

CITY OF MANISTEE PLANNING COMMISSION

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

March 6, 2014

A meeting of the Manistee City Planning Commission was held on Thursday, March 6, 2014 at 7 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 7:00 pm by Chair Yoder

Roll Call:

Members Present: Maureen Barry, David Crockett, Bill Dean, Ray Fortier, Marlene McBride, Mark Wittlieff, Roger Yoder

Members Absent: None

Others: Mitch Deisch (City Manager), George Saylor (City Attorney), Ed Seng (Seng Dock & Trucking, 200 River Street), Gary Schenk (Council for Reith-Riley Construction Co., Inc.), Renee Zwiefka (232 River Street), Gene Wittlieff (3373 Grant Hwy), Keith Rose (Reith-Riley Construction Co., Inc.), Denise Blakeslee (Planning & Zoning Administrator) and others

APPROVAL OF AGENDA

Motion by Ray Fortier, seconded by Maureen Barry that the agenda be approved as prepared.

With a Roll Call vote this motion passed 7 to 0.

Yes: Barry, Crockett, Dean, Fortier, McBride, Wittlieff, Yoder

No: None

APPROVAL OF MINUTES

Motion by Ray Fortier, seconded by Mark Wittlieff that the minutes of the February 6, 2014 Planning Commission Meeting be approved as prepared.

With a Roll Call vote this motion passed 7 to 0.

Yes: Dean, Fortier, Barry, Crockett, McBride, Wittlieff, Yoder

No: None

PUBLIC HEARING

Chair Yoder opened the Public Hearing at 7:02 pm

PC-2014-03- Seng Dock & Trucking, Zoning Amendment Request

A request has been received from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District.

Ed Seng, Seng Dock & Trucking presented the case to the Planning Commission. Mr. Seng spoke to the Commission about his request for a Zoning Amendment. He has requested City council to amend the Memorandum of Understanding, the issue before the Commission is the Zoning Amendment. Mr. Seng provided letters of support for his request, spoke of Dr. Mattice, Michigan Bell, Galloup and Structural Specialties problems with the change in zoning. The proposed amendment back to shipping would create jobs. Residents in the area have no problem with the change. The streets are built better; he noted that CP Recycling estimate of 100 trucks a day is in error. He spoke of his discussions with the MEDC, Michigan Retention Growth and the Governors Initiative. He is not trying to take away from Rieth Riley, but the 2- 5 jobs that he would create are significant and could have an impact on jobs for 200-300 people in the state. The Energy Pellet project could have 16-20 jobs. Nothing can be done without a change in zoning.

Chair Yoder opened the hearing for public comments.

Renee Zwiefka, 232 River Street – Mrs. Zwiefka has lived on the East end of River Street all of her life and has seen a lot of coming and going. What Ed is proposing is fine; he keeps his property neat and is not a detriment to the adjoining properties. She has no problem with the change in zoning.

Gary Schenk Council for Reith Riley – Mr. Schenk asked the Commission to focus on the issues. Nobody is challenging that Mr. Seng is a nice guy. Mr. Seng's request is to permit shipping. The City Changed the Zoning to remove shipping. Under the Memorandum of Understanding Mr. Seng contracted away his right for shipping. Mr. Seng asked City Council to amend the agreement and they said no. The contract in effect is a legally binding three way agreement. He cited a memo prepared by former Community Development Director Jon Rose.

Ed Seng, Seng Dock & Trucking - There are two separate issues, yes he did sign the Memorandum of Understanding. That issue is separate from Zoning. He spoke about the development of condominiums on the Peninsula not happening for 10-20 years. He has an opportunity to sell and work. He is paying taxes on his property as commercial property.

Commissioner Crocket - asked staff about the street standards and the legal issues.

City Manager Mitch Deisch – said he would get the commissioners a copy of the report from the City Engineer. He spoke of the effect the truck traffic would have on the NE Corner of East and River Street because it was not designed to accommodate truck traffic. East Street was not constructed to the same standards as River Street and was not designed for the truck traffic.

City Attorney George Saylor – said that the Memorandum of Understanding does not address the zoning change. Mr. Seng agreed to restrict the use of his property. The decision to recommend a change in zoning is the Planning Commissions. Issues relating to the Development Agreement are up to City Council.

Gary Schenk Council for Reith Riley – Mr. Seng’s request to add shipping to the PD District is for his benefit not for the benefit of the district.

Gene Wittlieff, 3373 Grant Hwy – Mr. Wittlieff stated that Reith Riley is capable of shipping and while Seng’s facility is capable of shipping he cannot because of some law. He spoke of the impact truck traffic would have on the three to four blocks of streets (between US 31 and Seng’s facility). Trucks would impact more city streets going to Reith Riley because the Old US 31 Truck route is much longer. It makes more sense to him to maintain three to four blocks instead of the Old US 31 Truck Route.

Ed Seng – spoke of the proposed 5-6 trucks a day five days a week impact on the streets in the Peninsula. The CP Recycling would take place at the Old Century Boat Property and that property could be utilized by using a barge. He spoke of the history of shipping on Manistee Lake.

Keith Rose, Reith Riley – Mr. Rose spoke of his conversations with Steve Blank, VV Steel/Kathy Morin AES and that project is dead. His conversation with CP Recycling indicated that the project has been shelved. He has spoken with Potlatch and provided them pricing for shipping services. Potlatch is the only viable project at this time.

Dr. Robert Mattice - asked what the plan was for the flat roof building on the End of River Street?

Denise Blakeslee, Planning & Zoning Administrator – Ms. Blakeslee gave the Commission background with a PowerPoint presentation. Information included:

- On February 18, 2014 City Council determined that they will not renegotiate the terms the Development Agreement between the City of Manistee, Seng Land Company, LLC and Seng Dock & Trucking Inc. relating to parcel #51-448-735-01. The rezoning of the P-D Peninsula District to ADD a Shipping Facility as a use by Right will not apply to Mr. Seng’s property.
- A review of the Master Plan shows that the proposed zoning amendment is not consistent with Chapter 8 Future Land Use “Residential/Commercial Mixed-Use Redevelopment District” (RC-MURD).
- Review of the Future Land Use Map showing that the P-D District is located in the RC-MURD area.
- Another consideration for the Commission is to review where uses are currently allowed. Review of Table 3-2 Uses Permitted by Right and Special Land Uses from the City of Manistee Zoning Ordinance shows which Zoning Districts allow Shipping Facilities.
- Shipping Facilities are a Use by Right in the W-F Waterfront and G-I General Industrial Districts.
- At the January 16, 2014 Worksession Staff compiled information on parcels in the W-F Waterfront and G-I General Industrial districts with frontage on Manistee Lake. The Zoning districts with parcels were shown for reference along with a table with approximate frontage on Manistee Lake.
- Since the adoption of the 2002 Master Plan three studies/plans have been completed for the revitalization of the Peninsula:

- Manistee Brownfield Plan (2005)
- Manistee Peninsula Redevelopment Infrastructure Needs Assessment (2007)
- Neighborhood Revitalization Action Plan Manistee Peninsula (2008)
- Staff has reviewed the current uses in the P-D District. A map was prepared showing that there are eight legal nonconforming parcels in the district.
- History on previous Zoning Amendment to remove shipping facility from the Peninsula Area.
 - Planning Commission began discussion on development of a Zoning Amendment that would remove shipping from the Peninsula Area in January 2010.
 - After a lengthy deliberation by Council a new zoning district was created.
 - The P-D Peninsula Zoning District included all of the recommended changes by the Planning Commission including removing shipping facility as a use by right.
 - The Ordinance took effect on June 19, 2012.
 - Process took two and a half years at that time.

