

Detrimental Effects of Gravel Mines on Property Values

How a *Totally Unnecessary* Gravel Mine Creates Nearly
\$14 Million in Depressed Property Value

Affecting Hundreds of Benzie County Property Owners

Developed for and Presented to the
Homestead Inland Joint Planning Commission

December 6, 2019

prepared by



Friends of the
**Platte River
Watershed**

Detrimental Effects of Gravel Mines on Property Values

Summary

The proposal of an open pit gravel mine in an Inland Township Rural Residential District creates numerous very serious consequences. This study primarily examines the detrimental financial impact on property values in Inland Township and three neighboring townships. Analyzing Benzie County's own valuation figures using a nationally-recognized model reveals nearly \$14-million in needlessly depressed property values. This report provides the credible evidence of a very serious consequence under MCL 125.3205 Sec. 205 that should be used to deny the requested special use permit for parcel 08-006-007-00.

The damage an open pit gravel mine at this location would do to surrounding property values is substantial while serving no apparent market need. The Michigan Zoning Enabling Act defines the natural resource of gravel as being valuable "*...if a person, by extracting the natural resources, can receive revenue and reasonably expect to operate at a profit.*" First, credible reports suggesting that there is any need for more gravel production in our multi-county area don't exist. There are over eighteen (18) competing gravel mines within 2 to 12 miles of this parcel. Second, there is an absence of any credible evidence that one could "reasonably expect to operate at a profit" at this location. Therefore, a valuable natural resource to be mined has never been established.

While a statutory value to any gravel on this parcel likely remains unprovable, abundant proof exists that a gravel mine would have a substantial and decidedly negative impact on property values in its vicinity. Denying the requested special use permit for this parcel is the only reasonable course of action.

Table of Contents

Influences on Property Values	1
Gravel Mines Do Hurt Local Property Values	1
Analysis Methodology Used	3
Figure 1 – Impact of Gravel Mines on Property Values	3
Analysis Resources Used	4
Greater Than a Local Concern	4
Figure 2 – Projected Loss in Property Values	4
49% Endure 82% of the Value Damage	5
Figure 3 – Projected Loss in Property Values \$10,000 or More	5
Financial Damage Goes Beyond a Sale Price	5
More Gravel Production Isn't Required	6
By Statute There is No Valuable Mineral Here	7
Credible Very Serious Consequences	7
Charging NIMBYism is a Desperate Ploy	7
Not a Suitable Location	9
More Than One Measure of Value	9
Conclusion	9
Property Devaluation by Distance – Overview Map	Appendix A
Property Devaluation – 1/10th Mile Division Rings Map	Appendix B
County Base Map / 3-mile Property Search Results	Appendix C
Table of Township Value Losses in 1/10th Mile Increments	Appendix D
Letter from broker stating adverse affects on property sale	Appendix E
Letter relaying real estate agents viewpoints	Appendix F
Letter from bank chair & ceo stating impact of gravel quarry ...	Appendix G

Direct any questions
about this report to:

Jim Brouwer

Friends of the Platte River Watershed
jim@platteriverwatershed.org

Influences on Property Values

For most, property ownership represents one's single largest investment and we take great care to maintain that asset. There are many factors which can ruin a property's value.¹ Some we control. Some we don't.

Certain renovations can make a home *less* valuable to potential buyers; pools in colder climates, overdone landscaping, use of odd colors, etc. These are self inflicted wounds.

Typically it is unanticipated external factors that do the most damage to a property's value; city dumps, power plants, sanitation plants, noisy factories, and open pit gravel mines.

Our national and state constitutions as well as Homestead Inland Joint Zoning Ordinances embrace the concept that people should have control over their own affairs and property — as long as they don't infringe on the rights of others!

Neighbors of the proposed open pit gravel mine have clearly defined rights to clean air, clean water, safe roads, a quiet neighborhood, and a reliance on stable property values. The applicant's intention to open a gravel mine in a district that has been zoned Rural Residential for decades would ruin the quality of life neighbors currently enjoy and justifiably have every right to expect.

Nobody has the right to take away what is so clearly spelled out in the **Homestead Inland Joint Zoning Ordinance** for a **Rural Residential District (Article VI)**. Residents rely upon this Ordinance for the stability it provides to their property investment as well as the quality of life it was specifically designed and enacted to protect.

Importantly, when considering **Special Land Uses (Article XII)**, the preamble for **Section 12.4 Standards for Decisions** clearly states when granting special use permits, the HIJPC must

*“...insure that the land use activity authorized **shall be compatible with adjacent uses of land, the natural environment, and the capacities of public services and facilities affected by the land use. The standards shall also insure that the land use or activity is consistent with the public health, safety, and welfare of the townships.**”*

There is no conceivable argument that could convincingly suggest that an open pit gravel mine is *“compatible with the adjacent uses of land [or] the natural environment.”*

Public health would be threatened by the unavoidable release of crystalline silica dust. Safety is certainly an issue at the southbound blind corner of Oakley Road and Maple City Highway as slow moving gravel trucks pull out onto the highway.

Mining gravel is not only inconsistent with public health and safety, but it would further damage public welfare by depressing the property values of neighbors for miles around.

Gravel Mines Do Hurt Local Property Values

This report examines the detrimental effect of gravel mines on property values. Scores of valid studies have drawn two consistent conclusions regarding gravel mines as they relate to property values:

- ➡ **Gravel mine operations definitely depress local property values.**
- ➡ **Depressed values increase the closer a property is to a gravel mine.**

¹ E. Martin, *13 things that will trash your home's value*, Business Insider, November 26, 2016

Detrimental Effects of Gravel Mines on Property Values

Comprehensive studies of a specific area are time consuming and costly which is why we see so few studies commissioned. However, in some cases they are undertaken at the request of the controlling Planning Commission, as was the case in Richland Township, Michigan. That comprehensive study concluded that

“The loss in property value results from the negative consequences of the mining operation and reflects the deterioration in the area’s quality of life due solely to the operation of the gravel mine.”²

The Town of Caledon requested a similar study from the Centre for Spatial Economics on behalf of their citizens and businesses located near a proposed mine and came to the same conclusion.³

While researching this topic, correspondence with a couple of the report’s authors was most insightful. Diane Hite, PhD., of Auburn University, is considered one of the leading authorities in the study of how gravel mining activities effect property values. Extremely forthcoming, she shared valuable observations and direction to useful source material.

