

BZA MINUTES

JULY 17, 2006

Members present: James Trautman, Mike Blankley, Bill Davis, Gary Moore.

Members absent: Dale Clevenger, Charles Addington, Christy Starbuck.

Staff present: Cathy Flatter, Executive Director, Jamie Stump, Recording Secretary.

Legal representation: Robert C. Oliver.

Others present: See attached sheet.

The meeting was called to order by Chairman Mike Blankley at 7:00 PM.

Chr. Blankley: The first item on the agenda tonight is to approve the minutes of May 15th, 2006. Do I have a motion to approve those minutes without reading?

B. Davis: So moved.

J. Trautman: Second.

Chr. Blankley: It has been moved and seconded that we accept the minutes without reading.

BZA 2006-16-V (Cardinal Ethanol, LLC, Union City)

Chr. Blankley: We do have one petitioner on the docket tonight and I will read this for those who haven't been here before. Well first of all, the petitioner will come up front and speak into the microphone. This is a recorded meeting. The petitioner will be allowed to present the facts and arguments in support of his/her case without interruption by any other person. The board members will be allowed then to ask questions of the petitioner. Any interested person or parties sent a notice shall be allowed to speak and present their facts and arguments uninterrupted. The board members may then ask questions of these interested parties. Other persons attending the hearing should then be allowed to speak to the board either presenting facts or questioning the board on any matter pertaining to the petition being heard. First of all, I will ask Jamie have the notices all been sent out and receipts back?

J. Stump: Yes.

Chr. Blankley: Docket number for the petitioner tonight is BZA 2006-16-V, Cardinal Ethanol LLC. Before we get started, this is a seven member board. It takes a majority of votes to pass.

B. Oliver: The entire membership.

Chr. Blankley: Yes, we have four members present here tonight. Any negative vote cast will stop you. Now you can request to go on or you can come back at another meeting. It is up to you people.

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R. Cook: So if I am understanding you Mr. Chairman, it will take all four of the members present to vote yes.

Chr. Blankley: Absolutely.

R. Cook: We will go forward.

Chr. Blankley: Okay. Will you please state your name and what you wish to do.

R. Cook: Thank you. For the record my name is Robert Cook and seated beside me is Mr. Troy Prescott, President of Cardinal Ethanol LLC. Our petition this evening concerns a variance from the height limitations of an M-2 zoning classification. We are requesting a 150 foot height variance for approximately 297.51 acres. We are going to be constructing and operating a 100 million gallon annual production ethanol plant on this site. This acreage is located at the northwest corner of St. Rd. 32 and 600 East, with St. Rd. 32 serving as the south boundary and County Road 600 East serving as the east boundary and the railroad serving as the north boundary. Cardinal Ethanol LLC is in Indiana Limited Liability Company. Twelve people initially formed the entity, known as Indiana Ethanol LLC. On February 7, 2005, for the purpose of constructing and operating a plant to produce ethanol and to store grains in East Central Indiana. As more capital was required for the project additional individuals invested in the company and the name was changed to Cardinal Ethanol LLC and the board of directors now consist of 24 members, who have a broad base of experience in grain production, merchandising, business and community service. I believe in your materials you have been provided a map of the location of this property and the proposed improvements that are to be located. The plant will have an annual capacity to process 36 million bushels of corn into approximately 100 million gallons of fuel grade ethanol. The ethanol plant will produce as a by-product approximately 320 thousand tons annually of the distillers dried grains animal feed on a dry matter basis. The capital cost for the project is estimated at approximately 150 million dollars. Provided that all approvals from governmental agencies are obtained, projected construction will begin in the fall of 2006. The property has been zone M-2 by the Randolph County Commissioners, today. The variance from the height limitations is necessary for the grain storage delivery system and the grain storage. The Board of Zoning Appeals is allowed to grant a variance to exceed the height limitations imposed by the applicable regulations of the ordinance. As stated, the plant will require 36 million bushels of corn to produce 100 million gallons of fuel grade ethanol. As within a operation, Cardinal Ethanol will cost to be trained and have qualified personnel at each stage of this operation. The operation begins with the grain being delivered to the plant either by truck or rail, weighed and unloaded in a receiving building. The grain is then transported by a total enclosed dust controlled conveyor and transferred to a totally enclosed bucket elevator which is a series of buckets attached to rubber belt in a continuous loop. The bucket elevator raises the grain to a height well above the storage bins. The difference in height allows the grain to travel down a sloping spout into the storage bins. Planning on assistance from gravity is a way engineering cuts into our operating cost. For the ethanol plant to operate efficiently a 10 day supply of corn is required. This apply necessitates two 150 foot concrete storage bins with a capacity to hold 1 million bushels of corn. The grain delivery system will be approximately 50 feet above the concrete storage bins.

