

**PARADISE TOWNSHIP BOARD &
PLANNING COMMISSION
MINUTES: Joint Meeting, April 12, 2006
2300 E. M-113, Kingsley, MI**

A. Meeting called to order at 3:00 p.m.

Township Board Roll Call: Dean, Smith, J. Sedlacek, M. Sedlacek Absent: Roop
Planning Commission Roll Call: Schoech, Geisert, Bach, Tuller Absent: Conroy, Roop,
Stiner, Inman, Smith

In Attendance: County Commissioner Virginia Olds, County Planner John Sych,
Township Planner Roger Williams

Developers: Rick Johnson C.F.O. of Fraser Consulting, Todd Wyett, Chairman for MI
DNR

B. New Business: Ethanol Plant

Joe Rocrusack of NextGen Energy made the presentation to the township board and planning commission. They are currently looking at 4 sites in the state of Michigan. The site will take up about 20 acres, produce 40 million gallons of ethanol a year and hire between 40-50 employees with around 300 potential off site jobs. They are looking at Paradise Township as we are currently zoned industrial in Summit City, have Class A roads and necessary services. This will be a self-contained plant.

The following questions were asked by the township board and planning commission, with answers following:

Dean asked about the water supply. They anticipate having their own wells and septic system or a small plant for waste. The water will be recycled. There will be no wells in the township going dry. M. Sedlacek – asked about smell. The older plants had a sour smell to them. This plant will capture the smell, very little discharge due to the dry process. There will be railroad crossing guards at Walton Road. There are grants to help with their equipment. Their insurance company will provide adequate coverage for all probabilities. Tuller asked about fire suppression. There will be no open flames. The buildings will encompass around 30,000 sq. ft. There will be retention areas to service the buildings. Rural fire doesn't have an industrial use based fire engine. There will be more talks with rural fire and local fire department chiefs to resolve fire protection issues. The grain store area is the biggest concern regarding fire. The following by-products will be at the plant: CO₂, distilled grain, ethanol, gas. There will be a 10,000-gallon tank of gas, no ammonia. M. Sedlacek asked why they picked our township. Rick Johnson mentioned he doesn't live far from here and feels Northern Michigan doesn't get an opportunity for something like this very often. They are currently looking at 4 areas. They feel Buckley is a good area to grow corn and would offer local farmers a market for their corn at competitive prices. They hope to have a tour of the plant in Caro for township board, commissioners & fire dept. soon. This will have to be determined later, as they will be a competitor. There is a web site for Caro if anyone is interested in looking into it. Ron Taylor (Rural Fire Dept.) ask about the fires other plants have experienced. The developers will look into them and review with the fire dept. Caro is a white mill operation, meaning that uses water but this plant will not have a lot of water as a by-product. The technology for these plants has changed a lot in the last 5 years. This will be NextGen's first plant. Joe has been involved in 7 different plants. They will have a partner for the CO₂ byproduct. A bushel of corn is currently at 25 cents; they expect it to go up. The DDG (dried grain) will have a market too. The ethanol will replace the MTBE that is currently in our gas. The MI Farmers Association are very excited about these ethanol plants and are looking at more farmers producing corn. The corn will be brought in by rail. The ethanol will go out via rail and tank trucks. There

