



**CITY COUNCIL WORKSHOP AGENDA  
MONDAY, JANUARY 11, 2016 – 5:30 P.M.**

1. **CALL TO ORDER**
2. **ATTENDANCE**
3. **PUBLIC COMMENT** (Agenda Items Limit 3 minutes)
4. **DISCUSSION ITEMS**
  - A. Edgewater harbor project update, project scope of services, intergovernmental agreement review, Edgewater buoy study proposal
5. **OTHER ITEMS OF DISCUSSION**
6. **PUBLIC COMMENT** (Limit 3 minutes)
7. **COUNCIL COMMENT**
8. **ADJOURN**

DRAFT

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Date: 12/9/2015  
To: Kirk Harrier/Bill LeFevere  
From: Greg Weykamp  
Subject: Draft Report – Strategies for Addressing Sedimentation of Kalamazoo Harbor

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Distribution: City of Saugatuck, City of the Village of Douglas, Kameron Jordan

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The harbor communities of Saugatuck and Douglas are vibrant waterfront communities that thrive on Kalamazoo Lake. Collectively referred to as Kalamazoo Harbor, both water bodies experience severe sedimentation issues due to the size of the Kalamazoo River watershed. The Harbor is part of the Superfund Site contaminated with PCBs, complicating the future planning of long-term sedimentation management. The communities have invested considerable effort over the last ten years to help create a master plan for the harbors that will lead to a viable long-term solution.

Four primary approaches have been discussed, including a “do nothing” approach; continuing with the current approach of dredging when necessary; and two more proactive strategies. One of the two proactive strategies includes the construction of sediment trap(s) and supporting confined disposal sites (CDFs). The other strategy includes the use of structures to channelize the flow of the Kalamazoo River, thereby flushing sediment further downstream and eventually into Lake Michigan.

A meeting was held with state officials on 9/15/15 to review these approaches and to solicit feedback regarding these strategies. More specifically, the meeting was intended to assess the likelihood of and the process for permitting each of these approaches. During the 9/15/15 meeting, the idea of addressing the regional sediment issues within the Kalamazoo River Watershed was identified as a possibility to help alleviate the high sediment volumes entering Kalamazoo Harbor annually.

## REGIONAL SEDIMENT DISCUSSION

Regardless of the approach selected, a sediment management plan should be created as a long-term strategy for overall sediment reduction. Regional sedimentation issues, specifically sediment loading from agricultural and urban sediment runoff, should be the focus of the sediment management plan. A MDEQ Staff Report published October 2013 evaluated the sediment sources to the 58 harbors targeted for the Emergency Dredging Program. According to the MDEQ Report, Saugatuck Harbor has been placed in the category with 15 of the total 58 harbors identified as “Harbors that are impacted by shoreline transport of sediment, low water levels and may have significant upland sediment sources.” Specifically, the MDEQ Report estimates that approximately 50% of total watershed acreage is identified as agricultural and approximately 81 pounds of sediment per acre of the watershed enter the Kalamazoo River system. It is clear that the process of solving the Kalamazoo Lake sedimentation issues will require a cooperative effort with local and regional communities to address sedimentation issues due to adjacent runoff. This approach has been applied in other nearby watersheds such as



## DRAFT

the Lake Macatawa watershed, where Project Clarity is improving water quality through collaborative efforts with local public and private partnerships, members of the agricultural community, and local governmental entities.

The Rabbit River watershed is the first upstream watershed and contributes sediment into the Kalamazoo River watershed system. Stakeholders and local residents of the Rabbit River watershed have moved in the direction of addressing the sedimentation including studying the watershed characteristics, developing and eventually implementing long-term strategies. According to the Rabbit River Watershed Management Plan published in 2009, the 187,200-acre Rabbit River watershed is primarily categorized as agricultural land use. According to the Rabbit River EPA Watershed Assessment of River Stability and Sediment Supply (WARSSS) published in 2008, recommendations included “encourage environmentally sensitive agricultural practices to reduce the potential for surface erosion and sediment delivery to streams, including conservation tillage and implementation of filter strips/riparian buffers.” The report also suggested implementing a stream monitoring plan to assess the impact of best management practices (BMPs) selected. Data found in existing studies such as the 2009 Rabbit River Watershed Management Plan and 2008 Kalamazoo River Watershed Hydrologic Study will be incorporated into the Sediment Management Plan. Through recent discussions with the MDEQ, the Peach Orchard Creek has been identified as an area that should be targeted for watershed planning.

The development of a sediment management plan will also include cooperative efforts from other Kalamazoo River stakeholders. Stakeholders that need to be included on future discussions are Allegan Conservation District, Kalamazoo River Watershed Council, Allegan County Drain Office, and other regional conservation districts.

### I. “DO NOTHING” APPROACH

According to 2007 Kalamazoo Harbor Master Plan Technical Report, the current rate of sedimentation into Kalamazoo Lake is approximately 36,000 cubic yards per year. If this rate continues without control or dredging, it will eventually lead to the transformation of Kalamazoo Lake into a marshy area with a narrow meandering river channel. The result of this approach will be a loss of the valuable waterfront property within both communities and the loss of the harbor as it exists today.

### II. CONTINUE CURRENT APPROACH

The current approach has been to complete maintenance dredging on an as-needed basis. While navigation depths within the lower Kalamazoo River and river mouth are maintained by the U.S. Army Corps of Engineers, access to the lower river from Kalamazoo Lake is currently left for local government and riparian owners to maintain. Regulatory processes, costs, and lack of available disposal sites make it difficult to complete dredging. During the recent 14-year period of below average Lake Michigan water levels, the need to dredge within Kalamazoo Lake became urgent. After nearly a year of permit application review, including sediment sampling/testing, surveys, and coordination with local, state, and federal agencies, permits were issued in late 2013 and early 2014 for over 100,000 cubic yards of dredging and a temporary disposal site within Kalamazoo Lake Sewer & Water Authority property (KLSWA). Shortly thereafter however, Lake Michigan water levels rose and the immediate dredging need subsided temporarily. Costs to complete the dredging were estimated to be well over two million dollars and funding for the work was not identified.

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This approach is a reactive strategy that is not financially viable for local government and riparian owners over the long-term, without a proactive funding mechanism. In addition, final authorization for temporary disposal on KLSWA property is pending and may not be gained due to environmental liability concerns. In addition, since the KLSWA disposal site is only temporary the material will need to be moved to a permanent location, which has not been identified. Recent feedback from the agencies has indicated that moving the contaminated dredge material is not ideal and will add additional costs. As described above, this approach is slow to react to conditions and could result in the loss of navigability within the harbor for extended periods of time. To implement this approach effectively, a funding mechanism must be put in place and a viable, permanent disposal site must be identified or constructed.

### III. SEDIMENT TRAP(S)

The 2007 Kalamazoo Harbor Master Plan Technical Report determined that a potential solution to the long-term sedimentation issues facing the Kalamazoo Harbor is the construction of sediment trap(s) along the Kalamazoo River upstream of the Saugatuck/Douglas Harbor area. The sediment traps would be designed to intercept and capture sediment at strategic locations intended to minimize downstream deposition, to separate clean material if possible, and to facilitate straightforward maintenance dredging. The capacity of the trap(s) would be optimized to minimize construction costs and to maximize the length of time between required maintenance dredging cycles. Dredge spoils removed from the trap(s) that contain regulated materials would be placed in confined disposal areas (CDFs). Clean dredge spoils could qualify for beneficial reuse, if they can be efficiently separated from regulated materials.

#### Process

This approach will require several intermediate steps including planning, studies/surveys, land acquisition, engineering design, and permitting. The following is a general outline of steps from initiation to implementation and the order may change to address comments/obstacles as they arise.

##### *1. Review Available Data*

All available data, including the 2007 report, 2013 bathymetric survey, 2013 sediment testing results, and other existing studies such as the Rabbit River Watershed Management Plan would be reviewed to ensure that subsequent efforts maximize the use of previously completed work.

##### *2. Preliminary Engineering*

The preliminary engineering study will first identify potential sediment trap & CDF locations. Potential sediment trap locations include areas adjacent to the I-196 bridge or upstream along the Kalamazoo River. Three potential areas for placement of upland confined disposal facilities (CDF) of the “trapped” sediments include City of Saugatuck “airport” site (northeast of Kalamazoo Lake Sewer & Water Authority property), Schultz Park property, and land adjacent to the I-196 Bridge. Another option under consideration is the “in-water CDF” concept, which would require significant additional study and permitting, but could potentially be most cost effective over time.

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The result of this step would be several potential sediment trap locations/sizes and several potential CDF locations/sizes.

### 3. *Community Approvals*

Planning efforts currently underway are establishing the level of community support for each of the various options. To implement any solution, ongoing community outreach will be required. When the community gets behind one or more approaches, the project can move forward collectively and effectively.

### 4. *Agency Coordination*

Before permit applications, the next step would be coordination with the Michigan Department of Environmental Quality (MDEQ), U.S. Corps of Engineers (USACE), Michigan Department of Natural Resources (MDNR), the Environmental Protection Agency (EPA) and local agencies to identify the best available strategy/design and the most likely to be permitted. The Kalamazoo River is a navigable waterway regulated by Section 10 of the Rivers & Harbors Act of 1899 and Section 404 of the Clean Water Act. Coordination with MDEQ/USACE/EPA will be essential to ensure the future success of the project. In addition, a list of permit requirements would be developed, to ensure that all required studies, modeling, and other needs are addressed prior to submittal of a joint application.

### 5. *Special Studies & Modeling*

After meeting with the agencies, special studies and modeling would be completed. These special studies might include performing detailed survey(s), sediment sampling/testing, threatened and endangered species studies, modeling, archaeological studies, floodway/floodplain studies, wetland delineation, among others. If needed, some of this task might be completed during preliminary engineering.

### 6. *Permit Application & Process*

The next step in the permitting process will include preparing and submitting the Joint Permit Application to the agencies containing project quantities, project vicinity map, existing site plan, proposed plan view and cross-section drawings. Depending upon the final proposed plan and CDF location(s), the MDEQ Water Resources Division will review the permit application with respect to Part 301, Inland Lakes and Streams; Part 303, Wetlands Protection; Part 201, Environmental Remediation; and Floodplain Regulatory Authority found in Part 31, Water Resources Protection. While working with the MDEQ, the USACE will need to issue a 404 permit for the project.

### 7. *Land Acquisition*

The trapped contaminated sediment will require dredging on a regular basis and will be placed at the identified CDF(s), which will require additional agency permits/approvals. If selected CDF locations are not on city owned property, acquisition of the land will be required, likely before permits are issued by the MDEQ and USACE. The location of the CDFs may require additional coordination with adjacent landowners, land use covenants, use agreements, or other steps.

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*8. Final Design & Bid Set*

Preparation of the project bid set and final design should be advanced only after permits are received or, in some cases, when the permit process is close to completion. In many cases, the permit process results in modification to the design and when final design is completed prior to permit issuance, there is a risk that redesign could be required.

*9. Construction & Maintenance Plan*

Once the project has been awarded, construction of the project can occur. By this time, the maintenance plan will have been developed and the mechanisms to ensure the sediment traps are properly monitored and maintained must be implemented, as well.

The project process/approach listed above will occur in parallel with state and federal funding opportunities such as NCRS Farm Bill, MDEQ Coastal Zone Management Program grants, and others mentioned below.

