

**PLANNING COMMISSION MEETING  
ESCANABA, MICHIGAN  
July 10, 2014**

A meeting of the Escanaba Planning Commission was held on Thursday, July 10, 2014, at 6:00 p.m. in Room C101 at City Hall, 410 Ludington Street, Escanaba, MI 49829.

**PRESENT:** Chairperson Thomas Warstler, Vice-Chairperson Patrick Connor, Commissioners Todd Milkiewicz, Christine Williams, James Hellermann, and Stephen Buckbee

**ALSO PRESENT:** City Manager Jim O'Toole, Ron Beauchamp City Council Liaison, City Engineer/Public Works Terry Flower, and Confidential Secretary Amy Peltin

**ABSENT:** Secretary Roy Webber, Commissioner Brian Black and Commissioner Kelvin Smyth

Chairperson Warstler called the meeting to order at 6:00 p.m.

**Roll Call**

Confidential Secretary Peltin conducted the roll call.

**Approval/Correction of the March 13, 2014, Planning Commission Meeting Minutes**

Chairperson asked that the May 8, 2014 meeting minutes stated he was excused rather than absent as he was at a conference for work.

**A motion was made by Vice-Chairperson Connor, seconded by Commissioner Hellermann, to approve the May 8, 2014, Meeting Minutes with correction. Ayes were unanimous.**

**Approval/Adjustments to the Agenda**

**A motion was made by Commissioner Buckbee, seconded by Commissioner Williams, to approve the meeting agenda. Ayes were unanimous.**

**Conflict of Interest Declarations**

None.

**UNFINISHED BUSINESS**

None.

**PUBLIC HEARING**

- 1. Site Plan Review and Request to Vacate Part of Alley – 2223 Ludington Street/109 South Lincoln Road – Romps Family LLC (aka Stonehouse Restaurant) –** The Romps Family LLC submitted an application for Zoning Land Use approval for property they own and/or control at 109 South Lincoln Road, Escanaba, Michigan. In the application, the applicants propose to construct a paved and landscaped parking lot. Additionally, a request is being made to vacate the western portion of the alley located on

Block 2 of the City Center Addition. City Manager O'Toole reviewed the site plan with the planning commission (see attached). A pre-application conference meeting was conducted with City staff and Michigan Department of Transportation, and a Developer on May 22, 2014. Fiscal impact is estimated at \$100,000. Staff is recommending the following conditions of approval as requested by MDOT:

1. Leave the existing (approx. 30ft wide) driveway approach on M-35 (the entrance closest to the intersection of Hwy M-35 & US-2).
2. Remove/close the existing driveway approach (approx. 16ft wide) on M-35 that currently provides access to the City alley from the highway by removal and replacement of the concrete curb and gutter.
3. Reconstruct an existing residential driveway (proposed as new 30ft wide access) on M-35 located near the southerly portion of the expanded parking lot (approx. 230ft south from the southerly curb line of Lincoln Road). This driveway access will be created as a MDOT style "M" opening with concrete curb delineation and gutter pan through the driveway opening area.
4. Remove the 3 existing parking stalls located within the southeast quadrant of the intersection of Hwy M35/US-2/Lincoln Road by removing and reconstructing the existing concrete curb line along the radius of this intersection such that vehicular access will be prohibited to this area.

This is a unique corner that had challenges trying to include everything to meet the traffic flow. The primary objective was to get traffic off of Lincoln Road as safely as it could be and eliminating the front corner collision points. Commissioner Buckbee questioned what part of the alley will remain. City Manager O'Toole and Mr. Romps explained that right now there is a "T" shaped alley and it will be changed to an "L" shaped alley, which will be paved. Commissioner Hellermann asked if the entrance/exit nearest the restaurant could be a right hand turn only exit. Mr. & Mrs. Romps would try to accommodate that request however, it is difficult to enforce. Commissioner Williams asked how many parking spaces they have. Mr. Romps stated they currently have 29 spaces and with the new parking lot they will have approximately 66 with handicapped between the restaurant and State Wide Realty. Commissioner Connor asked how many seats in the dining room. Mr. and Mrs. Romps stated they currently have 120 seats in restaurant with 16 employees working during lunch and 20 employees on average during dinner service on Friday and Saturday evenings. Commissioner Connor asked about snow storage and City Manager O'Toole stated there is a designated spot. Mr. Romps stated they have an arrangement with the Credit Union allowing them put snow on their property, and will haul if they need to. Commissioner Connor asked why parking slots 12-16 are directional and the rest are not. Mr. Romps stated they are trying to make the flow circulate. City Manager O'Toole stated those slots are angled with so someone would have to back up with the idea you will turn right on the existing alley and exit towards the cemetery to get the traffic flow off Lincoln Road. Chairperson Warstler asked if 20-25 parking spots are paved. Mr. Romps indicated all spots will be paved upon completion.

