



JOINT TROY CITY COUNCIL AND PLANNING COMMISSION

SPECIAL MEETING AGENDA

**MONDAY, SEPTEMBER 14, 2015
CONVENING AT 6:00 PM**

**COUNCIL BOARDROOM
TROY CITY HALL
500 W. BIG BEAVER RD.
TROY, MI 48084**

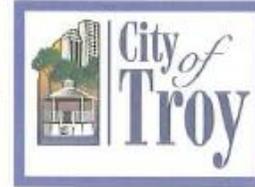
PERMITTED BY CITY COUNCIL RESOLUTION #2015-07-090

FOR THE PURPOSE OF DISCUSSING THE FOLLOWING TOPICS:

- **PROPOSED AMENDMENTS TO THE ZONING ORDINANCE PERTAINING TO THE REGULATION OF OIL AND GAS FACILITIES**

**Submitted By
The City Manager**

NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at clerk@troymi.gov at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.



TO: The Honorable Mayor and City Council
Troy, Michigan

FROM: Brian Kischnick, City Manager

SUBJECT: Background Information and Reports

Ladies and Gentlemen:

This booklet provides a summary of the many reports, communications and recommendations that accompany your agenda. Also included are suggested or requested resolutions and/or ordinances for your consideration and possible adoption.

Supporting materials transmitted with this Agenda have been prepared by department directors and staff members. I am indebted to them for their efforts to provide insight and professional advice for your consideration.

As always, we are happy to provide such added information as your deliberations may require.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "B. Kischnick".

Brian Kischnick, City Manager



TROY CITY COUNCIL

VISION STATEMENT AND GOALS

Adopted: Monday, February 7, 2011

VISION:

To honor the legacy of the past and build a strong, vibrant future and be an attractive place to live, work, and grow a business.

GOALS:

Provide a safe, clean, and livable city

- Practice good stewardship of infrastructure
- Maintain high quality professional community oriented police and fire protection
- Conserve resources in an environmentally responsible manner
- Encourage development toward a walkable, livable community

Provide effective and efficient local government

- Demonstrate excellence in community services
- Maintain fiscally sustainable government
- Attract and support a committed and innovative workforce
- Develop and maintain efficiencies with internal and external partners
- Conduct city business and engage in public policy formation in a clear and transparent manner

Build a sense of community

- Communicate internally and externally in a timely and accurate manner
- Develop platforms for transparent, deliberative and meaningful community conversations
- Involve all stakeholders in communication and engagement activities
- Encourage volunteerism and new methods for community involvement
- Implement the connectedness of community outlines in the Master Plan 2008

Attract and retain business investment

- Clearly articulate an economic development plan
- Create an inclusive, entrepreneurial culture internally and externally
- Clarify, reduce and streamline investment hurdles
- Consistently enhance the synergy between existing businesses and growing economic sectors
- Market the advantages of living and working in Troy through partnerships



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SPECIAL MEETING AGENDA**

September 14, 2015 - 6:00 PM

Troy Council Board Room

500 W. Big Beaver Road

Troy, Michigan 48084

For information, please call: (248) 524-3317

A.	CALL TO ORDER:	1
B.	ROLL CALL:	1
C.	DISCUSSION ITEMS:	1
C-1	Master Plan Update - Carlisle/Wortman Associates, Inc.	1
C-2	Why We Are Here/Framing the Issues - City Manager Brian Kischnick	1
C-3	Presentation by Hal Fitch, Director, Office of Oil, Gas and Minerals, MDEQ	1
C-4	Presentation by Jim Nash, Oakland County Water Resources Commissioner	1
C-5	Presentation by John Griffin, Executive Director, Associated Petroleum Industries of Michigan	1
C-6	Questions/Discussion	1
C-7	Wrap Up/Next Steps	1