Challenges

The complexity and potential impacts of the project will result in challenges. During the review process, the agencies will likely require a number of special studies, as identified above. The special studies required to support the sediment trap approach are relatively straightforward, but will likely need to cover significant geographic areas. For instance, if 3-4 sediment trap locations are identified, each may need to be studied in order to identify the best locations.

The success rate of a sediment trap is difficult to determine without a detailed study of the flow conditions and sediment transport within the region. The Saginaw River was the source of a 2001 USACE study to determine sediment trap efficiencies of varying sizes and locations. In the 2001 study, the USACE proclaimed that the success rate of a sediment trap is based primarily on trap dimensions and incoming grain sizes. The study identified two trap locations, one for capturing coarse and medium silt and the other for capturing sand.

Government financing and bonding of sediment trap construction projects has been identified as a significant obstacle to overcome. Until precise and detailed modeling of the Kalamazoo River is completed, it is difficult to determine if the implementation of sediment traps would be not only successful, but also feasible.

\*Estimated Costs - Sediment Trap(s)

The estimated costs of this project approach are:

1. Preliminary Engineering	\$ 25,000 – 50,000
2. Permit Process	\$ 75,000 – 100,000+
3. <u>Special Studies:</u>	<u>\$ 50,000 – 200,000+</u>
	<b>\$ 150,000 – 350,000+</b>
4. Land Acquisition	\$ 500,000 – 1,000,000,+
5. <u>Construction – Dredging, Disposal, CDF</u>	<u>\$ 5,000,000 – 15,000,000+</u>
	<b>\$ 5,500,000 – 16,000,000+</b>

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6. Long-term Maintenance Dredging (20 years)      \$5,000,000-12,000,000+

*\*Please note that these are conceptual cost estimates for general information only.*

#### IV. CHANNELIZATION

Another approach identified in the 2007 report and subsequent efforts includes the construction of structures and/or islands to direct flow and channelize the flow of the Kalamazoo River. Channelization of the river is intended to keep the sediments moving through Kalamazoo Lake and eventually into Lake Michigan. Moving sediment through the Kalamazoo Harbor area would be locally beneficial; however, sediment would be flushed downstream into the federal navigation channel and into Lake Michigan. This approach could lead to an increase in the need for dredging downstream and to the deposition of regulated materials within the federal navigation channel and Lake Michigan.

##### Process

Like the sediment trap approach, channelization will require several intermediate steps including planning, studies/surveys, land acquisition, engineering design, and permitting. The following is a general outline of steps from initiation to implementation and the order may change to address comments/obstacles as they arise.

1. *Review Available Data*

All available data, including the 2007 report, 2013 bathymetric survey, 2013 sediment testing results, and other existing studies such as the Rabbit River Watershed Management Plan would be reviewed to ensure that subsequent efforts maximize the use of previously completed work.

2. *Preliminary Engineering*

The channelization approach would rely upon accurate, extensive modeling of the Kalamazoo River. Preliminary engineering would include technical studies such as hydraulic computer modeling, hydrologic modeling, and initial geotechnical investigations. The process would allow the preliminary design of several channelization alternatives to maximize flow and minimize cost. Channel structure alternatives would be evaluated to determine which designs would optimize cost, design life, maintenance needs, and function. Due to the potential downstream impacts of channelization, early coordination with the USACE and MDEQ must determine if the approach will be allowable before costly studies and modeling are undertaken.

This step would result in several channel design alternatives and one recommended plan. Modeling results and reports would serve as valuable background information once permit applications are assembled.

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3. *Community Approvals*

Planning efforts currently underway are establishing the level of community support for each of the various options. To implement any solution, ongoing community outreach will be required. When the community gets behind one or more approaches, the project can move forward collectively and effectively.

4. *Agency Coordination*

Before permit applications, the next step would be to coordination with the Michigan Department of Environmental Quality (MDEQ), U.S. Corps of Engineers (USACE), Michigan Department of Natural Resources (MDNR), the Environmental Protection Agency (EPA) and local agencies to identify the best available strategy/design and the most likely to be permitted. The Kalamazoo River is a navigable waterway regulated by Section 10 of the Rivers & Harbors Act of 1899 and Section 404 of the Clean Water Act. Coordination with MDEQ/USACE/EPA will be essential to ensure the future success of the project. Because channelization could affect the maintenance of the federal navigation channel, coordination with the USACE is critical to determining if the approach will be viable. In addition, a list of permit requirements would be developed, to ensure that all required studies, modeling, and other needs are addressed prior to submittal of a joint application.

5. *Special Studies & Modeling*

After meeting with the agencies, special studies and modeling would be completed. These special studies might include performing detailed survey(s), sediment sampling/testing, threatened and endangered species studies, modeling, archaeological studies, floodway/floodplain studies, wetland delineation, among others. While some of this work might be completed during preliminary engineering, it's likely that additional efforts will be identified after agency coordination. Because channelization will modify portions of the Kalamazoo River watershed, fully evaluating all impacts will be required.

6. *Permit Application & Process*

The next step in the permitting process will include preparing and submitting the Joint Permit Application to the agencies containing project quantities, project vicinity map, existing site plan, proposed plan view and cross-section drawings. Depending on the final proposed plan, the MDEQ Water Resources Division will review the permit application with respect to Part 301, Inland Lakes and Streams; Part 303, Wetlands Protection; Part 201, Environmental Remediation; and Floodplain Regulatory Authority found in Part 31, Water Resources Protection. While working with the MDEQ, the USACE will need to issue a 404 permit for the project.

7. *Land Acquisition*

While minimal land acquisition is anticipated for channelization, staging areas, bottomland rights, land use covenants, use agreements and other variables will need to be addressed before the project can be implemented.

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*8. Final Design & Bid Set*

Preparation of the project bid set and final design should be advanced only after permits are received or, in some cases, when the permit process is close to completion. In many cases, the permit process results in modification to the design and when final design is completed prior to permit issuance, there is a risk that redesign could be required.

*9. Construction & Maintenance Plan*

Once the project has been awarded, construction of the project can occur. A maintenance plan for the channelization structures and for access to the channel from shore (dredging) will need to be identified prior to this stage.

*Challenges*

The complexity and potential impacts of the project will result in challenges. During the review process, the agencies will likely require a number of special studies, as identified above. The special studies required to support the channelization approach are complex and will likely need to cover significant geographic areas.

Initial feedback during the September 15, 2015 agency meeting indicated that the USACE and MDEQ might contest the idea of moving contaminated sediment into the navigation channel downstream of Kalamazoo Lake. In addition, while the USACE was not represented at the meeting, channelization would likely result in an increased dredging burden on the agency and therefore, would likely result in opposition. Lastly, by pushing regulated materials downstream into the federal navigation channel, the USACE may need to diverge from its current practice of using dredge spoils as beach nourishment, resulting in additional costs to maintain the channel.

Lastly, after channelization is complete, the communities and riparian owners will still be left to determine how to maintain navigation from the shorelines to the high-flow channel, likely by additional dredging. So, while the approach may solve some problems, the need for dredging will not be completely eliminated.

According to the 2007 Kalamazoo Harbor Master Plan Technical Report, the success of this approach is difficult to determine without a comprehensive sedimentation model. MDEQ initial feedback questions whether channelization through Kalamazoo Lake will be worthwhile as the channel may represent a giant sediment trap, thus requiring significant maintenance dredging. As stated below, the required hydraulic and sedimentation modeling will be a significant cost to determine the effectiveness of the channelization approach. Long-term maintenance dredging of the channel will need to occur to ensure safe navigation within the channel.

As with the sediment trap approach, government financing and bonding of a channelization approach will be a significant obstacle to overcome.

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\*Anticipated Costs - Channelization

The estimated costs of this project approach are:

1. Preliminary Engineering	\$ 50,000 – 75,000
2. Hydraulic/Hydrologic Modeling	\$ 50,000 – 150,000
3. Geotechnical Investigation	\$ 25,000 – 50,000
4. Permit Process	\$ 75,000 – 100,000+
5. <u>Special Studies:</u>	\$ 50,000 – 150,000+
	<b>\$ 250,000 – 525,000+</b>
6. Land Acquisition	\$ 100,000 – 500,000+
7. <u>Construction</u>	\$15,000,000 – 30,000,000+
	<b>\$15,100,000 –30,500,000+</b>
8. Long Term Maintenance Dredging (20 years)	\$ 2,000,000 – 5,000,000+

*\*Please note that these are conceptual cost estimates for general information only.*

**FUNDING OPPORTUNITIES**

In addition to previously identified sources, the following potential funding sources have been recently identified as funding opportunities:

Great Lakes Restoration Initiative (GLRI)

State and Federal grants exist to help with the sediment management efforts. Recently, in an effort assist Saugatuck/Douglas with the sedimentation issue the Delta Institute and Public Sector Consultants (PSC) has applied for a \$410,000 grant through the Great Lakes Restoration Initiative to help remediate upstream agricultural runoff. The plan now underway will address the sedimentation issues facing marinas and harbors to implement a policy framework addressing best management practices throughout the regional watershed. According to the Delta Institute, the proposed plan focuses on a mechanism that allocates a small portion of funds to reduce sedimentation at its source, similar to the Federal Moving Ahead of Progress in the 21<sup>st</sup> Century Act (MAP-21) which allocates funds to “transportation alternatives” such as environmental mitigation, recreational trails, and historic preservation. An infographic published by Delta Institute and PSC indicates that through the implementation of BMPs within several upstream watersheds could reduce the annual sediment by 13.3% in Saugatuck/Douglas Harbor.

Coastal Zone Management Program (CZM)

The MDEQ Coastal Zone Management Program (CZM) is offering grants to qualified projects within one of the five focus areas: public access, coastal habitat, coastal hazards, coastal water quality, and coastal community development. According to the CZM Request for Proposals announcement, examples of projects eligible for support include the development of ordinances, policies, and/or plans addressing the management of coastal

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nonpoint source pollution. This program is applicable due to the ongoing problem of nonpoint pollution (agriculture and urban runoff) within the Kalamazoo River watershed. CZM grant amounts range from \$10K to \$100K and require a 1-to-1 non-federal match. The deadline to apply is December 18, 2015 for an anticipated project start date of October 1, 2016.

*USDA Environmental Quality Incentives Program*

The U.S. Department of Agriculture NRCS 2014 Farm Bill offers the Environmental Quality Incentives Program (EQIP), which participants receive financial and technical assistance to implement conservation practices. Another funding source provided by the NRCS is the Regional Conservation Partnership Program (RCPP), which is a cooperative opportunity to identify and address natural resources objectives to benefit soil, water, wildlife and related natural resources locally, regionally, and nationally. The Sediment Management Plan for the Kalamazoo River will implement these programs as an incentive for farmers and other residents within the watershed area to implement BMPs to reduce sediment loads entering the watershed.

*NOAA Great Lakes Regional Habitat Restoration Partnerships*

The National Oceanic and Atmospheric Administration (NOAA) recently released a federal funding opportunity for habitat restoration in Great Lakes Areas of Concern. NOAA seeks to award funding for multi-year Great Lakes Regional Habitat Restoration Partnerships. These Partnerships will result in the implementation of a wide-range of engineering, design, and on the ground implementation of individual habitat restoration projects. The Great Lakes Initiative will provide typical Partnership awards ranging from \$1,000,000 to \$5,000,000 per year for up to three years. The Kalamazoo River is listed as a Great Lakes Area of Concern, thus projects involving habitat restoration will be eligible for the funding.

