

May 25, 2022

Peter Psarouthakis, Supervisor
Sharon Township Planning Commission
18010 Pleasant Lake Road
Manchester, MI 48158

RE: Stoneco Pleasant Lake Road Site
Needs Analysis Review

Dear Mr. Psarouthakis:

Per your request, we have reviewed the Stoneco submittal dated May 19, 2022. This information was reviewed against the Township zoning ordinance section Section 5.12 Extraction, Soil Removal and Mining Operations, subsection C.4 regarding the determination of the extent of need. This section lists several criteria to be used to help determine the need, with the following questions being asked, along with our review comments on the submittal for each requirement:

- a. *Use Plan, which shall provide a plan reflecting the intended location and use of the property which is the subject of the application.*

A drawing was not specifically included in the May 19, 2022 submittal but it is our understanding this may have been provided with previously submitter materials. The narrative of the submittal does indicate the general location of the proposed operation.

- b. *A plan showing the location of all proposed haul routes.*

A drawing or plan showing the location of all proposed haul routes was not included in the May 19, 2022 submittal. This may have been previously provided.

- c. *A description of each type of natural resource proposed to be mined.*

While it does not appear to be specifically stated in the May 19 submittal, it is our understanding that the proposed site will produce both MDOT-spec and non-spec sand and gravel material. Crushed stone will not be produced at the site. Both the Zeeb Road and Burmeister facilities, which it is stated that the proposed site will replace, produce both spec and non-spec materials. This is also noted in the FMI report with a revision date of March 10, 2022

- d. *A description of the names and locations of all places anticipated to create the need, that is the demand, for the natural resources from the property within the foreseeable future, including the type of use to be made by the resources, such as building construction, road building, and the like.*

The May 19 submittal includes a list of customer names with the statement that the list is the current customers for the Zeeb and Burmeister facilities. It also includes a list of uses for the material including concrete, HMA, general residential construction, highway, road and bridge construction, and septic field construction. The customer list does not necessarily note the actual

physical location where the material is to be used, simply the name of the company that ordered the material. We have no way of verifying the accuracy of the supplied information.

Table B at end of the submittal has a list of customers by number (not name) and the amounts of material they have ordered by year. There is no correlation of the customer numbers in Table B to the customer list in Table A. It is useful to demonstrate the amount of material ordered by year, presumably from their Zeeb and Burmeister facilities. We have no way of verifying the accuracy of this information or the validity.

- e. *A description of the names and locations of all properties and operations which exist, or have been approved, for the extraction of any of the natural resources proposed to be extracted on the property, along with a specification with regard to each property of the type of natural resource extracted, and an estimate of the remaining useful life for the particular natural resource on each of such other properties and operations.*

The May 19 Stoneco submittal does not include a description or list of the existing extraction facilities in the area. The March 10 FMI includes maps which show the area facilities broken down by production amount per facility (slide 10) and facilities which produce spec material (slide 11). It also includes a map of facilities that produce spec material which could potentially replace the Zeeb and Burmeister facilities. They state several times in their submittal that they are unable to verify the useful service life of their competitor's facilities.

- f. *Calculations and facts leading to a conclusion on the extent of need which is not being met, and could not be met, from the existing sources for each type of natural resource proposed to be extracted on the property. This calculation must apply past experience and take into account that new properties and operations will likely to be approved in the foreseeable future on other properties within the market area*

The May 19 Stoneco submittal includes calculations on the material to be provided by Zeeb and Burmeister, both historical and projected. It also includes calculations that show the amount of material projected to be demanded by use. The FMI has additional calculations showing the impact of the loss of Zeeb and Burmeister (slide 9). Many of the FMI calculations cannot be verified, as they are based on statistics and estimates where the only source cited is FMI themselves.

Slide 13 of the FMI report attempts to project the construction spending thru 2025. The source for the historical amounts is cited as FMI, which is not typical for technical reports. Most reports use reliable data sources other than the organization preparing the report, unless they are government or research agencies that routinely do this type of work. The report does attempt to take into account the impact of inflation on the proposed spending amounts. However, we should note that currently general inflation is hovering near 8-9% and not the 2% noted in the report. We have also spoken with contractors currently working on our projects, and although sand costs have only seen a moderate increase, gravel cost has risen dramatically. We have been told that gravel (delivery included) has risen between 10-25% since the start of 2022. The FMI report does explain on slide 13 how the inflation factor was derived and appears to acknowledge that inflation could go beyond their 2% factor.

Slide 9 of the March FMI report correlates the information from slide 13 to the production needed to fill the demand. The following is quoted from the report:

“Stoneco’s Zeeb Rd. and Burmeister sites are unusual in that 75 percent of their volume meets MDOT specs. So the key loss of material in the case of these two sites would be the 1.1 million tpy of spec material they produce.”

“This means that if the Zeeb Rd. and Burmeister sites were not replaced by an equivalent source, even 100 percent of the spec-S&G capacity available within a 60-mile radius would fall 524,000 tons short of being able to replace the loss of spec material from Zeeb Rd. and Burmeister.”

The math appears to be correct in these calculations, but it is based on source material supplied by Stoneco and FMI that we cannot verify

- g. *A fact-based estimate of the expected duration of the proposed extraction operation on the property.*

This information was not included in the May 19 submittal. It may have been provided with previous documentation.

- h. *The average and maximum number of loaded trucks per day anticipated to leave the proposed operation on a full business day during the operating season.*

This information was not included in the May 19 submittal. It may have been provided with previous documentation.

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