



**Grand Valley Metro Council
Legislative Committee**

Agenda

**Wednesday June 11, 2008
8:30 a.m.**

GVMC Offices 40 Pearl St., Suite 410 Grand Rapids, MI

- 1. Call to Order**
- 2. Approval of Minutes from May 14, 2008 meeting**
- 3. 2008 Great Lakes Environmental Cleanup, Restoration and Protection Bond**
- 4. Update: Annexation Legislation in House and Senate**
- 5. Update: SB 1249 – Allow Counties and Municipalities to Create Storm Water Utilities**
- 6. Update: HB 6112 – Expand Act 312 Compulsory Binding Arbitration to County Corrections Officers**
- 7. 2009-1010 Legislative Priorities**
- 8. Other Issues**



Grand Valley Metropolitan Council

MEMORANDUM

To: GVMC Legislative Committee
From: Donald J. Stypula, Executive Director
RE: June 11, 2008 GVMC Legislative Committee
Date: June 10, 2008

Attached are the agenda and support documents for the next meeting of our **GVMC Legislative Committee** – scheduled for **8:30 AM, this Wednesday June 11, 2008 at the GVMC Offices in downtown Grand Rapids.**

Another important meeting this month as we discuss and take a position on the Michigan Department of Environmental Quality's proposed \$1 billion + environmental cleanup and Great Lakes restoration bond that lawmakers may place before voters this fall. I will also have the latest updates on a host of issues ranging from annexation reform legislation to the municipal storm water utility bill to an effort to extend compulsory binding arbitration to county corrections officers. In addition I want to continue our discussions regarding GVMC's legislative priorities for the 2009-2010 legislative session.

We'll start our meeting by reviewing and accepting the attached minutes from our May 14, 2008 meeting.

2008 GREAT LAKES ENVIRONMENTAL CLEANUP, RESTORATION AND PROTECTION BOND

At our meeting last month, DEQ Director Steve Chester briefed us on DEQ's desire to place a \$1.3 billion Great Lakes Environmental Cleanup, Restoration and Protection Bond on the November general election ballot for voter consideration. Following our meeting, and up until late last week, it did not appear that the bond proposal would see the light of day in the Legislature.

Now however, it appears that the Administration is moving forward plans to place the bond proposal before Michigan voters. Legislation authorizing a bond and spelling out how the bond funds would be expended (HB's 6227 and 6228) has been introduced and referred to the House Appropriations Committee. Those bills require a 2/3 vote of both the House and Senate to place the bond question before the electorate during the November 4 election.

Now known as “*Clean Michigan Initiative II*,” the bond proposal would authorize the State Treasurer to sell up to \$1.3 billion in bonds over a ten year period to finance a wide range of environmental cleanup and natural resource restoration activities. The bulk of the bond money (\$820 million) would be used over the next decade to fund the on-going cleanup of contaminated properties and continue to finance the state’s best-in-the-nation brownfields redevelopment program. That would include \$100 million in grants and low interest loans to counties and communities for brownfields redevelopment projects. Another \$390 million would be spent to implement the recommendations of the Great Lakes Regional Collaborative, an international committee of elected officials that proposed specific tasks, with measurable goals, to restore water quality in the Great Lakes and its various watersheds.

The remaining bond funds – about \$90 million – would be used to address the impact of agricultural operations on water quality in the state’s watersheds. GVMC’s Lower Grand River Organization of Watersheds (LGROW) could potentially benefit from this concentrated investment.

FINANCIAL SPECIFICS

Assuming lawmakers place a bond proposal on the November statewide ballot, and further assuming that voters approve the proposal, the state Department of Treasury would work with financial houses on Wall Street to float the bonds over a 10 year period. This is a general obligation bond. The state would pledge its “full faith and credit” to investors who purchase the bonds and the debt service would likely be retired over a 20 year period with general fund/general obligation revenues.

As noted by Treasury officials, the specific dollar amount of the bonds that the State will sell will vary from year to year, depending on both the amount of bond funded programs appropriated each year by the Legislature and the amount of cash needed. For example, the contaminated site cleanup and remediation projects typically take several years to complete. Even though the entire spending authorization for a project is appropriated in a particular fiscal year, the expenditures are made over several years. DEQ works with the Department of Treasury to determine the dollar amount of the bonds to be sold each year to support the expenditures in that fiscal year. Also, DEQ and Treasury monitor the bond sales closely to comply with federal arbitrage laws.

Treasury officials say a bond issue of this scope and magnitude will require a budgeted debt service payment of \$60 million each year for approximately 20 years. Depending on market conditions the total amount of interest paid over that period of time could be up to \$400 million. Administration officials claim, emphatically, that the state can afford this level of debt service. The majority of the 1988 bonds will be retired in the next few years, reducing the current state debt service load. Also, the Department of Treasury says they recently refinanced a major portion of the existing debt load, which will result in tens of millions of dollars of savings to the state budget each year.

Concerns Raised

The Grand Rapids Area Chamber of Commerce, noting significant concerns with the manner in which the current contaminated site cleanup program is administered by DEQ, is not supporting this bond issue (See the attached letter to DEQ Director Steve Chester). Their frustration with the current command and control regulatory and enforcement focus at DEQ is echoed by many other organizations and individuals across the state including GVMC Board member Tom Fehsenfeld from Crystal Flash Energy. Director Chester has pledged to work with the various groups to improve the administration of the site cleanup and brownfields redevelopment program, but that has not altered the position of the GR Chamber.