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## EXHIBIT A

### Payment and Fees Schedule

CONSULTANT will provide all of the services set forth in Exhibit B for the not to exceed amount of \$37,500, exclusive of the actual costs for reimbursable travel, transmittal, and printing/copying. Any additional public meetings beyond that set forth in Exhibit B will be \$1,250 per meeting, provided that additional meetings must first be requested by CITY in writing.

The project will be billed in the following installments:

Task 1:	20% Meet with Regulatory Agencies	(\$7,500)
Task 2:	30% Estimate Cost of Solution	(\$11,250)
Task 3:	10% Identification of Bonding Issues	(\$3,750)
Task 4:	15% Boating Economic Impact	(\$5,625)
Task 5:	25% Informational Public Meeting(s)(Six)	(\$9,375)

Payments would be made out to Edgewater Resources, LLC upon invoicing in accordance with the aforementioned payment schedule and the provisions of Article 4 of this Contract.

The reimbursable expense budget shall not exceed \$1,250 without the CITY's prior written approval. All travel costs will be billed separately on an occurrence bases, or upon final project completion. CONSULTANT will work cooperatively with the CITY in order to reduce such costs to the greatest extent possible while still meeting the expectations of CITY.

## **EXHIBIT B**

### Scope of Services

The purpose of this effort is to assess alternative strategies for addressing the sedimentation of Kalamazoo Lake, including taking no action, and clearly communicating the potential impacts of the various alternatives on the visual and functional aspects of the waterway, and potential impacts on the economics and character of the community.

#### **Task One – Meet With Regulatory Agencies**

Meet with regulatory agencies to determine what options for addressing sedimentation would have the best chance of being permitted, i.e. intercept sediment upstream or encourage sediment to move through the harbor (channelization) as well as the permitting issues involved in the disposal of dredge spoils in area or out of area.

#### **Task Two – Cost Estimates**

Estimate the cost of the solution that has the most likely chance of being permitted by regulatory agencies.

#### **Task Three – Identification of Bonding Issues**

Identify all issues involved in bonding to implement the proposed solution and estimate the amount of mills necessary to be spread on the Saugatuck tax role to pay for the project.

#### **Task Four – Boating Economic Impact**

Develop information pertaining to the economic impact of the boating industry to the Saugatuck economy for use during public meetings in Task Five.

#### **Task Five – Informational Public Meetings**

Hold an informational meeting(s) for Saugatuck taxpayers and present the information identified in Tasks one through four in order to get feedback from Saugatuck taxpayers on the proposed solution and tax implications to complete the proposed solution.



# Invoice

518 Broad Street, Suite 200  
Saint Joseph, MI 49085

Date	Invoice #
9/4/2015	4077

Bill To
City of Saugatuck ATTN: City Manager 102 Butler Street Saugatuck, MI 49453

Description	Terms	Account #
	Rate	Amount
Kalamazoo Lake - Services for Addressing Sedimentation Issues; July - August, 2015 (Contract total \$37,500.00 plus expenses up to \$1,250.00) 5% completed	1,978.75	1,978.75
Task 1: Meet with Regulatory Agencies (Contract - \$7,500.00)		
Task 2: Estimate Cost of Solution (Contract - \$11,250.00)		
Task 3: Identification of Bonding Issues (Contract - \$3,750.00)		
Task 4: Boating Economic Impact (Contract - \$5,625.00)		
Task 5: Informational Public Meeting(s) (Six) (Contract - \$9,375.00)		
Reimbursable Expenses: Mileage for trip 7/9/15 (split with Douglas meeting)	111.75	111.75
<b>Total</b>		<b>\$2,090.50</b>

## Memorandum

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Date: September 4, 2015  
To: Kirk Harrier, Saugatuck City Manager  
From: Suzanne Fromson  
Subject: Kalamazoo Lake Sedimentation Control Plan

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### Distribution:

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This memorandum summarizes the status of the contract that Edgewater Resources is currently utilizing to provide services to the City of Saugatuck, Michigan.

Original contract value: \$37,500, not including expenses. Expenses not to exceed \$1,250 without prior authorization.

Status: Task 1: Meet with Regulatory Agencies – IN PROGRESS, 26% complete  
Task 2: Estimate Cost of Solution – no hours to date  
Task 3: Identification of Bonding Issues – no hours to date  
Task 4: Boating Economic Impact – no hours to date  
Task 5: Public Meetings (up to 6) – no hours to date

Edgewater is currently billing for work through 8/31/15 for a total of \$1,978.75, 5% complete of total contract. Expenses total \$111.75\*.

The total amount invoiced will be **\$2,090.50**.

\*Travel has been combined with Douglas planning meeting in order to split the expense.



# Invoice

518 Broad Street, Suite 200  
 Saint Joseph, MI 49085

Date	Invoice #
10/19/2015	4233

Bill To
City of Saugatuck ATTN: City Manager 102 Butler Street Saugatuck, MI 49453

Terms	Account #
Due on receipt	15-17 SGK - Saugatuc...

Description	Rate	Amount
Kalamazoo Lake - Services for Addressing Sedimentation Issues; September, 2015 (Contract total \$37,500.00 plus expenses up to \$1,250.00) 23% completed; previously billed \$1,978.75	6,672.50	6,672.50
Task 1: Meet with Regulatory Agencies - IN PROGRESS (Contract - \$7,500.00)		
Task 2: Estimate Cost of Solution - IN PROGRESS (Contract - \$11,250.00)		
Task 3: Identification of Bonding Issues - IN PROGRESS (Contract - \$3,750.00)		
Task 4: Boating Economic Impact - NO HOURS TO DATE (Contract - \$5,625.00)		
Task 5: Informational Public Meeting(s) (Six) - NO HOURS TO DATE (Contract - \$9,375.00)		
Reimbursable Expenses (not to exceed \$1,250.00); previously billed \$111.75:		
Meal 8/21/15	8.48	8.48
Meal 9/15/15 - trip to Lansing for meeting	11.43	11.43
Mileage for trip 9/15/15 to/from Lansing (240 miles @ .575/mi.)	0.575	138.00
Parking	3.00	3.00
Reproductions	3.50	3.50
<b>Total</b>		<b>\$6,836.91</b>

## Memorandum

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Date: October 19, 2015  
To: Kirk Harrier, Saugatuck City Manager  
From: Suzanne Fromson  
Subject: Kalamazoo Lake Sedimentation Control Plan

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### Distribution:

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This memorandum summarizes the status of the contract that Edgewater Resources is currently utilizing to provide services to the City of Saugatuck, Michigan.

Original contract value: \$37,500, not including expenses. Expenses not to exceed \$1,250 without prior authorization.

Status: Task 1: Meet with Regulatory Agencies – In Progress  
Task 2: Estimate Cost of Solution – In Progress  
Task 3: Identification of Bonding Issues – In Progress  
Task 4: Boating Economic Impact – no hours to date  
Task 5: Public Meetings (up to 6) – no hours to date

Previously billed: \$1,978.75 for work through 8/31/15, 5% complete of total contract.

Edgewater is currently billing for work through 9/30/15 for a total of \$6,672.50, 23% complete of total contract. Expenses total \$164.41.

The total amount invoiced will be **\$6,836.91**.



# Invoice

518 Broad Street, Suite 200  
 Saint Joseph, MI 49085

Date	Invoice #
11/20/2015	4305

Bill To
City of Saugatuck ATTN: City Manager 102 Butler Street Saugatuck, MI 49453

Description	Terms	Account #
	Rate	Amount
Kalamazoo Lake - Services for Addressing Sedimentation Issues; October, 2015 (Contract total \$37,500.00 plus expenses up to \$1,250.00) 41% completed; previously billed \$8,651.25	6,810.00	6,810.00
Task 1: Meet with Regulatory Agencies - IN PROGRESS (Contract - \$7,500.00)		
Task 2: Estimate Cost of Solution - IN PROGRESS (Contract - \$11,250.00)		
Task 3: Identification of Bonding Issues - IN PROGRESS (Contract - \$3,750.00)		
Task 4: Boating Economic Impact - NO HOURS TO DATE (Contract - \$5,625.00)		
Task 5: Informational Public Meeting(s) (Six) - NO HOURS TO DATE (Contract - \$9,375.00)		
Reimbursable Expenses (not to exceed \$1,250.00); previously billed \$276.16: Reproductions	18.00	18.00
<b>Total</b>		<b>\$6,828.00</b>

## Memorandum

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Date: November 20, 2015  
To: Kirk Harrier, Saugatuck City Manager  
From: Suzanne Fromson  
Subject: Kalamazoo Lake Sedimentation Control Plan

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### Distribution:

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This memorandum summarizes the status of the contract that Edgewater Resources is currently utilizing to provide services to the City of Saugatuck, Michigan.

Original contract value: \$37,500, not including expenses. Expenses not to exceed \$1,250 without prior authorization.

Status: Task 1: Meet with Regulatory Agencies – In Progress  
Task 2: Estimate Cost of Solution – In Progress  
Task 3: Identification of Bonding Issues – In Progress  
Task 4: Boating Economic Impact – no hours to date  
Task 5: Public Meetings (up to 6) – no hours to date

Previously billed: \$8,651.25 for work through 9/30/15, 23% complete of total contract.

Edgewater is currently billing for work 10/1/15 through 10/31/15 for a total of \$6,810.00, 41% complete of total contract. Expenses total \$18.00.

The total amount invoiced will be **\$6,828.00**.



# Invoice

518 Broad Street, Suite 200  
 Saint Joseph, MI 49085

Date	Invoice #
12/16/2015	4368

Bill To
City of Saugatuck ATTN: City Manager 102 Butler Street Saugatuck, MI 49453

Terms	Account #
Due on receipt	15-17 SGK - Saugatuc...

Description	Rate	Amount
Kalamazoo Lake - Services for Addressing Sedimentation Issues; November, 2015 (Contract total \$37,500.00 plus expenses up to \$1,250.00) 57.1% completed; previously billed \$15,461.25  Task 1: Meet with Regulatory Agencies - IN PROGRESS (Contract - \$7,500.00)  Task 2: Estimate Cost of Solution - IN PROGRESS (Contract - \$11,250.00)  Task 3: Identification of Bonding Issues - IN PROGRESS (Contract - \$3,750.00)  Task 4: Boating Economic Impact - IN PROGRESS (Contract - \$5,625.00)  Task 5: Informational Public Meeting(s) (Six) - NO HOURS TO DATE (Contract - \$9,375.00)  Reimbursable Expenses (not to exceed \$1,250.00); previously billed \$294.16:	5,950.00	5,950.00
<b>Total</b>		<b>\$5,950.00</b>

## Memorandum

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Date: December 10, 2015  
To: Kirk Harrier, Saugatuck City Manager  
From: Suzanne Fromson  
Subject: Kalamazoo Lake Sedimentation Control Plan

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### Distribution:

---

This memorandum summarizes the status of the contract that Edgewater Resources is currently utilizing to provide services to the City of Saugatuck, Michigan.

Original contract value: \$37,500, not including expenses. Expenses not to exceed \$1,250 without prior authorization.

Status: Task 1: Meet with Regulatory Agencies – In Progress  
Task 2: Estimate Cost of Solution – In Progress  
Task 3: Identification of Bonding Issues – In Progress  
Task 4: Boating Economic Impact – In Progress  
Task 5: Public Meetings (up to 6) – no hours to date

Previously billed: \$15,461.25 for work through 10/31/15, 41% complete of total contract.

Edgewater is currently billing for work 11/1/15 through 11/30/15 for a total of \$5,950.00, 57.1% complete of total contract. No expenses incurred during this period.