As with most complicated topics involving large sums of money, conflicting reports can be found. Dr. Hite noted that reports attempting to persuade readers that gravel mines have little, if any, effect on property values usually lack factual evidence or use unsupported methodologies (or both). Not surprisingly, such studies are influenced by special interest lobbyists and organizations.⁴

We have recently seen exactly this kind of heavy-handed manipulation of reports with the intention to mislead the public right here in Michigan. Both the State Auditor General and MDOT’s own Auditor harshly criticized the Michigan Aggregates Association for steering the 2016 MDOT Phase I Gravel Study and its 2019 Phase II counterpart.⁵ Both reports were so severely discredited as to their truthfulness and accuracy that they now carry the following disclaimer, with links to both audits, on every single page – *in red*:

“Note: internal and external audits question the veracity of these studies.”

Such a thorough examination of other ‘studies’ funded by special interest lobbyists would expose their manipulative bias as well.

There is one unavoidable fact embedded within the Michigan Zoning Enabling Act. MCL 125.3205 Sec. 205 (5)(c). It specifically acknowledges the very point that gravel mines cause financial harm. Totally absent from proponent’s arguments are reports that even remotely suggest that a gravel mine would actually *add* value to neighboring properties.

This report was undertaken to provide insights into the very serious consequence gravel mines inflict on property values. To our knowledge, it is more thorough than any other analysis previously delivered to the HIJPC.

Keep in mind that this report was an individual effort, not a fully funded extensive examination of all affected properties. That said, before gathering data, the methods used

² G.A. Erickcek, *An Assessment of the Economic Impact of the Proposed Stoneco Gravel Mine Operation on Richland Township*, W.E. Upjohn Institute for Employment Research, August 15, 2006

³ *The Potential Financial Impacts of the Proposed Rockfort Quarry*, The Centre for Spatial Economics, February 26, 2009

⁴ G.S. Ford & R.A. Seals, *Quarry Operations and Property Values: Revisiting Old and Investigating New Empirical Evidence*, Phoenix Center for Advanced Legal & Economic Public Policy Studies, March 2018

⁵ D. Eggert, *Audit: MDOT gave gravel industry influence in faulty study*, Associated Press, October 19, 2019

by numerous reliable, well funded studies were closely examined.^{6,7,8,9,10,11,12}

While less in-depth compared to these fully funded studies, this report delivers useful results. It may be fair to question the exact precision of the concluded numbers, but the important point is that its conclusions are unarguably directionally accurate.

Analysis Methodology Used

This report used nationally-recognized modeling techniques that are well grounded in scientific and academic research.

Dr. Hite’s most recent study examines property values in exceedingly fine detail, taking into account a property’s location, topography, location of public and private services, rivers, lakes, roads, surrounding neighborhoods, home details (build quality, number of bedrooms and bathrooms, level of maintenance, etc.), and other details.⁵

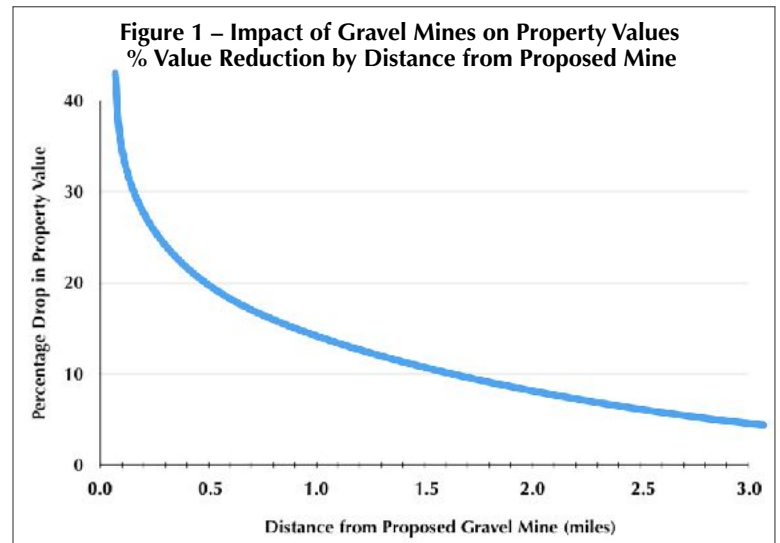
All this data fits into highly sophisticated mathematical models such as this “counterpart of the objective function in the population instrumental variable quantile regression” formula:

$$Q_n(\rho_\tau, \beta_\tau, A_\tau, \gamma_\tau) \equiv \frac{1}{n} \sum_{i=1}^n \sum_{\tau} \left(y_{i,n} - \rho_\tau \sum_{j \neq i} w_{ij,n} y_{j,n} - \mathbf{x}_{i,n}' \beta_\tau - \phi_{L_n}(\mathbf{z}_{i,n})' A_\tau - \mathbf{m}_{i,n}' \gamma_\tau \right)$$

This was only one of the over two-dozen equations used in that study. Given the lack of that data being readily available locally, not to

mention the level of complexity it presents, the study done here chose a simpler but still scientifically sound approach that Dr. Hite and others had used in earlier research.

As in the Richland Township study, this report uses the nationally recognized non-linear regression modeling technique as shown in Figure 1. It is empirically accurate and much easier to follow than the study cited above.



For example, properties located one-half mile from the proposed gravel mine would experience an expected 20 percent reduction in value. One mile from the gravel mine would experience a 14.5 % reduction in value; two miles an 8.9 %; 4.9% at three miles; and so on. Values in this four township study were assessed at every 1/10th mile. See Appendices A & B for corresponding maps.