Groups Supporting the Proposal

The Michigan Municipal League was the first statewide organization to support the CMI II proposal. The Michigan Townships Association is likely to offer its support, as is the Michigan Association of Counties. Here at home, the Right Place, Inc. has expressed support for the proposal to ensure that funding continues to be available for brownfields redevelopment projects across our metro area well into the future.

Prognosis and Recommendation

There will be a serious move – as part of the final FY 2009 budget negotiations – to find the 2/3 majority in the House and Senate needed to place a CMI II proposal on the fall election ballot. It appears unlikely that the proposal will cost out at the full \$1.3 billion. A more realistic (and palatable) CMI proposal – in the range of \$800 million over ten years – is likely to emerge in the horse trading that is about to begin in Lansing.

Based on my conversations with many individuals here at home and in Lansing over the past three weeks, I am recommending that the GVMC:

1. Endorse the concept of a CMI II bond proposal and ask our West Michigan lawmakers to vote to place the proposal on the November 4 election ballot for voter consideration;
2. Urge the DEQ Director to expeditiously and positively address the concerns expressed by many groups and individuals regarding the administration of DEQ's contaminated site cleanup programs;
3. Appoint one of more individuals representing GVMC counties and communities to work with local and state organizations to ensure that workable program administration reforms are put into place; and
4. Allow the GVMC Executive Director and staff to work with legislators and stakeholders to ensure that the laudable goals and objectives of the CMI II bond proposal are met.

Folks, absent an infusion of funding from this proposed bond issue, the state's brownfields redevelopment program will grind to a halt, propelling us back to the time when our counties and home towns were nothing more than warehouses for mile after mile of abandoned, contaminated properties that should be cleaned up and redeveloped. We can't afford to wait until 2012 for a new administration to conclude that we need a state bond issue to restore our once-great brownfields program and other worthwhile environmental restoration initiatives. West Michigan is best served if GVMC offers general support for the concept of a 2008 CMI II and works with our partners to insist on positive reforms in the administration of DEQ's myriad programs.

ISSUES UPDATE: ANNEXATION LEGISLATION

Despite efforts by many legislators to move some form of annexation reform legislation to the Governor's desk, there will likely be no Senate action on either the more limited House-passed legislation or the more comprehensive Senate bill package until after the November election.

Recall that in mid-March, by a vote of 101-8, the House passed HB 5779 to prohibit annexations in charter townships with a population over 20,000 that also provide certain core services. Then on April 17, the first bill of a more comprehensive Senate annexation package (SBs 1078-1083) failed on the Senate floor and a move was made to reconsider that vote and postpone reconsideration for a future date. West Michigan Senators Mark Jansen and Wayne Kuipers voted against SB 1078 (which amends the Charter Township Act) and there has been no action on any other bill in the package.

My conversations with several Senators and staff from both parties and every corner of the state indicate that Senate Majority Leader Mike Bishop (R-Rochester) has put a hold on reconsideration of the vote by which SB 1078 failed to pass. That indicates to all involved that he does not want to give the sponsor of HB 5779 – Rep. Mark Corriveau (D-Northville Twp.) – an issue to run on in the fall election.

GVMC's annexation reform policy (attached), developed in the late 1990s, clearly endorses comprehensive annexation/detachment reforms that encourage collaborative, cooperative approaches to solve disputes. I will continue working through the summer with Senators Jansen and Kuipers on this issue (together with other Senators) and will periodically report progress.

ISSUES UPDATE: SB 1249 – ALLOW COUNTIES AND MUNICIPALITIES TO CREATE STORM WATER UTILITIES

There has been no action in the Senate Environment and Natural Resources Committee regarding SB 1249, legislation that enables counties and local units to establish storm water utilities in a manner that complies with the requirements set down by the Michigan Supreme Court in the Bolt v City of Lansing case from December, 1997. We are continuing to work with Senator Patty Birkholz (R-Saugatuck) to address questions that have arisen from the business community

regarding this bill. At this stage, I do not anticipate any Committee work or formal action on the legislation until fall at the earliest. This likely will be an issue that carries forward into the 95th Legislature, which begins work in January.

ISSUES UPDATE: HB 6112 – EXPAND ACT 312 COMPULSORY BINDING ARBITRATION TO COUNTY CORRECTIONS OFFICERS

At a time when lawmakers should be concentrating on reforming government and we are working diligently in that regard to push reforms to 1969 P.A. 312 – Compulsory Binding Arbitration for police officers and firefighters – some lawmakers want to move in the opposite direction. This morning (Tuesday), the Michigan House Labor Committee will be taking up and voting on HB 6112 which would create a new act to extend binding arbitration to county corrections officers. Although the bill does not directly open up PA 312, extending binding arbitration to county corrections officers could yield significant costs not only for counties, but other local units of government. The bill would add another comparable that would cost everyone money, has language that could require that local corrections officers receive mandatory binding arbitration if any county prisoners are in local jails, and takes us in the wrong direction on this issue. While the MML is strongly opposing this bill, they are proposing several amendments on ability to pay, internal comps, and other issues that we have identified with respect to 312.

The House Labor Committee will take up the bill with opening testimony at 9 a.m., this morning. I will bring an update on the legislation to our meeting on Wednesday.

In the meantime, I have included in your packet an editorial opinion against HB 6112 from Monday's Detroit News.