The total amount invoiced will be **\$5,950.00**.

**CITY OF THE SAUGATUCK  
COUNTY OF ALLEGAN  
STATE OF MICHIGAN**

**RESOLUTION NO. 111024-A**

**RESOLUTION TO APPROVE THE ACT 7 INTER-LOCAL AGREEMENT BETWEEN THE  
CITY OF SAUGATUCK AND THE CITY OF DOUGLAS TO CREATE A WATER  
RESOURCE IMPROVEMENT TAX INCREMENT FINANCE AUTHORITY**

At a regular meeting of the City Council for the City of Saugatuck, Michigan, held at the City of Saugatuck City Hall, Saugatuck, Michigan, on the 24th day of October 2011, at 7:00 p.m.

PRESENT: Council Members Bekken, Hess, Porzondek, Spangler, Van Singel & Veplank

ABSENT: Council Member Johnson

The following Resolution was offered by Council Member Hess and supported by Council Member Spangler

**RESOLUTION**

**WHEREAS**, the Urban Cooperation Act of 1967, Act No. 7 of Public Acts of Michigan, 1967. Ex. Sess., MCL 124.501 et seq. (“Act 7”) permits a public agency to exercise, jointly with any other public agency any power, privilege or authority which such public agencies share in common and with each might exercise separately; and

**WHEREAS**, Sec. 7 of Act 7 provides that two or more public agencies may create a joint separate legal authority to administer or exercise those “powers, privileges and authorities” that can be shared thereunder;

**WHEREAS**, the City of Saugatuck and the City of Douglas are “public agencies” as defined by Section 2(E) of Act 7, and

**WHEREAS**, Section 5 (1) of the Water Resource Improvement Tax Increment Finance Authority Act, Act 94 or PA 2008 (MCL. 125.1171 et seq.) (Act 94) empowers a municipal government to establish an authority and create an interlocal government authority with other public agencies to jointly administer and operate the “powers, privileges and authority” empowered under Act 94; and

**WHEREAS**, Section 79303 of the National Resources and Environment and Protection Act (“NEAP”), Act No. 451 of PA 1944, as amended (MCL.324.79301) (“Act 451”) authorizes political subdivisions to act jointly for purposes of harbor development; and

**WHEREAS**, the City of Saugatuck desires to enter into an interlocal government agreement with the City of Douglas to form a Kalamazoo Lake Harbor Authority to be able to exercise the powers, privileges and authority provided by law to correct and prevent the deterioration of Kalamazoo Lake and enhance the future economic development of the lake, subject to the terms of the Interlocal Agreement attached hereto and incorporated by reference.

**NOW, THEREFORE, BE IT RESOLVED**

1. That the City Council Saugatuck hereby determines it is in the best interest of the residents of the City to halt the deterioration of Kalamazoo Lake and encourage the improvement of the economic development of Kalamazoo Lake’s water resources.
2. That the Interlocal Agreement (Draft #9 dated October 20, 2011) with the City of Douglas to form the Kalamazoo Lake Harbor Authority, attached hereto and incorporated by reference, is approved and the Mayor, Clerk and City Manager are authorized to take all actions necessary to effectuate this Resolution.
3. All resolutions and parts of resolutions in conflict herewith are, to the extent of such conflict, repealed.

YEAS: Council Members: Hess, Spangler, Porzondek, Bekken, Van Singel & Verplank

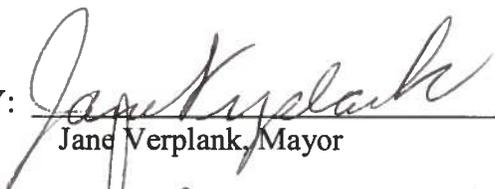
NAYS: Council Members: None

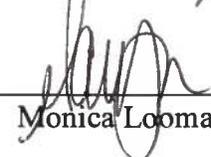
ABSTAIN: Council Members: None

ABSENT: Council Members: Johnson

**ADOPTED** this 24<sup>th</sup> day of October, 2011.

**CITY OF SAUGATUCK**

BY:   
Jane Verplank, Mayor

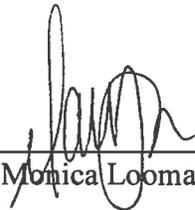
BY:   
Monica Looman, City Clerk

**APPROVED**  
KH

**CERTIFICATION**

I, Monica Looman, the duly appointed Clerk of the City of Saugatuck, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City of Saugatuck at a regular meeting held October 24, 2011, in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, the minutes of the meeting were kept and will be or have been made available as required by said Act.

**CITY OF SAUGATUCK**

BY:  \_\_\_\_\_  
Monica Looman, City Clerk

COPY

**ACT 7 INTERLOCAL COOPERATION AGREEMENT**

creating the

**KALAMAZOO LAKE  
HARBOR AUTHORITY, INC.**

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This **INTERLOCAL AGREEMENT** is entered into pursuant to Act No. 7 of PA 1967 (hereinafter defined), taking in, but not limiting to those the powers and authorities granted under the Acts set forth below, by and among the signatory parties hereto ("Parties") for the purpose of creating the **KALAMAZOO LAKE HARBOR AUTHORITY, INC.** (the "KLHA" or "Authority") a separate legal entity and public body corporate, to administer the economic development objectives and purposes set forth herein. Each of the Parties is a "public agency" as defined in Act 7 with the power to carry out the programs described in this Agreement.

#### RECITALS

A. The Parties have determined that the restoration, maintenance, preservation and future development of Kalamazoo Lake waterways, channels, harbor, marina and waterfront area offers significant economic development opportunities and benefits.

B. The Urban Cooperation Act of 1967, Act No. 7 of the Public Acts of Michigan, 1967, Ex. Sess., MCL 124.501 et seq. ("Act 7"), permits a public agency to exercise jointly with any other public agency any power, privilege or authority which such public agencies share in common and which each might exercise separately.

C. The Natural Resources and Environmental Protection Act, Act No. 451 of PA 1944, as amended, MCL 324.79301, *et seq.*, ("Act 451"), defines "Political Subdivisions" as local units of government and any other governmental agency, subdivision, public corporation or authority, which is or may authorized by law to acquire, establish, construct, maintain, improve and operate harbors, channels, and other navigational facilities.

D. Section 79303 of Act 451 authorizes two or more Political Subdivisions to enter into a contract with each other for the purpose of implementing Part 793 of the Natural Resources and Environmental Protection Act.

E. Section 30903 of Act 451 authorizes any local unit of government by itself or in combination with other local governments, to create a lake board for the protection of the public health, welfare, and safety; the conservation of the natural resources; and the preservation of property values around the lake by and empowering said lake board to take steps necessary to remove and properly dispose of undesirable accumulated materials from the bottom of the lake or wetland by dredging, ditching, digging or other related work.

F. The Water Resource Improvement Tax Increment Finance Authority Act, Act 94 of PA 2008, MCL 125.1771 *et seq* empowers the governing body of a municipality to establish an authority within a water resource improvement district created under Section 5(1) of Act 94 and authorizes said municipality to enter into an umbrella agreement with an adjoining municipality that has created a similar authority to jointly operate and administer those authorities under an interlocal agreement under Act 7 [Sec. 5(5)].

G. The Parties desire to enter into an interlocal agreement, pursuant to Act 7 to jointly create the Authority and exercise the economic development powers shared by the Parties through the authority granted by the above acts.

H. Each Party has the power, privilege and authority to perform various economic development activities and administrative functions supportive of economic development activities, and to enter into this Agreement.

I. To the extent that State law is enacted or amended subsequent to the execution date of this Agreement to provide for powers which may be exercised by the Authority, the Parties desire and intend that the Authority created hereby be fully empowered and authorized to exercise such powers to the full extent authorized by law from and after such enactment or amendment, without further amendment to this Agreement, subject only to the limitations set forth in this Agreement.

J. Each Party, pursuant to resolution of its governing body, is authorized to execute and deliver this Agreement.

IN WITNESS WHEREOF, the Parties covenant and agree as follows:

ARTICLE I  
DEFINITIONS

The following words and expressions, whenever initially capitalized, whether used in the singular or plural, possessive or nonpossessive and/or either within or without quotation marks shall be defined and interpreted as follows:

Section 1.01 "Act 7" means the Urban Cooperation Act of 1967, Act No. 7 of the Public Acts of Michigan, 1967 (Ex Sess), as amended, MCL 124.501 to 124.512.

Section 1.02 "Act 451" means the Natural Resources and Environmental Protection Act, Act No. 451 of the Public Acts of Michigan, 1944, as amended, MCL 324.79301 *et seq.*

Section 1.03 "Act 94" means the Water Resource Improvement Tax Increment Finance Authority Act, Act No. 94 of the Public Acts of Michigan, 2008, as amended, MCL 125.1771, *et seq.*

Section 1.04 "Agreement" means this Interlocal Agreement, dated as of the Effective Date.

Section 1.05 "Authority" means that term as defined in Act 94, Act 7 or Act 451.

Section 1.06 "Authority Board" means the board of the Authority created by Section 6.01 of this Agreement.

Section 1.07 "Benefit" or "Benefits" means advantages resulting from a project to public corporations, the inhabitants of public corporations, the inhabitants of this state, and the property within public corporations. Benefit includes benefits that result from the elimination of pollution and elimination of flood damage, elimination of water conditions that jeopardize the public health and safety; increase of the value or use of lands and property

arising from improving a lake or lakes as a result of the lake project and the improvement or development of a lake for fishing, wildlife, boating, swimming, or any other recreational, agricultural or conservation use. (See MCL 324.30901).

Section 1.08 "Captured Assessed Value" means that term as defined in Act 94.

Section 1.09 "County Party" shall mean any Party organized as a Michigan county.

Section 1.10 "Days" means calendar days, unless otherwise expressly provided.

Section 1.11 "Development Area" or "Water Resource Improvement District" means that term as defined in Act 94, as amended.

Section 1.12 "Development Master Development Plan" means an overall conceptual design plan adopted by the Authority pursuant to Act 94 and Section 5.03 of this Agreement to encourage the coordinated and orderly development of the KLHA, including the recommended designation of land uses by the Local Government Parties under relevant provisions of their Zoning Acts and tax increment financing authority ordinances. The KLHA Master Development Plan shall have no binding force or effect within or upon any portion of the territory of any Local Government Party except to the extent expressly approved by resolution and any necessary implementing ordinance of the governing body of the Local Government Party.

Section 1.13 "Effective Date" means the later of the dates on which a fully executed copy of this Agreement, pursuant to Section 10 of Act 7, is (i) filed with Michigan Department of State, Office of the Great Seal, and (ii) filed with the Allegan County Clerk.

Section 1.14 Reserved.

Section 1.15 "Fiscal Year" means the fiscal year of the Authority, which shall begin on July 1 of each year and end on June 30 of each year, or such other fiscal year as may be determined from time to time by the Authority Board.

Section 1.16 "FOIA" or "Freedom of Information Act" means the Freedom of Information Act, Act No. 442 of the Public Acts of Michigan, 1976, as amended, MCL 15.231 to 15.246.

Section 1.17 "Governing Body" means the elected body of a municipality having legislative powers.

Section 1.18 "Initial Assessed Value" means the term as used in Act 94.

Section 1.19 "Inland Lake" means a natural or artificial lake that has a surface area of more than 5 acres.

Section 1.20 "KLHA" or "Authority" means the Kalamazoo Lake Harbor Authority, Inc. created by this Agreement, a separate legal entity and public body corporate, to administer the economic development objectives and purposes set forth herein.