Commissioner Connor asked about vegetation and City Manager O'Toole stated there are 54 trees and shrubs to be planted on the property. Commissioner Williams asked the Romps if they had a plan for landscaping. Mr. Romps stated he had the Grounds Nursery do a sketch for him. He will be purchasing the shrubs from the Grounds Nursery; however they will not be doing the work. Mr. Romps explained he will have screens along Lincoln Road, back alley, and by the Credit Union and the entire front will be terraced in. Commissioner Williams discussed ways to filter water into the landscape rather than in the road or parking lot. She was recently in Washington D.C. and they were doing some creative things with landscaping such as lowering it to allow for runoff and thought this would be a good time to look into ways to filter the water into the landscaping rather than having it above ground. She pointed out Menards has been

successful at doing this type of landscaping. Mr. and Mrs. Romps pointed out that Walgreens had done this type landscaping and their parking lot completely floods now. City Manager O'Toole stated the plans show a slope to the alleyway and the corner hard surfaces are being removed and soft surfaces installed, which should improve the flooding in this area. Mr. Romps stated he will be putting in one tree on the front corner and will make it look nice.

**A motion was made by Commissioner James Hellermann, seconded by Vice-Chairperson Patrick Connor, Ayes were unanimous, to approve the Site Plan as submitted 2223 Ludington Street/109 South Lincoln Road – Romps Family LLC (aka The Stonehouse Restaurant) with the following conditions:**

- 1. Leave the existing (approx. 30ft wide) driveway approach on M-35 (the entrance closest to the intersection of Hwy M-35 & US-2).**
- 2. Remove/close the existing driveway approach (approx. 16ft wide) on M-35 that currently provides access to the City alley from the highway by removal and replacement of the concrete curb and gutter.**
- 3. Reconstruct an existing residential driveway (proposed as new 30ft wide access) on M-35 located near the southerly portion of the expanded parking lot (approx. 230ft south from the southerly curb line of Lincoln Road). This driveway access will be created as a MDOT style "M" opening with concrete curb delineation and gutter pan through the driveway opening area.**
- 4. Remove the 3 existing parking stalls located within the southeast quadrant of the intersection of Hwy M35/US-2/Lincoln Road by removing and reconstructing the existing concrete curb line along the radius of this intersection such that vehicular access will be prohibited to this area.**

**A motion was made by Commissioner Todd Milkiewicz, seconded by Commissioner Stephen Buckbee, recommending the City Council approve Ordinance 1154 – Order to Vacate an Alley in Block 2 of City Center Addition. Ayes were unanimous.**

### **PUBLIC COMMENT**

None.

### **NEW BUSINESS**

- 1. Review- Request to Purchase City-Owned Real Estate – Basic Marine, Inc. of Escanaba, MI has submitted a request to purchase City-owned real estate located at the end of North 4<sup>th</sup> Street. Currently, Basic Marine, Inc. owns both properties adjacent to each side of the City-owned lot along the waterfront. Planning Commission plan for this meeting will be to review and address any land use and zoning issues.**

Basic marine, Inc. intends to develop a deep water port so as to expand the commercial and industrial capabilities of their business. Basic Marine, Inc. has stated they intend to invest approximately \$500,000 into the property, upon acquisition, to restore the water depths to 28' deep and install approximately 270' of sheet piling. In conjunction with the investment, if the sale is approved, Basic Marine, Inc. anticipates hiring 20-25 new employees, most of who would be in the skilled trades, such as welders, ship fitters, pipe fitters, painters, along with support staff such as engineers, supervisors and administrative personnel. City Manager O'Toole did get a fair market value of the property and assessor value with a sale price of the property at \$133,000. This price is subject to the City

Council approval, approval and recommendation of the Planning Commission, and any other contingencies that may arise.