GVMC 2009-2010 LEGISLATIVE PRIORITIES

In January, 2007 the Metro Council approved the attached list of GVMC Legislative Priorities that were developed by this Committee. At that time, you noted to the Council that while member counties and communities have a broad range of public policy goals that deserve GVMC's support, it is prudent to limit our list of priority issues to four principal policy objectives.

As you can see, revenue sharing tops the list of priorities, with restoration of statutory revenue sharing to counties and full funding of statutory payments to cities, villages and townships. In early 2007, the number two priority was business tax restructuring to encourage business retention and expansion while maintaining revenues for critical public services. Whether the new MBT and the surcharge accomplished that goal is subject to sharp debate. Continuing local control over telecommunications franchising was our number three priority, with a statement of support for MTA and MML's efforts to preserve local franchising authority. Our fourth

legislative priority involved amendments to several state statutes to remove current impediments to intergovernmental service sharing. That was later expanded and amplified with our more comprehensive Policy Statement on State Budget and Tax Issues approved by the Council on April 9, 2007.

As we enter the legislative election season, it is wise for us to take some time on Wednesday to review our Legislative Priorities and develop an updated list that we can share with legislative candidates throughout this region prior to the November 4 election. To assist in our discussions, I also have attached for your reference the full list of topics that we developed in November of 2006.

I'm looking forward to seeing you and having a productive meeting on Wednesday morning. As always, if you have any questions, or if we can be of further assistance, please call me directly at 776-7604, on my cell at 450-4217, at home at 257-3372 or via email at stypulad@gvmc.org.

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

May 14, 2008

8:30 a.m.

GVMC Offices
Grand Rapids, MI 49503

MINUTES

1. Call To Order

2. Roll Call

Present:

Haris Alibasic	City of Grand Rapids
Jim Buck	City of Grandville
Rick Chapla	The Right Place
Steve Chester	MDEQ
Mike DeVries	Grand Rapids Township
Don Hilton	Gaines Township
Denny Hoemke	Algoma Township
Andy Johnston	Grand Rapids Area Chamber of Commerce
Gayle McCrath	Grand Valley Metro Council
Rick Root	City of Kentwood
Don Stypula	Grand Valley Metro Council

3. Call to Order

Chair Rick Root called the meeting to order at 8:40 a.m.

4. Approval of Minutes from April, 2008

The minutes of the GVMC April, 2008, Legislative Committee meeting were accepted into record.

5. Steve Chester Special Presentation on Environmental Bond

Steve Chester, Director of MDEQ, reviewed the history and success of the current

environmental bond which is about to expire. Michigan is known for having the best brownfield program in the nation. It changed the liability to causation. Unfortunately it has resulted in orphan sites. 1988 & 98 bonds addressed this partially. Current funding has been exhausted. Thousands of sites are left without funding to pay for the cleanup. The 1988 & 98 bonds were overwhelmingly supported by the public and created many jobs. \$820 million of the bond is for brownfields and \$390 million is for protection and restoration of the Great Lakes. There are 14 areas of concern under Michigan jurisdiction. Money needs to be raised for local match.

In order for the bond to pass 2/3 of the legislature has to be convinced by June to put it on the ballot. Most of the business community supports it. MML supports. Michigan Manufacturers expressed reluctance as has environmentalists. The Michigan Chamber is not yet ready to support. GVMC's support is needed to send a message to legislators.

Haris Alibasic reported the City of Grand Rapids strongly supports this as it has used the brownfield program very successfully.

Andy Johnston stated the Chamber's members have concerns that new debt will be created as well as questions regarding oversight.

Steve Chester has been told MAC supports the proposal, MTA's position is unknown. He is drafting a letter to the Detroit Chamber which expresses the DEQ's intent to work with business. He will cc the various other organizations on the letter.

Rick Root asked if the committee is being asked for a resolution.

Don Stypula indicated the GVMC Board needs to express their intent first and then he will work with SEMCOG.

Don Stypula will forward a copy of Muskegon's resolution of support, as well as contact MTA and MML on the issue.

Rick Chapla reported they have been very aggressive in using the brownfield program and never viewed it as purely environmental; it is definitely an economic development tool.

Don Hilton asked if the farmland preservation portion of the program would provide funding over a 10 year period or immediately.

Steve Chester indicated he didn't know as the Department of Agriculture will administer the program, but he will check.

6. SB 1249 Storm Water Utilities

Don Stypula reported SB1249 was worded so it can go straight to the Supreme Court. It indicates a parcel by parcel analysis must be done to determine how much storm water runoff is coming for each one. In REGIS, Dr. Jain has worked in Las Vegas to develop a tool to do this via GIS with just a couple of clicks.

He asks for consensus to continue working on this and take it to the Board.

Haris Alibasic reported Grand Rapids would be very supportive of the bill if it were an option not mandatory.

Don Stypula will bring a resolution next month and will indicate to Senator Birkholz GVMC will likely support it.

Mike DeVries would like an executive summary on both the bond and storm water issues sent to everyone to share with their Boards.

Don Stypula indicated he will forward those.

7. Other

Annexation

Mike DeVries reported there was a new annexation bill. Kuipers and Jansen voted against it. We need to get a letter to those two discussing our support. This follows the position we have already taken on annexation. The MML supports the Senate bill.

Don should copy everyone on this.

Haris Alibasic stated he wanted to show this to his Council members.

Don Stypula indicated he would do this and copy all.

Other

Mike DeVries stated GVMC should remain consistent. If we say we support the bond proposal, we need to acknowledge it would result in additional debt.