Section 1.21 "Local Government Party" or "Municipality" shall mean any Party organized as a Michigan city, village or township or county who is a signatory under this Agreement.

Section 1.22 "OMA" or "Open Meetings Act" means the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, MCL 15.261 to 15.275.

Section 1.23 "Operations and Maintenance" means maintenance of assets, recreational improvements made by the KLHA, including salaries and expenses of employees, office supplies, consultation fees, design costs and other expenses incurred in the daily activities and management of the Authority and planning of its activities.

Section 1.24 "Participation Agreement" means an agreement as described in Article IX of this Agreement.

Section 1.25 "Party" or "Parties" means, either individually or collectively as applicable to Local Government Party which is a signatory to this Agreement.

Section 1.26 "Permit" shall mean a permit, license or approval required to be granted by a Local Government Party as a condition of the operation of a business.

Section 1.27 "Person" means any individual, authority, profit or non-profit corporation, partnership, limited liability company, university, joint venture, trust, association, chamber of commerce, travel and visitors center, Public Agency, or other legal entity.

Section 1.28 "Public Agency" means that term as defined in Act 7.

Section 1.29 "Public Facility" means the term as defined in Act 94.

Section 1.30 "Site Plan" means that term as defined in the Zoning Act.

Section 1.31 "State" means the State of Michigan.

Section 1.32 "Tax Increment Revenues" means that term as defined in Act 94.

Section 1.33 "TIF Plan" means a Development Plan and/or a Tax Increment Financing Plan as those terms are defined and used in Act 94.

Section 1.34 "Water Resource Improvement" or "Lake Improvements" means that term as defined in Act 94 in Part 309 of Act 451.

Section 1.35 "Zoning Act" means the Michigan Zoning Enabling Act, Act No. 110 of the Public Acts of Michigan, 2006, as amended, MCL 125.3101 to 125.3702.

ARTICLE II  
CREATION OF THE  
KALAMAZOO LAKE HARBOR AUTHORITY

Section 2.01            Creation and Legal Status of the Kalamazoo Lake Harbor Authority, Inc. There is hereby created a separate legal entity and public body corporate to be known as the "Kalamazoo Lake Harbor Authority" for the purpose of administering and executing this Agreement. The Authority shall have those powers granted by law and identified in this Agreement.

Section 2.02            Geographic Boundaries. The boundaries of the Authority, within which it may exercise its powers shall be the submerged bottom land within that portion of the Kalamazoo River and Kalamazoo Lake which lies west of the I-196 bridge and continues to the east end of the break wall at the mouth of the river and Lake Michigan and land that may be up to one (1) mile from the shoreline of Kalamazoo Lake that contains one or more public access points within the collective political boundaries of the Local Government Parties, as more particularly described in Exhibit A attached hereto and made a part hereof. The Authority shall have no extraterritorial power or authority outside of these geographic boundaries.

Section 2.03            Principal Office. The initial principal office of the Authority is 86 W. Center Street, Douglas, Michigan 49406, or such other location as may be determined from time to time by the Authority Board.

Section 2.04            Title to Authority Assets. Except as otherwise provided under the terms of a transfer of programs and/or funding from a Party or Person to the Authority, the Authority shall have exclusive title to all its property, and no Party or Person shall have an ownership interest in the Authority property.

Section 2.05            Tax-exempt Status. The Parties intend and declare the activities of the Authority to be governmental functions carried out by an instrumentality or political subdivision of government as described in Section 115 of the Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future tax code. The Parties also intend and declare the activities of the Authority to be of the same character as "governmental functions carried out by a political subdivision of this State," exempt to the extent provided under Michigan law from taxation by this State, including, but not limited to, the business tax under the Michigan Business Tax Act, Act No. 36, Public Acts of Michigan, 2007, as amended, MCL 208.1101 to 208.1601, and ad valorem property taxes under Act 206, and exempt to the extent provided under Michigan law from all governmental assessments and fees otherwise applicable to private entities.

Section 2.06            Compliance with Law. The Authority shall comply with all federal and state laws, rules, regulations, and orders applicable to this Agreement.

Section 2.07            Independent Contractor. The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to each other shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own

employees, agents, and servants. No liability, right or benefit arising out of any employer/employee relationship either express or implied shall arise or accrue to any Party as a result of this Agreement.

Section 2.08 No Third Party Beneficiaries. Except as expressly provided herein, this Agreement does not, and is not intended to, create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (i.e., contractually, legally, equitably, or by implication) and/or any right to be subrogated to any Party's rights in this Agreement, and/or any other right of any kind, in favor of any Person.

### ARTICLE III PURPOSE

Section 3.01 Purpose. The purpose of the Authority shall be to take advantage of the provisions of State laws enabling the creation and implementation of water resource, economic development activities generally and of the development of Kalamazoo Lake in particular and to attract facilities engaged in waterfront and marine activities, and other tourist or nautical businesses in accordance with State laws, and shall also include the exercise of power granted by such State laws in the joint exercise of shared powers, privileges or authority of the Parties to perform successful, effective and efficient economic development programs and functions throughout the geographic boundaries of the Authority. Shared powers shall include the coordination of complementary local programs and functions of the Parties. To the extent that State laws are enacted or amended subsequent to the execution date of this Agreement to provide for additional powers which may be exercised by the Authority, as may be hereafter recognized by statute, the Parties desire and intend that the Authority created hereby be fully empowered and authorized to exercise such powers upon approval by the Parties.

### ARTICLE IV GENERAL POWERS OF THE AUTHORITY

Section 4.01 Powers Granted Under Act 7. In carrying out its purposes, the Authority may perform, or perform with any Person, as applicable, any power, privilege, or authority related to economic development that the Parties share in common and that each might exercise separately to the fullest extent permitted by Act 7 and in accordance with relevant law, except as expressly otherwise provided in this Agreement. Except as otherwise provided herein, the enumeration of a power in this Agreement shall not be construed as a limitation upon the powers of the Authority, and is in addition to any powers authorized by law. Among other things, the Authority, in its own name, shall have the power to:

- (a) Make or enter into contracts;
- (b) Employ agencies or employees;
- (c) Acquire, construct, manage, maintain, or operate buildings, works, or improvements;
- (d) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property;

- (e) Incur debts, liabilities, or obligations that, except as expressly authorized in writing by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties;
- (f) Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under Act 7;
- (g) Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further its purposes;
- (h) Form other entities necessary to further the purposes of the Agreement; and
- (i) Sue and be sued.

Section 4.02            Additional Powers Granted Under Act 7. The Authority shall also have the power to:

- (a) Employ, engage, compensate, transfer, or discharge necessary personnel, subject to the provisions of applicable civil service and merit systems and Act 7;
- (b) Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans;
- (c) Promulgate necessary rules and provision for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement;
- (d) Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Authority may apply for and accept grants, loans, or contributions from any source. The Authority may do anything within its power to secure the grants, loans, or other contributions;
- (e) Make claims for federal or state aid payable to a Party on account of the execution of this Agreement;
- (f) Respond for any liabilities that might be incurred through performance of the Agreement and insure against any such liability;
- (g) Arbitrate disputes or disagreements, the effects of failure of the Parties to pay their shares of the costs and expenses, and the rights of the other Parties in such cases;
- (h) Engage auditors to perform independent audits of the financial statements of the Authority;
- (i) Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection therewith;
- (j) Employ legal, financial and technical experts, other officers, agents, or employees, and accept voluntary provision of such services and functions from donor individuals and entities;

- (k) Study, develop, and prepare the reports or plans the Authority considers necessary to further the purposes of this Agreement and to monitor and evaluate performance under this Agreement; and
- (l) Indemnify, as permitted by law, and procure insurance indemnifying any members of the Authority Board or officers or employees of the Authority from personal loss or accountability from liability asserted by any Person for any acts or omissions of the Authority.

Section 4.03      Powers Under Act 451. In addition to the powers enumerated under Act 7 referenced above, the Authority may exercise all powers vested through Act 451, as amended, subject to the limitations, if any, of this Agreement including, without limitation:

- (a) Vest authority for the maintenance, operation and regulations of the Kalamazoo Harbor Development Area in a board which shall, by resolution or ordinance, prescribe the duties and powers of the board to:
  - (1) Adopt all necessary rules, regulations, and ordinances for the management, government, and use of any waterways, harbors, channels, or other navigational facilities under its control; employ harbor guards or security, a harbormaster with full police powers; establish penalties for the violation of the rules, regulations, and ordinances; and enforce those penalties.
  - (2) Adopt and enact rules, regulations, and ordinances designed to safeguard the public in the Kalamazoo Harbor Development Area.
  - (3) Following adoption of a resolution by each Party consenting to the same, establish a special assessment district including all parcels of land and local units of government which will be benefitted by the improvement of the lake.
  - (4) Perform any other activity permitted under Acts 451 as amended.

Section 4.04      Powers Under Act 94. The Authority may exercise all powers vested in it through Act 94 including but not limited to :

- (1) Adopt a Water Resource Management Plan.
- (2) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of public facilities that may be necessary or appropriate to the execution of the Water Resource Management Plan.
- (3) Make and enter into contracts necessary or necessary to the exercise of its powers and the performance of its Plan.
- (4) Acquire by purchase or otherwise lease land or other property, real or personal, or rights or interest therein.

- (5) Fix, charge and collect fees, rents and charges for the use of any facility, building or property under its control or any part of the facility, building or property and, where necessary, pledge such fees, rents and charges for the payment of revenue bonds issued by the Water Improvement Tax Increment Finance Authority.
- (6) Consistent with all procedures contained in Act 94, adopt a tax increment finance plan or establish a special assessment district and/or borrow money through the issuance of revenue bonds.
- (7) Perform any other activity permitted under Act 94, as amended.

Section 4.05      Bonds or Notes; Limitations. The Authority shall not issue any type of bond in its own name or in any way indebted a Party except as provided herein. The Authority may borrow money and issue bonds or notes in its name for local public improvements or for economic development purposes provided that the Authority shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the Authority, exceeds 2 mills of the taxable value of the taxable property within the Parties as determined under Section 27a of the General Property Tax Act, 1893 PA 206, MCL 211.27a, unless otherwise authorized by other financial authorities and acts encompassed hereunder through Act 7. Bonds or notes issued by the Authority are the debt of the Authority and not of the Parties. Bonds or notes issued by the Authority are for an essential public and governmental purpose. Pursuant to Section 7(7) of Act 7, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes. Bonds or notes issued by the Authority are subject to Act No. 34 of the Public Acts of Michigan, 2001, as amended, as required by Section 7(8) of Act 7. This section is not meant to limit the ability to issue bonds by its individual Parties as provided for by law.

Section 4.06      Tax Limitation. The Authority shall not levy any type of property tax millage within the boundaries of any Party except by majority vote of the members of its governing body or authorized by the voters of the municipality as may be permitted by the Acts identified herein. Nothing contained in this Agreement, however, prevents one or more of the Parties from levying taxes in their own right and assigning the revenue from such taxes to the Authority, to the extent permitted by law.

Section 4.07      No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under Act 7 or other law. In accordance with Act 7, the Authority shall not be operated for profit, and it shall perform governmental and not proprietary functions.