⁶ E. Malikov, Y. Sun, & D. Hite, (Under)Mining local residential property values: A semiparametric spatial quantile autoregression, Journal of Applied Econometrics, June 22, 2018
⁷ Property Values, FactPack - PUB 029, Center for Health, Environment & Justice, June 2015
⁸ The Potential Financial Impacts of the Proposed Rockfort Quarry, The Centre for Spatial Economics, February 26, 2009
⁹ D. Hite, Summary Analysis: Impact of Operational Gravel Pit on House Values, Delaware County, Ohio, Auburn University, May, 2006
¹⁰ G.A. Erickcek, An Assessment of the Economic Impact of the Proposed Stoneco Gravel Mine Operation on Richland Township, W.E. Upjohn Institute for Employment Research, August 15, 2006
¹¹ J.A. Green, et al, Minnesota Department of Natural Resources, Division of Waters, Hydraulic Impacts of Quarries and Gravel Pits, Legislative Commission on Minnesota resources, 2005
¹² S.C. Ho, D. Hite, Economic Impact of Environmental Health Risks on House Values in Southeast Region: a County-Level Analysis, Selected Paper prepared for presentation at the American Agricultural Economics Association Annual Meeting, Denver, Colorado, August, 2004

Analysis Resources Used

Property valuations were pulled from records supplied by Benzie County’s Equalization Department, all of which indicated they were updated as of July 22, 2019. Where recently reported Sale Prices don’t exist, Thomas Longanbach, Benzie County Director of Equalization, recommended a fair value placed on a property would be twice the Current MBOR Assessed Value.¹³ While double the MBOR Assessed Value typically falls short of the Fair Market Value, this conservative 2xMBOR value was the figure used in this study.

Distance from parcel 08-006-007-00 was determined using the tools provided by the nonprofit Land Information Access Association (LIAA) in their maps.liaa.org site. This service is contracted by Benzie County and is the same site officials rely upon to send required notices of public hearings. It is accessible through the link from the Official Benzie County Government website, benzieco.net.

The map of all properties examined in this report is shown in Appendix C. The distance of 3-miles was used for the analysis. Even though the damage gravel mines inflict on property values extends as far as 10-miles, 3-miles was determined to be a sufficient distance for this report to reach a conclusion.

While the LIAA system reported 1,281 properties within the 3-mile radius, only 1,128 made it into this report. This analysis does not include land owned by the state, county, churches, or nonprofit groups. Not that these properties carry zero value, there simply wasn’t any available basis upon which to estimate their fair market value.

Not including these 153 properties (many occupying 1 square mile), the conservative nature of the distance value reduction non-linear curve (Fig 1), and the low 2xMBOR value combine to suggest that the results reported here are substantially understated.

Greater Than a Local Concern

As highlighted in the Homestead Inland Townships Master Plan, there are numerous “Issues of Greater Than Local Concern.” These include wetlands, ground water, and surface water protection. As the proposed gravel mine is located in the very northwest corner of Inland Township, the negative impact on property values sprawling into Homestead, Almira, and Platte Townships is an equally disturbing ‘greater than local concern.’

	Lost Value	Number of Properties	Average Lost Value
Inland	6,780,703	498	13,616
Homestead	3,486,216	353	9,876
Almira	3,160,485	240	13,169
Platte	357,873	37	9,672
TOTAL	13,785,277	1,128	12,221

Putting the value of local properties through the devaluation model results in a projected loss of \$13,785,277 to neighboring property owners. Figure 2 shows the total by township.

Many of the 1,128 properties in this total are just land. Others have year-round homes or summer cottages. As business properties are not immune from the negative impact of a gravel mine, business properties were also included. This study revealed a wide range of property values. Appendix D shows the full breakdown by township for each 1/10th mile.

¹³ MBOR stands for March Board of Review, the time when you can appeal the value of your property.

Detrimental Effects of Gravel Mines on Property Values

Analyzing the range of property sizes, locations, desirability, buildings, quality, and other factors were beyond the scope of this report. That detailed a review wasn't necessary as the primary purpose of this study is to underscore the very serious consequence to property values that would be created by allowing the operation of an open pit gravel mine at the proposed location. The 'big picture' overview reveals that important point.

49% Endure 82% of the Value Damage

There are those who would argue that many of the properties included in the 1,128 examined are so small or are of such a low value that it diminishes the economic impact on their owner. Even in a fully funded study, such a questionable argument still wouldn't change the overall conclusion that harm was done.

Let's refine the focus anyway.

Removing all properties valued at less than a certain amount doesn't take into account the more impactful factor to this study; their distance from the proposed gravel mine. Instead, let's just examine those properties where the devaluation is \$10,000 or greater. Figure 3 reveals the stunning result.

With just 49% of the properties put through the distance devaluation model, 82% of the damage to property values remains!

There are many properties that measure their value loss in multiple tens of thousands of dollars. The average lost value of \$20,427 is similar to the Richfield, MI study where the average loss in value was \$22,186.

**Figure 3 – Projected Loss in Property Values
\$10,000 or More**

	Lost Value	Number of Properties	Average Lost Value
Inland	5,994,981	282	21,259
Homestead	2,436,251	141	17,278
Almira	2,611,950	114	22,912
Platte	253,117	16	15,820
TOTAL	11,296,300	553	20,427

It is again worth noting that this study limits its analysis to just 3-miles. Lake Ann and hundreds of year-round and vacation homes in subdivisions and on lakes to the east and northeast present more tightly packed high value properties. These properties fall just outside of the 3-mile radius studied here, as does Honor to the southwest.

Even using a sub 4% value loss figure, were an examination to extend the full 10-miles used by other detailed studies, it is likely that the damage figure presented here would more than double.

Financial Damage Goes Beyond a Sale Price

The negative impact on property values isn't limited to just an anticipated fair market value sale price. It also negatively impacts potential home loans because assessed values become depressed. Current FHA rules allow just 3.5% down on a 30-year fixed loan. Nationally the average down payment on a home is only 11% and just 8% for younger buyers and those with lower incomes.¹⁴ The negative impact of a gravel mine — even at the 4.9% low end of this report's scale — could easily wipe out the entire equity value in an owner's property.

¹⁴ B. O'Connell, *How Much is a Down Payment on a House? Do You Need 20 Percent?*, TheStreet, August 17, 2018

When dealing with real estate, even more factors go into the valuation of a property than Dr. Hite considers in her latest studies.

Talk to an experienced real estate broker, or a property assessor, and they'll tell you that gravel mines most definitely hurt property values.^{15,16,17,18}

Since most property is purchased with the assistance of a bank loan, arguably the most important opinion is that of one's banker. Pointedly stated was an opinion shared by one bank chairman regarding the value of a client's land in relationship to a proposed gravel quarry in Wisconsin.