Don Hilton added that maybe all the pieces included in the proposal don't need to be

in the bond bill.

Mike DeVries indicated because of lack of time, the legislative priorities should be tabled until next meeting.

Don should also communicate to all candidates GVMC's priorities and copy GVMC members on the letter.

8. Adjourn – 10:00.

DRAFT
CONCEPT PAPER
2008 General Election Ballot Proposal
Great Lakes Environmental Clean-up, Restoration and Protection Bond
4/22/08

PURPOSE

Provide funding to clean-up, restore, conserve and protect Michigan's Great Lakes basin water resources and to clean-up and redevelop contaminated sites.

PROTECT AND RESTORE OUR GREAT LAKES WATERS.....\$ 390 Million

- | | | |
|----|--|---------------|
| 1. | Aquatic Invasive Species | \$ 20 million |
| 2. | Habitat Restoration and Species Protection | \$ 50 million |
| 3. | Coastal Health | \$ 60 million |
| 4. | *Areas Of Concern (AOC)—sediment removal | \$115 million |
| 5. | Non-Point Source | \$ 50 million |
| 6. | Toxic Pollutants | \$ 20 million |
| 7. | Water Quality Monitoring | \$ 25 million |
| 8. | Waterfront/Coastal Sustainable Development | \$ 50 million |

CLEAN-UP AND REDEVELOP CONTAMINATED SITES.....\$ 820 Million

- | | | |
|----|-----------------------------|---------------|
| 1. | Contaminated Site Clean-up | \$550 million |
| 2. | Redevelopment | \$150 million |
| 3. | Brownfield Grants and Loans | \$100 million |
| 4. | Lead Paint Abatement Grants | \$ 20 million |

LAND STEWARDSHIP.....\$ 90 Million

- | | | |
|----|---|---------------|
| 1. | *Conservation Reserve Enhancement Program | \$ 35 million |
| 2. | *Groundwater and Surface Water Protection | \$ 20 million |
| 3. | Farmland Preservation | \$ 35 million |

TOTAL **\$ 1.3 Billion**

*Matches available Federal Funds

1988 Bond and 1998 Bond—How Was the Money Spent?

1988 Environmental Protection Quality of Life Bond.....\$660 million

1.	Clean-up Toxic and Contaminated Sites	\$425 million
2.	Solid Waste Projects	\$150 million
3.	Capitalize State Revolving Fund	\$ 60 million
4.	Regional Great Lakes Protection Fund	\$ 25 million

1998 Clean Michigan Initiative Bond.....\$675 million

1.	Clean-up and Redevelopment Activities at Facilities	\$335 million
2.	Waterfront Development	\$ 50 million
3.	Contaminated Lake and River Sediment Clean-up	\$ 25 million
4.	Nonpoint Source Pollution Control Grants	\$ 50 million
5.	Pollution Prevention Programs	\$ 20 million
6.	Water Resource Protection and Pollution Control	\$ 45 million
7.	Water Quality Monitoring	\$ 45 million
8.	State Park Infrastructure Upgrades	\$ 50 million
9.	Local Recreation Grants	\$ 50 million
10.	Lead Paint Abatement Grants	\$ 5 million



June 4, 2008

Steve Chester
Director
Department of Environmental Quality
525 West Allegan Street
Lansing, Michigan 48909

Dear Director Chester,

Thank you for taking the time to meet with us to discuss the MDEQ bond proposal and allowing us to share our thoughts and concerns. As we discussed during our meeting, and as requested, the Grand Rapids Area Chamber has assembled a list of items which are critical to our position with regards to the bond issue and are greatly needed for overall program health and improvement. At this time we cannot support the bond proposal as presented given many areas of concern, several of which are outlined below. These comments are focused on the contaminated site cleanup provisions within the current draft copies of the bond proposal.

1. Create a stakeholder group to develop metrics to evaluate risk reduction aspects of the site cleanup program provisions.
2. Streamline the administrative procedures and processes for site cleanups through a fast-track process, exemptions, and/or early scoping meetings.
3. Provide an option of using a qualified third-party professional to assist in the site cleanup regulatory process, including technical plan review, agency meetings, etc. The option to involve a qualified professional to assist MDEQ review would be at the cost of the party proposing the work.
4. Define the substantive site cleanup benchmarks that will constitute diligent pursuit of site remedial activities (similar to LUST/Part 213).
5. Employ a comprehensive checklist intended to normalize and assist in documenting site cleanup status, guiding progress, and helping to determine the necessary response activities at sites of environmental contamination.

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Succeed!

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6. Develop a cleanup policy on single issue resolution to clarify when an isolated spill may be remediated without involving the rest of the property in MDEQ review.
7. Reduce the number of Part 201 land use categories to: (a) residential and (b) non-residential.
8. Eliminate use of guidance documents (Operational Memos) in lieu of properly promulgated administrative rules.
9. Prepare and promulgate sediments clean-up criteria.

You will undoubtedly find that many of these recommendations are not new. Most are selected recommendations taken directly from the Part 201 Program Review Final Report (April 2, 2007). The last two items are not directly from the April 2007 Report, but have subsequently arisen as relevant concerns. With the exception of issue #7, which is in the Part 201 statute, these issues are virtually all capable of being implemented by MDEQ internally or through an administrative rule-making process.

Thank you again for your commitment to revisit our areas of concern. We look forward to continued dialogue, and hope to see an action plan and schedule to facilitate the necessary improvements presented by the Grand Rapids Area Chamber of Commerce and other interested parties.