ARTICLE V  
SPECIFIC POWERS OF THE AUTHORITY: LIMITATIONS

Section 5.01      Master Development Plan. The Authority, in collaboration with the Parties, shall have the power to promulgate a Kalamazoo Lake Master Development Plan, a Water Resource Development Plan, Tax Increment Financing and Development Plan or similar plan as required by the specific Act being used for that area within the boundaries of

the Development Area of the Authority. The Development Plan may include proposed land uses to be recommended to the Parties' consideration in respect of the Parties' zoning regulations. The Kalamazoo Lake Master Development Plan or is equivalent shall be submitted to the Local Government Parties for approval prior to implementation.

If the Authority intends to include tax increment financing as a financing mechanism under the Act, the Water Improvement Tax Increment Finance Act, the Tax Increment Authorities of each Party or its equivalent must first adopt a tax increment financing and development plan pursuant to the procedures set forth in Act 94 to be administered by the Authority. Said plan shall mirror as close as possible the Kalamazoo Lake Master Development Plan.

Section 5.02            Application Criteria and Review; Incentives; Approval. The Authority shall have the power to promulgate application materials; to seek and accept applications from prospective developers and businesses; to establish criteria for development; except as such discretion is expressly limited by this Agreement or law; to consult with the State officials having subject matter jurisdiction in respect of applications and approvals; to monitor the performance of applicants; and to make recommendations in respect of applications to the State officials or entities, a Party, or any other Person having subject matter jurisdiction.

Section 5.03            Infrastructure Planning and Development. The Authority shall have the power to work with State and local government officials in the planning and development of infrastructure within the geographic territory of the Authority.

Section 5.04            Site Selection. The Authority shall have the power to assist prospective developers and businesses with selection of development sites within the geographic territory of the Authority.

Section 5.05            Marketing; Business Attraction. The Authority shall have the power to conduct marketing and business attraction efforts on behalf of itself and the Development Area.

Section 5.06            Real Estate Development. The Authority shall have the power to provide consultation to assist any Person in respect of the development of real estate within the geographic territory of the Authority.

Section 5.07            Regulatory Assistance and Processing. The Authority shall have the power to provide assistance to prospective developers and businesses in respect of applying for and obtaining any necessary or advisable licenses, permits or approvals from federal, State and local government entities.

Section 5.08            Local Government Assistance. The Authority shall have the power to provide assistance to the Parties with the implementation and coordination of economic development programs within the geographic territory of the Authority.

ARTICLE VI  
AUTHORITY BOARD

Section 6.01      Authority Board Composition. The Board of Directors shall, for general purposes, consist of the following Board Members. The appointing authority of each Party shall appoint two (2) members to the Authority Board provided that not more than one (1) of those members is an elected official. The appointing authorities of each Party shall collectively agree on the appointment of one (1) additional member who shall be a person having ownership, residence or business interest in land abutting Lake Kalamazoo. Members of the Authority Board shall serve at the pleasure of the appointing Party for terms established by each Party, but not to exceed four (4) years.

- (a) Each Party entitled to membership on the Authority Board shall have the ability to appoint one (1) alternate member to serve in a permanent member's place and stead if the permanent member is absent from an Authority Board meeting. Appointment of the alternate shall be made by the appointing authority in writing.
- (b) The City Manager or Chief Administrative Official of each Party shall serve as an ex-officio non-voting member of the Authority Board.
- (c) A vacancy on the Authority Board shall be filled in the same manner as the original appointment for the balance of the unexpired term.
- (d) All Authority Board Members are eligible for re-appointment in accordance with the rules and procedures of the appointing Authority.
- (e) All Authority Board members may be removed by the appointing authority at will.
- (f) If the Authority Board is assuming the powers under a particular Act requiring additional board members, those members shall be appointed for the limited purpose of serving for the particular purposes required under that particular Act.

Section 6.02      Meetings. The Authority Board shall meet at least annually at the place, date, and time as the Authority Board shall determine. Meetings shall comply with the Open Meetings Act.

Section 6.03      Quorum and Voting. A majority of the Authority Board then in office and present in person shall be required to constitute a quorum for the transaction of business, and a majority vote at a meeting at which a quorum is present shall be necessary for the transaction of business.

Section 6.04      Authority Board Powers and Responsibilities. The Authority Board shall do all of the following by a majority vote unless otherwise provided:

- (1) Upon the recommendation of the Authority Board, adopt by-laws and rules of procedure governing the Authority Board and their respective actions and meetings. Initial by-laws and rules of procedure shall be adopted within six (6) months of the first meeting of the Authority Board.
- (2) Elect individuals to fill the positions of Chairperson, Vice Chair Secretary and Treasurer.

- (3) Cause to be conducted an annual independent audit of the Authority in accordance with the Budget Act.
- (4) Upon the recommendation of the Chairperson and the Treasurer, approve the annual budget in accordance with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of Michigan, 1968, as amended.
- (5) Evaluate the Authority's performance under this Agreement and law and recommend changes.
- (6) Establish policies and procedures in respect of ethics and conflicts of interest consistent with Sections 2.09 and 7.09 of this Agreement.
- (7) Approve an investment policy in accordance with Act No. 20, of the Public Acts of Michigan, 1943, as amended.
- (8) Create committees and appoint individuals to serve thereon.

Section 6.05      Fiduciary Duty. The members of the Authority Board are under a fiduciary duty to conduct the activities and affairs of the Authority in the best interests of the Authority, including the safekeeping and use of all Authority monies and assets for the benefit of the Authority. The members of the Authority Board shall discharge this duty in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 6.06      Compensation. The members of the Authority Board shall receive no compensation for the performance of their duties, but each member shall be reimbursed for such member's reasonable expenses in carrying out those duties. A member of the Authority Board may engage in private or public employment, or in a profession or business.

## ARTICLE VII OFFICERS

Section 7.01      The Authority Board, at the annual meeting, shall elect a Chairperson, Vice-Chairperson, a Secretary and a Treasurer who shall hold their offices for one year or until their successors are duly elected. Said officers shall exercise such powers and perform such duties as shall be determined from time to time by the Authority Board.

Section 7.02      Vacancies. Vacancies shall be filled by appointments made by the respective appointing entity for the balance of the unexpired term.

Section 7.03      Meetings. The Authority Board shall hold meetings at the place, date, and time as the Authority Board shall determine. Meetings shall comply with the Open Meetings Act.

Section 7.04      Compensation. The officers shall receive no compensation for the performance of their duties, but each officer shall be reimbursed for such officer's reasonable expenses in carrying out those duties.

Section 7.05      Conflicts of Interest. The Authority Board may adopt policies and procedures requiring periodic disclosure of relationships which may give rise to conflicts of interest. The policies and procedures shall require that a member of the Authority Board or the officer who has a direct or indirect interest in any matter before the Authority disclose the member's interest and any reasons reasonably known to the officer or member of the Authority Board why the transaction may not be in the best interest of the public before the Authority Board takes any action with respect to the matter. The disclosure shall become part of the record of the Authority's proceedings.

Section 7.06      Subject to the relevant provisions of State law, the policies and procedures also shall have the objective of precluding the opportunity for and the occurrence of transactions by the Authority that would create a conflict of interest involving members of the Authority Board, officers and employees of the Authority. At a minimum, these policies to be established for the Authority should include compliance by each member of the Authority Board, Officers, and employees of the Authority who regularly exercise significant discretion over the award and management of Authority projects with policies governing the following:

- (a) Immediate disclosure of the existence and nature of any financial interest of an individual or immediate family member that would reasonably be expected to create a conflict of interest.
- (b) Withdrawal by an employee or member from participation in or discussion or evaluation of any recommendation or decision involving an Authority project that would reasonably be expected to create a conflict of interest for that employee or member.

Section 7.07      Termination. An officer may be removed by the Authority Board by a majority vote of the Authority Board with or without cause at any time. An officer may resign at any time by written notice to the Authority Board. Any vacancy thereby created shall be filled by a majority vote of the Authority Board until the next annual meeting.

ARTICLE VIII  
DURATION OF, WITHDRAWAL FROM, AND  
TERMINATION OF INTERLOCAL AGREEMENT

Section 8.01      Duration. The Authority commences on the Effective Date and continues for a term of ninety-nine (99) years unless earlier terminated in accordance with this Article VIII.

Section 8.02      Withdrawal by a Party. Any Party may withdraw from the Agreement at any time upon notice given six (6) months in advance to the Authority, or in accordance with Section 14.10 of this Agreement, and the Authority thereafter shall exercise no power or authority within the territory of the withdrawing Party; provided that if the Authority has incurred debts or obligations which also are debts or obligations of a Party on account of having been expressly authorized by the Party in accordance with Sec. 7(2) of Act 7 and Sec. 4.01 of this Agreement, the Party shall remain obligated for any such payment following its withdrawal from the Agreement; and provided further that the withdrawal of a

Party shall not invalidate nor terminate prior to its stated termination date any Master Development Plan or TIF Plan or the collection of Tax Increment Revenues, or any other economic development incentive previously established or granted prior to the withdrawal of the Party, and the withdrawing Party shall be deemed to remain a Party if necessary for the limited purpose of preserving any of the foregoing incentives, and provided further that in the event of a withdrawal by a Party, the Authority shall not extend the effective term of any of the foregoing incentives beyond its stated termination date.

Section 8.03      Termination. This Agreement shall continue until terminated by the first to occur of the following:

- (a) If this Agreement is approved by majority vote of the elected members of the Party's legislative bodies but fails to be approved by a majority vote of the electors in a referendum as a result of a petition filed within forty-five (45) days of the approval of the Agreements, this Agreement shall be terminated and rescinded as a result of such vote.
- (b) When there is one (1) Party left;
- (c) A three-fourths (3/4) vote of the voting members of the Authority Board then serving in office; or
- (d) Expiration of the stated term of the Agreement.

Section 8.04      Disposition upon Termination. As soon as possible after termination of this Agreement, the Authority shall wind up its affairs as follows:

- (a) All of the Authority's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Authority and distribution of its assets shall be paid first; and
- (b) The remaining assets, if any, shall be distributed among the remaining Parties in accordance with Act 7 or other relevant law, and otherwise in proportion to their contributions to the Authority.

## ARTICLE IX CONTRIBUTIONS

Section 9.01      Entry Fees. Any local government which becomes a Party to this Agreement shall be required to pay an entry fee. The entry fee for each Party shall be such amount mutually agreed upon by the Parties and is intended to fund the initial costs expended to create, and the operational expenses of, the Authority until such time as other revenue sources have been established. The entry fee may be deferred, partially deferred or waived for initial parties in partial or entirely in consideration of the in-kind contributions made in support of creating the Authority as provided for in Section 9.02. The entry fee for Parties subsequently joining the Authority shall be determined by a recalculation into equal shares of the amount of the initial costs expended to create and fund the operational expenses of the Authority to the date joining which may be waived in whole or in part by the Parties to this Agreement in their sole reasonable discretion in consideration of in-kind contributions.

Section 9.02      Personal Property, Assets, Services, Employees. Any Party may make contributions of personal property, assets, services or employees deemed necessary to the creation or operational support of the Authority. The reasonable value of which shall be credited against the Party's entry fee as set forth in Section 9.01 or thereafter upon approval by the Authority Board. The reasonable value of personal property or assets shall be determined by the Authority Board, in its sole discretion, by reference to a published market rate of the items in question, competitive quotes, or other objective measure approved by the Authority Board. In the case of contributed employees or services, reasonable value shall be determined based upon a proration for the time worked of the annual total compensation of the employee being loaned, service being provided or other objective measure approved by the Authority Board. The Authority shall have full discretion to return to the Party any contributed employee or to make other arrangement for any services being contributed, in which case the Party shall be subject to and shall promptly pay the remaining entry fee.

