

Costco on Zeeb Road a hard idea to sell - Road agency would reap millions, but residents say location is all wrong

Ann Arbor News, The (MI) (Published as Ann Arbor News (MI)) - January 15, 2006

- Author/Byline: JOHN MULCAHY
- Page: A1
- Readability: >12 grade level (Lexile: 1380)

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Even with \$51.9 billion in sales last year, discount retailer Costco is finding that its proposed store in Scio Township is a hard sell.

The company wants to build a 149,000-square-foot store and 12-pump gas station on 16 acres owned by the Washtenaw County Road Commission southwest of the commission's headquarters on Zeeb Road, just north of I-94.

But in recent weeks a groundswell of public opposition from Scio Township residents has mobilized. Large signs with messages such as "Put big box stores on Jackson Boulevard" have sprouted in yards and other roadside locations as a group of residents publicizes its position that the location would cause too much traffic congestion at an already busy intersection.

Opponents say the township master plan doesn't allow for such a large store at the proposed site, and they point out that the township has spent millions of dollars upgrading nearby Jackson Road with the intention making it the township's main commercial corridor.

The opponents also say that the Road Commission, which would lease the property to Costco for 50 years, starting at \$750,000 a year, is putting its financial welfare ahead of the wishes of the local residents.

The Road Commission responds that the deal is a good way to supplement its dwindling budget and that the increased income for the commission will have positive benefits across the county.

Costco officials did not respond to requests for comment for this story.

Opponents of the store location filled the Road Commission meeting room at an open house Jan. 4. Residents will have another chance to voice their views at a public hearing Jan. 23 when the township Planning Commission takes up the issue of rezoning for the store.

"We spend millions developing (the Jackson Road boulevard) and there's a lot of empty space out there" resident Jean Hergott said. "We need to contain sprawl."

Hergott is part of a group called Scio Citizens to Preserve the Master Plan that has been gathering petition signatures and putting up signs against the Costco project.

Hergott downplays Costco's willingness to preserve 35 adjoining acres with wetlands, woods and a walking trail west of the proposed store, and to build several athletic fields on land owned by the township. She said those improvements aren't enough to offset the increased traffic and other detriments. For instance, the open space where Costco expects to build a trail available to the public is next to the freeway, Hergott said.

"You're actually walking along I-94," she said. "I think people will walk there one time and never go back. I can't see that's a bonus for Scio Township."

David Read, another member of the opposition group, said that the township has no parks and recreation department, so upkeep of athletic fields would be another expense for the township. If the township alters its master plan to accommodate Costco, major commercial development could "leapfrog" all along Zeeb Road, Read said.

"We as residents of the area have to draw the line and say we're going to keep commercial where major commercial is master-planned to be," Read said.

El Wier, who has lived in the township since 1976, made several 4-foot-by-4-foot yard signs urging the township to keep big-box stores on Jackson Road.

"I'm against any of the large-box stores being located on Zeeb," Wier said. "It's traffic, it's noise, it's lights."

One of the entrances to the store would be near a small strip mall, a gasoline station and a McDonald's restaurant. Those sites are across Zeeb from where I-94 traffic exits on a relatively new multi-lane exit.

Road Commission Chairman David Rutledge said he is not surprised at opposition to the Costco proposal, but he believes the project would benefit the township. The Costco plan is "consistent with the spirit" of the township master plan and consistent with the master plan model established by Washtenaw County because it puts a major commercial development close to an interstate highway interchange, Rutledge said.

"It's hard to see why this would not be a location in which you would want to channel this kind of activity," Rutledge said. The Costco proposal would actually provide a further buffer from more commercial expansion on Zeeb Road, Rutledge said.

Steve Puuri, the Road Commission's managing director, said the commission believes that the proposal does not require a change in the township's master plan, in part because four acres of the project land are already zoned commercial, and in part because the store is close to a highway interchange.

"That's the case we plan to make (Jan. 23), that we're not asking them to change their master plan," Puuri said.

Contrary to some opponents' fears, the Road Commission does not believe it has the right to go ahead with a partially commercial project without township approval, as it would have the right to do with a purely governmental use, Puuri said.

Rutledge said traffic is a hurdle that would have to be overcome. The Road Commission recently rejected a traffic impact study commissioned by Costco when Road Commission staff discovered data used in the study was old. Rutledge expects a new study to be available before the Planning Commission meeting.

A major motivation for the Road Commission is the money it would reap from the deal.

"I think it's very fair to say that; we don't make any bones about it," Rutledge said.

While the lease is for \$750,000 a year for the first 20 years, the Road Commission will get \$50,000 cash for the first six-and-a-half years, with the rest of the lease money being used to make road changes, construct the other amenities and to buy several parcels of land - which the Road Commission will own - that are needed to make the project work. After 20 years, the annual lease payments will rise at five-year intervals based on inflation.

In total, the deal will be worth about \$50 million to the Road Commission over the life of the 50-year lease. The Road Commission will still own all the land and the buildings on it at the end of the lease.

Costco, founded in 1983 and based in Issaquah, Wash., operates 471 warehouse stores in 37 states and Puerto Rico and six other countries. Customers buy memberships to shop in the warehouse stores, where they get low prices on everything from paper towels to electronic toys to diamond jewelry. The Scio Township store, if it is built, would be the company's first in Washtenaw County.

For Rutledge, the financial arrangement with Costco is positive for the whole county at a time when Road Commission revenue is falling due to lower gas tax receipts. Opponents appear unimpressed.

"The only reason they could tell us (for the store) was because of money, because of their budgetary shortfall, and this seems like a very shortsighted reason," Read said.

While the Planning Commission will have to make a recommendation on the rezoning request, the township Board of Trustees will have final authority to approve or disapprove. Costco and the Road Commission appear to be facing as tough a sell there as with residents.

"To break a master plan, we would have to have very substantial (benefits), so substantial as to justify it to our voters," Trustee Charles Ream said.

Township Supervisor Charles Nielsen said the biggest issues for Costco and the Road Commission will be to show how their plan is compatible with the master plan, and how the plan will handle the added traffic.

"My instinct is that it's going to be quite difficult, not impossible, but difficult," Nielsen said.

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• Record: 0415775239

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