

COUNCIL COMMUNICATION

From: The City Manager

Subject: Andersen Water Park Development Project Agreement

Manager's Recommendation:

I recommend that the Andersen Water Park Development Project Agreement ("Agreement") with the Michigan Department of Natural Resources ("DNR") be approved. The Agreement has been approved by me as to substance and by the City Attorney as to form. Furthermore, it is recommended that I or my designee be authorized to execute the Agreement.

Funds from the Trust Fund will be deposited in the following account, the State Grants DEQ Account No. 587-0000-511-5901.

Justification:

The DNR oversees the Michigan Natural Resources Trust Fund ("Trust Fund"). The Trust Fund provides grants to municipalities for projects. The City submitted a grant application to the Trust Fund to obtain funds to demolish the slide and other facilities at the Andersen Water Park. The total amount of the demolition is \$69,000.00. The City was awarded a grant from the Trust Fund in the amount of \$51,800.00, which is equal to 75% of the costs for the demolition. According to the terms of the grant, the Trust Fund will pay 75% of the costs and the City must pay a local match of 25%, which equals \$17,200.00.

The Trust Fund requires the City to enter into an Agreement to accept the funds. Staff reviewed the Agreement and determined that the terms are advantageous to the City. However, there were terms that required discussion between the Trust Fund and City personnel. Specifically, the City cannot name the park after any living or deceased person. City personnel advised the Trust Fund staff that the park was named the Andersen Water Park after Frank Andersen. Trust Fund staff stated that because the DNR provided a grant for the original Andersen Water Park, the name could remain the same. However, the City cannot rename the park after another person.

Furthermore, City personnel advised Trust Fund staff that it wants to use the funds from the Mershon-Whittier Trust to construct a wading pool. Pursuant to the terms of the Mershon-Whittier Trust the City can only use the funds to construct a pool

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and the pool must be named the Mershon-Whittier Wading Pool. The Trust Fund staff stated the City can apply for a waiver regarding this matter. Specifically, in March 2009 City personnel can make a presentation to the DNR advising them of the terms of the Mershon-Whittier Trust, which states the City can only use the funds to construct a pool and that it must be named after the Mershon-Whittier Trust. Trust Fund staff stated that if the waiver is granted, the City cannot name any other portion of the park after a person.

Moreover, according to the terms of the Agreement, the City must erect and maintain a plaque on the park entry sign, which designates the project as having been constructed with the assistance of the Trust Fund. The size, color and design of the plaque must be created according to DNR specifications. In addition, the City currently plans not to charge a fee to park users. However, if the City decides to charge park users a fee, it must submit the fee schedule to the DNR for approval before implementing it. Finally, the terms of the Agreement states that City Council must approve a resolution approving the Agreement and submit it to the DNR. The resolution will be approved in a latter part of the agenda.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.