

# Zoning Decision Tied to Controversy About How To Ensure Economic Vitality in Mackinaw City

**Zoning:** From page 1

Shepler's property, put the company out of business, reduce year-around and seasonal jobs, and cut income to the village.

To operate its ferry service to Mackinac Island, Shepler's leases the village dock for \$130,000 a year.

To remain competitive with Star Line Mackinac Island Ferry and Arnold Transit Company, Shepler's must have parcels on the waterfront for customer parking, said owner Bill Shepler.

The council's decision opposed the planning commission's recommendation to place the parcels in the more restrictive marina commercial (MC) district. Mr. Wallin made a formal motion to vote on the planning commission's recommendation but it failed for lack of support and no vote was taken on it.

The planning commission also recommended that two village-owned properties adjacent to Shepler's be placed in the MC district. After placing Shepler's properties in the B2 district, council voted to send the village-owned property issue back to city planners for reconsideration.

Owners Chris Shepler, Bill Shepler, and their lawyers said placing the parcels in the MC district would have put Shepler's Mackinac Island Ferry out of business, because MC does not allow hotels or motels. Even if the company does not build hotels or motels, the option to do so on that property increases the property value, they contended.

In contrast, MC has been cited by citizens and planning commission members in recent months as the proper zoning, because it prevents hotels or motels from being built and blocking the waterfront view, which they believe is favored by tourists and would help ensure the long-term prosperity of the village.

Before the vote, Council addressed several letters written in support of both MC and B2 designations for Shepler's property.

At Thursday's meeting, and previous meetings, residents and business owners on both sides of the issue cited sections of the village master plan to support their positions. The master plan calls for more open waterfront and also economic

development.

Village Manager Jeff Lawson, lawyers for the Shepler company, and Bill Shepler presented histories of the parcels Thursday.

In the 1980s, an alleged computer error on a revised village zoning map left out a designation for Shepler's parcels and the two village-owned parcels along the waterfront. All are downtown, near the corner of Central and Huron avenues.

Attorney Michael Stack, who made a presentation on behalf of the Shepler company, presented a portion of a letter, dated July 28, from First Community Bank. It was written to Bill Shepler.

It read, "We have seen declines in real estate values around northern Michigan and do have a concern about the final valuations of updated appraisals as it pertains to your property. We understand that the city council in Mackinaw City is about to vote rezone your property to marina commercial. [A local appraiser]...did say that it will have a definite negative impact on the final valuation, although he cannot begin to tell us how much of an

impact at this time."

"If the new appraisals do not fully support the current [value] on your debt to First Community Bank, we may be forced to restructure prior to renewal. This could include, but not be limited to, requiring a principal reduction of your term loan prior to renewal, reducing your line of credit available for 2009, or taking additional collateral..."

Chris Shepler explained that Shepler's Mackinac Island Ferry is responsible for three loans. One, valued at about \$900,000, was taken out to dredge near the dock, enabling the company to continue operations there. Another loan was used to modernize the company's vessels. The third, taken out annually, enables the company to pay year-around employees through the winter.

He said the company is paying the loans back steadily, "but you don't pay back millions of dollars overnight, and you certainly don't pay back millions of dollars in an economy that has lost 500,000 jobs in the State of Michigan in the last five years."

"Worse than jobs disappearing,"

he added, "is the fact that tens of thousands of residents are, too."

Locally, Mackinaw City's economy is down about 10% to 15%, he said. Ferry operations have decreased schedules in Mackinaw City and St. Ignace, he added.

Placing the company in the MC district would immediately eliminate the company's 38 year-around employees. Next year, the rest of the employees would be out of work, he added.

Mr. Stack said rezoning would adversely and critically affect property value. Attorney Joseph Kwiatkowski, who also spoke on behalf of Shepler's, said a major devaluation would require the village to compensate the company for its loss.

Mr. Wallin said, from his point of view, restricting the potential for hotels and motels to be built on the parcels helps ensure that the area will be maintained as a ferry boat operation.

"Clearly, Council has a vested interest in viable operations to Mackinac Island. It is critically important to Mackinaw City that we maintain our Island link. Arnold and Star could go out of business in a heartbeat, and we can lose those operations as departure points to Mackinac Island," Mr. Wallin said.

Arnold Transit Company and Star Line Mackinac Island Ferry, Shepler's competitors, are in a B2 zoning district. If their properties were to be sold, hotels and motels can be built there.

Chris Shepler insisted that his company's property will not be sold to a hotel or motel operation.

Seeking to dispel rumors that the

family plans to sell the business, he said the company has hired a succession planner to help them determine how to share and run the business in the future.

The original vote by the planning commission to recommend MC zoning was tied. Later, Edward "Bo" Whipkey was added to the commission's roster and voted in favor of MC designation.

The planning commission "does have guidelines to develop communities," he said. "If you are familiar with uncontrolled development, it really makes a mess of a town, so the research that went into our decision wasn't shallow...If the property is zoned B2, it will be sold or it will be developed. It may not be today. It may not be tomorrow, but it is a guarantee."