Sincerely,



Jared Rodriguez
Vice President, Public Policy
& Government Affairs



Tara Walkotten
Public Policy Coordinator,
Environmental Affairs

cc: Mayor George Heartwell

CITY-TOWNSHIP COOPERATION COMMITTEE

BACKGROUND ON POLICY STATEMENTS

An ad-hoc committee of GVMC has been meeting regularly since late 1995. The original purpose of this group, known as the City-Township Cooperation Committee, was to examine ways for cities and townships to cooperate, specifically dealing with the issues involving annexation. This committee originally comprised four townships and four cities, but was soon expanded to include seven of each.

The Committee examined a variety of issues, including current development patterns, water and sewer extensions, the *Metropolitan Development Blueprint* and the causes/results of annexation events. After more than ten months of study and discussion, the Committee proposed a set of Policy Statements intended to provide an overriding philosophy regarding the thoughts of the Committee members in relation to cooperation. This set of statements, a copy of which is attached, is considered by the Committee to be a "working policy" or "white paper" and was forwarded to GVMC and the Blueprint Committee to guide future action of those groups. GVMC formally adopted these principles on December 5, 1996.

It should be noted that the Committee does not consider this document as a "final

product" but views it more as a point of beginning. Some of the items included need further definition and it should be obvious that additional details need to be worked out. The Committee members fully understand that in some cases this may prove to be a formidable task. The document does, however, provide a comprehensive list of "Points of Agreement." These represent "those issues and statements we all agree on," acknowledging the fact that specifics need to be worked out.

Those persons who have served on the City Township Committee and have been involved in the discussions that went into the drafting of these Policy Statements include the following: Jim Buck (Grandville), Marsha Bouwkamp (Grand Rapids Township), George Haga (Ada), Jay Cravens (Cascade), Larry Silvernail (Byron), Don Hilton (Gaines), Don Knottnerus (Walker), Jim Hatch (Walker), Sharon Steffens (Alpine), Cindy Heinbeck (Alpine), Bev Rekeny (Plainfield), Bob Homan (Plainfield), John Logie (Grand Rapids), George Heartwell, (Grand Rapids), Kurt Kimball (Grand Rapids), Bill Hardiman (Kentwood) Jon Aylsworth (Greenville), Michael Young (Rockford), Don Mason (Wyoming) and Leon Van Harn (Hudsonville).

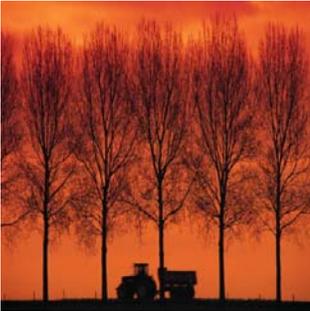
Included in this document:

- Background on Policy Statements
- Policy Statements
- Background on Land Transfer Standards
- Land Transfer Standards here

POLICY STATEMENTS

Adopted October 2, 1996

Adopted by GVMC December 5, 1996



This concept /process is a long term strategy and based upon our realization that our local units of government are "mutually interdependent."

There is a recognized need for the creation of a new, local "paradigm" to assist local units in managing growth and development within our metro area. This new paradigm would seek to avoid destructive competition for tax base and would promote rational, regional coordination of recreation, transportation, public services, housing and other community institutions. This new paradigm, therefore, should include elements of utility regionalization, the development of an urban services district and/or urban growth boundary, and may include some cooperative sharing of regional revenues and resources.

Further refinement of this paradigm may, indeed, include the development of an Urban Growth Boundary, an area wide utility authority, revenue/ resource sharing mechanisms and regional planning re-

view/control. All this would, of course, be framed within the context of a long term strategy and the following

Overall Policy Statement:

We will encourage and assist economic development and protection of the environment for the general benefit of residents of this area, within both our Cities and Townships. This concept/process is a long term strategy and based upon our realization that our local units of government are "mutually interdependent." We will utilize the Metropolitan Development Blueprint, published by GVMC, as our overriding "plan." Our goals include an acceptance of growth coupled with our strong desire to manage it. To that end we make a commitment to cooperation that concentrates on our "mutual benefit."

POINTS OF AGREEMENT



- Urban sprawl is undesirable. While Urban Growth is desirable, Urban Sprawl (un-managed development) is undesirable and, as concluded in the Metropolitan Development Blueprint, "by allowing our region to continue to develop into an urban sprawl is an inefficient and ineffective use of public and private sector financial resources."
- Metropolitan-wide planning should be done on a metropolitan-wide basis. The interest of the entire metropolitan area is best served when development occurs pursuant purpose of achieving "compact centers of regional economic activity" as recommended by the Blueprint. Such standards are intended to promote efficient transportation systems for people and commerce, efficient use of land, adequate utility capacity and access to the area's natural resources.

POINTS OF AGREEMENT CONT.