Section 9.03      Marketing Costs. The Authority may annually prepare a marketing budget for the Authority for the purpose of paying for marketing efforts designed to attract users to Kalamazoo Lake. Expenditure of such budgeted moneys shall be subject to annual review and audit to assure compliance with State and federal law and regulation.

Section 9.04      Acts and Omissions. The Authority shall only be liable for its own acts or omissions which occur after the Effective Date and none of the Parties shall be liable for any acts or omissions of the Authority.

Section 9.05      Execution of Documents. The Authority and each Party shall cooperate in order to execute and deliver to the Authority any and all documents including bills of sale, assignments, and certificates necessary or appropriate to effectuate each Party's contribution to the Authority.

Section 9.06      Participation Agreement. The Authority and a Party may enter into a Participation Agreement for the purpose of executing the purposes and activities contemplated by this Agreement.

ARTICLE X  
ADMISSION OF OTHER PARTIES

Section 10.01      Procedure. Following the Effective Date, a Public Agency may become a Party by submitting a written request to the Chairperson or Authority Board and pursuant to guidelines established by the Authority Board, payment of the then applicable entry fee as provided for in Article IX, Section 9.01 and in accordance with law. The Authority Board may recommend approval to the Local Government Parties to this Agreement, who shall approve or deny the request. Approval of this Agreement shall be by resolution of the entity seeking to become a Party.

Section 10.02      Effective Date. The effective date of admission of a Party is the date on which a fully executed copy of this Agreement which contains the name and signatory of the newly admitted Party is filed with Michigan Department of State, Office of the Great

Seal, and filed with the County Clerk of each county which is a Party to this Agreement pursuant to Section 10 of Act 7.

Section 10.03 Not an Amendment to Agreement. The admission of additional Parties after the initial Effective Date of this Agreement shall not constitute an amendment to or alternative form of this Agreement nor change the Effective Date. Any amendment to or alternative form of this Agreement may be made only in accordance with Section 14.10.

Section 10.04 Opinion of Legal Counsel. The written request submitted to the Authority Board shall be accompanied by an opinion of legal counsel to the Public Agency in form and substance satisfactory to counsel to the Authority, and to the Attorney General of the State if approval by the Attorney General is then required, including but not limited to opinions to the effect that the Public Agency is validly formed, has the powers set forth in Articles IV and V of this Agreement, and that the Agreement, once duly executed and delivered, will be the valid and binding obligation of the Public Agency, enforceable in accordance with its terms.

## ARTICLE XI SHARING OF REVENUE: LIMITATIONS

Section 11.01 Sharing of Revenue. The Parties agree conceptually that the Authority's success in attracting economic development will be measured in income from the Authorities projects, special assessment or bond proceeds, tax increment financing revenues, among other sources yet identified. The Parties therefore agree to investigate a fair and equitable means of sharing all or a portion of such revenue streams as permitted by law. Example, the dredging of Kalamazoo Lake benefits all parties and the cost should be shared proportionately according to the amount of submerged land falling within their jurisdiction. Funds secured for this purpose should be distributed in same proportionate fashion. The sharing of administrative costs is another example.

Section 11.02 Limitations. The Parties understand and agree to abide by any statutory limitations placed on financial proceeds collected from Special Assessment Districts (SAD) or Tax Increment Financing (TIF) or other statutory limitations set forth in comparable statutes. Example, SAD proceeds may only be spent on projects within the SAD district established by each party within their jurisdiction. TIF dollars can only be spent on projects set forth in each Party's Tax Increment Finance and development Plans within their TIF districts.

## ARTICLE XII BOOKS AND REPORTS

Section 12.01 Accrual Basis. The Authority shall maintain its books of account on an accrual basis of accounting, except as otherwise required by law.

Section 12.02 Authority Records. The Authority shall keep and maintain at the principal office of the Authority all documents and records of the Authority. The records of the Authority shall include a copy of this Agreement along with a listing of the names and addresses of the Parties. Such records and documents shall be maintained until termination of this Agreement.

Section 12.03      Financial Statements and Reports. The Authority shall cause to be prepared at least annually, at Authority expense, audited financial statements prepared in accordance with the Budget Act and with generally accepted accounting principles and accompanied by a written opinion of an independent Certified Public Accountant. A copy of the annual financial statement and report shall be filed with the State Department of Treasury within six months after the end of the Authority's Fiscal Year in accordance with law, with copies filed with each Party.

Section 12.04      Freedom of Information Act. The Authority is subject to and shall comply with the Freedom of Information Act.

### ARTICLE XIII FINANCES

Section 13.01      Annual Budget. The Authority shall be subject to and comply with the Budget Act. The Treasurer annually shall prepare and the Authority Board shall approve a budget for the Authority for each Fiscal Year. Each budget shall be approved not less than 15 days prior to the beginning of the Fiscal Year. The budget may not be approved by the Authority Board unless first approved by each Party by resolution.

Section 13.02      Deposits and Investments. The Authority shall deposit and invest funds of the Authority, not otherwise employed in carrying out the purposes of the Authority, in accordance with an investment policy established by the Authority Board consistent with State law regarding the investment of public funds.

Section 13.03      Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Authority Board and in accordance with the Budget Act and law.

### ARTICLE XIV MISCELLANEOUS

Section 14.01      Notices. Notice of all meetings of the Authority Board shall be given in the manner required by the OMA. In addition, at least three (3) days prior to the date set for the holding of any meeting of the Authority Board, written notice of the time and place of such meeting shall be sent by email or other electronic means to each Authority Board member, as the case may be, at the email or other appropriate address of such member appearing on the records of the Authority. Every notice by email or other electronic means shall be deemed duly served as of 5:00 p.m., prevailing Eastern Time, next following the actual time when the notice is transmitted, as recorded by the Authority's communication system. The Chairperson or his or her designee may, but shall not be required to, cause additional written notice to be provided to a member or members by mailing such notice via regular U.S. mail not less than seven (7) days prior to the date set for the holding of the meeting to the address of such member or members appearing on the records of the Authority. Mailed notice shall be deemed duly served on the second business day following the day when the same has been deposited in the United States mail with postage fully prepaid and addressed to the sendee as provided above.

Any and all correspondence or notices required, permitted or provided for under this Agreement to be delivered to any Party shall be sent to that Party by email or other electronic means at the email or other appropriate address of such Party appearing on the records of the Authority, with a written copy by first class mail, provided that notices required by Sections 5.12, 5.13, 5.14, 5.15 and 5.16 and notices of withdrawal shall be sent by email or other electronic means and by certified mail, return receipt requested, in lieu of first class mail. All such written notices including any notice of withdrawal as provided herein shall to be sent to each other Party's signatory to this Agreement, or that signatory's successor at the address as set forth above such Party's signature, or to such other address provided by the Party to the Authority from time to time. All correspondence shall be considered delivered to a Party as of 5:00 p.m., prevailing Eastern Time, next following the actual time when the notice is transmitted, as recorded by the Authority's communication system.

Section 14.02      Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.

Section 14.03      No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 14.04      Severability of Provisions. If any provision of this Agreement, or its application to any Person or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances is not affected but will be enforced to the extent permitted by law.

Section 14.05      Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrine of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 14.06      Captions and Recitals. The captions, headings, recitals and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and are not to be interpreted as part of this Agreement. They are solely for convenience of reference and do not affect this Agreement's interpretation.

Section 14.07      Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 14.08      Cross-References. References in this Agreement to any Article include all Sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 14.09      Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to the courts of the State of Michigan.

Section 14.10      Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of all Parties.

Section 14.11      Execution of Agreement; Counterparts. Each Party shall duly execute three (3) counterparts of this Agreement, each of which (taken together) is an original but all of which constitute one instrument.

[Remainder of this page left blank intentionally]

IN WITNESS WHEREOF, this Agreement is executed by each Party on the date hereafter set forth.

**CITY OF THE VILLAGE OF DOUGLAS**

WITNESS: *[Signature]*

BY: *Martha Hoexter*  
Martha Hoexter

*Mayor Pro Tem*

Its: Mayor Pro Tem

BY: *Jean E. Neve*  
Jean E. Neve

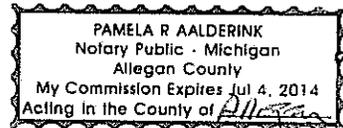
Its: City Clerk \_\_\_\_\_

DATE: November 15, 2011

STATE OF MICHIGAN        )  
  )ss.  
COUNTY OF ALLEGAN     )

On this 15<sup>th</sup> day of NOVEMBER, 2011, before me a Notary Public in and for said County, appeared Martha Hoexter and Jean E. Neve, to me personally known, who, being by me duly sworn, did each for herself say that they are, respectively, the Mayor Pro Tem and City Clerk of the City of the Village of Douglas, the corporation named in and which executed the within instrument, and that said instrument was signed and sealed on behalf of the City of the Village of Douglas by authority of its City Council; and said Martha Hoexter and Jean E. Neve acknowledged said instrument to be the free act and deed of the said City of the Village of Douglas.

*Pamela R. Aalderink*  
Notary Public, Allegan County, Michigan  
Acting in Allegan County, Michigan  
My Commission Expires: July 4 2014



Public Hearing in the City of the Village of Douglas held on October 10, 2011.

IN WITNESS WHEREOF, this Agreement is executed by each Party on the date hereafter set forth.

**CITY OF SAUGATUCK**

WITNESS: *Robert H. Sapota*

BY: *Jane Verplank*  
Jane Verplank

*Alexis W. Urzuch*

Its: Mayor

BY: *Monica Looman*  
Monica Looman

Its: City Clerk

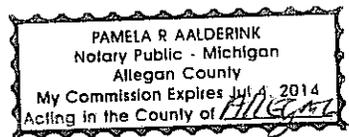
DATE: NOVEMBER 15 2011

STATE OF MICHIGAN     )  
  )ss.  
COUNTY OF ALLEGAN    )

On this 15<sup>th</sup> day of NOVEMBER, 2011, before me a Notary Public in and for said County, appeared Jane Verplank and Monica Looman, to me personally known, who, being by me duly sworn, did each for herself say that they are, respectively, the Mayor and City Clerk of the City of Saugatuck, the corporation named in and which executed the within instrument, and that said instrument was signed and sealed on behalf of the City of Saugatuck by authority of its City Council; and said Jane Verplank and Monica Looman acknowledged said instrument to be the free act and deed of the said City of Saugatuck.

*Pamela R. Calderink*  
Notary Public, Allegan County, Michigan  
Acting in Allegan County, Michigan  
My Commission Expires: July 4 2014

Public Hearing in the City of Saugatuck held on October 17, 2011.