Lyle Bero presented on behalf of Basic Marine, Inc. and stated as of last year they had put in about 800-900 feet of sheet steel piling to secure the docking area at Basic Marine. He stated he just walked the property being sought yesterday and the shoreline erosion is really bad at the property and 6-8 feet of shoreline has eroded in the last couple of days. The proposal from Basic Marine, Inc. is to have a continuous steel sheet wall all the way up to the point; in front of the round house next to the county jail. This would amount to approximately 1500 more feet of steel break wall to secure the shoreline. Mr. Bero stated about 10 years earlier when Basic Marine began planning this project he spoke with the casino and cruise ship lines and they have strong interest in coming to Escanaba and cater to an older demographic. Escanaba has flat sidewalks as compared to Marquette, which would suit their passengers better. Mr. Bero stated they would install a swing driveway so the Casino can bus people out to the Casino and golf course. He stated Escanaba has the best natural port on the Great Lakes and is the Caribbean of the North. The old dock for Escanaba was established in the 1850's in that location and the pylons that are currently underwater have been there for 150 years or more. Mr. Bero stated that as we look forward we have an opportunity for cruise ship barking and debarking point.

Once the land is purchased Dan Kobasic would install heavy electric, storm sewers, natural gas hook-up, secure the shoreline, dockside repair, as well as offer Joyce Vanekenfort (TUG) and the Trader services. In the past year they have only had 15-20 jobs which is a small amount of jobs and sat there all winter. He plans to create jobs each time a boat is in for repair which Basic Marine will sub contract out most of the jobs. By bringing in ships for dockside repair in the winter will need 15-20 skilled laborers per ship, each ship generating millions of dollars of revenue locally.

In the interest of Basic Marine and the community that Basic Marine should acquire that property. The potential is unlimited for Basic Marine in that area. There are interest letters included along with their proposal from various businesses that would love to see these improvements. Mr. Bero stated last year they had a request from a 500ft ship to come in for dockside repairs and were unable to accommodate them. In the proposal submitted from engineering you can see we will have heavy electrical, water, sewage, storm sewers, gas hook ups so ships can hook up to the natural gas line for heating in the winter. This will be the only port on the Great Lakes once dredging is complete down to 28 feet it will be able to take a vessel in distress. Mr. Bero stated there are lots of opportunities to be had from the continuation and expansion of Basic Marine and this piece of property is another way of putting the whole thing together. Mr. Bero stated there are not a lot of people that have the ability to do what's being done at Basic Marine. The idea that Dan Kobasic is doing this and putting his own money, millions and millions of dollars, into this project and once Dan is gone it can never happen again. Once it's there and established it will keep on going and will be his legacy. Dan has no sons to take over the business and his three daughters have no interest in the business; he does have a nephew that will be taking over the business. The consideration of selling to Basic Marine is that it's a good choice for our community, it's a good economic aspect for the City of Escanaba, it's going to employ more people, increase population in the community and schools, and the overall economic impact on Escanaba will be terrific in the next 3-4 years.

Commissioner Williams asked if there is a plan in place if the sale doesn't happen and would you do the sheet piling to the edge of that property and end there and can ships still

dock there if the sale doesn't go through. Mr. Bero stated as you go from the West to the East the pilings/sheet steel is already to the eastern edge of the City property. Dan Kobasic is going to put pilings on the other part around the peninsula and back in around that harbor. It's critical and if he doesn't get the property it will curtail what he's able to do and will not be as smooth and look as good. Underneath that property is peat moss and a building can never be built on that land and that's the reason the jail is having so many problems.

Commissioner Buckbee stated he admires his plan and feels it is well thought out, except for the price they are offering of \$1.00 for the property. He asked why they would not offer fair market value like most businesses do. Mr. Bero stated Dan Kobasic is willing to pay fair market value for the property and he had an appraisal done by a professional appraiser and a whole study done on the property and also a comparison of similar property sales in the area and also Marquette area. Mr. Bero stated they are prepared to bring over the appraisal along with their offer to City Council. He stated he wasn't sure if the Planning Commission needed the appraisal and offer. City Manager O'Toole stated administration is holding to the \$133,000. Mr. Bero stated he has a copy of the appraisal however, the appraiser had a meeting in Wausau, WI and was unable to attend tonight's meeting and would like to come back and present his appraisal in person. Vice-Chairperson Connor asked for the dollar amount Basic Marine's offering. City Manager O'Toole stated the appraisal is new information and should be shared with him so he can review it with the city attorney and assessor.