will be raw and some hazardous materials. The plant will run 24 hours a day, with security gates and maybe security guards. They want to be a good neighbor and work with the local township and fire dept. They expect the permitting process to take 6-8 months, with construction starting January of 2007. Construction would take around 1 year, with plant opening around the beginning of 2009. Commissioner Olds stated that the by-product of distilled grain would help the dairy farmers. Central MI uses a lot of the DDGS. Olds asked Dean to explain about the compactor station. The developers showed the area that the compactor station would be, near their plant. The developers explained the article in the Record Eagle and rumors going around. Bill Sedlacek asked about the smell and it was explained again that this is a dry operation, and smells more like popcorn cooking. M. Sedlacek talked to the village of Caro and they said the sugar beet plant smells worse than the ethanol plant. They are very happy with the plant. J. Sedlacek asked if we have the proper infrastructure and we do. Ron Taylor mentioned to the developers that it looked like they have done their research on this. Roger Williams explained that this is an allowed use in the township and has been zoned for industrial for many years and that it looks feasible. Rick said they will use between 25-30 acres, but won't over-utilize the front of the property. Bill Sedlacek asked about the height of the plant – they said around 45 feet. Tuller asked about tax abatements. They will be looking into grants, tax abatements for renaissance zones. This will be a \$75 million dollar facility, with a plant life of 40-50 years, maybe longer. Jason Allen is currently looking at tax abatements for renaissance centers. A renaissance center gives tax-free credits – taxes are less for them. Olds asked how it would affect the school. The school will only lose the small portion that the current property owner is paying. Typical tax abatements are 10 years. They believe this will spawn other industrial growth in the area, such as hydroponic crops, i.e. tomatoes, cucumbers, etc.

Open for Public Comments at 3:55 p.m.

Larry King asked about impact on schools and what jobs will be here. The Chair of Manistee County Commissioners addressed the crowd and commended the township for working towards true economic growth. He has a farmer that contacted him who wants to supply the corn to the plant. Communities need to work together and he is very excited for our opportunity. The developer's professor discussed solar energy and carbon dioxide and CO2. By using ethanol, we will be helping our children's future with less reliance overseas for oil. The cost of oil will never go down. He believes this will help Michigan's tourist industry, provide cleaner air and get a better product. Ethanol can burn in snowmobiles, etc. \$100 will buy a flexible vehicle kit, however; we need more gas stations that use ethanol. Gas self dilutes into ethanol and is called a splash mix.

Rick was asked a question about property values. They will meet with people after the meeting to discuss property values further. A question was raised about the noises of the factory, trains, explosions & smell. Rick addressed these by saying all industry has some noise. There will be trucks on the road and the train will be running. There is always a risk factor for explosions, etc. but every precaution will be taken to prevent them. Sharon Reid – concerned about explosion hazards and houses nearby. They will do everything they can to research and prepare so they can be prepared but will do everything they can to keep the area safe. The professor brought up the fact that propane tanks and trucks going down the road are even more dangerous. The developers were asked if coal would be used. They stated they are not using coal and have no intention of using coal. They anticipate the daily production to be about 130,000 gallons a day. They will abide by the townships light ordinance, so that there should not be light pollution. Anita Prah – concerned about cancer & carbon monoxide. As this is a dry process, there will be no cancer causing by-products. John Sych – They will have to follow the DEQ process and there is a clear distinction between dry & wet

processes. There is a plant in Fulton, OH that uses the dry system, as this one will be. You can make more money with the wet system, but they will not use it and aren't interested in converting it from dry to wet.

A gentleman from Boardman Township read two articles discussing ethanol and what a boon they are for the economy and will be for the state of MI. Larry King likes the idea of local college graduates being able to come back and perhaps work at the plant – good jobs for the locals. There was a question regarding what John McCain discussed about ethanol subsidies in late 1990's. Tom will get an answer on what he currently thinks and report back at the next meeting on the 25th of April. MI currently uses 6,000,000 gallons of gas every day and we need to look at different sources of energy. They (the developers) would be happy to work with the school to educate the kids on renewable energy.

To sum up, they are offering the following:

Permitting process takes 6-9 months, would build then open within 2 years

Local construction jobs

May be union or non-union, unsure at this time

Local jobs to start at \$12.50/hr.

Summit City Road is zoned industrial and can handle the traffic

If they are a renaissance center, would get a tax abatement but after that ends, would end up on the tax roll

Grand Traverse County taxes are not affected, so it shouldn't raise them

Big boom for local economy

Want to be good neighbors

Next meeting to take place on Tuesday, April 25th at 6:00 p.m.

C. Adjourn: Bach/Tuller to adjourn at 4:40 p.m.