*"Assuming your property is near the [gravel] quarry site, the impact could be significant. First of all, **it is hard to imagine who would want to buy your property if the quarry was planned or in existence near your property.** Second, I would think any lender using your property as collateral would certainly be **much more diligent in their assessment of your property value and how much a lender would consider lending.**"¹⁹*

Several local bankers agree with the common sense conclusions of others and of this report, but their management prevents them from commenting publicly.

Beyond depressed value, there is also the matter of 'time on market.' Experience and logic show that the less desirable a property is, the longer it will remain unsold. Regardless

if the real estate market is up or down, the extended time on market created by the a nearby gravel pit simply adds insult to injury.

More Gravel Production Isn't Required

Adding even greater insult to obvious injury, the applicant for this special use permit has failed to define a real, potential, or even imagined need for more gravel in this area for himself or the market. Inland's population has fallen 8.6% since 2010.²⁰ There are 7 gravel mines in Benzie County within 2 – 8 miles of this 150-acre parcel. There are over a dozen more operating within 8 – 12 miles, including major operations by Elmer's and Kasson. *Nobody* is running out of gravel. Further, current operations regularly shut down when they have over processed for the local demand. In fact, some smaller local gravel mines have permanently closed due to lack of need. Trucking distance to save on fuel is also a fallacious argument and isn't remotely backed up by any credible evidence.

Lack of any tangible local need for gravel of any type may provide the reason why, during the August 19th HIJPC Public Hearing on this matter, the applicant's attorney asserted "Inland Township cannot prohibit a gravel mining operation." We may never know if he was bluffing or just anticipated being rescued by State Senate Bill 431 which was released the very next day. If SB 431 were ever enacted, his client (or anyone else) wouldn't be required to show a 'need' in order to open a gravel mine.

¹⁵ M. Chalfoun, Broker, ABR, CRS, letter to J.R. Dow, CPA, Trustee, The Tweedier Trust, April 6, 2017 (Appendix E)

¹⁶ W.J. Grenier II, letter to the Town of Lamoine, Maine, regarding discussion with real estate agents, Sep 27, 2017 (Appendix F)

¹⁷ K. Barlow, *Appraiser: Property values will drop if gravel pit is approved*, pantagraph.com, March 1, 2010

¹⁸ B. Lansink, AACI, P.App MRICS, *Diminution in Price to Residential Real Estate if Located in the Vicinity of an Existing or Proposed Ontario Pit or Quarry*, Lansink Appraisals and Consulting, Real Estate Appraisers & Consultants, A Division of Wellington Realty Group, Inc., January 2014

¹⁹ R.C. Gorsuch, Chairman & CEO, Oak Bank, Fitchburg, WI, personal letter to D. Johnson, Albion, WI, 2014 (Appendix G)

²⁰ Inland Township Master Plan, draft version for newly forming Inland Township Planning Commission, November 27, 2019

Detrimental Effects of Gravel Mines on Property Values

Fortunately, the MDOT reports upon which SB 431 was fabricated have been totally discredited and this bill is likely to fail. More important, the HIJPC Commissioners are now fully aware that there are numerous reasons within current Michigan law upon which they can rely in order to justifiably deny this permit.

The obvious lack of ‘need’ as required by MCL 125.3205 Sec. 205 (4) should act as a powerful magnifying glass as the HIJPC examines all of the negative impacts that allowing a gravel mine to operate in a Rural Residential District would ultimately unleash.

By Statute There is No Valuable Mineral Here

Beyond lack of real or imagined need for more gravel, the applicant has failed to show any financial benefit — even to himself! Another requirement of the controlling gravel mining statute, detailed in MCL 125.3205 Sec. 205 (3), is the need to show that mining operations would produce revenue and that the applicant could reasonably expect to operate at a profit.

The HIJPC should avoid a scenario where an operator abandons a mining project that quickly proves itself unprofitable, leaving behind a physically, emotionally, and financially scarred community — in which the applicant doesn’t even live!. Thus far, the applicant has not demonstrated that he possesses the experience to run a successful mining operation, nor has he provided a compelling business plan.

Credible Very Serious Consequences

As defined in the controlling Michigan Zoning Enabling Act, MCL 125.3205 Sec. 205 (5)(c), a very serious consequence of a financial nature would result from mining gravel as it would have a profoundly negative

“impact on property values in the vicinity of the property and along the proposed hauling route serving the property, based on credible evidence.”

In addition to applying the use of common sense, the analysis contained in this report is based on indisputable evidence. It uses a widely accepted modeling technique and Benzie County’s own current property valuation data. Therefore, granting a Special Use Permit to open a gravel mine in the 150-acre parcel presents a credible very serious consequence. The negative impact on local property values is unconscionably severe.

That point provides sufficient logical and legal grounds on which to deny a special use permit to the applicant. In light of the fact that an honest need for gravel to be extracted from that 150-acre parcel is absent, the very serious consequence of knowingly devaluing the property of neighbors is indefensible.

Lack of any tangible real need for more gravel production in this market provides an incredibly sound foundation upon which the HIJPC can justifiably deny the application for a special use permit.

Charging NIMBYism is a Desperate Ploy

Gravel mine proponents attempt to frame this debate by demeaning those most affected. Lobbyists and mine operators (and some politicians) smugly suggest that neighbors are *just screaming ‘not in my back yard.’*

First, why shouldn’t they not want a gravel mine in their Rural Residential back yard? Have you, or anyone you know, ever met anyone who sought out a piece of property next to a gravel mine to make their home?

Second, using NIMBYism is a shameful argument as it is purposely designed to sidestep numerous very serious consequence issues and characterizes anyone with an objection as a sniveling ‘complainer.’

Neighbors and visitors to Benzie County near this 150-acre parcel have said repeatedly – we’re all in favor of gravel. We don’t have objections to gravel mines in general, especially when they are planned and operated properly. At the heart of this and similar issues across this country is zoning. As Planning Commissioner David White so aptly commented the night he and the Montrose County Commissioners denied approval of a special use permit for a proposed gravel mine:

“When people buy property, they buy property with an assumption they can rely on zoning.”²¹

The applicant of this Inland Township parcel is requesting permission to open a commercial gravel mine in a Rural Residential District! [Read this sentence to yourself out loud.]