Chairperson Warstler asked what Mr. Bero's position is with Basic Marine. Mr. Bero stated he is the Business Development Manager for Basic Marine, Inc. Mr. Bero will be the sales representative once the port is in place, bringing the ships into port. He's been working on this project for the past 10 years. He strongly feels this is the best deal for the City of Escanaba. We have the best harbor and an opportunity with a gentlemen who has the money to build it. There is several million dollars of steel sitting on the ground ready to be installed once the property has been purchased. There is no financing hold up he has the money and ready to proceed. This opportunity is here today to complete this harbor, make a deep water port, and put Escanaba on the world map with the best harbor in the Upper Great Lakes. Mr. Bero has visions of domiciling a ship here in the summertime; we will have an excellent facility to accommodate the ship. A cruise ship will bring approximately 150 people into the community for dining, shopping, as well as jobs, etc. Mr. Bero stated the economic standpoint tourism will be greatly increased. Mr. Bero stated this is an opportunity that only comes to Escanaba right now, if Dan Kobasic dies or he decides not to do it, it's not going to happen. Commissioner Williams apologized in advance but pointed out Basic Marine's operation is not very attractive as it's a large cyclone fence pretty much keeping everyone and everything away from the waterfront. She went on to say there is nothing attractive about the property and asked what would draw in people who arrived on a ship to feel welcome as it looks right now and what is the plan to improve the appearance of the property. Mr. Bero stated there are sketches of the improved property to include a nautical display on the property. The plans include a circle drive, a canopy for pedestrians, and plans to move an existing pilot house Dan Kobasic currently owns and move it to that location for restrooms. Commissioner Williams stated her concerns are not really the costs but rather it is the only access the City has to the North Shore. She would like to know if their vision is to open that up for people to navigate/access the shoreline. Mr. Bero stated this parcel has been owned by the City since 1998 and been vacant for many years and he noted the City also owns waterfront property by the power plant. Mr. Bero stated this small piece of

property is advantageous to make the whole project of Basic Marine viable. Mr. Bero stated the plans do indicate a sidewalk on 4<sup>th</sup> Street and will look nice.

Commissioner Hellermann asked is this piece of property pivotal for this 28foot draft when Basic Marine owns the property to the west for a large useable stretch. Mr. Bero stated this property is critical for cruise ships and pedestrian traffic. The property is 270 feet and a cruise ship is 400+ feet long.

Chairperson Warstler voiced his concerns over Basic Marine's past safety violations from January 2012 fined \$147,000 by OSHA and this concerns him if City of Escanaba sells the property to Basic Marine or any business at any price he feels the City of Escanaba becomes part of that by extension. He asked if Mr. Bero could address those violations as some were noted as repeat offenses. Mr. Bero stated they were little things like welders not wearing their helmets and they appealed that decision and the fine was dropped down to approximately \$40,000 and have had no issues since. Commissioner Warstler stated the City is here to protect the health safety and general welfare of our citizens and that is the major goal of the Planning Commission and feels that their first priority is to provide a safe working environment for their employees and gets the idea that Basic Marine was thumbing their nose at OSHA and this is a cause for concern.

Commissioner Milkiewicz questioned Mr. Bero regarding his statement about the land and not being able to build on it due to peat moss but he mentioned a building for restrooms on the property. Mr. Bero stated it's not really a building but a pilot house made of steel and the building would not have a foundation or basement. City Manager O'Toole wanted to remind everyone that the City has not seen any soil boring study regarding this property. Commissioner Warstler had seen soil borings and he recalls no peat moss contamination consistent with spent coal/petroleum type products. He will look for the soil borings done by DEQ.

Commissioner Williams asked if a lease rather than sale would be a possibility. Mr. Bero stated he did not think that would be realistic as Dan Kobasic would not want to put money into a property he did not own. Mr. Bero stated the City of Escanaba has put a lot of time and money into developing a deep water port and has gotten nowhere. Mr. Bero stated this can happen right now if the property is sold to Basic Marine, Inc. Commissioner Williams would like to see more detailed plans. Mr. Bero stated Basic Marine will be cleaning up the area, fill in up to the peninsula and create a park type area. Heavy construction is going on right now and the gravel will be used to fill in the break wall.

Commissioner Milkiewicz stated Basic Marine has been a bad neighbor with uncut grass, brush piles, gravel piles, old ships, refuse steel, and he personally has been sworn at on tours. This doesn't help when Basic Marine is trying to sell tourism as part of his proposal to the City. City Manager O'Toole asked what guarantees, if any, does the City have from Basic Marine to fulfill any or all of the visions being presented by Mr. Bero today and can they be written down as conditions of sale. Mr. Bero stated the property will eventually be cleaned up and level. Along the dock area where ships tie off will be a concrete sidewalk and asphalt driveway to include storm sewers with catch basins.