The following Correspondence was had been received in response to the request.

Correspondence included in the Planning Commissioners meeting packet:

- Robert Konopinski, General Council – Rieth-Riley Construction Co., Inc. – January 27, 2014
- Judy Patterson, 215 River Street
- Robert Konopinski, General Council – Rieth-Riley Construction Co., Inc. – February 26, 2014

Mr. Seng provided copies of letters of support that were also included in the Planning Commissioners Packet.

- Johnson Ventures, 249 River Street
- David W. Johnson, 523 Fairview Avenue
- Randy Zakarjsek, ReMax
- Jim Reithel, Chairman – Manistee Manufacturers Council
- Senator Darwin Booher
- Steve Blank, Project Manager, VV Steel Corporation
- * Representative Ray Franz
- * Jim Johnson, District Ranger
- * Terry DeBlaay, Potlatch Land & Lumber LLC
- * Paul Knowlson, CP Recycling, Inc.

* Previously submitted to Planning Commission 1/2/14 and 1/16/14

Mr. Seng provided two more letters that were given to the Planning Commissioners to review before the meeting

- Mark Sandsteadt, M S Creative Services, Inc.
- Rob Johnson, J.O. Gallup Co.

There were no more additional comments; the Public Hearing was closed at 7:45 pm.

PUBLIC COMMENT ON AGENDA RELATED ITEMS

None

NEW BUSINESS

PC-2014-03- Seng Dock & Trucking, Zoning Amendment Request

A Public Hearing was held earlier in response to the request from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District.

Commissioners discussed on the request include:

- What is the impact that the Truck traffic will have on the Streets?
- Does the Peninsula Redevelopment Plan still make sense?
- The Commission needs to zone property not people
- The Commission should not have been put in this position with the Memorandum of Understanding in place.
- Jobs will help the City; this location has a natural deep water port.

Motion by Ray Fortier, seconded by Bill Dean that the Planning Commission make a recommendation to City Council to deny the request from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District.

With a Roll Call vote this motion failed 3 to 4.

Yes: Dean, Fortier, Yoder
No: Crockett, McBride, Wittlieff, Barry

Motion by Marlene McBride, seconded by Mark Wittlieff for the Planning Commission to continue discussion on the request for a Zoning Amendment at their Worksession on March 20, 2014 and for the item to be placed on the April 3, 2014 Planning Commission Agenda.

With a Roll Call Vote this motion passed 7 to 0.

Yes: Barry, Wittlieff, McBride, Fortier, Crockett, Dean, Yoder
No: None

OLD BUSINESS

None

PUBLIC COMMENTS AND COMMUNICATIONS

Jordon Solowiej, 406 Third Street – He spoke to the commission about the best use of property the number of vacant and unfinished condominium properties. He supports Mr. Seng’s request for a Zoning Amendment and the creation of jobs.

CORRESPONDENCE

Only correspondence received was in response to the Public Hearing (attached)

STAFF/SUB-COMMITTEE REPORTS

Denise Blakeslee, Planning & Zoning Administrator – Staff has received a copy of the online survey results for the Master Plan Update; this will be placed on a future Worksession Agenda for discussion. Members were reminded that the Firewise Workshop will be on Monday, March 31, 2014.

Sub-Committee - None

MEMBERS DISCUSSION

None

The Planning Commission will hold a Worksession on March 20, 2014

The next regular meeting of the Planning Commission will be held on Thursday, April 3, 2014

ADJOURNMENT

Motion by Ray Fortier, seconded by Bill Dean that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 8:15 pm

MANISTEE PLANNING COMMISSION

Denise J. Blakeslee, Recording Secretary



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January 27, 2014

Planning Commission
City of Manistee
City Hall
70 Maple Street
Manistee, MI 49660

Re: *Request of Seng Dock and Trucking for Amendment to the City of Manistee Zoning Ordinance*

Dear Members of the Planning Commission:

We have enclosed copies of a letter from Rieth Riley Construction Co., Inc. to the Mayor and Manistee City Council Members concerning a request by Seng Dock and Trucking for amendments to the zoning ordinance in the Peninsula District. We understand that this matter will be before the Planning Commission for its consideration on *March 6, 2014*.

We plan to appear at the Planning Commission hearing to address the matter and thought that by way of introduction, this letter would help make Rieth-Riley's position known to the Planning Commission members and we would ask you to include our objections in your deliberations.

Thank you for your consideration.

Very truly yours,

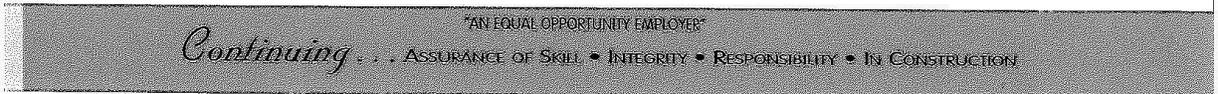
RIETH-RILEY CONSTRUCTION CO., INC.

Robert L. Konopinski, General Counsel

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Enclosures

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January 27, 2014

The Honorable Colleen Kenny
Mayor of the City of Manistee
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P.O. Box 358
Manistee, MI 49660

Manistee City Council Members
70 Maple Street
P.O. Box 358
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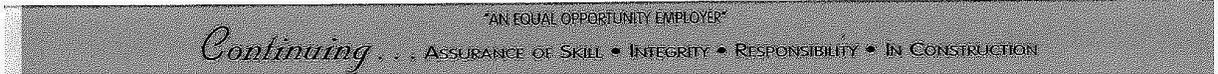
*Re: Request of Seng Dock and Trucking for Amendment to the City of Manistee
Zoning Ordinance - City of Manistee - Rieth-Riley Construction Co., Inc.*

Dear Mayor Kenney and Members of the City Council:

The purpose of this letter is to set forth Rieth-Riley's concerns with respect to the above-captioned request, to state Rieth-Riley's opposition to that request, and to fully explain the reasons behind Rieth-Riley's opposition.