- **There should be Regional Financial Equity.** The cost of providing “Regional” services and needs should be shared in an equitable manner and on a regional basis. All metropolitan communities should share through some method the funding of regional services and the cost of addressing regional needs so that no single community bears an inequitable share of such responsibilities. Elements of this **could** include a plan for County-wide or regional financing for municipal services, including emergency services, transportation, recreational and cultural activities and facilities, development rights programs or greenways, and a method by which all jurisdictions benefit by the growth of revenues.
- **We should make use of a variety of tools to Manage our Growth.** Just as a carpenter’s tool box contains a variety of tools, each designed for a specific purpose, we should make available and make use of a wide variety of land use and growth management tools. These **could** include development impact fees, utility service districts, programs that provide for the purchase and transfer of development rights, agricultural security zones, concurrency (a process whereby development and required infrastructure occur at the same time), official maps, regional planning review and mutual annexation. Some of these tools are currently available and we acknowledge that some may require action and authorization by the Legislature.
- **We should continue to seek alternatives to and find solutions to resolve annexation conflicts.** Our annexation policies, and subsequent actions, need to consider the needs of both townships and cities. These needs include the preservation of “a perceived quality of life,” the maintenance of local identity and self rule, an unwillingness to become “swallowed-up” by another unit, the inability to determine ones’ future due to utility extension policies and other “structures” imposed by outside entities, and an unwillingness to pay higher taxes for unwanted/unneeded services. Other issues to consider include the provision of services to outside areas with no compensation, an unwillingness to extend utilities that promote development in new areas that then compete with/replace businesses in another jurisdiction, the unwarranted perception that some units are “the bad guys or bullies” and are “grabbing land,” and an inability to determine ones’ own future due to financial constrictions.
- **As a part of our annexation strategy we should continue to**
- **There should be Uniform Utility Extension Policies, Practices, and Pricing.** This could take the form of a regional utility authority for the provision of water, sanitary and/or storm water. These extension policies should incorporate a “global/ regional” perspective of economic development, the results of which will benefit the entire area for the growth these policies help to create. The potential for pricing of utility services to “steer” growth and development to predetermined areas should be pursued as a means to guide metropolitan growth. A metropolitan **Utility Services District** should be created to assist in the promoting and planning for growth.
- **We will continue to encourage and support the development of Sub-regional Alliances.** We recognize that specific issues may need more intense review than a metro-wide organization will be able to provide. In those instances, it may be prudent to form ad hoc, smaller management units that will address specific issues or concerns on a “less-than-metro” basis. Similar groups now in existence include the East Beltline Planning group and the Four Corners Planning Group.
- **pursue policies that help reduce incentives for land owners to seek annexation (jump jurisdictions) in order to “get a better deal.”**

BACKGROUND ON LAND TRANSFER STANDARDS

For some time a committee of GVMC has been discussing processes and products that encourage local units of governments to cooperate, especially in that area of land use. The committee, the City-Township Cooperation Committee, produced a set of policy statements in late 1996 that provided an overriding philosophy on land use issues. That set of statements promoted the concept of local governments being mutually interdependent and stressed the need for planning on a multi-jurisdictional basis. The statements also promoted elements of utility regionalization, the development of an urban services district and/or an urban growth boundary, and considered the cooperative sharing of regional revenues and resources.

During 1998 the group took additional steps to address more specific steps to encourage cooperation when local units are faced with decisions relating to annexation, detachment and other forms of land transfers. The committee heard from legal experts on these issues and considered current state statutes governing local options. The members moved toward the concept of a set of standards, or a defined process, that local governments be encouraged to follow when and if a request for a land transfer is received. The cornerstone principle agreed to by the Committee members, and which is fully incorporated in the attached "Land Transfer Standards" is that all land transfers only be by mutual consent of the municipal parties involved.

With that overriding concept, the standards provide for local units to make commitments to work together to arrive at a mutual satisfactory solution to a land transfer issue by joint planning, joint decision making, joint development agreements, by adopting a set of criteria for evaluating the issues and to

seek mediation prior to any legal or State Boundary Commission action being commenced.

The Committee fully endorsed the belief that the best solutions are those that are developed and agreed to by mutual action of the parties. It is the firm belief of the Committee that communities which follow the recommended procedures incorporated within these Standards will indeed arrive at a mutual solution, a solution which may or may not include an actual land transfer. It should also be noted that the Committee greatly encourages all local units to begin a cooperative planning process with neighboring units. It certainly is not necessary to wait until a request for a land transfer is received prior to cooperative planning efforts with the neighbors. All cooperative initiatives between and among local units are encouraged and highly recommended.

Those persons who have served on the City-Township Cooperation Committee and who have made major contributions to these Land Transfer Standards include the following: Larry Silvernail (Byron), Don Hilton (Gaines), Sharon Steffens (Alpine), Marsha Bouwkamp (Grand Rapids Township), Frank Campbell (Hastings), Jim McIntyre (Cannon), Jose Blanco (Wayland Township), Jim Buck (Grandville), Jon Aylsworth (Greenville), Jay Cravens (Cascade), Tom Dempsey (Sparta), Bill Hardiman (Kentwood), George Heartwell (City of Grand Rapids), Henry Hilbrand (Georgetown), Kurt Kimball (City of Grand Rapids), Leon Uplinger (Algoma), Leon Van Harn (Hudsonville), Michael Young (Rockford), Ron Howell (Cedar Springs), Bob Homan (Plainfield), George Haga (Ada), Cindy Heinbeck (Alpine), Don Mason (Wyoming), Frank Sessions (Tallmadge), Ruth King (Plainwell), R.J. Poel (Georgetown), Don Knottnerus (Walker).

LAND TRANSFER STANDARDS

RECOMMENDED PROCEDURES FOR MUNICIPAL UNITS

Adopted December 18, 1998
Adopted by GVMC January 7, 1999

1. Commitment to Work Together

We recognize the need for managing growth and development within our local area. We seek to avoid destructive competition for tax base and we promote rational, regional coordination of recreation, transportation, public services, housing and other community institutions. We encourage and assist economic development and protection of our environment for the general benefit of our residents. We understand that this involves a long term strategy and is based upon our realization that our local units of government are "mutually interdependent." To that end we make a commitment to cooperation that concentrates on our "mutual benefit" and we hereby express our policy that all land transfers should only be by mutual consent of the municipal parties involved.