## EXHIBIT A

### LEGAL DESCRIPTION

The boundaries of the proposed water resource improvement district within which the Water Resource Improvement Tax Increment Finance Authority shall exercise its powers are as follows:

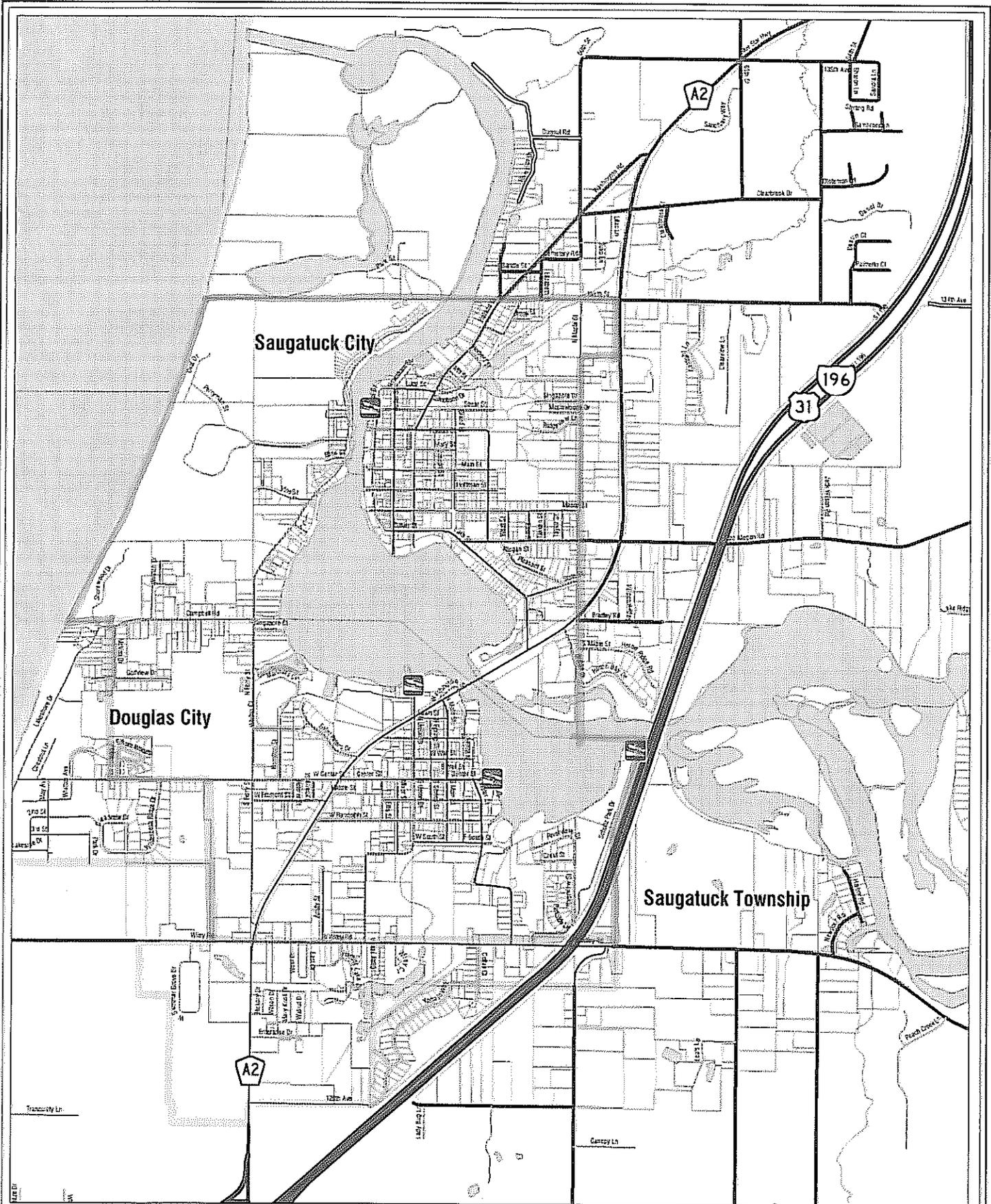
Beginning in the City of Saugatuck:

T3N, R16W, Section 8; Also all that part of Section 16 which lies north and east of the Kalamazoo Lake and the Kalamazoo River; and also a parcel of land in Section 10 described as beginning 701.91 feet north of the southwest corner of the north 5/8 of the west 1/2 of the northwest 1/4 of Section 10 on the west Section line, thence north to the northwest corner of Section 10, thence due east on the Section line to the westerly right-of-way of the Blue Star Highway (formerly known as old US 31), thence southeasterly along the westerly right-of-way of the Blue Star Highway to a point due east of the beginning, thence west to the beginning, and

Continuing to the City of the Village of Douglas:

all properties that fall within a district that would be created by drawing a line starting at the intersection of Ferry Street and Campbell Road and proceeding West along Campbell Road to a point approximately 200 feet West of McVea Dr., then turning South at that point and proceeding in a straight line to Center Street, then turning East on Center Street and proceeding to a point approximately 650 feet West of intersection of Center and Ferry Streets, then turning South at that point and proceeding in a straight line to Wiley Road, then turning East on Wiley Road proceeding to the eastern boundary of the City, then turning North and following the boundary of the city to a point in Lake Kalamazoo that marks the dividing line between the City of Douglas and Saugatuck Township, then following that line in Lake Kalamazoo that goes West and North West to a point that aligns with the point of beginning at Ferry Street and Campbell Road.

So that these descriptions when joined along their common boundaries combine form one Water Resource Improvement Tax Increment Finance Authority District as depicted on the following map:



### Public Access Points

Allegan County Land Information Services assumes no liability for the conclusions drawn from the use of these data

1 inch = 2000 feet ( 1:24,000 )  
Map Created 11/15/2011

January 8, 2016

Mr. Kirk Harrier  
City Manager, City of Saugatuck  
Saugatuck City Hall  
102 Butler Street, P.O. Box 86  
Saugatuck, MI 49453  
[kirk@saugatuckcity.com](mailto:kirk@saugatuckcity.com)

**Subject: Kalamazoo Harbor Buoy Plan Development Proposal**

Dear Mr. Harrier,

Thank you for the opportunity to assist the Kalamazoo Lake Harbor Authority to review and optimize the buoy plan for the harbor. Our past efforts to provide support to the KLHA Buoy Subcommittee with drafting and mapping services resulted in the approval and implementation of the current buoy plan. We understand several questions regarding the buoys have arisen over the past two boating seasons and KLHA is interested in evaluating and, if necessary, optimizing the plan. We propose to help the KLHA with the process to build on the previously completed plan.

### SCOPE

We propose to complete the following scope of work:

#### **Task I – Evaluate Buoy Plan**

##### Task I.1 – Review Status & Current Buoy Plan

We will review the status of the buoy plan by reviewing the need, the responsibilities for creating and maintaining the plan, and the steps that have and are necessary for implementation of a revised plan, if needed, including:

- KLHA goals and responsibilities concerning aids to navigation
- Approvals that have been issued (USCG) and would need to be re-issued if revisions are made

The current plan will then be reviewed against current guidance documents regarding aids to navigation, including the USCG Aids to Navigation Manual, “Chapter 5 – Non Coast Guard Maintained Aids”. The primary purpose of this review will be to address comments that the current buoy plan creates confusion and includes more buoys than necessary. Opportunities to eliminate buoys will be identified for KLHA review.



### Task 1.2 – Buoy Type, Anchorage, and Maintenance

We understand issues have arisen with regard to the buoys themselves. Currently, buoys and anchorage are removed seasonally, but on a trial-basis, some buoys have been replaced with spar buoys during the winter months. While the few spar buoys have survived the winter, concern exists that ice could cause spars to be lost and that the remnant chain anchors would have the potential to damage dredging equipment during maintenance dredge cycles.

We will review the anchor needs, available products including buoys and anchor systems, and make recommendations for standard specifications. This task will also include recommendations regarding seasonal removals, seasonal replacements, and a standard set of guidelines to provide to marine contractors, if necessary. We will reach out to the USCG, review available product data, and complete a desktop-level study of other similar harbor buoy plans.

### Task 1.3 – Stakeholder Input

Because the plan must work for those who will depend upon it, we propose to conduct individual stakeholder input meetings in Saugatuck/Douglas during a one-day input session. We would select a day and request that key stakeholders meet with us individually to provide input regarding the current plan and their suggestions for improvement. Those that can't attend would be asked to provide written comments. The request for suggestions would be sent with enough time to allow each of the key stakeholders to solicit and summarize feedback from their customers/slipholders, etc. At minimum, the following list stakeholders would be contacted:

- Vanderbeek Marine Construction
- Tower Marine
- Sergeants Marina
- King Construction
- Saugatuck Yacht Club
- Star of Saugatuck
- Harbor Ducks
- Allegan County Marine Patrol
- U.S. Coast Guard
- Other private marinas including Pleasant Point, Ken Trester, others

Input will be documented and summarized for the KLHA as part of the process to attempt to quantify the perceived issues.

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#### I.4 – Buoy Report

After the above subtasks are completed, a report will be generated to summarize;

- Current buoy plan and opportunities for improvement
- Buoy specifications & maintenance recommendations
- Stakeholder input

The report will contain recommendations to continue with the current plan or to optimize/update the plan to address comments and minimize costs.

A draft of the report will be submitted to the KLHA for review, followed by creation of the final report. This scope of work includes preparation of a draft report and one round of revisions per feedback from the KLHA. If additional revisions are needed, we will invoice at our standard hourly rates.

Deliverables:

- Buoy Report – Up to five (5) hard copies and a digital PDF copy

#### **Task 2 – Develop Buoy Plan Update**

Depending upon the findings of Task 1, KLHA may choose to revise/update the current buoy layout plan. This task will likely include a draft revision and a final plan, followed by necessary approvals including KLHA, USCG, and others. In addition, to finalize the plan, additional survey tasks may be necessary to identify existing depths and alignments. We will prepare a more specific scope of work and estimate of fees once the revisions and required processes are identified.

#### MEETINGS

This scope includes two meetings in Saugatuck/Douglas:

- One full-day meeting to solicit individual stakeholder input.
- One with representatives of the KLHA and the Nautical Stakeholder Committee to review the above report and discuss any comments (Task I.4).

#### SCHEDULE

Upon receipt of the notice to proceed and direction/information from KLHA, we anticipate Task 1 will be completed within within 4-6 weeks. Tasks which affect preparations that must be completed yet this fall will be prioritized and expedited to ensure seasonal work can be completed.

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EXCLUSIONS

This proposal fee does not include any outside costs for permit fees due to state and federal agencies, obtaining records, etc. This scope of work does not include the cost of any special technical studies which may be needed or required by the agencies. Work that is specifically excluded is as follows:

- Floodway/floodplain studies/computer modeling/wave and erosion studies
- Water quality certification needs
- Threatened and endangered species studies (i.e. freshwater mussels, Indiana Bat, etc.)
- Wetland delineation/mitigation, critical dunes studies
- Historic/archeological studies
- Hydrographic, topographic or boundary survey
- Soil Investigations - environmental or geotechnical
- Other, as required by the agencies or special interest groups

FEE

We propose to complete the scope of work outlined above on a time and materials basis at our standard hourly rates up to the following anticipated fee estimates:

Task 1.1 – Review Status & Current Buoy Plan	\$ 1,600
Task 1.2 – Buoy Type, Anchorage, and Maintenance	\$ 1,700
Task 1.3 – Stakeholder Input Meeting	\$ 3,100
Task 1.4 – Buoy Report & Meeting	\$ 5,800
<b>Total Task I Fee Estimate:</b>	<b>\$ 12,200</b>

*Task 2 – Develop Buoy Plan Update*                      *TBD*

Travel expenses and printing expenses are excluded in the fees above and will be invoiced at the cost incurred. We anticipate direct costs will be approximately \$150 for this project.

We hope this proposal accurately summarizes and addresses your needs and look forward to the opportunity to discuss this with you in more detail. If you have any questions, please feel free to call.

Sincerely,  
 Edgewater Resources, LLC  
  
 Mike Morphey, PE, LEED AP  
 Project Manager

Cc: Kirk Harrier, KLHA, City of Saugatuck  
 Patrick Burroughs, KLHA  
 Ken Trester, KLHA  
 Gregory J. Weykamp, ASLA, LEED AP