On November 1, 2007, Rieth-Riley Construction Co., Inc. ("Rieth-Riley"), Seng Land Company, L.L.C., and Edward Seng ("Seng") executed a three-party Memorandum of Understanding ("MOU"). That memorandum of understanding was the product of extended negotiations by virtue of which, with the City's assistance, Rieth-Riley agreed to purchase and redevelop certain property located in the City of Manistee (the "City"). The City, for its part, negotiated certain conditions with Seng related to certain property commonly known as the "Peninsula Property" which, in particular, would remove industrial and similar uses from the Peninsula Property, would result in the relocation of Seng's landscaping business away from the Peninsula and would provide the City with a waterfront easement, all aimed at the City's plan and desire for revitalization of the Peninsula area as a mixed use district encompassing residential, retail and similar complementary uses. Seng, for its part, was able to market and sell a separate industrial property located outside the peninsula area to Rieth-Riley. It is Rieth-Riley's position that the MOU became an enforceable agreement between the parties by its

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Manistee City Council Members
January 27, 2014
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own terms upon the execution of certain development agreements contemplated by the MOU between Seng and the City and between Rieth-Riley and the City. In point of fact, the MOU was incorporated by reference into a Brownfield Development and Reimbursement Agreement which was executed on January 16, 2008 by and between American Materials, LLC (a subsidiary of Rieth-Riley) and the City of Manistee Brownfield Redevelopment Authority, and restated on October 13, 2008.

In reliance upon the Memorandum of Understanding and the subsequent development agreements by and among all of the parties to that memorandum, Rieth-Riley invested millions of dollars in the purchase and redevelopment of its waterfront property. The City, through a combination of tax incentives and its assistance in a Brownfield Redevelopment Plan provided considerable support and assistance to Rieth-Riley which aided in the culmination of the transaction. Seng received significant funds in exchange for its property and in turn promised to provide a number of benefits to the City which were outlined in the development agreement between Seng and the City.

In the years following the execution of the memorandum of understanding and the subsequent development agreements, it became apparent that Seng had violated a number of the provisions of his development agreement with the City. Despite promising to do so on or before January 1, 2011, Seng failed to relocate the landscaping operation located on the Peninsula Property to another location outside that property. Additionally, after promising the City in the development agreement that Seng would donate to the City "a permanent easement over a 20 foot wide portion of tax parcel 51-51-448-700-00 along Manistee Lake as well as access to a public way to be used by the City to construct and maintain a public river walk," Seng sold that property to Consumers for nearly a half million dollars on December 21, 2012. He never provided the City with the promised permanent easement nor the access to a public way, and has made it impossible to do so himself, by transferring his ownership of the property. In December of 2012, Seng relocated the landscape operation to an adjoining parcel still located on the Peninsula Property in violation of the development agreement. In September of 2013, despite promising to restrict industrial use of the Peninsula Property, and to restrict commercial uses which would result in stockpiling, Seng delivered logs or had logs delivered to the Peninsula Property in violation of that agreement.

The purpose of the memorandum of understanding and the subsequent development agreements as stated in a memo from John Rose dated November 15, 2012 in response to Mr. Seng's letter of October 30, 2012, was to achieve:

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Mayor of the City of Manistee
Manistee City Council Members
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...a legally binding three-way memorandum of understanding between Mr. Seng, American Materials (Rieth-Riley) and the City of Manistee. This document and subsequent development agreements between the City and Mr. Seng and between the City and Rieth-Riley were the result of extensive negotiations. In exchange for Mr. Seng agreeing to discontinue shipping operations on the end of River Street on the peninsula, the City agreed to provide several incentives to Rieth-Riley which enabled Rieth-Riley to purchase the property and business from Mr. Seng.

In other words, Mr. Seng profited financially by making promises he apparently did not or does not intend to keep. Now, as a reward for his actions (which best are summarized as “it’s easier to beg forgiveness than to ask permission”) he wants the City to reinstate industrial uses to the peninsula despite his promise to discontinue industrial operations and shipping on the Peninsula Property and despite the City having previously amended its zoning ordinance to protect the investments the City had made in the neighborhood’s future through its dealings with Rieth-Riley and Seng. Seng has also effectively denied the City the opportunity to develop the River Walk and should not now be rewarded by having the City abandon the Peninsular Neighborhood Revitalization Plan. As part of the preparation for crafting this letter, Rieth-Riley reviewed the City’s Strategic Plan Update dated January 8, 2013. At page 3 of that update, the City sets forth a list of its values to guide decisions involving the governance of the city. Among those values are the following:

- Fairness
- Integrity, honesty and highest ethical standards
- Respect

The City’s own statement of its values: fairness, integrity, honesty and the highest ethical standard, should require that both Mr. Seng and the City respect the earlier decisions made which resulted in the investment of millions of dollars by Rieth-Riley which included contributions to the development of City infrastructure and job creation.

As to the enforceability of the prior agreements, it is a long-held rule of construction under the laws of the State of Michigan that multiple, simultaneously-executed instruments should be construed as a single transaction if they involve the same parties and subject matter. *Culver v Castro*, 126 Mich App 824 (1983). Further, where there are several agreements relating to the same subject matter, all of the documents must be construed together in determining the parties’ intent. *Reber v Pearson*, 155 Mich 593 (1909).

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Manistee City Council Members
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Instruments executed at the same time by the same parties for the same purpose and in the course of the same transaction will be read and interpreted together, it being said that they are, in the eyes of the law, one instrument. *Beacon Plaza Shopping Center v Tri-Cities Construction and Supply*, 2 Mich App 415 (1966).

In this case, the agreements involved constitute a three-party agreement (the City, Seng and Rieth-Riley), and each of the agreements is enforceable by any party to that agreement.

It is Rieth-Riley's position that what was agreed to in order to induce its multi-million dollar acquisition should be maintained. The City and Rieth-Riley have continually lived up to the memorandum of understanding and subsequent development agreements. Seng has failed to do so and honesty, fairness and integrity should certainly weigh against rewarding a breach of those agreements. Moreover, Rieth-Riley takes the position that amending the zoning ordinance to permit the uses requested by Seng would not supercede the enforceable agreements made in the memorandum of understanding and the subsequent development agreements. Simply stated, those agreements are binding obligations of the City and cannot be abrogated by zoning changes.

As stated, Rieth-Riley relied on the development agreements and the memorandum of understanding to invest millions of dollars in acquiring and redeveloping property in the City of Manistee. A key feature of that agreement was removing industrial uses from the Peninsula Property. If Seng is allowed to renege on its agreements, the results would be extremely damaging to Rieth-Riley and its operations. In reality, the only justification that Seng can offer for this change is based upon his desire to profit by breaching the agreements that he made and to continue to profit by backing out of promises relied upon in good faith by the City and by Rieth-Riley.

Accordingly, we would ask the members of the Planning Commission and the City Council to deny Mr. Seng's request for amendment of the zoning ordinance on the following bases:

1. The memorandum of understanding and development agreements are binding, not only on the City and Rieth-Riley, but are also binding on Seng.
2. The development agreements in place are enforceable separate and apart from the zoning ordinance.
3. Providing Seng with an opportunity to develop an industrial use on the Peninsula Property now lacks fundamental fairness when viewed in the light of the

The Honorable Colleen Kenny
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commitments made by the City and Rieth-Riley in accomplishing the Rieth-Riley development and furthering the revitalization plan for the Peninsula.