D. PUBLIC COMMENT: 1

E. ADJOURNMENT: 1

PUBLIC COMMENT: 2

FUTURE CITY COUNCIL PUBLIC HEARINGS: 4

PROPOSED SPECIAL CITY COUNCIL MEETINGS AND STUDY SESSIONS: 4

SCHEDULED SPECIAL CITY COUNCIL MEETINGS: 4

2015 SCHEDULED REGULAR CITY COUNCIL MEETINGS: 4

September 28, 2015 Regular Meeting	4
October 12, 2015 Regular Meeting	4
October 26, 2015 Regular Meeting	4
November 9, 2015 Regular Meeting	4
November 23, 2015 Regular Meeting	4
December 7, 2015 Regular Meeting	4
December 14, 2015 Regular Meeting	4

A. CALL TO ORDER:

B. ROLL CALL:

- | | | |
|----|--|---|
| a) | <u>City Council Members</u>
Mayor Dane Slater
Jim Campbell
Steve Gottlieb
Dave Henderson
Ellen Hodorek
Ed Pennington
Doug Tietz | <u>Planning Commission Members</u>
Chairman Donald Edmunds
Ollie Apahidean
Karen Crusse
Carlton Faison
Michael W. Hutson
Tom Krent
Padma Kuppa
Philip Sanzica
John J. Tagle
Frencheska Brikho (Student) |
|----|--|---|

C. DISCUSSION ITEMS:

-
- C-1 Master Plan Update - Carlisle/Wortman Associates, Inc.**
-
- C-2 Why We Are Here/Framing the Issues - City Manager Brian Kischnick**
-
- C-3 Presentation by Hal Fitch, Director, Office of Oil, Gas and Minerals, MDEQ**
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- C-4 Presentation by Jim Nash, Oakland County Water Resources Commissioner**
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- C-5 Presentation by John Griffin, Executive Director, Associated Petroleum Industries of Michigan**
-
- C-6 Questions/Discussion**
-
- C-7 Wrap Up/Next Steps**

D. PUBLIC COMMENT:

E. ADJOURNMENT:

Respectfully submitted,



Brian Kischnick, City Manager

PUBLIC COMMENT:**In accordance with the Rules of Procedure for the City Council, Article 17 – Members of the Public and Visitors:**

Any person not a member of the City Council may address the Council with recognition of the Chair, after clearly stating the nature of his/her inquiry or comment. *City Council requests that if you do have a question or concern, to bring it to the attention of the appropriate department(s) whenever possible. If you feel that the matter has not been resolved satisfactorily, you are encouraged to bring it to the attention of the City Manager, and if still not resolved satisfactorily, to the Mayor and Council.*

- Petitioners shall be given a fifteen (15) minute presentation time that may be extended with the majority consent of City Council.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any Public Hearing item.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes total to address Postponed, Regular Business, Consent Agenda or Study items or any other item on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items On the Agenda* portion of the Agenda.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any topic not on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items Not on the Agenda* portion of the Agenda.
- All members of the public who wish to address the Council at a meeting shall be allowed to speak only if they have signed up to speak within thirty minutes before or within fifteen minutes after the meeting's start time. Signing up to speak requires each speaker provide his or her name and residency status (Troy resident, non-resident, or Troy business owner). If the speaker is addressing an Item (or Items) that appear on the pre-printed agenda, then the speaker shall also identify each such agenda item number(s) to be addressed.
- City Council may waive the requirements of this section by a majority vote of the City Council members.
- Agenda items that are related to topics where there is significant public input anticipated should initiate the scheduling of a Special meeting for that specific purpose.

The following has been approved by Troy City Council as a statement of the rules of decorum for City Council meetings. The Mayor will also provide a verbal notification of these rules prior to Public Comment:

The audience should be aware that all comments are to be directed to the Council rather than to City Administration or the audience. Anyone who wishes to address the Council is required to sign up to speak within thirty minutes before or within fifteen minutes of the start of the meeting. There are two Public Comment portions of the Agenda. For Items On the Agenda, speakers can sign up to address Postponed, Regular Business, Consent Agenda, or Study items or any other item on the Agenda. Speakers can sign up to address all other topics under Items Not on the Agenda. Also, there is a timer on the City Council table in front of the Mayor that turns yellow when there is one minute of speaker time remaining, and turns red when the speaker's time is up.

