



TO: Douglas City Council

FROM: Lisa Nocerini, City Manager

DATE: February 17, 2026

RE: Approval Interlocal Governmental Agreement – Blue Star Trail Engineering Services with Prien & Newhof

Council is being asked to consider approval of an Interlocal Governmental Agreement between the City of the Village of Douglas and Saugatuck Township for engineering services related to the Wiley Road to M-89 segment of the Blue Star Trail.

This agreement, entered into pursuant to the Urban Cooperation Act of 1967, formalizes cost-sharing and administrative responsibilities for full design and construction engineering services for this approximately three-mile trail extension. Engineering services for this project will be provided by Prein & Newhof. The project is supported by Transportation Alternatives Program (TAP) funding in the amount of \$2,566,047, along with additional Trust Fund reimbursement for eligible engineering costs. Under the agreement, the City of the Village of Douglas' total allocated share of engineering costs is \$113,680. Of that amount, \$92,000 is eligible for reimbursement through the Trust Fund, resulting in a net City responsibility of \$21,680. This \$21,680 is included within the total project cost previously identified and approved by Council and is not an additional or new expense.

In terms of timing:

- If work begins this spring on NEPA/SHPO coordination, topographical survey, and soil borings, approximately \$26,000 of the City's portion of preliminary engineering costs may be incurred through the end of FY 2026 (July 2026). These costs are expected to be reimbursable in July/August 2026, contingent upon State legislative approval of the grants and execution of agreements.
- The remaining design engineering costs, approximately \$36,000, will be incurred through the remainder of 2026 and into early 2027 and are expected to be reimbursed through the Trust Fund.
- The City's share of construction engineering costs totals \$51,665, anticipated to be incurred beginning as early as April or June 2027 and continuing into late 2027. Of this amount, \$29,982 is eligible for reimbursement, with the remaining \$21,680 representing the City's final net obligation.

Council should note that the City's anticipated net responsibility has already been accounted for and approved through the most recent budget amendment. Approval of this Interlocal Agreement does not create any unbudgeted or unexpected financial obligation for the City.

Recommended Motion: Approve the Interlocal Governmental Agreement between the City of the Village of Douglas and Saugatuck Township for engineering services related to the Wiley Road to M-89 segment of the Blue Star Trail, with engineering services provided by Prein & Newhof, and to authorize the City Manager to execute the agreement and any related documents.

**INTERGOVERNMENTAL AGREEMENT
FOR ENGINEERING SERVICES FOR
THE WILEY ROAD TO M-89 SECTION OF THE BLUE STAR TRAIL**

This INTERLOCAL AGREEMENT is entered into pursuant to Act 7 of PA 1967 (hereinafter defined), by and between Saugatuck Township, 3461 Blue Star Hwy., P.O. Box 100, Saugatuck, MI 49453 and the City of the Village of Douglas, PO Box 757, 86 W. Center St., Douglas, MI 49406-0757 (the "Municipalities"), each of them a "public agency" as defined in Act 7.

RECITALS

WHEREAS, 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; and

WHEREAS, the Municipalities have supported the development of the Blue Star Trail, a non-motorized pathway extending from South Haven to Saugatuck (the "Trail"); and

WHEREAS, the Municipalities desire to jointly pursue the design and construction of an approximately three-mile extension of the Trail from Wiley Road to 124th Avenue (M-89) (the "Project"); and

WHEREAS, in 2023, the Municipalities previously entered into an Interlocal Agreement to retain preliminary engineering services for the Project, the costs of which were funded primarily by the Friends of the Blue Star Trail; and

WHEREAS, the Municipalities now desire to retain P&N to provide full design and construction engineering services for the Project, the costs of which will be funded by the Municipalities with the assistance of grant funding; and

WHEREAS, the Municipalities were successful in securing a grant from the Transportation Alternatives Program ("TAP") in the amount of \$2,566,047.00 for the Project; and

NOW, THEREFORE, the parties agree as follows:

1. Cost Allocation. The Municipalities agree to pay P&N's fees as follows:

Saugatuck Township: \$393,520.00

City of the Village of Douglas: \$113,680.00

Each Municipality shall be responsible for its allocated share of invoices submitted by P&N. Invoices shall be submitted monthly and paid in accordance with the terms of the engagement with P&N.

2. Project Liaison. To minimize costs and the risk of miscommunication, the parties hereby designate Daniel DeFranco, Saugatuck Township Manager, as their liaison for the Project

(the “Project Liaison”). The Project Liaison shall be the principal contact for P&N and shall provide regular status reports on the Project to the Municipalities. The Project Liaison shall consult with the Douglas City Manager before making any material decisions regarding the design of a trail segment located within the City of the Village of Douglas.

3. **Scope Changes.** Any changes in the scope of work to be provided by P&N under this Agreement must be approved in writing by both Municipalities. The cost of any scope changes shall be allocated between the Municipalities by mutual written agreement.

4. **Miscellaneous**

- a. **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.
- b. **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.
- c. **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.
- d. **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.
- e. **Captions.** The captions, headings, 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.
- f. **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.

- g. 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.
- h. Jurisdiction and Venue. All claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for nonbinding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. Any party hereto may initiate mediation within the time allowed for filing per State law and the parties hereto agree to fully cooperate and participate in good faith to resolve dispute(s). The cost of mediation shall be shared equally by the parties involved. If mediation fails to resolve the claim or dispute, the matter shall be submitted to a court of competent jurisdiction.
- i. Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of all Parties. In the event that an amendment to this Agreement or alternative form of Agreement is approved by less than all Parties, any Party which has not approved of the amendment or alternative form of Agreement may withdraw from the Agreement.
- j. 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.

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

CITY OF THE VILLAGE OF DOUGLAS

DATE: _____

By: _____

Its: _____

SAUGATUCK TOWNSHIP

DATE: _____

By: _____

Its: _____