Rather than reward Mr. Seng for violating the agreements reached by and among these parties, those agreements should be enforced as written.

Respectfully,

RIETH-RILEY CONSTRUCTION CO., INC.

By: 
Robert L. Konopinski, General Counsel

cc: City Planning Commission, 70 Maple Street, P.O. Box 358, Manistee, MI 49660
Mitchell D. Deisch, City Manager, 70 Maple Street, P.O. Box 358, Manistee, MI 49660
George V. Saylor, III, City Attorney, 414 Water Street, Manistee, Michigan 49660
A. Keith Rose, President/CEO, Rieth-Riley Construction Co., Inc.

JAN. 31, 2014

Manistee Planning Comm.
70 Maple Street
Manistee, MI 49660

To whom it may concern:

I'm writing in regards
to Mr. Edward Seng's project.
He has always done what
he could to help his neighbors
and community, and I think
we should let him complete
his project. It will put more
jobs available and it will
be good for Manistee.

Thank you for your time
and consideration to this
matter.

Sincerely
Judy Patterson
Judy Patterson
215 River St.
Manistee, MI 49660





RIETH-RILEY CONSTRUCTION Co., INC.

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February 26, 2014

City of Manistee Planning Commission
70 Maple Street
Manistee, MI 49660

Re: *Ed Seng - Requested Zoning Change on Peninsula Property
Located at 200 River Street*

Dear Members of the Planning Commission:

On January 27, 2014, we provided to the members of the Planning Commission copies of a letter from Rieth-Riley Construction Co., Inc. to the Mayor and Manistee City Council members regarding the request by Seng Dock and Trucking for amendments to the zoning ordinance in the peninsula district, the matter which has been placed on your agenda for March 6, 2014. As you are no doubt aware, Mr. Seng also requested that the City enter into discussions/negotiations to amend the Development Agreement between the Seng entities and the City of Manistee. On February 18, 2014, the Manistee City Council rejected that request by denying a motion which would have directed the City Attorney and City Manager to enter into negotiations with Mr. Seng for the purpose of bringing about such amendments.

By rejecting that motion, the City Council reaffirmed its commitment to the restrictions in the Development Agreement which are part of a contractual relationship between and among Ed Seng and the Seng companies, the City of Manistee, and Rieth-Riley Construction Co., Inc. Mr. Seng now seeks to have the Planning Commission recommend changes to the peninsula zoning which would be an express violation of those contractual terms. Such changes would also be contrary to the actions of a majority of the City Council voting which rejected the concept of amending the Development Agreement to change or eliminate those restrictions. In other words, Mr. Seng is now seeking to gain by the back door what he could not gain through the front door.

In addition to those actions taken by the City Council in denying Mr. Seng's request to negotiate away the restrictions on the use of the peninsula property owned

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by him, Rieth-Riley asserts that it has by way of contract, the direct right to enforce those restrictions.

The right to enforce the restrictions arises out of three documents which contractually created those restrictions and created a mutual right of enforcement among the parties, including Rieth-Riley. Those documents are as follows:

MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding ("MOU") was entered into on November 1, 2007 among the City of Manistee ("City"), Seng Dock and Trucking, Inc., Seng Properties, LLC, and Edward Seng (collectively, "Seng"), and Rieth-Riley Construction Co., Inc. or its designee ("Rieth-Riley"). The significance of the word "among", which is contained in the MOU, is to demonstrate that it was a three-party agreement granting the contractual rights stated therein to all of the parties of that agreement.

In paragraph 7 of the recitals which are contained on the first page of the agreement, it is stated as follows:

- "7. Key terms of the understanding among the parties are included in this MOU. The parties acknowledge and agree, however, that two more detailed development/reimbursement agreements will be negotiated in good faith, one between the City and Seng, and one between the City and Rieth-Riley."
(emphasis supplied)

Among the "key terms" contained in the MOU are the contractually created restrictions on the use of the peninsula property by Seng which include the donation of a parcel for a public riverwalk, the relocation of the Seng aggregate operation located on the peninsula, the relocation of the Seng landscaping business, and an agreement by Seng to restrict future use of the peninsula property "to prohibit industrial use and any commercial uses that would result in large scale stockpiles."

Perhaps the most important provision of the MOU is found in paragraph 13 which states as follows:

- "13. The parties acknowledge that this is a general understanding and not an enforceable agreement,

and that there are other necessary agreements and documents yet to be negotiated **before the parties are fully bound to the provisions of this agreement.**

Clearly, paragraph 13 contemplates a time when the MOU will become fully binding in all of its provisions upon the completion of the "other necessary agreements and documents yet to be negotiated". Those documents are, of course, the documents mentioned in paragraph 7 of the recitals being a detailed development/reimbursement agreement between the City and Seng, and between the City and Rieth-Riley.

DEVELOPMENT AGREEMENT

On January 25, 2008, Seng entered into the contemplated Development Agreement with the City. In the recitals to the Development Agreement, recital "D" recites the provision from the MOU which indicate that the parties "will negotiate in good faith two development agreements that include the terms of the MOU: (1) between Rieth-Riley and the City; and (2) another between Seng and the City." (emphasis supplied)

Recital "E" indicates that on January 16, 2008, Rieth-Riley entered into its Development and Reimbursement Agreement that incorporated by reference the terms of the MOU.

Finally, recital "F" indicates that "this agreement constitutes the Development Agreement between Seng and the City that is contemplated by the MOU".

The Development Agreement by its own terms is one of the contemplated agreements, and that agreement acknowledges that the January 16, 2008 agreement between American Materials, LLC (a subsidiary of Rieth-Riley) and the City is the other contemplated agreement. Importantly, the Development Agreement between Seng and the City includes the restrictions on the development and use of the peninsula property by Seng.

BROWNFIELD DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This third contractual document entered into between Rieth-Riley's designee (American Materials, LLC) and the City, first on January 16, 2008 and subsequently, in the form of a restated agreement entered into October 13, 2008 was the final

agreement contemplated by the MOU. In fact, recital "K" of that agreement contains the following language:

"K. The City of Manistee, Developer, Seng Dock and Trucking, Inc., Seng Properties, LLC and Edward Seng (collectively, "Seng") have entered into a Memorandum of Understanding ("MOU") dated November 1, 2007 that sets out the terms of the development of the property and associated transactions. A copy of the MOU is attached as Exhibit B, and incorporated herein by reference..."
(emphasis supplied)

Accordingly, upon execution of the two development agreements, the condition precedent to the MOU becoming a fully binding document set forth in paragraph 13 of the MOU were met and "the parties are fully bound to the provisions of this agreement". The MOU is a binding contract on all three parties thereto and grants each of the parties as a result, the mutual obligations and mutual rights of enforcement of the agreement.

In addition, by virtue of the incorporation of the MOU by reference into the Rieth-Riley/City Development and Reimbursement Agreement, it also provided Rieth-Riley with the right to enforce those restrictions by way of direct contract.