The owner knew full-well of this Rural Residential designation when he purchased the property. **The Homestead Inland Joint Zoning Ordinance** clearly states under **Article XI Section 6.1 Intent for Rural Residential Districts** that

*“This district is designated to provide for an area of **low density residential uses** in a rural setting **to preserve the rural, forest and open space environment of a majority of the lands in this district.** Further, this district is intended to provide a transition between the lower density forest residential district, and the more intensive density of single family residential.”*

What’s more, the Zoning Ordinance clearly states *all* of the Permitted Uses (Sec. 6.2), Uses Permitted with Site Plan Approval (Sec. 6.3), and Uses Permitted Subject to Special Use Approval (Sec. 6.4). Nowhere is there even a hint of uses for commercial, hobby, or any kind of mining — for gravel or anything else.

While suggestions of a statutory ‘valuable natural resource’ are unproven, the neighbors face legitimate concerns over numerous very serious consequences that are undeniable.

Looking past the very serious consequences of unnecessary surface water pollution, unnecessary ground water pollution or disruption, unnecessary air pollution, unnecessary noise pollution, and unnecessary damage to quality of life, this report focuses on the entirely unnecessary damage to the neighboring property values.

As stated in the opening of this report, people should have control over their own affairs and property — *as long as they don’t infringe on the rights of others.* Unquestioningly, a gravel mine in the proposed 150-acre parcel would infringe on the fair value market rights of neighboring properties for miles around.

What would the damage be; \$14-million, \$5-million, \$30-million, \$11,296,300? While the exact amount depends on a host of variables and models used to arrive at them, the exact number doesn’t matter. Irrefutably the damage would be measured in the millions of dollars.

An argument favoring a gravel mine that even remotely justifies that neighbors should suffer *any* negative impact to their property values is missing. Residents living under the existing ordinances have every right to expect those ordinances to be upheld — *as written.*

²¹ G. Jarvis, White, Ellis Deny Special Use Permit for Gravel Pit, The Telluride Daily Planet, October 10, 2013

Not a Suitable Location

This Rural Residential District is not a suitable place for a commercial open pit gravel mine. Making the decision to deny a special use permit in situations similar to the one facing the HIJPC isn't at all unique.

Though every situation presents distinct differences, they also have striking similarities. In a similar situation in Ohio, the Planning Commission denied a special use permit for a gravel mine near a residential neighborhood.²²

The neighbors objected to a proposed gravel mine and won the argument with their Planning Commission who in turn denied the special use permit. The applicant brought suit and lost. The applicant appealed that court ruling and lost again. The trial court judgment affirmed the Planning Commission's original decision to deny the applicant's request to open a gravel mine and in doing so cited a simple and most logical point:

"...the proposed location is not a suitable choice."

The HIJPC essentially faces the same basic circumstance here with the 150-acre parcel 08-006-007-00. **The proposed location is not a suitable choice for an open pit gravel mine.**

This isn't a NIMBY situation. Putting a gravel mine next to the Platte River, just upstream from the State Fish Hatchery, needlessly risking environmental chaos and pollution, needlessly disrupting the peace and quiet of this Rural Residential District, and needlessly bringing financial harm to those who rightly expect the township ordinance to mean what it says makes it abundantly clear that — this isn't a suitable location for a gravel mine.

More Than One Measure of Value

Though the focus of this report is the damage to the financial value of property, many contend the environment itself presents a higher value — and highest risk of damage.

Just 2-miles east of this ill conceived gravel mine is the planned 230-acre Lower Woodcock Lake Preserve that entirely surrounds the 22-acre Lower Woodcock Lake. The negative impact on this preserve created by a gravel mine is unthinkable.

Chris Sullivan, Land Protection Director for the Grand Traverse Regional Land Conservancy, which is behind this project, recently noted

*"This is one of the most important watersheds in our service area and having the opportunity to protect a half-mile of [Platte River] frontage is very exciting."*²³

Needlessly damaging this preserve is another 'Greater Than Local Concern' that the HIJPC must consider — especially as the damage is outside of its given jurisdiction.

Conclusion

The Homestead Inland Joint Planning Commission has the legal authority to deny this totally unnecessary gravel mine. It also has ample proof of very serious consequences that, as defined by MCL 125.3205 Sec. 205 (3) through (5), would clearly negatively impact the vicinity's

- ✓ associated activities and existing land uses
- ✓ pedestrian and traffic safety
- ✓ health, safety, and welfare interests
- ✓ overall public interests
- ✓ environmental natural resources

²² *Shelly Materials, Inc. v. Daniels*, C.A. Case No. 2002-CA-13, T.C. Case No. 01-CV-0379

²³ S. McWhirter, *Lower Woodcock Lake set to become preserve*, Traverse City Record-Eagle, October 3, 2019

Detrimental Effects of Gravel Mines on Property Values

With this report the HIJPC has abundant proof that a gravel mine would also have a substantial and decidedly negative

✓ impact on property values in the vicinity

The 'need' for this gravel mine is implausible. The proposed location doesn't fit with the required adjacent uses of land or the natural environment.