In our efforts to seek alternatives and find solutions to resolving land transfer conflicts, we will consider the needs of both townships and cities. We will attempt to preserve our "quality of life," maintain our local identity and efficiently and equitably provide public utilities and services. Our efforts will also include the pursuit of policies that help reduce the incentives for land owners to transfer jurisdictional control.

With these thoughts in mind, we hereby agree and commit to the following principles when faced with a request to transfer land from one jurisdiction to an adjacent jurisdiction (herein known as a land transfer).

2. Commitment to Joint Planning:

We encourage our local units to:

- Jointly identify geographic areas across municipal boundaries and establish "spheres of influence" which indicate areas that may be considered for transfer in the future, or at the time urban development is proposed. Spheres of influence should be considered for a minimum 10-year period, subject to periodic review coincident with comprehensive general plan revisions.

- Prepare a joint master land use plan for area(s) identified, including uses, densities, green spaces, public facilities.
- Prepare a joint utility master plan (at least trunk sewers and water transmission mains), including phasing.
- Prepare a joint transportation master plan (at least major streets).
- Insure that the Master Plan covers those areas inside and contiguous to but outside the identified areas.
- Jointly adopt special zoning categories as needed.

3. Commitment to Joint Decision Making:

- Within each "sphere of influence," an agreement should be adopted among the affected local units to establish how development applications within these areas will be handled. The agreement should include:
 - a commitment to review development standards to assure that they are consistent and subject to the same interpretation,
 - a commitment to include representatives of all affected jurisdictions in pre-application conferences with developers,
 - established procedures for if and when a land transfer should take place, and
 - established standards for tax-sharing agreements, including an agreement on financing, revenue and expense sharing.
- The agreement should also specify which governmental unit will approve development projects (or will it be a joint approval process ?)

4. Commitment to Joint Development Policy Agreements:

- All urban development should be encouraged to be within areas where urban services will be provided.
- New development will not adversely affect existing developed areas.

LAND TRANSFER STANDARDS CONT.

- Standards for new development will be consistent with those of the adjacent areas.
 - Priority will be given to developing vacant or underused land within existing city limits prior to an extension of development outside, unless needs for housing and economic vitality require development at a scale that is difficult to accomplish on an infill basis.
 - No boundary adjustments will occur until inside area is developed as per master plans, including meeting minimum densities, and utility phasing as per utility master plans.
 - “Leapfrog” development will not be allowed within an established area unless utility master plans allow for same. “Leapfrog” development will be discouraged in all cases.
 - Plans developed locally should take into consideration the regional planning concepts and policies, including those concepts as described in the Metropolitan Development Blueprint.
5. **Commitment to use the following criteria to evaluate proposed land transfers:**
- The land is within a jointly pre-identified area.
 - The capacities of agencies which provide such services as water, sewer, police, fire, transportation, solid waste disposal, parks, and schools are adequate or can be expanded to support the proposed development. The proposed transfer of jurisdiction will not adversely affect any governmental unit’s capacity to provide such services, either financially or operationally.
 - The land within incorporated areas is unsuitable or insufficient to meet current land use needs.
 - The land is a logical extension of an existing developed community.
 - The land is not under an agricultural preserve or open space contract.
 - The quality of the development proposed for the area to be transferred will enhance the existing community.
6. **Commitment to promote development agreements with either impact fees or special assessment districts to help pay for the costs of infrastructure needed to serve new development.**
7. **Commitment to periodic joint review of planning areas, principles and standards among/between jurisdictions will be encouraged.** Regional plans and planning concepts, including those contained in the Metropolitan Development Blueprint, shall be considered when local planning reviews occur.
8. **Commitment to seek mediation when conflicts are not resolved by the processes outlined herein.** Mediation may be provided by the Grand Valley Metropolitan Council and should be sought out prior to any submission to the State of Michigan Boundary Commission and prior to any legal action being commenced.

We also hereby acknowledge that the best decisions are those that have been mutually approved by the parties and provide mutual benefit. We are fully aware that the processes outlined within this policy are designed to bring about a mutually agreed upon result. By making use of the processes outlined herein there may be a variety of agreements that could result. These agreements could include, but not be limited to, mutual land transfers, agreements under various statutes such as PA. 425, PA. 7, PA. 108, common master plan language, or some other agreement. The intention of this policy is to bring each affected party into a discussion and to have those parties arrive at an agreement fully acceptable to each party. To this end we make a commitment to the principles included within this policy.

Monday, June 9, 2008

Don't expand costly state arbitration rules

Public safety pay dispute process creates 'huge' toll on city services

Ironically, as one group of local officials was complaining in the state capital about the ill effects of compulsory arbitration for police officers and firefighters last week, lawmakers in another hearing were discussing extending arbitration to county jail corrections officers.

The state's Legislative Commission on Statutory Mandates heard testimony from local officials on problems caused by state rules and regulations. One of the chief complaints was the state's compulsory arbitration law for public safety officers.

The Michigan Municipal League and other associations of local officials were at the hearing with their arguments. They are familiar. The law requiring binding arbitration for police and fire officers, Public Act 312 of 1969, was pushed through the Legislature by state Sen. Coleman Young, who spent the rest of his political career complaining about its effects when he became mayor of Detroit.