Based upon the good faith negotiation and the resulting terms of the MOU and the other agreements, including particularly the restrictions upon the development of the peninsula property, Rieth-Riley moved forward with the investment of millions of dollars for the purchase of the Seng dock and the subsequent construction of its facilities. In turn, Seng received millions of dollars for the purchase of the dock and the City received restrictions on the use of the peninsula property, the commitment of Rieth-Riley to build its facilities and contribute to the infrastructure of the City, and the City provided Rieth-Riley with the advantage of the use of Brownfield financing for the construction of its facilities. In every sense, the agreements constituted a three-way agreement whose provisions are binding upon and enforceable by each and all of the parties.

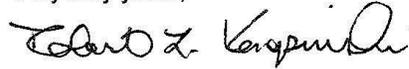
In plain terms, Mr. Seng and the Seng companies contracted away his right to a zoning change on the peninsula which would permit him (or his successor) to conduct activities which are expressly restricted by the MOU and the accompanying

City of Manistee Planning Commission
Re: Ed Seng Requested Zoning Change
February 26, 2014
Page 5

agreements. Additionally, while the City has the right to make alterations to the zoning on the peninsula, due to its contractual obligations it does not have the right to change the zoning in a way that would permit the activities which are restricted by contract to be carried out. To do so would be a breach of the MOU as well as the development agreement between Rieth-Riley and the City which expressly incorporates the terms and provisions of the MOU.

As we have stated previously to both the Planning Commission and City Council, Rieth-Riley values its relationship with the City of Manistee and looks forward to a continuing relationship that is mutually beneficial. Mr. Seng, for his part, was compensated for those rights which he bargained away. Rieth-Riley respectfully requests that the Planning Commission, in acknowledgment of the rights created in Rieth-Riley and the City by virtue of the MOU and the respective Development Agreements of Seng and Rieth-Riley, reject this request for a change in zoning of the peninsula property.

Very truly yours,



Robert L. Konopinski, General Counsel
Rieth-Riley Construction Co., Inc.
(American Materials, LLC)

cc: Denise Blakeslee (via email only)
Mitch Deisch (via email only)

Johnson Ventures
249 River Street
Manistee, MI 49660

February 3, 2014

City Council
City of Manistee
70 Maple Street
Manistee, MI 49660

RE: Concerns related to Zoning in the Peninsula District

Dear City Council,

The current discussion in the News Advocate about the Peninsula zoning related to Ed Seng, has compelled me to write with my concerns about the zoning practices in the City of Manistee.

Historically, zoning had been put in place to protect the property owners interest in their properties.

This protected property owners in many aspects. If a person bought property in a residential district, the zoning was to protect them from infringement of a chemical factory moving in next door and causing smells and hazzards from which they could not protect themselves. It gave assurance to the potential businessman, that if he purchased a piece of property zoned for commercial use, he could sell his business to another, who could continue to operate the business. If an manufacturer bought property zoned for industry, the investor had confidence that, because the property was zoned, his rights to use the property based on that zoning, would not be taken away. Based on that protection, he puts his assets at risk.

The apparent practice of the City of Manistee has been to continue to change the zoning in an attempt to manipulate the market to fulfil some city planner's dream, rather than to protect the property of the citizen's who make up that city.

I recognize that the avant-garde in the state schools of planning do follow this manipulative planning to maximize property tax income, but, it goes against the duty of the civil government to protect it's citizens and their property.

Due to the decline in the economy and some personal health issues, we found it necessary to sell one of the properties we had held for many years. We had a written offer for the property which was subsequently withdrawn, when the City would not allow the buyer to use the property for the potential buyer's intended purpose. This use would have been acceptable if the zoning remained as it was when our family purchased the property. After trying to sell the property for over a year, we dropped the price \$30,000 from the prior offer, in order to make the sale. This loss of value was due to the change from being zoned industrial when our family purchased the property, then changed to commercial, and then changed to an exceedingly restrictive use which did not allow it's use even as a warehouse.

If the changes in zoning were instigated by the collective property owners, it might make some sense, but the property owners as a whole, were not the ones who asked for these changes. The idea that city planners who have no "skin in the game" are playing with the life savings of those whose investments

are "all at risk" is particularly grievous.

This becomes more grievous as we consider that it was in 1996 that my father was forced to sell a piece of peninsula property, on Lake Street, because he could not add on to it to comply with his current tenant's needs for additional space. This addition would have been perfectly acceptable if the zoning had remained as it was when he purchased the property and built the building. He drew up the plans for the addition and made preparations to build the addition, (thereby increasing the tax base). When he applied for a building permit, he was told that the zoning had changed and he could no longer get a permit. He thought it was peculiar that he had not been notified of this zoning change. It had been made without public meetings, or letters of notification to the affected property owners. With the changed zoning laws, the City had further restricted the setbacks, making the addition non-compliant. The renter moved and the building was sold. The City didn't care if the property was sold, but my father's rights and ability to operate under the zoning which he purchased the property was taken away.

We are in favor of returning the peninsula property zoning back to industrial, as it was in years past. This gave greater freedom to make use of the property for many purposes, and the set-backs were such that building up the property line was accepted. For a city that prides itself on its historic record, it has forgotten that the peninsula had long been used for industrial purposes ranging from Louis Sands logging, Manistee Iron Works, and a brewery and beer distributorship, and Manistee Candy & Tobacco to name a few. If my history is correct, there were also a series of salt wells on the peninsula.

I have been told that the local piping supplier Galloup, which was recently purchased by Kendall Electric wanted to add on to their building to expand their business. A great opportunity to increase tax base, add new jobs and provide construction jobs. I understand their request to expand was denied as they were told their facility no longer would meet the altered zoning requirements.

Our grandfather, Arvid, our father Warren, and now the current generation of Dave and I, have over the last 80 years had ownership in 8 lots, and been involved in construction of 3 new structures on those lots. It is our opinion that the current zoning of the peninsula is the most restrictive, and the least favorable, since our family has owned property there, beginning in the 1930's. Yes, we have been paying taxes here a long time.

We would like to see the City stop manipulating property values by changing the acceptable use of the properties. The current practices have been detrimental to our family in numerous ways, and it does not bode well for getting new investors when those investing in property have no assurance that they will not be zoned out of business, or zoned to decrease the value of their property by ever changing rules.

I would appreciate your giving consideration to these thoughts in your ongoing planning.

Respectfully submitted,

Jim Johnson

David W. Johnson
522 Fairview Ave.
Manistee, MI 49660
231 723-8689 p

February 4, 2014

Manistee City Council
70 Maple St.
PO Box 358
Manistee, MI 49660
231 398-2806 p
231 723-1546 f

RE: Seng Zoning Amendment

Dear City Council Members:

I am writing in regard to the Seng Dock and Trucking request for amendment to the City of Manistee Zoning Ordinance Article 3 Districts, Dimensional Standards Uses Table & Zoning Map and Article 6 P-D Peninsula District adding "Shipping Facility" as a Use permitted by Right.