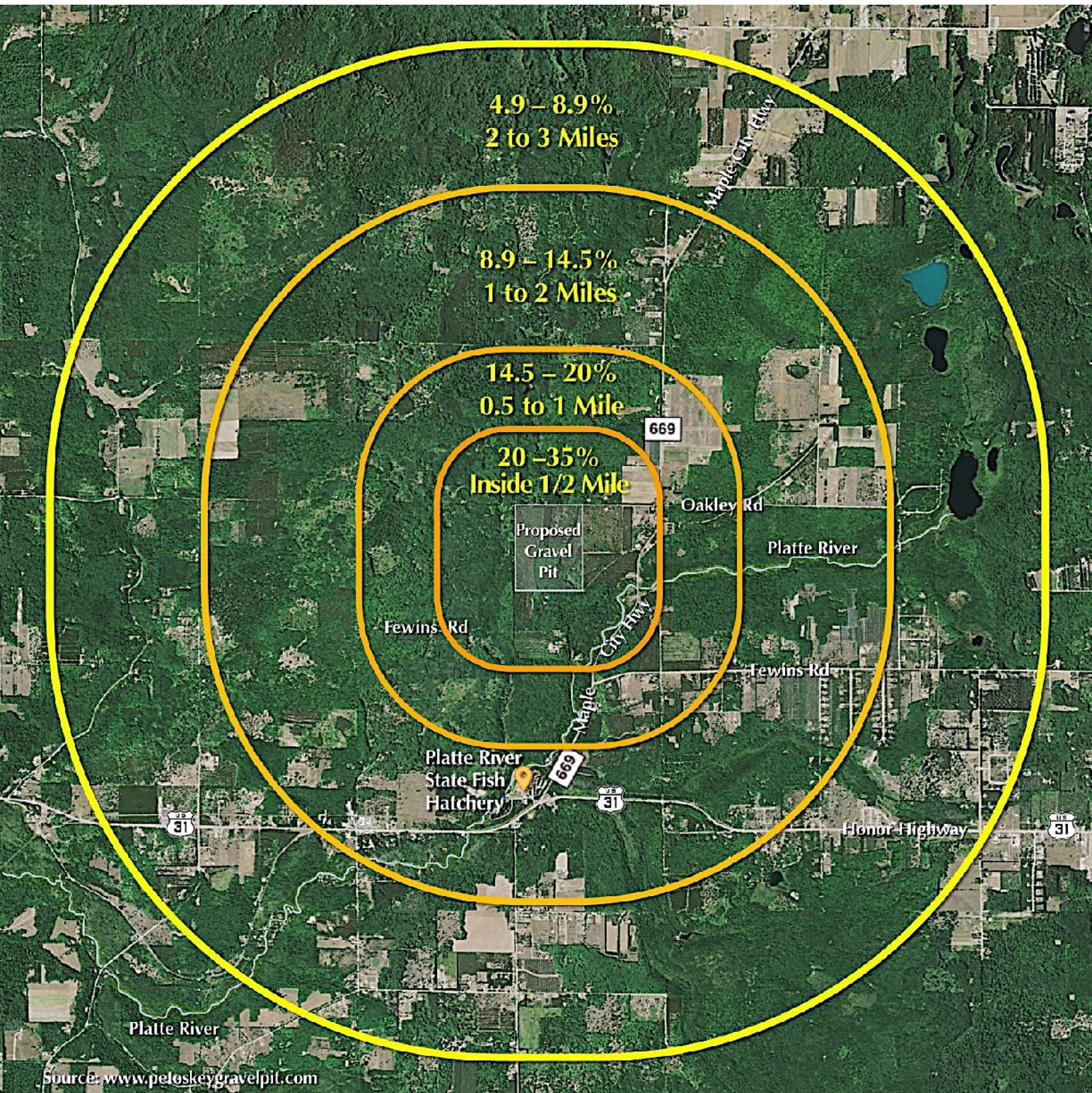
If a permitted to operate, what conceivable public benefit or contribution to the public welfare would it insure for Inland Township or neighboring townships? Property taxes would be minimal at best.

The financial damage to neighbors for miles around would be substantial. Inflicting millions of dollars of harm to those trusting a township ordinance so that one non-resident 'might' make a meager profit is a textbook definition of injustice.

Denying this special use permit application is the only fair and reasonable course of action to take.