"In the short term, helping the Shepler's would seem like a logical thing, but in the long term, from the planning commission [point of view], all of our guidelines look 20 to 30 years ahead," he said. "In the long term we're going to be scratching our heads saying, . . . 'We were just trying to help out the Sheplers. . . It made sense then, but in the long run, it's going to hurt everybody.'"

Before the vote, in a passionate speech, Bill Shepler described the development of his business from the beginning, citing cooperation between the company and the village for decades on a number of land issues and projects.

Addressing the village council and the public directly, he said, "I still think there is a partnership between you folks, you folks, and the little Shepler family down at the end of the street."

## LETTERS TO THE EDITOR

### Facts Have Been Distorted By Those Who Oppose Mining

To the Editor:

The "Save the Wild U.P." group was in St. Ignace for our Labor Day festivities, and they were quite vocal. Where is the voice of reason? Personally, instead of saving the wild U.P. in its present state of meager employment, I would like to have a prosperous, safe community. Things are looking pretty grim in the U.P. We have record unemployment and foreclosures, and this group wants us to say "no" to year-around, high-paying jobs with benefits, that are essential to our economy? In the old days, industries such as chemical manufacturers, tanners, automakers, and mining operations damaged our environment. Those practices are not tolerated today, and Michigan has tough laws and permitting processes to ensure that this no longer occurs. This is the 21st century; technology and methods exist for mining, without harming the environment.

Facts have been distorted. Wisconsin did *not* say "no to sulfide mining." There has never been a sulfide-mining request denied by the Wisconsin Department of Natural Resources. In fact, Kennecott had the Flambeau Mine that successfully ran for four years in the 1990s, and the land was reclaimed to a wilderness condition. Kennecott now proposes a new nickel/copper mine, the Eagle project, in the Yellow Dog Plains, north of Marquette. They have proposed a small operation: To mine only 1,500 tons per day and impact 50 acres. The ore will not be refined there, only crushed and shipped out. "Save the Wild U.P." calls the operation "sulfide mining" instead of "copper mining" because "sulfide mining" sounds scarier and invokes images of Sudbury, Ontario, where sulfide smelting fumes killed the forest. In fact, we have had previous sulfide mines in the U.P., such as White Pine, where copper sulfide was mined for more than 40 years. There are huge deposits of minerals in the U.P. I think Kennecott will protect the environment at Eagle, if they have any hopes of mining the larger deposits in the future.

Don't let a few anti-mining activists kill our chances of having an economically prosperous community. Please help me in advocating the co-existence of wilderness protection and responsible utilization

of our natural resources. Say, "Yes to copper mining."

Mary St. Antoine  
St. Ignace

### Financial Hardship to Company Should Not Be Deciding Factor

To The Editor:

At day's end, I am not the least bit uncomfortable being Village Council's singular dissenting vote on zoning Shepler's waterfront parking lot parcels B-2. Rather, I fully concur with the Planning Commission's recommendation to Council that these parcels be zoned MC (Marina Commercial). And, as Council well knows, this recommendation did not move forward without thorough review, analysis, and finding of facts.

Directly related is my unwavering position that both the Council and the Planning Commission have a compelling village interest to preserve and protect the heart and soul of Mackinaw, which is its residential neighborhoods. In addition, another compelling interest should be to assure that Mackinaw retain its departure points to Mackinac Island for decades to come.

Marina Commercial zoning would have accomplished both of these compelling interests. B-2 does quite the opposite, placing both in grave jeopardy. Truth be told, B-2 zoning opens the door for a greater variety of commercial operations other than Shepler's existing ferry service.

In conclusion, and as is well known, the Village of Mackinaw City and Sheplers, Inc., have had a unique partnership for over four decades. Basing financial hardship as necessary grounds for B-2 zoning is lacking and inappropriate. And even if it were not so, it should not be the foundational basis upon how zoning is determined.

Times are tough and the economy is in a slump, as we all know. However, Sheplers, Inc., could have employed alternative solutions to resolve financial problems, if they exist, by recapitalizing loans and/or other prudent means. However, they preferred to argue otherwise. Now the Village is left to suffer whatever B-2 consequences may arise in the future.

Ronald E. Wallin  
Village president, Mackinaw City

### Decision Shows Business Acumen

To the Editor:

Trust prevailed in Village of Mackinaw City's trustees. A wonderful salute to Village of Mackinaw City Trustees, Lana Jaggi, Matt Yoder, Belinda Mollen, Jim Alford, Janelle Bancroft, and Jeff Hingston for voting to zone the two Shepler's parcels, 33 and 37, as B-2.

American justice and Mackinaw City's business savvy and positive business acumen came through in flying colors, and I am most grateful for your concern and direction for the future of the Village of Mackinaw City.

Your courage, wisdom, and thoughtfulness prevailed.

Dick Moehl  
Mackinaw City and Pinckney

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The quotation under the flag of *The St. Ignace News* on Page 1 is from the 10 triads written by Dr. Fred Newton Scott, creator and teacher of the first continuous course in journalism in the United States at the University of Michigan in 1890. The 10 triads are chiseled on the parapet of the Detroit News Building at 615 Lafayette Boulevard, Detroit. They were headed "Ideals of the Press" or "The Newspaper in a Free Society," and serve as a reminder of what a free press means to us.