

# **Supervisor's Update: Ferry Ordinance, Infrastructure, and Funding**

## **Proposed Ferry Franchise Ordinance**

I have proposed a Ferry Ordinance designed to protect the health, safety, and welfare of our citizens who use the Harsens Island Ferry. You can find the ordinance on the Township website if you have not seen a copy. I am publishing it to our community generally so that the public is aware of it. This ordinance is very similar to one that was found to be valid by the Michigan Court of Appeals. The ordinance was also reviewed by a Michigan Township Association attorney who specializes in Township Franchise Agreements. His opinion is that the ordinance would withstand a legal attack in light of Public Act 240 of 2017. After receiving this opinion, I believe the ordinance is enforceable. The attorney suggested, however, that since Division 3 is presently being litigated in Federal Court, we refrain from enforcing that part of the ordinance until the Federal Court decides the issue.

This ordinance will help protect the public in several ways. It requires safety inspections of docks every three years. It requires any new dock constructed to be completed within 180 days. (We will no longer have to endure the construction of docks over several years, as is presently the case.) The construction of a dock will have to be approved by the Planning Commission and inspected by an engineer after securing proper engineering approval from the Township.

A franchise fee of one percent of the net revenue received will be assessed.

In the event that a ferry operates a monopoly, the Township shall regulate all facets of the operation of the franchise, including the setting of rates and charges, as well as schedules of crossings. There will also be an effort to ensure that enough ferries operate to avoid long waiting lines.

This ordinance is suggested to be in the best interest of the community. It is not intended to replace any effort to establish a public ferry service.

## **Cooperative Agreement**

Recently, the owner of Champion's Auto Ferry Inc. met with Mr. Dave McElroy, the Director of the Blue Water Area Transportation Commission, to discuss receiving Public Act 51 money, which could be used to offset the operating expenses of the ferry. Public Act 51 money is provided by MDOT to a transportation authority so that it can distribute it to a private ferry operator, provided the ferry operator uses the money to help offset operational expenses in order to hold down or reduce rates for the benefit of the public. To receive funding, a ferry operator would have to disclose its operational expenses and income and could be required to undergo a full financial audit in order to satisfy the funding unit that the public is receiving a benefit. Mr. McElroy informed the ferry owner that HITA is the funding source, and he would have to reach an agreement with HITA to receive funding. Presently, there is well over a million dollars' worth of funding available to the ferry owner, provided he can reach a cooperative agreement with HITA. HITA has consistently, for years, proposed such a cooperative agreement with Champion's.

## **Water and Sewer Project Funding**

There are a few infrastructure projects the Township needs to start work on. The projects are a Water Main Replacement project on M-29, which will run from Algonac to Willow Court and will cross to Harsens Island; a Water Main Replacement project on Anchor Bay Drive to Ira Township; and a Small Diameter Sewer Line project to repair sewer lines.