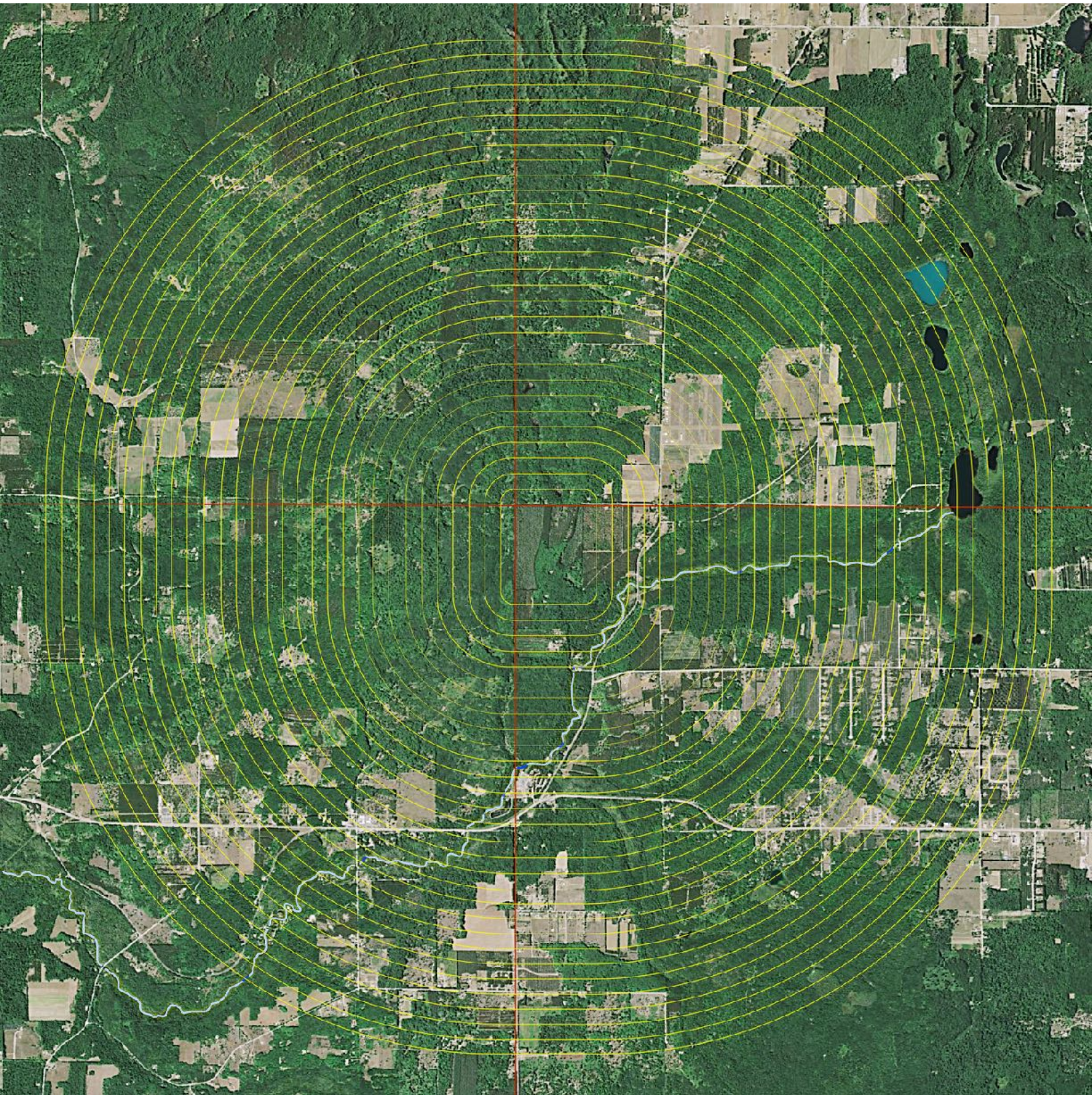


Property Devaluation By Distance – Overview Map



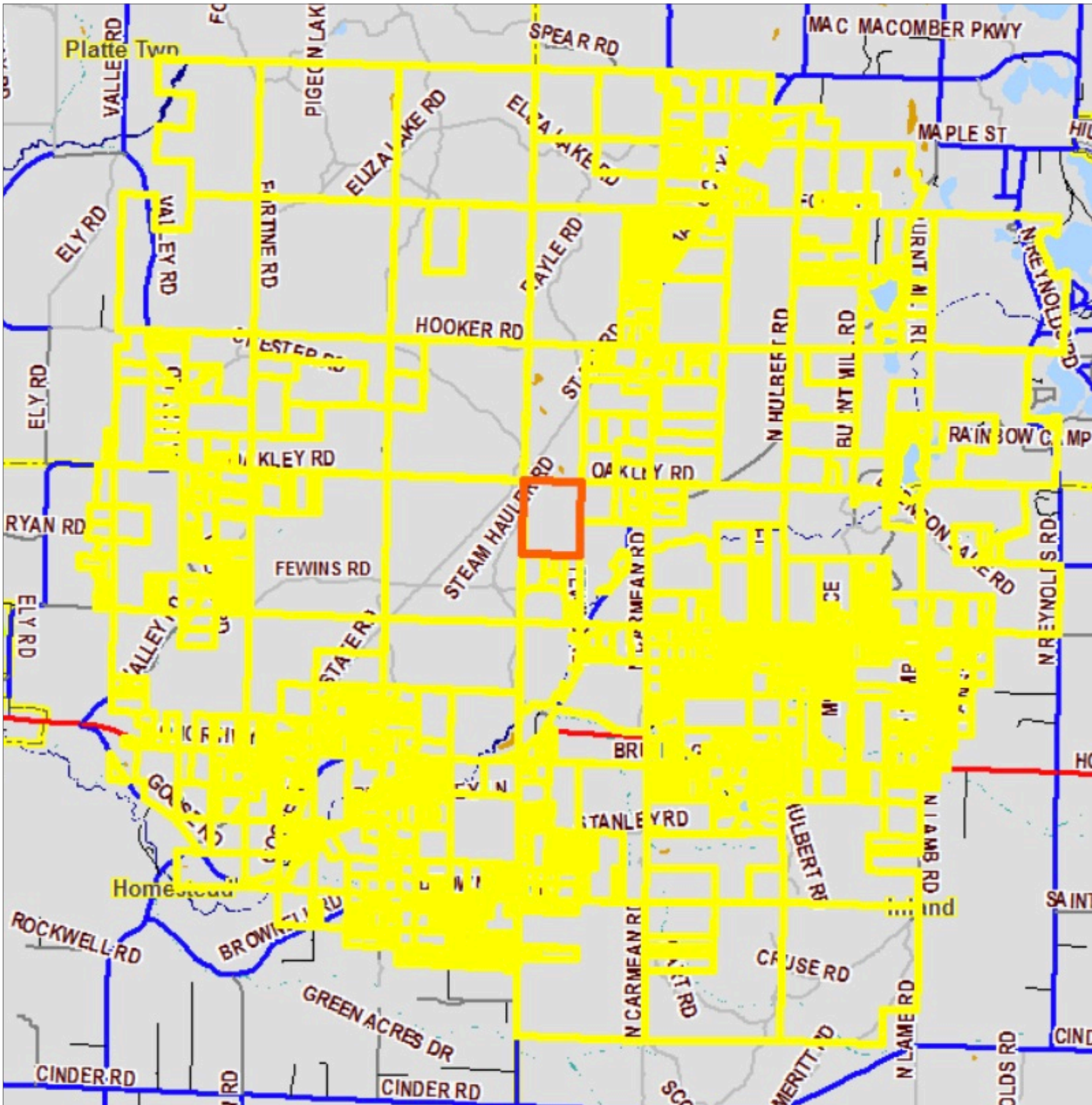
Source: www.petoskeygravelpit.com

Property Devaluation – 1/10th Mile Division Rings Map



County Base Map

The 3-mile search from Parcel 08-006-007-00 (outlined in orange) resulted in a listing of 1,281 properties.



Source: maps.liaa.org/benzieco/maps/ — as contracted by Benzie County Government.