If a city and its uniformed public safety officers can't reach a settlement, the issue is decided by an arbitration panel. In financial matters involving pay and benefits, the panel must select between the final offers of the union and the city. There can be no compromise or in-between settlement.

Nor need the arbitrators take into consideration a city's financial condition. Sometimes they do, but other times they do not.

As a result, according to the findings of a panel on local government costs set up by Gov. Jennifer Granholm a couple of years ago, the pay and particularly the fringe benefits of public safety officers are driven up by arbitration. At the time the panelists issued their report, they found that the difference amounted to between 3 and 5 percent compared with nonarbitration states. The panel noted that while the percentage difference seems small, the financial impact can be "huge."

In addition, the study group found that arbitration states have higher numbers of public safety employees but lower numbers of other public employees.

It is important to remember that personnel costs, particularly police and fire department costs, usually amount to the single biggest cost item in a municipality's budget. In other

words, local elected policymakers often lose control of their spending through decisions by arbitrators.

The pay rulings can result in distortions in which municipal employees are allocated among departments as a result of arbitration, not the considered judgment of mayors and council members.

And the costs can add up quickly because disputes and arbitration hearings drag on, and back pay awards can be expensive.

Yet now some lawmakers want to extend this system to pay disputes between jail corrections officers and counties. The bill to do so was introduced this month and a hearing was held on it last week.

Lawmakers should heed the findings of the Granholm panel and look for ways to trim back compulsory arbitration -- not extend it.



Grand Valley Metropolitan Council

Algoma Township•Allendale Township•Alpine Township•Byron Township•Caledonia Township•Cannon Township•Cascade Township
Cedar Springs•Coopersville•Courtland Township•East Grand Rapids•Gaines Township•Georgetown Township•Grand Rapids
Grand Rapids Township•Grandville•Greenville•Hastings•Hudsonville•Ionia•Jamestown Township•Kent County•Kentwood•Middleville
Ottawa County•Plainfield Township•Rockford•Sparta•Sparta Township•Tallmadge Township•Walker•Wayland•Wyoming

2007-2008 Legislative Priorities for 94th Michigan Legislature

State Tax Policy and Local Fiscal Stability

- a. **Revenue Sharing:** GVMC supports the reauthorization of the formula for distributing the statutory portion of state shared revenues in a manner that restores revenue sharing payments to Michigan Counties and fully funds the state's historic revenue sharing obligations to Michigan's cities, villages and townships.
- b. **Business Tax Restructuring:** GVMC supports the restructuring of the state business tax code to provide incentives for business retention, expansion and recruitment while maintaining adequate revenues to support critical state and local government services.

Intergovernmental Cooperation

- c. **Elimination of Obstacles for Multi-Jurisdictional Service Sharing:** The GVMC supports amendments to current state laws that will remove statutory obstacles faced by Michigan counties, cities, villages and townships desiring to form service sharing partnerships. In pursuit of that goal, GVMC seeks amendments to several existing state statutes that will make it easier for counties and communities to share resources and more efficiently deliver critical local services:
 - 1. 1967 Public Act 7 – Urban Cooperation Act
 - 2. 1967 Public Act 8 – Intergovernmental Transfer of Functions and Responsibilities Act
 - 3. 1969 Public Act 312 – Compulsory Binding Arbitration
 - 4. 1989 Public Act 289 – The Metro Councils Act

Economic Development

- d. **County/Local Inducements for Business and Tourism Development:** The GVMC supports the creation of new, and re-authorization of existing, statutory funding mechanisms that enable county and local governments to assist in retaining existing businesses, attracting new business ventures, and promoting convention and tourism, provided that tax receipts and other state funds are distributed based on an equitable formula that provides funding to all regions of the state.

2007-2008 GVMC Legislative Priorities for 94th Michigan Legislature

SPECIFIC ISSUES

1. **Revenue Sharing**
 - a. Restoration of County Revenue Sharing
 - b. Reauthorization of Statutory Revenue Sharing Formula
2. **Manufactured Housing**
 - a. Taxation Issues
 - b. Planning Authority
 - c. Manufactured Housing Commission
3. **Removal of Obstacles for Multi-Jurisdiction Service Sharing: Amendments to Existing State Laws**
 - a. 1969 Act 312 – Compulsory Binding Arbitration.
 - b. 1989 Metro Councils Act
 - c. 1967 Urban Cooperation Act
 - d. 1967 Intergovernmental Transfer of Functions and Responsibilities Act
4. **Recall**
 - a. Legislation to Limit Recall of Local Elected Officials
5. **Transportation Funding**
 - a. Equitable Distribution of State Transportation Funds Through the P.A. 51 Formula
 - b. Diesel Tax Parity
 - c. Increase in Motor Fuels Tax
5. **Land Use**
 - a. Annexation/Detachment Restrictions
 - b. Coordinated Planning
6. **Tax Restructuring**
 - a. Incent Business Attraction and Retention
 - b. Maintain Adequate Funding for Local Public Services

PHILOSOPHICAL ISSUES

1. **Local Control**
2. **Limit / Eliminate Unfunded State and Federal Mandates**
3. **Limits on DDA/LDFA Tax Captures**
4. **Wireless Communications – Development / Deployment Incentives**
5. **Threshold Review of State Government Services and Costs / Improve State Government Efficiency**
6. **Regulatory Reform / Limits on Regulatory Fees**