I can't speak for other areas of the city, but the zoning on the peninsula has gone through many changes through the years, to the point that property owners have lost the right to use their property for which it had been historically used. My family has owned property on the peninsula since the first half of the 20th century, built a few buildings and additions here, and would have made further investments, but due to changing zoning (for which we received no such notification) we no longer had the right to add on to the building as we originally had the right to. There has been a construction firm operating from our location since World War II, and yet we no longer have the right to run a construction firm from our property now - we can only do so because we are "grandfathered" in. It is my understanding that a supply company on the peninsula wanted to add on to their facility recently, and they were told they didn't have the right to do so because of the zoning changes.

I always understood the purpose of government was to protect it's citizen's and their property (along with providing for infrastructure, etc.). That is why I am puzzled by the continual changes being made to the zoning. I am against the recent zoning changes (for the last 20 years), which have eroded away the rights of the existing property owners here, and I therefore wholeheartedly endorse and support Seng Dock and Trucking in their endeavors to restore a right which they had prior to the recent zoning change.

I am also writing to express my desire that the City of Manistee and the Manistee Planning Commission reverse their direction, and return to the property owners the rights they had when they invested in their land and buildings. People have invested their livelihoods and their retirement monies into their businesses, and whenever there are changes made-whether it be from the federal, state, or local governments, it impacts them. The actions by the Planning Commission and the City have negatively impacted us and our opportunities tremendously in the last 20 years, and have also impacted the city-as there could have been further developments made on the peninsula over the years if these changes hadn't been made.

Sincerely,



David W. Johnson
President, Structural Specialties, Inc.
Partner, Johnson Ventures



February 3, 2014

Mr. Ed Seng
Seng Dock and Trucking, Inc.
200 River St.
Manistee, MI 49660

Mr. Seng,

The research that I've completed about your property and the potential future development uses is attached. I've researched the history of condominium sales in Manistee County, as well as the sales of Commercial buildings and land in Manistee County. Even the sales data for all of the residential units in Manistee County is included to show an overall county trend.

The condominium sales figures show that currently in Manistee County we have about 41 units actively on the market. The average asking price is just over \$200,000 and the average sold price is considerably lower. Over a dozen units have gone inactive from the market recently, they presumably have not sold just not actively for sale. Some of the other graphs show the number of residential housing units for sale in Manistee County and the averages for their asking and sale prices. Overall housing unit sales averages fall just about in the \$120,000 range. Industrial and Commercial parcels have been slow moving in the last 18 months as well.

How does this relate to the zoning of your property and the prospective uses? I don't see the viability of an investment group targeting your parcel for condominium or mixed use development. We have some unfinished phases of development in Joslin Cove, Pine Ridge, and possibly Harbor Village that may be used if there becomes a greater demand for condominium housing. The Joslin Cove development comes to mind when talking about unfinished phases and the price point. Initially those units were marketed starting around \$230,000. The last two sales were for \$125,000 and two more are currently listed for \$140,000 with three of the eight units currently for sale, two of which have not been finished for occupancy. Manistee Lake sunrise views are apparently not in as high demand as once projected.

A commercial or industrial use may serve the community better. Job creation and the increase in commerce to our area has always been a "hot button" topic. More high quality employment may increase demand for housing. Developers follow the job market and satisfy the housing demand once jobs are in place in a community. I hope my research has helped!


Randy Zakrajsek

500 S Union
Tavere City MI 49684
231 941 4509

12950 S West Bayshore
Tavere City, MI 49681
231 941 5803

2614 S Long
Manistee MI 49660
231 248 6248

401 River St
Manistee MI 49660
231 942 5244

remax-bayshore.com

Martin Marietta Magnesia Specialties



P.O. 398
1800 Eastlake Road
Manistee MI 49660
Phone (231) 723-1205
jim.reithel@martinmarietta.com

January 20, 2014

Mr. Mitch Deisch
City Manager
City of Manistee, MI
70 Maple Street
Manistee, MI 49660

Dear Mitch:

On behalf of the Manistee Manufacturers Council (MMC), I wish to express encouragement for the City of Manistee, the City Council, and the Zoning Commission to reconsider the Peninsula District (PD) initiative, and in particular the current prohibition against commercial and industrial uses with respect to existing deep water docks in the district.

While the MMC supports the City of Manistee's effort to provide zoning in accordance with developed strategic and master planning, we are also compelled to step forward to identify a significant concern regarding the elimination of existing deep water dockage within our community.

Through previous agreement over five years ago, the City and property owners forfeited an existing viable deep water dock in favor of alternative potential residential and commercial development. Subsequent to that arrangement, the speculated alternative development has not transpired, and in fact, there are no current plans for any of the targeted types of development in the PD.

We continue to believe the highest and best use of the existing facility is as a deep water dock. This would appear to be validated by the fact that there has not ever been any serious interest by developers to seek alternative uses. It must also be noted that the deep water dock is essentially impossible to replace, from both a physical and economic standpoint. Local industry and the jobs they create rely on great lakes shipping, making deep water docks a necessity in our community. Manistee has also recently experienced a serious inquiry regarding a significant business development opportunity, which was based on Manistee's unique ability to support marine freight logistics. For our community leaders, there is no better reminder of the importance of sustaining this logistics option than preserving existing jobs, or having the opportunity to bring new additional employment to Manistee.

The MMC believes compelling reasons exist to reconsider the PD agreement, and strongly urges the City of Manistee to take the necessary steps to amend the current arrangement appropriately, as expeditiously as possible. Our members would also be pleased to discuss their concerns in person, should that provide additional value as this issue is reviewed.

Thanks in advance for what we are sure will be a thoughtful and careful consideration for our concerns.

Sincerely,

Jim Reithel
Vice President of Chemical Operations - Martin Marietta Magnesia Specialties
Chairman - Manistee Manufacturers Council



THE SENATE
STATE OF MICHIGAN

DARWIN L. BOOHER
ASSISTANT MAJORITY WHIP
35TH DISTRICT
P.O. BOX 38036
LANSING, MI 48909-7536
PHONE: (517) 373-1725
FAX: (517) 373-0741
sandbooh@senato.michigan.gov

COMMITTEES:
BANKING AND FINANCIAL
INSTITUTIONS, CHAIR
AGRICULTURE, VICE CHAIR
APPROPRIATIONS SUBCOMMITTEES:
CAPITAL OUTLAY, CHAIR
COMMUNITY COLLEGES, CHAIR
DEPARTMENT OF
COMMUNITY HEALTH
DEPARTMENT OF
ENVIRONMENTAL QUALITY
DEPARTMENT OF
NATURAL RESOURCES

January 14, 2014

Mr. Ed Seng
Seng Dock and Trucking
200 River Street
Manistee, MI 49660

Dear Mr. Seng:

Recently, we met to discuss a business proposal that you are working on for Seng Dock and Trucking. I am writing to express my support for this project.