In order to make the meeting more orderly and out of respect, please do not clap during the meeting, and please do not use expletives or make derogatory or disparaging comments about any one person or group. If you do so, then there may be immediate consequences,

including having the microphone turned off, being asked to leave the meeting, and/or the deletion of speaker comments for any re-broadcast of the meeting. Speakers should also be careful to avoid saying anything that would subject them to civil liability, such as slander and defamation.

Please avoid these consequences and voluntarily assist us in maintaining the decorum befitting this great City.

FUTURE CITY COUNCIL PUBLIC HEARINGS:

PROPOSED SPECIAL CITY COUNCIL MEETINGS AND STUDY SESSIONS:

SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

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December 7, 2015.....	Regular Meeting
December 14, 2015.....	Regular Meeting



JOINT MEETING AGENDA ITEM

Date: September 11, 2015

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development
R. Brent Savidant, Planning Director

Subject: ZONING ORDINANCE TEXT AMENDMENT (File Number: ZOTA 247) – Oil and Gas Extraction

This item was initiated by the Planning Commission, who recognized that the Zoning Ordinance is presently silent on the issue of oil and gas extraction. This effort is intended to protect Troy residents and property owners against the negative secondary effects of these facilities while at the same time creating reasonable standards for oil and gas extraction facilities.

Oil and gas extraction in Michigan is regulated by the Natural Resources and Environmental Protection Act (PA 451 of 1994), Part 615 Supervisor of Wells. These are the standards affecting potential oil and gas facilities in Troy today. The most significant standard is a distance requirement of 450 feet from a residential building. Oil and gas facilities can presently be located in residential areas, provided other standards in the Act are met. The proposed provisions would be additional standards over and above what the Act requires.

The provisions would regulate oil and gas extraction in Troy, including hydraulic fracturing. The provisions were discussed by the Planning Commission at numerous meetings. The Planning Commission held a public hearing on this item on June 23, 2015, and recommended approval of the text amendment with a 9-0 vote.

City Council held a public hearing on this item on July 20, 2015 and scheduled a joint City Council and Planning Commission meeting to discuss the proposed amendments. Further, City Management invited individuals knowledgeable of the oil and gas industry to make brief presentations at the meeting and be available to answer questions related to the oil and gas industry.

Attachments:

1. Zoning Ordinance Text Amendment Public Hearing Draft

CITY OF TROY

AN ORDINANCE TO AMEND
CHAPTER 39 OF THE CODE
OF THE CITY OF TROY
CITY COUNCIL PUBLIC HEARING DRAFT

The City of Troy ordains:

Section 1. Short Title

This Ordinance shall be known and may be cited as an amendment to Chapter 39, Zoning Ordinance, of the Code of the City of Troy.

Section 2. Amendment

Chapter 39 of the Code of the City of Troy is amended as follows:

Add the following definitions in Section 2.02 to read as follows:

DERRICK – Any portable framework, tower mast and/or structure which is required or used in connection with drilling or re-working a well for the production of oil or gas.

DRILLING PAD-- The area of surface operations surrounding the surface location of a well or wells. Such area shall not include an access road to the drilling pad.

HYDRAULIC FRACTURING OR FRACKING-- The process of injecting water, customized fluids, sand, steam, or gas into a gas well under pressure to improve gas recovery.

HORIZONTAL DRILLING- The drilling of an oil or natural gas well at an angle so that the well runs parallel to the formation containing the oil or gas.

OIL AND GAS -- Crude oil, natural gas, methane gas, coal bed methane gas, propane, butane and/or any other products or similar substances that are produced by drilling an oil or gas well.

