

February 16, 2022

Kathy Spiegel, Chair  
Sharon Township Planning Commission  
18010 Pleasant Lake Road  
Manchester, MI 48158

RE: Stoneco Pleasant Lake Road Site  
Needs Analysis Review

Dear Ms. Spiegel:

Per your request, we have reviewed the Southeast Michigan Aggregates Study dated December 2021 that was provided by FMI Consulting. The purpose of this study was to assess the need for a new mineral extraction operation to be located on Pleasant Lake Road approximately 0.65 miles west of M-52. Portions of the proposed mining operation are located on both the north and south sides of Pleasant Lake Road.

Based upon the information provided in the study and subsequent information provided by Stoneco, in our opinion the need for a new mining operation has not been sufficiently demonstrated. The report is relatively vague on various points, offers contradicting and often extraneous information that does not help determine the need for a new facility, and does not cite sources for statistics. We offer the following comments:

1. Sources for the population and other statistics are not noted and therefore cannot be verified.
2. One fundamental error in the study is the timing of the Burmeister facility closing versus the construction/population forecasting timeline. The data in the study is thru 2025 and the analysis has the production of the Burmeister facility removed from the possible supply. However, in the December 23, 2021 letter provided by Stoneco, they indicate that the Burmeister facility will remain in production thru 2026, and be active during the entirety of the FMI study. Therefore, the FMI study should not remove the Burmeister production from its analysis. Since it does, the need indicated in the FMI study is incorrect and the subsequent analysis is invalid.
3. Even with the Burmeister production removed, the study states the following:

Theoretically, if (1) crushed stone and S&G were interchangeable, and (2) all of the capacity within the 60-mile radius were available for all types of end-uses (spec and non-spec), and (3) a 60-mile transportation haul were feasible, the existing operations within the 60-mile radius could fill the gap left by the loss of the Zeeb Rd. and Burmeister sites and still have 1.7 million tpy of additional capacity to spare.

Based on this comment, the supply chain has sufficient capacity to serve the need. In addition, with the Burmeister plant in production throughout the study period, the gap left by the loss of only Zeeb Road is significantly less than the total gap shown in the study.

4. It is unclear of the production capacity expected from the proposed Pleasant Road plant. This is not clearly stated anywhere in the FMI study. Because of this, it is impossible to determine if the Pleasant Lake plant will meet or exceed any loss from the Zeeb Road plant. In addition, there is no mention that the Pleasant Lake Road plant will produce spec quality material. If Pleasant Lake is being proposed as a replacement for Zeeb Road, the applicant should demonstrate that the site will produce an equivalent amount of spec material.
5. The population statistics shown on page 18 of the study include areas not within the 60 mile study radius area. Only a very small corner of Lapeer County is within the project radius, and St. Clair County is not in the radius at all. In addition, no data is provided for numerous counties that are partially or entirely within the study area, including Ingham, Livingston, Eaton, Clinton, Jackson, Hillsdale, Branch, Calhoun, Clinton and Shiawassee, and possibly others. Because all of these areas have been excluded, the data provided is at best incomplete and therefore unreliable.
6. No sources are indicated for the Southeast Michigan Building Construction Forecast (page 23) and therefore these predications can not be verified as reliable. There is no way to guarantee these spending statistics are relative only to the area of the study or include all of the areas of the study (see #6 above). In addition, there is no data or calculations provides as to how the potential growth shown would directly impact the need for additional sand and gravel production. The study should correlate the increased spending to increased S&G need with a ratio that has been proven.
7. Of the seven projects shown in the Largest Projects in Highway Construction Forecast on page 27, two of these are not located within the project study area and due to logistics will very likely not be serviced by a plant located on Pleasant Lake Road (I-69 Repairs and M-59 Rebuilding). Therefore inclusion of these projects in the study is not relevant and should be removed from the analysis.
8. The analysis does not include any impact of inflation on the construction spending. While we recognize the increased construction spending anticipated in the industry, this does not mean there will be a direct correlation into more construction and increased material demand. Currently, inflation is having a major impact on construction projects and the same project can increase dramatically in cost over the course of a year. The FMI analysis should demonstrate the affect inflation will have the construction spending forecast in the report and how that will affect the aggregate needs.
9. The information on federal funding shown on pages 30-32 is extraneous and not relevant to the study. There is no data or evidence supplied in the study to correlate the funding to increased aggregate needs in general and certainly nothing to demonstrate the need for the Pleasant Lake Road plant.
10. There is no data or analysis in the study as to whether any of the existing plants shown in the study can be expanded to produce more aggregate. The study does note that some of the existing plants are capable of producing more, but it's not clear is this is simply more production from the existing area or if these plant areas can be physically expanded to more acreage. The study should address this and demonstrate that additional acreage is not available or feasible at any of the existing plants. It should be noted that there is an existing S&G operation in Sharon

Township that has applied for an expansion of its mining capacity (not necessarily acreage but production methods) and anticipates increasing production from 75 thousand to 1.1 million tons per year. It is unclear if a production increase of this magnitude has been included in the report and if there are other plants that may be similar that could meet the need.

11. Finally, the study notes that hauling materials in excess of 30 road miles is cost prohibitive. Yet much of the forecasting data appears to be from the Detroit MSA and well beyond the 30 mile limitation. The study should limit the demand data to the area that can realistically and reasonably be serviced from the Pleasant Lake Road site. Including demand from the larger region can be misleading and doesn't prove the analysis.

If you have any questions or require anything further, please feel free to contact our office.

Sincerely,



**Philip A. Westmoreland, P.E.**  
Principal  
**SPICER GROUP, INC.**  
125 Helle Drive, Suite 2  
Dundee, MI 48131  
Phone: (517) 375-9449  
Mailto: philaw@spicergroup.com

CC: SGI File