It is my understanding that local officials are currently reviewing your zoning petition. While I certainly recognize that this is a local issue and I am not looking to insert myself in something that will be decided locally, I do acknowledge the value of the work trying to be accomplished and would back a decision in your favor.

There is tremendous opportunity to provide job growth to the Manistee area for the forestry and trucking industries. As a sponsor of legislation enacted just last year to help grow the timber industry in Michigan, I am especially interested in your vision to help this sector continue to develop.

Thank you for bringing this project to my attention and the opportunity to learn more about your business. Please feel free to contact me any time at 517-373-1725.

Sincerely,

Darwin L. Booher, Senator
35th Senate District



Representing the Counties of: Benzie, Clare, Kalkaska, Lake, Leelanau,
Manistee, Mecosta, Missaukee, Osceola, Roscommon, Wexford



VV Steel Corporation

To whom it may concern,

I am Steven R. Blank owner of industrial buildings located at 1965 Pine Creek Rd in the East Lake industrial park and I'm working with an investor, designer, Ravi Vallabhaneni, who is planning on building a steel manufacturing facility at that location.

The plant phase 1 will produce approximately 76,000 metric tons of steel per year operating on a continuous schedule employing 65-75 full time employees.

Phase II of the operation is designed to triple the production of steel and employment. Local labor and supplies will be used for plant operation and construction.

Approximately 310,000 metric tons of raw materials will be used in phase 1 steel production. Most of the raw materials and finished product will be transported by ship or barge. A quality deep water port with loading and unloading facilities is imperative to the success of our business. Manistee having a viable deep water port was a significant factor for this plant location.

Ravi and I feel a quality deep water port is vital for the future growth and development of our area. We need the port, docks and channel to be maintained and kept functional for years to come.

We support and encourage any and all efforts to keep our deep water port.

VV Steel Corporation

Steven R. Blank

Project Manager



101ST DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48999-7514
PHONE: (517) 373-0825
FAX: (517) 373-9461
E-MAIL: rayfranz@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

RAY A. FRANZ
STATE REPRESENTATIVE

COMMITTEES:
EDUCATION, VC
MILITARY AND
VETERANS AFFAIRS, VC
ENERGY AND TECHNOLOGY
LOCAL GOVERNMENT
MICHIGAN COMPETITIVENESS

Ms. Colleen Kenny, Mayor
Manistee City Council
70 Maple Street
PO Box 358
Manistee, MI 49660

December 16, 2013

Madam Mayor and members of the Manistee City Council;

It is very unusual for me to get involved in a zoning issue. I believe to my core, that zoning is a local control issue that should be left to the local elected officials and their appointees. It is, therefore, troubling for me, as a State Representative, to be addressing this issue with you, but I have been asked to by my constituent. Furthermore, I would like to point out to you some "big picture" elements of the petition in front of you that have district and statewide implications.

As I understand the efforts by Mr. Seng, he would like to have his property re-zoned and the Development Agreement amended. Those are decisions left to you, as a body. However, if you would allow me – I would like to point out several mitigating factors that I hope you will take into consideration.

- It is obvious that this enterprise would involve the creation of some jobs. Most would agree that would be a worthy and noble goal. Furthermore, the spin off job creation and retention in both the forestry industry and trucking industry could be significant.
- The shipping of logs creates an opportunity for return hauling of product that makes both ends of the trip viable and profitable, thus bringing prosperity to both terminals.
- This would further the interest of smart, responsible use of our natural resources. Recent legislation that we have passed encourages good forestry management. This serves two purposes: first, it brings Michigan's forest and associated wood products into a more impactful position in our economy and second, it manages our forests in a way that limits the risks of fire.

Continued...

Rep. Ray A. Franz p.2

- Because the shipping rates are halved by hauling both ways, it becomes viable to transport paper product waste byproducts back for processing into fuel pellets for co-generation of electricity. This would remove 130 yards (or 85 tons) a day from landfills in the U.P. Furthermore, those pellets would eliminate balsa chip wood from more local landfills and include soybean seeds thus making this fuel full renewable and full life cycle. Obviously, this would have a very positive environmental impact as well as making reliable, dispatch-able, renewable generated electricity more economical and affordable.
- The goal and vision of the Peninsula District is laudable. It would've been a powerful draw to our community and had a very positive economic impact. However, that vision has come up against the stark realities of life. The kind of economic development envisioned has gone bust in numerous locations across the district and the demand for such development is not very strong. Wouldn't it serve Manistee better to allow the requested use until such time as demand warrants the reinstatement of those goals? By then, the demand would establish a value that would result in the vision being realized.

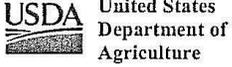
In closing, please let me say once more – I am not trying to impose my office into your zoning. This is and will always be, as far as I am concerned, your local responsibility. I would only ask that you take into consideration during your deliberations the impact on jobs, the environment and our forest industry as you move forward. I am sure that you already do, but I wanted to bring a wider picture into focus.

Thank you for your consideration and for allowing me to have some input. Thank you also for your service to your community.

Sincerely,

Ray A. Franz
State Representative
101st House District – MI

Cc: Catherine Zaring
Mark Wittlieff
Eric Gustad
Chip Goodspeed
Robert Hornkohl
Ed Cote
Ed Seng



Forest
Service

Huron-Manistee National Forests
Manistee Ranger Station
412 Red Apple Road
Manistee, MI 49660

231-723-2211 (Voice)
231-723-8642(Fax)
Dial 711 for relay service (TTY)

File Code: 2400

Date: December 13, 2013

Seng Dock and Trucking
200 River Street
Manistee, MI 49660

Dear Mr. Seng,

This letter is written in response to your request for support of your Log Transfer facility in Manistee. This facility would provide an alternative method of moving timber products, namely Red and Jack pine timber, from the local area and the Huron-Manistee National Forest. Historically the Great Lakes have been used as a means to move timber and timber products to distant destinations. Utilizing the Great Lakes is a viable option compared to ground-based transportation methods. The Forest Service supports the development and operations of a log transfer facility in the Manistee area which could open additional markets for timber products and supply local jobs.

Sincerely,

JIM A. THOMPSON
District Ranger



Caring for the Land and Serving People

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November 9, 2013

Mr. Ed Seng
Seng Dock & Trucking
200 River Street
Manistee, MI 49555

Dear Ed,

I am writing this letter in support of our recent efforts to develop a log barging project at your property in Manistee. We still have a goal to develop a long term program to ship logs from the Lower Peninsula to the Upper Peninsula. Our port of choice in the Lower Peninsula is Manistee. If successful, this project will promote job growth and economic development throughout the entire supply chain. This includes: owners of standing timber in the Lower Peninsula, logging contractors and trucking companies in the greater Manistee area, deep water port owner in Manistee, spin off jobs within 60 miles of Manistee (gas stations, restaurants, auto parts dealers, etc.), barging company, deep water port in the Upper Peninsula, trucking companies in the Upper Peninsula, spin off jobs in the Upper Peninsula, and our sawmill at Gwinn.