OIL AND GAS DEVELOPMENT -- The well site preparation, construction, drilling, redrilling, hydraulic fracturing, and/or site restoration associated with an oil or gas well of any depth; water and other fluid storage, impoundment and transportation used for such activities; and the installation and use of all associated equipment, including tanks, meters, and other equipment and structures whether permanent or temporary; and the site preparation, construction, installation, maintenance and repair of oil and gas pipelines and associated equipment and other equipment and activities associated with the exploration for, production and transportation of oil and gas. The definition does not include natural gas compressor stations and natural gas processing plants or facilities performing the equivalent functions.

OIL OR GAS WELL--A pierced or bored hole drilled or being drilled in the ground for the purpose of, or to be used for, producing, extracting or injecting gas, oil, petroleum or another liquid related to oil or gas production or storage, including brine disposal.

OIL OR GAS WELL SITE -- The location of facilities, structures, materials and equipment (whether temporary or permanent), that are necessary for or incidental to the preparation, construction, drilling, production or operation of an oil or gas well. This definition also includes exploratory wells.

NATURAL GAS COMPRESSOR STATION -- A facility designed and constructed to compress natural gas that originates from a gas well or collection of such wells operating as a midstream facility for delivery of gas to a transmission pipeline, distribution pipeline, natural gas processing plant or underground storage field, including one or more natural gas compressors, associated buildings, pipes, valves, tanks and other equipment.

NATURAL GAS PROCESSING PLANT -- A facility designed and constructed to remove materials such as ethane, propane, butane, and other constituents or similar substances from natural gas to allow such natural gas to be of such quality as is required or appropriate for transmission or distribution to commercial markets but not including facilities or equipment that is designed and constructed primarily to remove water, water vapor, oil or naturally occurring liquids from the natural gas.

STORAGE WELL-- A well used for and in connection with the underground storage of natural gas, including injection into or withdrawal from an underground storage reservoir for monitoring or observation of reservoir pressure.

Revise the following table in Section 4.21 to read as follows:

	R1A-R1E	RT	MF	UR	MHP	CF	EP	CB	GB	IB	O	OM	RC	PV	P
Oil and Gas Well or Development	NP	NP	NP	NP	NP	NP	NP	NP	NP	S	NP	NP	NP	NP	NP

Add Section 6.33 to read as follows:

Section 6.33: Oil and Gas Well/Development Standards for Special Use Approval:

The purpose of this section is to provide for the reasonable development of land for oil and gas drilling while providing adequate health, safety and general welfare protections of the residents of Troy. It is necessary and appropriate to adopt reasonable requirements for oil and gas resource development so that these resources can be obtained in a manner that protects the environment, protects residential properties and residential property values, and mitigates negative impacts.

The following requirements shall apply to the location, installation, drilling and operation of any well for the commercial extraction of oil, gas or other hydrocarbons in the City:

- A. Spacing and Well Setbacks. In addition to the spacing and setback requirements of the State of Michigan and the regulations of its Supervisor of Wells, the drilling, completion, or operation of oil or gas wells or well site shall not be located within 300 feet from any road right-of-way, 500 feet of a residentially zoned or used property or any property used for a religious facility, public or private school, or hospital, and 100 feet from any other property line. The setbacks in this section also apply to the area underground, and

preclude any horizontal drilling within the setback unless the applicant demonstrates to the City's satisfaction a legal entitlement to drill on adjacent properties through mineral rights acquisition or other means.

The measurement of the setback shall be made from the edge of the well site (in a straight line, without regard to intervening structures or objects), to the closest exterior point of the adjacent parcel.

