigan and that Michigan is second in the world for the combination of having a manufacturing base and the ability to install.

He stated the wind turbines in Oliver Township cost \$3,000,000 each and that it is very expensive to haul the parts, so the manufacturers would like to come here. The GE turbine is American made at two existing factories and they would like to build more and Vestas would like to build a factory in Michigan.

Mr. Dickens concluded by stating that we should not rush, they will come one way or another, and that he is willing to help the township.

Lalley asked why not develop wind energy facilities off shore where the winds are more reliable. Chuck McKeown stated that the business is profit driven and the payback time on land is a lot quicker.

Lalley asked whether the industry is seriously looking at putting these facilities in the lakes. Mr. McKeown stated that there is a project offshore in Lake Erie. He stated that offshore development would not be regulated by local ordinances until the point at which the transmission lines come on shore.

Lalley asked about tax subsidies provided to these developments and stated that Shell Oil recently pulled out of a wind project off the England coast because it is better to put them on land in the US because of the subsidies.

Mr. McKeown mentioned the production tax credit. Mr. Dickens stated that wind is not subsidized. Mr. McKeown further stated that developers are using European banks because US banks are not funding these projects because it is a high risk investment.

Colletta asked Grady Nance of DTE if there are subsidies. Mr. Nance stated that they are hoping the Production Tax Credit will still be available which lasts 10 years and is for .2 cents per kilowatt hour. He stated the PTC reduces payback time from 19 years to 17 years.

Colletta asked Matt Wagner or Grady Nance what Germany's back up system for power is if the wind dies. Mr. Nance stated that they have a mix of energy; coal, gas, thermal and that the wind doesn't just die, although there will be upsets from time to time.

Colletta stated that back up systems are necessary and asked what the grid capacity in the thumb area is. Mr. Nance stated that the existing transmission system will require upgrades.

Colletta asked how many coal boilers will be eliminated if more wind turbines are installed in the thumb and asked whether there will ever be a total nondependency on oil companies.

Mr. Nance stated with more renewable energy there will be less gas and coal burned. The goals are 20 to 25% which will reduce a lot of carbon and a reduction in greenhouse gases.

Colletta stated that 2 to 3 weeks ago the wind turbines stopped in Elkton and he heard it was because the grid couldn't handle the power and had to shut down. Tom Ziel responded that the substation got hit by lightning.

McCallum asked Brion Dickens whether the Wind Working Group of Michigan had followed up on the recommendation of Lawrence Tech University to consult with a noise professional when drafting the State's siting guidelines. Mr. Dickens stated they did not.

McCallum asked Mr. Dickens whether any people within the Harvest Wind Farm area have complained to him about noise. Mr. Dickens stated he hasn't heard anything.

Lalley asked Brion Dickens for a copy of Oliver Township's wind ordinance.

Mr. Dickens stated that Oliver Township does not have a wind zoning ordinance that is a specific unit or chapter in their zoning ordinance but it is rather sectional paragraphs in each district and he would, therefore, have to provide a copy of the entire ordinance. He stated Oliver Township's zoning ordinance allows utility scale developments in the agricultural zone as a special use.

Lalley asked Mr. McKeown where the State came up with the 1000' setback. Mr. McKeown stated it was more or less arbitrary. Lalley questioned him again, stating there must have been some basis. Mr. Dickens stated that Oliver Township has a ¼ mile setback from non-participating residences.

Lalley asked whether anyone has ever thought about the visual impact. He stated it stops being a private matter but rather is a public issue and asked whether anyone has thought about the impact these developments have on people. Mr. McKeown stated that the viewshed is a public good and it is incumbent to regulate the viewshed and mentioned Michigan case law on billboards. He stated he doesn't see this as a huge issue. Lalley stated he is concerned about the people that live within these developments.

Mr. Dickens stated that a lot of Dutch farmers laugh at the fact that we're so up in arms about these wind turbines. He stated that our turbines are monochromatic but in Europe they are quite colorful and really stand out.

Matt Kapp stated that it gets back to the decision of public policy. Policy is driving wind development and the visual impact hasn't been discussed.

Lalley stated that he has always been in favor of wind energy but he is very concerned about setbacks. He stated that the planning

commission has heard from someone from Oliver Township who is not happy with the setbacks and Lake Township has to think about how a development will affect the people who live nearby and cannot let profit dictate the outcome.

Mr. McKeown stated that an ordinance does have to be rational and meet State standards. He stated it has to revolve around consensus; it cannot say they are allowed anywhere, but also cannot say they are allowed nowhere.

Mr. Kapp referred back to the visual impact stating that there are positives and negatives to anything.

Mr. Dickens stated that they see it as a good way to preserve farmland and provide more profit for agriculture.

Mr. McKeown stated that there are many issues besides visual impact. He stated that not only would he not want to be a guy with shadow flicker, but he wouldn't want to listen to noise.