Our intention is to create a long term supply of logs from the central-western Lower Peninsula. We consider this source of raw materials vital to the long term success of our sawmill. As one of the largest producers of stud lumber in the Eastern U.S., we provide an important market for the sale of softwood logs to suppliers of forest products in Michigan, Wisconsin, Minnesota, and Ontario.

The recent set back with zoning issues at your location have caused unplanned cost escalations. We had hoped for a smoother roll out to this new project. However, we are optimistic about the future potential for this important project. We are confident that all parties involved will be able to negotiate a successful conclusion to the circumstances which have precipitated our need to hire a trucking company to re-load and ship our entire inventory of logs from your dock to our mill on very short notice.

We hope to be able to begin rebuilding a log inventory in Manistee soon. It is important to have a seamless re-start to this project. The project will not survive too many more unexpected surprises. Sawmills do not have high profit margins. Studs are a commodity that requires a

Potlatch Corporation
650 "A" Avenue • Gwinn, MI 49841 T 906.346.3215 F 906.346.4010

WWW.POTLATCHCORP.COM



long term view. Our success is predicated on watching our costs very closely. This project is not a "get rich quick" scheme, but it will provide economic growth for all of us well into the future if we carefully plan each segment of the program.

We have enjoyed working closely with you to build this program. Your enthusiasm for this project has been refreshing as we worked through the many issues which inevitably come up during the development of a project of this size and scope. Your commitment to economic development in Manistee is unmistakable. We hope to see the successful launch of this project when the Great Lakes shipping season re-opens in the spring of 2014.

Sincerely,

Terry DeBlaay

Terry DeBlaay
Wood Procurement Representative
Potlatch Land & Lumber, LLC
19050 M-32
Hillman, MI 49746
(906) 250-8024
Terry.deblaay@potlatchcorp.com

Potlatch Corporation

650 "A" Avenue • Gwinn, MI 49841 • 906.346.3215 • 906.346.4010

WWW.POTLATCHCORP.COM

Ed Seng

From: Paul Knowlson [pknowlson@cprecycl.com]
Sent: Friday, January 17, 2014 9:10 AM
To: mdeisch@manisteemi.gov
Cc: ed seng; jsnider@wnj.com; 'Richard Cunningham'; Richard Brown (richard.brown@cmsenergy.com)
Subject: Use of Port at Manistee - Ed Seng

Dear Mr. Deisch:

Several months ago, our company was requested to participate in the development of a recycling alternative for a byproduct paper stream generated at the Future Mark Paper Company (FMPC) in Manistique, Michigan (UP).

This company, has filled a permitted landfill with this material and now needs an option to a landfill as under current standards the state will not allow them to build another one.

In those alternative discussions, an opportunity surfaced that would make it economical to bring the FMPC paper mill recyclable material to Manistee and, on a return trip fill the barge with Red Pine Wood for a Potlatch saw mill in Gwinn, MI.

The recyclable paper material could be mixed with other regional Michigan recyclables such as balsa wood from AAR in Cadillac, recyclable woods from the furniture manufacturing industry in Western Michigan and a resultant fuel SI-815 could be produced in Manistee and used by the Filer Power Plant to reduce energy costs and emissions to the environment. None of our raw materials are regulated or classified as hazardous.

Material handling issues, weather, and freight costs are just three major factors in making this alternative in Manistee work.

First the Red Pine needs to be cut, trimmed, transported to a port, and barged on Lake Michigan to the Gwinn Saw Mill. Obviously, this creates weather handling issues in the winter. The best geographical location of Red Pine, coupled with a port facility is Manistee. And would make this segment of the project work well.

The Filer Power Plant is located within a mile or so from the Port of Manistee. Our basic raw material, the paper recyclable material, needs to be delivered to the site where the material is to be processed 12 months a year and also be considerate of the weather in the winter and the issues of shipping on the Great Lakes.

Our recommended process requires mixing 3 or 4 recyclable paper and wood materials with fly ash from a power plant and extruding these mixtures into a pellet for energy. We need winter protection (buildings). We need to be close to the material handling issues.

The need exists to deliver product "just in time" for the power plant to keep operating. We are handling 50 – 75,000 tons of product 4 – 6 times in/out of Manistee a year. This will all be moved by truckloads and all the loads will be moved less than 30 miles. That relates to 33,000 trips per year or 100 truckloads a day.

Hence, site location is the most important cost aspect of this project. The local employment, mobile equipment needs, maintenance facilities, fuel will be the major determining factor in the viability of this project.

I urge you to seriously consider allowing Mr. Seng to conduct this activity at the Port of Manistee. I would also request attendance at one of the planning sessions if you have any questions with our process.

Regards,

Paul Knowlson
President
CP Recycling, Inc.
CP Bio Energy, Inc.

2/10/2014



**ADVERTISING & MARKETING
SOLUTIONS**

March 6, 2014

Mr. Roger Yoder, Chair
City of Manistee Planning Commission
70 Maple Street
Manistee, MI 49660

Dear Mr. Yoder:

I am writing this letter of support on behalf of Mr. Ed Seng and his efforts to bring jobs to Manistee. Indeed, I was very excited by the plans for the "Peninsula Project" when it was unveiled several years ago and thought the plan represented a very forward-thinking vision for the east end of River Street. Since that time, the reality has set in that those plans are idealistic, at best.

In the meantime, Mr. Seng is trying to create a viable business enterprise on his property but is constrained by the PUD zoning overlay now in place. A deep-water port seems to be an ideal use of his land since it was used for that purpose for many years without detriment to the surrounding neighborhood. A deep water port is one of the main economic development attributes that Manistee has to offer.

I ask that the planning commission carefully consider how the PUD zoning impacts Mr. Seng's property, as well as neighboring properties. While my business is located outside the "Peninsula" area, I applaud Mr. Seng's efforts to create jobs in the Manistee community. Talking about creating jobs is one thing, Mr. Seng is attempting to take real action.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Sandstedt", written over a white background.

Mark Sandstedt, Owner
M S Creative Services, Inc.

mscreativeservices.com

263 RIVER STREET • MANISTEE, MICHIGAN 49660 • 231-723-9097

347 NATIONAL AVENUE • GRAND RAPIDS, MI 49504 • 616-291-5834

Dear: Planning and Zoning Board

In regards to the proposed zoning involving the east end of River Street, I would like to submit a letter of concern.

The company that I represent in both sales and branch management has some concerns with the current zoning that is in place. The vision the city had with developing the east end of River Street at one time was viable and attainable. Unfortunately the future, as it is now, will not support that type of development. Take a look around at the empty condos and the undeveloped property that already exist. Let's not add to that, instead let's support something that does exist, that is viable and attainable. The request of a zoning change is really for the best interest of Manistee. The company I represent is interested in growing and expanding, but will not be allowed to under the current status. Our desire to grow and expand would allow us to employ another 1 to 3 persons with a competitive wage, insurance and retirement package.

Regards,
Rob Johnson
J.O. Galloup Co.
10 East Street
Manistee