- B. Height. The completed wellhead structure shall not exceed twenty-two (22) feet in height. The temporary drilling derrick/rig shall not exceed one-hundred and ten (110) feet in height.
- C. Minimum Lot Size. The minimum lot size shall be 5 acres.
- D. Fencing, Landscaping, and Lighting.
 - 1. An oil or gas well site shall be completely enclosed within a 6-foot high fence.
 - 2. Staggered ten (10) foot tall evergreen trees shall be placed around the perimeter of the fence with a minimum landscape greenbelt buffer of twenty-five (25) feet in depth. This landscaping buffer shall be in place within thirty (30) days of the removal of the temporary drilling derrick/rig. The landscape buffer and trees shall be regularly irrigated and maintained.
 - 3. Exterior lighting shall comply with Section 13.05 of the Zoning Ordinance.
- E. Nuisance Mitigation. The drilling, completion, or operation of oil or gas wells or other wells drilled for oil or gas exploration purposes shall comply with Section 12.06, Environmental Performance Standards. Those standards address potential nuisances such as noise, smoke, dust, open storage, fire and explosive hazards, odors, wastes, and vibration. Due to the unique nature of this type of operation, additional information and standards may be required.
- F. Dust, Noise, Vibration, and Odors. All operations shall be conducted in such a manner as to minimize, so far as practicable, dust, noise, vibration, or noxious odors, and shall be in accordance with the best accepted practices defined by the Michigan Department of Environmental Quality (MDEQ) for the production of oil, gas and other hydrocarbon substances in urban areas. All equipment used shall be constructed and operated so that vibrations, dust, odor or other harmful or annoying substances or effects will be minimized by the operations carried on at any drilling or production site or from anything incidental thereto, and to minimize the annoyance of persons living or working in the vicinity. Additionally, the site or structures on the property shall not be permitted to become dilapidated, unsightly, or unsafe. The City may impose additional reasonable restrictions upon such operations to reduce adverse impacts upon adjacent properties.
- G. Oil and Gas Processing Facilities. Associated processing facilities that separate oil, gas, and brine and hold said products for transport off-site for further refinement and processing are not permitted.
- H. Compliance with Laws and Permit Issuance. The drilling, completion, or operation of oil or gas wells or other wells drilled for the purpose of oil or gas exploration shall be done in conformity with all State and Federal laws, statutes, rules, and regulations pertaining thereto and particularly with the State of Michigan and the regulations of its Supervisor of Wells. This shall include obtaining the required permit from the Supervisor of Wells.

which permit shall be provided to the City before the City can grant special use approval under this section. This requirement also applies to, but is not limited to the plugging of wells, the exploring for, producing, marketing, and transporting of petroleum products, and the disposition and removal of any byproducts utilized and associated with said activities.

- I. Associated Permits and Approvals. Special use approval for the drilling, completion, or operation of oil or gas wells or other wells drilled for oil or gas exploration purposes is in addition to and are not in lieu of any permit or plan which may be required by any other provision of the City of Troy Zoning Ordinance, Building and Fire Codes, or by any other governmental agency, unless expressly outlined.
- J. Operations
 1. Permitted Construction Activity Hours. Site preparation and construction of well sites are limited to the hours of 7 am to 8 pm. Construction activities associated with establishing of the well sites may be eligible for an exception by the Building Department in accordance with the City's Special Hours Work Permit if such activities are in compliance with applicable laws and permits.
 2. The movement of drilling rigs, tanker trucks or heavy equipment used in connection with the drilling or operation of oil or gas wells over public roads and streets, shall be consistent with the City's Traffic Engineer's approval, which shall be obtained in advance. The City's Traffic Engineer shall identify the streets which may be used and any conditions that may apply.
 3. All brine, mud, slush, saltwater, chemicals, wastewater, chemical, fluids or waste produced or used in the drilling or production of oil or gas shall be safely, lawfully and properly disposed of to prevent infiltration of or damage to any fresh water well, groundwater, watercourse, pond, lake or wetland.
 4. The oil or gas well site shall be kept in a clean and orderly condition, free of trash and debris, with weeds cut. Machinery and equipment not being used in the operation of the well shall not be stored or kept at the well site.
 5. An oil or gas well shall include measures or controls satisfactory to the City Engineer to prevent migration, run-off or discharge of any hazardous materials, including but not limited to any chemicals, oil or gas produced or used in the drilling or production of oil or gas, to adjoining property or to the City of Troy sanitary sewer system, stormwater system or any natural or artificial watercourse, pond, lake or wetland. There shall be no off-site discharge of storm water except to an approved drainage system in accordance with the City's engineering requirements.
- K. Inspection. The Building Official, and any other designee of the City Manager, shall have the right and privilege at any time during the construction phase and any drilling operation to enter upon the premises covered by the special use approval for the purpose of making inspections to determine if the requirements of this section are complied with or the requirements of any other code or ordinance of the City are met.
- L. Injection wells. Injection wells used for brine disposal or other chemicals from production wells or from other sources shall be expressly prohibited within the City.