Mr. Bero stated he guarantees these items will happen:

1. Deep water port
2. Winter there will be approximately 10 1000ft ships in for repairs.

3. Basic Marine has an excellent reputation for repairs and many ships do not want to go to Duluth for repairs. Mr. Bero also stated the Coast Guard has larger ships now and there is no one on the Great Lakes that can handle such large ships for repairs. Basic Marine plans to be able to accommodate them with the purchase of this property and creation of a deep water port.

Commissioner Warstler noted large ships are major polluters. Mr. Bero stated if this were a major issue it would be more regulated and when ships are docked they either shut down or are hooked up to natural gas lines to minimize pollution.

Commissioner Hellermann discussed the purchase sale agreement from 1997 between Basic Marine, Inc. and the City of Escanaba for another City-owned property. He noted there are a lot of stipulations many of which were not met. He also asked why there are no cruise ship commitment letters in the current proposal packet. Basic Marine's track record speaks for itself with a lot of promises made and not kept. Commissioner Hellermann also asked if Basic Marine was hoping to acquire the Delta County Jail facility to complete the vision, which the City of Escanaba has first right of refusal on that property.

Chairperson Warstler would like to see everyone on the same page and given Basic Marine's track record it would be naïve to sell the property at any price and a rent to own with performance benchmarks may be the best solution. Mr. Bero stated Basic Marine will not invest ½ million dollars into a property it doesn't own. Randy Viau was present and stated he was on the drawing side of the project and wanted to address the pollution questions. Mr. Viau stated that is why the 480v three phase 2000 amp services will be installed so the ships can plug in and turn their engines off.

City Manager O'Toole asked Mr. Bero if Basic Marine would be willing to give the Planning Commission a tour as a group of their operation and see the plans/vision being presented. Mr. Bero will check with owner, Dan Kobasic. Mr. Bero also noted the City is not using our waterways and this piece of land makes it a complete project. City Manager O'Toole suggested tabling until the Planning Commission meeting on August 14, 2014.

**A motion was made by Commissioner Hellermann and seconded by Vice-Chairperson Connor to table this discussion until the August 14, 2014 meeting.**

**Ayes were unanimous**

## **2. Project Updates:**

- A. Zoning Board of Appeals Hearings/Decisions – No meeting was held.
- B. Delta County Planning Commission Update – No meeting was held. A presentation by the Hydro Electric Energy Company opposing the windmills.
- C. Zoning/Land Use Permit Update – Since January 1, 2014, 25 zoning permits have been issued with a declared construction value of \$3.5 million.
- D. Various – Moving forward on the NEXT Michigan Development Zone and are putting the bylaws and rules and procedures together between the cities in both Delta and Marquette Counties. A first draft is expected to be completed by the end of

August 2014 for public consumption and input. All representatives attended the semi-annual meeting of the 5 NEXT Michigan Zones in Flint, MI, which was very helpful in seeing how others were doing things and discussion. Expect to hear more about branding the district as a trade zone and currently the name being discussed is the Superior Trade Zone. Once the application, rules, and bylaws complete we submit them to the Michigan Economic Development Strategic Fund for review and from there they go to the Attorney General for review. City Manager O'Toole did reach out to townships of Delta County and solicited a Township Representative to be on the review committee and Mr. LaChance of Baldwin Township is currently reviewing the agreement. City Manager O'Toole is also looking for Business and Industry representative to review as this is a multi-model plan.

**GENERAL PUBLIC COMMENT**

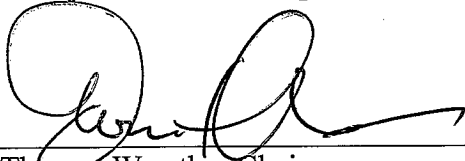
None.

**COMMISON/STAFF COMMENT AND ANNOUNCEMENTS**

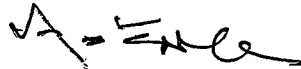
None.

**ADJOURMENT**

**A motion was made by Commissioner Hellermann, seconded by Commissioner Milkiewicz, to adjourn the meeting. The meeting adjourned at 7:30 p.m. Ayes were unanimous.**



Thomas Warstler, Chairperson  
Escanaba Planning Commission



James V. O'Toole, City Manager  
City of Escanaba



Roy Webber, Secretary  
Escanaba Planning Commission