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R. Cook: Concrete storage takes a smaller footprint then steel and because of its greater structural integrity concrete storage grain bins can be built taller. Concrete also lends itself to a hopper style bottoms underneath which makes complete clean out possible. Entering a grain storage tank is one of the most dangerous parts of an ethanol plant operation and should be avoided. The grain bins and grain handling system will have a fire prevention system. The grain

bins and delivery system will be a substantial distance from residential property. We calculate approximately 1200 feet from the closest residence or structure. If you will notice, we have drawings of the location of improvements on this property and I believe that the nearest residence is at the south of State Road 32 with this intersection at 600 East. The height of this structure does not present any danger to adjacent property because of this distance from any structures on adjoining properties. The height of the structure does not prevent the use of the adjoining property for uses used in an A – agriculturally zoned district. It does not substantially affect the present use of any structures or any use on adjacent properties. Because of the structures distance from any adjoining property, the height of the structures do not substantially effect the value of adjoining property. The height of the grain bins and grain delivery system require a permit or at least an application with the Federal Aviation Administration. We can not sell 200 proof alcohol from the project and we do not intend to. In order for us to not have to have an alcohol permit, we mix the 200 proof alcohol with 5% denaturant, usually gasoline there by making the end product unfit for human consumption. It is our opinion that the strict application of the provisions of the zoning ordinance will result in severe limitations of drain storage and using the property for production of ethanol. Our conclusion would be that the approval of the 150 foot height variance will not be injurious to the public health, safety, morals and general welfare of the community, the use and value of the area adjacent to the property included in the variance will not be affected in a substantially adverse manner and the strict applications of the provisions of the zoning ordinance will result in practical difficulties in the use of the property and the production of ethanol. The conditions upon which the requested variance is based would not be applicable generally to other property within the same zoning classification and the alleged difficulty is due to the nature and construction of an ethanol plant has not been created by any person presently having an interest in the property. Our request this evening is that you would approve our variance of 150 feet in this zoning classification and we will be happy to take any questions which the board might have.

Chr. Blankley: Question number one from me, what if the Federal Aviation Administration comes up with something because you are what, 3 miles from the airport, 3 ½ miles from the airport? What would happen if they say no?

R. Cook: Well then we back up and punt. I mean, if we have to get a permit from the Federal Aviation Administration and they don't want to give it to us, we're done. Either that or we start building a lot of grain buildings at 50 feet.

Chr. Blankley: Okay, that is the only question that I had is what if they say no because like I say, you are what 3 – 3 ½ mile from the airport, something like that and 250 feet up shouldn't effect them but I am not saying that it won't. Any other board members have any questions?

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B. Oliver: You got a favorable recommendation last week from the Area Planning Commission.

R. Cook: That is correct.

B. Oliver: Okay.

R. Cook: That was a unanimous vote.

Chr. Blankley: They got approval today from the Commissioners. Is there anybody opposed to this in the audience? I guess there are a lot in favor of it. I don't know if we need to ask everybody out there.

J. Trautman: They are all wearing the same kind of shirt out there aren't they?

T. Prescott: We have a long sleeve one but we thought you might questions our mentality if we come in wearing long sleeve shirts today.

R. Cook: I would request that if acceptable, that you would approve our proposed findings of fact and make those part of the record. This is needed in the case if there is any appeal of the decision this evening.

Chr. Blankley: Do we want to act on the petition first and then come back to this?

C. Flatter: Come back to this?

Chr. Blankley: Yes.

C. Flatter: They can make their motion to take action based on the Finding of Fact. It can all be done together.

Chr. Blankley: Okay. Well I will entertain a motion that we take action on BZA 2006-16-V and also the proposed Findings of Fact.

G. Moore: So moved.

B. Davis: Second.

Chr. Blankley: All in favor of the motion signify by saying aye. "Ayes". Opposed (none). I will make a motion to take a roll call vote.

J. Trautman: So moved.

Chr. Blankley: Do I have a second?

G. Moore: Second.

Chr. Blankley: It has been moved and seconded that we have a roll call vote. All in favor of the motion signify by saying aye. "Ayes". Opposed (none). Jamie.

A roll call vote was taken: Charles Addington, absent; Mike Blankley, yes; Dale Clevenger, absent; Bill Davis, yes; Christy Starbuck, absent; Gary Moore, yes; James Trautman, yes.

Chr. Blankley: Your request has been approved.

R. Cook: Thank you very much.

T. Prescott: Thank you.

The meeting adjourned at 7:20 PM.

THE NEXT REGULARLY SCHEDULED MEETING IS AUGUST 21, 2006 AT 7:00 PM IN THE COMMISSIONERS CONFERENCE ROOM OF THE RANDOLPH CENTER FOR FAMILY OPPORTUNITY, WINCHESTER, INDIANA.

Mike Blankley, Chairman

Dale Clevenger, Vice Chairman

Jamie Stump, Recording Secretary