- M. Pipelines. No operator shall excavate or construct any lines for the conveyance of fuel, water, oil, gas or petroleum liquids on, under, or through the streets, alleys or other properties owned by the City without an easement or right-of-way license from the City.
- N. Submittal Requirements. In addition to submittal requirements for a Site Plan as set forth in Article 8 and Special Use as set forth in Article 9, the following information shall be submitted as part of the application:
1. Environmental Impact Statement. Applicant shall submit an Environmental Impact Statement filed with the Michigan Department of Environmental Quality in connection with a well permit under Part 615 of the Natural Resources and Environmental Protection Act, MCL 524.61501, et seq, and the administrative rules promulgated under Part 615, as amended.
 2. Hydrogeological analysis.
 3. Emergency Response Plan. Pursuant to State and Federal law, the operator shall provide any information necessary to assist the City Emergency Services Department with an emergency response plan and hazardous materials survey establishing written procedures to minimize any hazard resulting from the operation. The Emergency Response Plan should include emergency contact information.
 4. Reclamation Plan. A written statement that describes how the land will be returned to a stable and productive condition post drilling operations.
 5. Operations Plan to include:
 - i. Site ingress/egress
 - ii. Haul Route Map. Vehicle Routes for Truck Traffic. Construction vehicles and commercial trucks, associated with drilling and/or production operations shall be restricted to roads designated by the City Engineer.
 - iii. Hours of Operation. State listed hours of operation.
 - iv. Soil Erosion, Mud and Dust Control Plan.
 - v. Noise Control Plan. Prior to the granting of special use approval and the commencement of operations, the petitioner shall submit a noise management plan, detailing how the equipment used in the drilling, completion, transportation, or production of a well complies with the maximum permissible noise levels of the Zoning Ordinance. If Special Use Approval is granted, the Petitioner shall be responsible for verifying compliance with this section and the noise management plan after the installation of the equipment. The noise management plan shall:
 - i. Identify operational noise impacts
 - ii. Provide documentation establishing the ambient noise level prior to construction.
 - iii. Detail how the impacts will be mitigated. In determining noise mitigation, specific site characteristics shall be considered, including but not limited to the following:
 1. Nature and proximity of adjacent development, location, and type
 2. Seasonal and prevailing weather patterns, including wind directions
 3. Vegetative cover on or adjacent to the site

4. Topography
- vi. Odor and Fume Control Plan
 - vii. Pollution Prevention Plan
 - viii. Impact Mitigation Plan
 - ix. Monitoring controls.

Section 3. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby saved. Such proceedings may be consummated under and according to the ordinance in force at the time such proceedings were commenced. This ordinance shall not be construed to alter, affect, or abate any pending prosecution, or prevent prosecution hereafter instituted under any ordinance specifically or impliedly repealed or amended by this ordinance adopting this penal regulation, for offenses committed prior to the effective date of this ordinance; and new prosecutions may be instituted and all prosecutions pending at the effective date of this ordinance may be continued, for offenses committed prior to the effective date of this ordinance, under and in accordance with the provisions of any ordinance in force at the time of the commission of such offense.

Section 4. Severability Clause

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provision of this ordinance shall remain in full force and effect.

Section 5. Effective Date

This amendment to the Zoning Ordinance shall take effect seven (7) days after publication, which shall be published within 15 days of adoption, as required the Michigan Zoning Enabling Act (Act 110 of 2006).

This Ordinance is enacted by the Council of the City of Troy, Oakland County, Michigan, at a regular meeting of the City Council held at City Hall, 500 W. Big Beaver, Troy, MI, on the _____ day of _____, 2015.

Dane Slater, Mayor

Aileen Bittner, City Clerk