Mr. Dickens stated that their developer provided a visual representation.

Lalley asked whether they can honestly say that property values will not be affected.

Mr. Dickens stated there is no firm data. Lalley asked whether Oliver Township is doing any study. Bob Krohn stated they are not. Mr. Dickens stated that the daily economy affects market values.

Matt Wagner stated that SB 213 has a line item regarding minimizing impact to neighbors. Mr. McKeown stated that when looking statewide, developers need to look at available land and where these developments will have minimal to no impact on property value, but this depends on where you are.

John McCallum asked why not locate these developments four to six miles offshore. Mr. McKeown responded that there are three issues with offshore; ice pack, depth and how far offshore. John McCallum asked how close they can put them to the shoreline. Mr. McKeown stated they are generally at least a mile offshore.

Lalley asked Gary Bauer for a copy of a lease and asked how long the leases are for.

Mr. McKeown stated they are typically for 20 years. Lalley asked Mr. Bauer if most are 20 years. Mr. Nance responded that easements are not leases. He stated that when a wind farm starts operation, the easement terminates and stated they hope wind farms will be operated for longer than 20 years.

Neil Rohner commented that the leases are private.

Matt Wagner stated that there are several different kinds and before someone signs a lease, they should consult with an attorney.

Lalley stated that it is no longer a private matter, it is a very public thing that is happening since everyone is going to be impacted and he stated he is interested in knowing.

Gene Champagne stated his integrity is being called into question by Mr. Dickens statement that he has received no complaints from anyone in the Harvest Wind area. Mr. Champagne stated he has talked to Mr. Dickens at length about the problem he is experiencing with the noise from the turbines around his home. He asked Mr. Dickens why he answered no to McCallum's question. Mr. Dickens stated that the question was asked to him as a township representative and not personally.

McCallum asked Mr. Dickens, again, whether anyone has complained to him about noise in any capacity. Mr. Dickens stated that Mr. Champagne has. McCallum asked if anyone else has and Mr. Dickens stated that no one else has complained about noise.

Colletta asked whether Mr. Champagne's house falls under the distance setbacks. Mr. Champagne stated that the one across the road from his house is 1350'. Lalley asked Mr. Champagne whether he thinks that is far enough. Mr. Champagne stated no.

John McCallum asked again about off shore and asked how close to shore turbines would need to be, such as for access.

Mr. Dickens stated that he doesn't think it will happen here or needs to happen here, that part of a good development is not to make the community mad at you.

Mr. McKeown stated that these are profit based decisions and when it becomes profitable to do it offshore, they will do it. Right now it is more economical to stay on shore.

Mr. Dickens stated that the key reason for offshore developments in Europe is they are using very large machines, 5 MW.

John McCallum said let's call a spade a spade, this is all about money. When people are paying in excess of \$4,000 a front foot for property, they do not want to have the visual impact of a wind turbine in their front yard and that's the big deterrent. People along the shoreline don't want to look at them, so why should people in the agricultural/rural area have to look at them. He asked whether any communities provide income to non-participating landowners to compensate them.

Mr. Dickens stated that community based, locally owned developments do so, but that Michigan is not in that stage.

John McCallum suggested that individuals who want wind turbines on their land could compensate their neighbors.

Mr. Dickens stated that the Township cannot zone for that.

Clay Kelterborn stated that Brion had commended the planning commission for taking the time to prepare an ordinance. He asked, looking back, whether there was anything Mr. Dickens would do differently in Oliver Township.

Mr. Dickens stated he didn't think so, they followed what the community wanted.

Tom Carriveau asked what the typical tax revenue would be from a development. None of the presenters could comment on tax revenue. McCallum mentioned the recent decision by the State Tax Commission to regulate wind turbines as industrial personal property which would exempt them from the State Education Tax and also the local school district millage. McCallum also asked Mr. McKeown about the Michigan NextEnergy Authority and the exemption for renewable energy facilities if they receive certification through the authority. Mr. McKeown did not know anything about the certification.

Lalley asked Matt Wagner whether they would use a setback from an ordinance if they felt it was too lenient. Matt Wagner responded that their easement agreement says 1000' and that they do not want to end up with a situation like Gene Champagne.



Lalley asked Matt Wagner if they were developing a project that overlapped between two townships with two different setback requirements, which would they use.

Matt Wagner did not know stating that siting is one of the challenges with wind turbines and that it is not cookie cutter.

Grady Nance stated that the process involves talking to landowners and their preferences. They want to have a happy group of landowners and community since it is a joint venture.

Bob Siver asked whether they want all landowners to be happy or just the ones they are doing business with because there are a lot of landowners who do not own enough land for DTE to be doing business with.

Mr. Nance responded that he means the entire community. If someone is within the wind farm, they would still be talking to that property owner, also, to participate in revenues.