**Estimated Negative Impact on Property Values by Township
Caused by the Proposed Open Pit Gravel Mine**

	Inland		Homestead		Almira		Platte		— TOTALS —		
	Lost Value	Properties Affected	Lost Value	Properties Affected	Lost Value	Properties Affected	Lost Value	Properties Affected	Lost Value	Properties Affected	Average Lost Value
0.1	839,274	6			84,630	1			923,904	7	131,986
0.2									0	0	
0.3	97,560	1			126,840	4			224,400	5	44,880
0.4	186,480	6							186,480	6	31,080
0.5	73,864	6			12,800	1			86,664	7	12,381
0.6	519,221	13			100,492	3			619,713	16	38,732
0.7	49,381	2			88,851	3			138,232	5	27,646
0.8	75,407	6			205,328	9			280,735	15	18,716
0.9	46,407	5			156,088	8	14,570	1	217,065	14	15,505
1.0	227,056	11	101,529	1	258,013	7			586,598	19	30,874
1.1	316,848	12	7,314	1	93,122	7	12,972	1	430,256	21	20,488
1.2	206,154	8	21,476	1	140,894	5			368,524	14	26,323
1.3	136,075	16	37,466	2	77,588	2	33,210	1	284,339	21	13,540
1.4	164,657	14	44,911	4	81,473	4			291,041	22	13,229
1.5	62,810	8	130,525	4	58,397	5			251,731	17	14,808
1.6	157,325	13	188,426	13	150,011	6	20,500	1	516,262	33	15,644
1.7	304,510	19	168,680	14	92,440	7			565,630	40	14,141
1.8	361,713	27	319,651	16	44,764	4	21,983	1	748,111	48	15,586
1.9	337,344	28	309,069	23	98,734	11	8,979	1	754,127	63	11,970
2.0	456,089	32	105,465	12	26,237	2			587,792	46	12,778
2.1	667,757	57	209,536	26	106,024	8	19,206	1	1,002,523	92	10,897
2.2	301,147	36	186,633	20	60,584	7	21,056	2	569,419	65	8,760
2.3	269,626	26	215,858	22	270,115	34	27,864	3	783,462	85	9,217
2.4	129,373	15	210,989	24	231,589	32	32,617	2	604,568	73	8,282
2.5	135,059	15	310,955	33	110,874	11	35,960	3	592,849	62	9,562
2.6	88,665	14	310,252	40	138,072	10	58,858	8	595,847	72	8,276
2.7	49,027	17	177,442	27	81,726	11	19,118	5	327,313	60	5,455
2.8	163,750	22	162,651	24	136,728	19	19,051	6	482,180	71	6,791
2.9	122,366	22	113,818	19	62,213	8			298,398	49	6,090
3.0	235,759	41	153,572	27	65,856	11	11,927	1	467,113	80	5,839
TOTALS	6,780,703	498	3,486,216	353	3,160,485	240	357,873	37	13,785,277	1,128	12,221
% of Total	49.2%	44.1%	25.3%	31.3%	22.9%	21.3%	2.6%	3.3%			
Ave. Lost Value	13,616		9,876		13,169		9,672				
Loss over \$10,000 only											
TOTALS	5,994,981	282	2,436,251	141	2,611,950	114	253,117	16	11,296,300	553	49%
Ave. Lost Value	21,259		17,278		22,912		15,820		20,427		82%

Jeffrey R. Dow, CPA
Trustee, The Tweedie Trust
PO Box 30
Ellsworth, ME 04605

April 6, 2017

Dear Jeff,

I wanted to review the status of the Jordan River property that you have listed with me at The Davis Agency for The Tweedie Trust.

We currently have the property listed at \$120,000 as per our prior discussions.

I removed the For Sale sign over the winter because of the plow trucks, but will replace it now that the snow has gone.

I read in the Ellsworth American in the past few weeks that Harold MacQuinn, Inc. is going to reapply with the Lamoine Planning Board to expand the Kitteradge pit, after having been denied a permit the first time as a result of a court settlement.

As an abutter, I assume you have been notified of this action by the town. MacQuinn wants to expand his current pit another 44 acres, and all of Cousins Hill would be removed, bringing the entire operation much closer to your property. This would take away all the protection the hill now provides your property and would create more industrial activity next to your property.

Should the Lamoine Planning Board approve the permit, I believe it will have an adverse affect on the sale of your property, as well as the entire Lamoine Corner area. This neighborhood has a number of old homes and is very residential.

The market typically picks up in the spring season, so I am hopeful that we will have some interest in your property. This is especially important with the unfolding events regarding the MacQuinn gravel pit expansion.

I will keep in touch if there is anything to report regarding this matter.

Please contact me with any questions you may have.

With best regards,

Marc Chalfoun
Broker, ABR, CRS

Walter Jean Grenier II
 3 Tinker Meadow Way
 Ellsworth, Maine 04605

September 27, 2017

To the Town of Lamoine

Residents, fellow neighbors, and friends of Lamoine, my name is Walter Jean Grenier II. I was, until June of 2016 a very proud resident of Lamoine for 17 years. When my wife passed away in June 2016, we had our home up for sale to downsize and did finally sell it that year, after 5 years of being on the market. In the process of selling it, my wife and I had numerous conversations with real estate brokers regarding the market conditions at that most recent time, wondering outside of the federal or state economies, what else is affecting our sale?

One of the troubling points that was repeatedly discussed, during an open house for real estate agents at our home, were the gravel pits in Lamoine and the affect that they had during that time period, for people wanting to relocate to Lamoine. It was stated "People did not want to live near a gravel pit", as well as have the attendant issues of noise and heavy truck traffic. Another issue as well was the adverse effect of lowering the real estate values of property and homes. One broker told me that her clients would be more willing to look in Blue Hill rather than Lamoine, due to the perception of Lamoine as "being a gravel pit town". This was a more troubling statement for us due to the broadened and scope of understanding touching on real estate brokers and their prospective clients, beyond the Lamoine market into adjoining markets. The questions in my and my wife's minds were: (1) would be able to sell our home in Lamoine, (2) if we did, how much would we have to discount it?

The problems are still genuine. They currently pose risks for Lamoine residents on being able to hold on to secure real estate investments and not have their home equity eroded by the threat the gravel industry diminishing their future either by the actual physical imposition of a gravel pit in the proximity of their property or the threat of one being located nearby in near future. There may be perhaps an even worse effect in the minds of future home and land owners to the Town of Lamoine, which would be one of the town hosting the growth of development of gravel pits versus the promotion of real estate growth and development of homes and prosperous neighborhoods.

Sincerely,



Walter Jean Grenier II



*You can't be the best,
if you're only the same.*

Mr. Dean Johnson

Albion, WI

Dear Mr. Johnson:

You have asked for my opinion as to the impact of a 100 acre gravel quarry on the value of your land and how lenders would evaluate it.

Assuming your property is near the quarry site, the impact could be significant. First of all, it is hard to imagine who would want to buy your property if the quarry was planned or in existence near your property. Second, I would think any lender using your property as collateral would certainly be much more diligent in their assessment of your property value and how much a lender would consider lending.

Hopefully you find this helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Gorsuch".

Robert C. Gorsuch
Chairman & CEO

5951 McKee Road, Suite 100
Fitchburg, WI 53719-5114

Member FDIC



Phone: 608-441-6000
Fax: 608-441-6001
Toll Free: 877-OAK-BANK
www.oakbankonline.com