Gene Champagne stated that honesty is the best policy. He stated he was offered money by Harvest Wind, \$100 to \$200 was tossed around. He stated that DTE realizes the position he is in and he stated he also shared with Mrs. Bushey that he wouldn't want her son affected by any development around his home.

Yvonne Bushey stated that her son will not be affected and that Mr. Champagne's wife has no problem with the noise.

Bob Siver asked whether something similar to what was done in Alaska could be done here where everyone in the community benefits financially from a development.

Mr. McKeown stated the township does not have the authority for that, it is only in a situation where the resource is in the public trust such as when on state land.

Bob Siver asked DTE whether they would have any interest in such an idea.

Mr. Nance stated that it isn't the right time, they haven't built a wind farm yet.

Mr. Dickens stated it would be a nightmare.

Mr. McKeown stated the Township could move forward as a community and develop a wind farm similar to rural co-op models.

Mr. Dickens stated that it is capital intensive and most developers flip these projects after they depreciate them out.

Kelterborn asked what the depreciation rate or schedule is for these turbines. Mr. Dickens stated that industry standard in the US is 10 to 12 years.

Kelterborn asked how long it takes to recoup the development costs. Mr. McKeown stated 15 to 18 years for a 1.5 MW turbine.

Colletta asked Matt Wagner about manufacturers jumping to come into Michigan. Mr. McKeown stated that manufacturers are just waiting for some policy.

Lalley asked how wind turbines will reduce our dependence on foreign oil. Mr. Dickens responded that they will not.

Jeanne Williams asked who will be responsible if we cannot protect our residents with ordinances. Mr. McKeown stated it is up to tort law and that the township cannot take a legal land use and outlaw it.

Jeanne Williams asked whether they can require a greater setback than 1000'. Mr. McKeown responded that as long as they can provide a compelling reason and it is not overly restrictive.

Neil Rohner asked Brion Dickens how Oliver Township adopted their ordinance for wind, did they have a referendum, a public vote or was it the members of the board. Mr. Dickens responded that they had an open public hearing but no one came and complained. Mr. Rohner asked Mr. Dickens how they would have decided if they had had opposition. Mr. Dickens responded that he could not speculate.

Lalley asked how many members of the Oliver Township Board have wind turbines on their land. Mr. Dickens responded that two do and they both abstained.

Neil Rohner stated that in Lake Township there are people for and people against. He asked Clay Kelterborn how he proposes to make a decision in Lake Township. Kelterborn stated that the next step is for the planning commission; when they are done with their research they will draft an ordinance and hold public hearings. Mr. Rohner stated that they cannot have hearings in January or February, it has to be when people are here. Mr. Dickens stated that the planning

commission members were appointed to be the township's community planners. Mr. Rohner stated that the impression they have from the board is that no windmills are wanted in Lake Township. Lalley stated that the board has never said they are against wind energy.

Yvonne Bushey read a part of a motion made by McCallum during the meeting of September 26, 2007 requesting the township attorney draft language for an ordinance prohibiting commercial wind turbines in Lake Township. McCallum responded that the motion was based upon a letter sent to the planning commission from US Fish & Wildlife Service wherein they recommended no turbines within three miles of a great lakes shoreline. Matt Wagner stated that the recommendation of three miles and five miles by USFWS is not carte blanche.

Carol Neville thanked the planning commission for taking time to try to find answers so that when an ordinance is done, it is done with common sense and long range planning and is done as correctly as it can be. Mrs. Neville asked whether any health studies have been done.

Mr. Dickens stated that one doctor out of England has done studies but stated that he is anti-wind.

Mr. Neville commented that the noise would be 24/7.

Bob Siver asked if a one year moratorium is excessive stating that the planning commission's obligation isn't to the developer.

Mr. McKeown stated that the township can be held accountable for economic damages if someone is stopped who is already in the process of a development.

Kelterborn returned to noise and its subjectivity. He stated that the noise of a windmill cannot be turned off for people it does annoy or affect and if they cannot get away from it, it becomes a real quality of life issue. Mr. McKeown stated that the planning commission's job is to protect the safety and welfare of the community. If after the planning commission makes its decision and someone is impacted, that is a personal private matter between the person affected and the owner of the facility. It is not the job of the planning commission to try to account for every possible situation.

Yvonne Bushey thanked the guests for coming. Mr. Dickens stated that SWOT is non-biased and it is his personal view that if someone doesn't want wind farms, don't tear up a township because people are bucking heads.

Motion by Ehrlich to adjourn.

Bob Krohn approached the planning commission as he was leaving and stated that if doing it over, he would recommend a ½ mile setback rather than a ¼ mile setback for non-participating residences.

Frank Konke complained to the planning commission about the length of time it takes to get site plan approval. McCallum explained that the zoning administrator needs time to inspect the property to ensure compliance with the zoning ordinance. Site plan review by the planning commission is only necessary for projects in the R-1 District.

McCallum seconded the motion to adjourn. Meeting adjourned at 11:00 PM.

Valerie McCallum, Secretary