

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MICHIGAN  
NORTHERN DIVISION**

Shepler's Inc. d/b/a Shepler's Mackinac Island  
Ferry Service, and Mackinac Island Ferry  
Company d/b/a Arnold Transit Company,

Plaintiffs/Counter-Defendants,

-against-

City of Mackinac Island,

Defendant/Counterclaim- Plaintiff.

Case No.: 25-cv-00036

Hon. Robert J. Jonker

Mag. Maarten Vermaat

**EXPEDITED CONSIDERATION  
REQUESTED**

**BRIEF IN SUPPORT OF PLAINTIFFS' MOTION FOR TEMPORARY RESTRAINING  
ORDER AND A PRELIMINARY INJUNCTION ENJOINING DEFENDANT FROM  
ENACTING UNLAWFUL ORDINANCE**

**INTRODUCTION**

Plaintiffs Shepler's, Inc. d/b/a Shepler's Mackinac Island Ferry Service ("Shepler's") and Mackinac Island Ferry Company d/b/a Arnold Transit Company ("MIFC") (together, "Plaintiffs" or the "Ferry Companies") hereby respectfully request that this Court enter a Temporary Restraining Order ("TRO") and a Preliminary Injunction enjoining Defendant City of Mackinac Island (the "City") from enacting Ordinance 628, which otherwise has an upcoming effective date of May 28, 2025 (the "2025 Ordinance"). The Ferry Companies fully incorporate herein their concurrently filed Motion to Dismiss the City's Counterclaim under Fed. R. Civ. P. 12(b)(6). (ECF No. 18, 19.) For reasons stated in that Motion and as set forth in the accompanying materials, the Ferry Companies respectfully submit that the 2025 Ordinance is unlawful and all relevant factors support entry of a TRO and a Preliminary Injunction, which would maintain the status quo, including because:

1. Plaintiffs have a strong likelihood of success on the merits. The 2025 Ordinance is

a breach of the Ferry Parties' contract with the City, and did not purport to repeal and conflicts with the existing 2012 Ordinance, which Plaintiffs believe remains the operative Ordinance. There cannot and should not be two conflicting ordinances in effect at the same time. Nor does it appear that the City followed the required procedures under the controlling Charter for effecting the 2025 Ordinance, including that the Ferry Companies have not been able to locate any publication of the 2025 Ordinance and are not aware that it was posted as required under the Charter.

2. The 2025 Ordinance invalidly purports to regulate the Ferry Companies' rates in ways that are contrary to and in breach of the parties' existing Franchise Agreement that remains in effect until June 30, 2027. Those contracts cannot be unilaterally changed by the City so long as the Franchise Agreement continues in effect. The Ferry Companies are entitled to the benefit of the bargain they negotiated; the City cannot unilaterally change that bargain through ordinance making.

3. There is a clear and obvious risk of harm to the Ferry Companies, the people of Mackinac Island, and the State of Michigan. The City has effectively announced that it intends to use the 2025 Ordinance to unilaterally impose restrictions on the Ferry Companies, require them to pay additional non-contractual fees, and institute unconstitutional confiscatory rates. Such measures could very well cause the Ferry Companies to have no choice but to cease operations.

4. The 2025 Ordinance invalidly purports to regulate non-ferry services outside Mackinac Island that have never been regulated by the City before and over which the City has no authority to regulate – especially Plaintiffs' separate parking businesses, which are not even located within the City's jurisdiction. The City lacks authority under the Charter and the

Franchise Agreement to regulate these non-ferry services. The City at least implicitly recognizes that the 2025 Ordinance overreaches in this regard, as the City is behind brand new legislation that was introduced on May 14, 2025, under Senate Bill 304, that would allow the City to regulate never-before regulated businesses.

5. The 2025 Ordinance invalidly purports to implement a new \$150,000 “annual regulation fee” beyond what the Ferry Companies’ contractually agreed fees. This is not only contrary to and in breach of the parties’ existing Franchise Agreement that remains in effect until June 30, 2027, but is also unconstitutional pursuant to *Bolt v. City of Lansing*, 459 Mich. 152, 161-162 (1998), because the City has done nothing to establish, in any empirical or otherwise identified way, that the fee is reasonably connected to any regulatory purpose, making it an unconstitutional revenue-generating tax upon the Ferry Companies.

As set forth herein, these defects of the 2025 Ordinance, if permitted to take effect contrary to law, will cause irreparable harm to the Ferry Companies and the public in a matter that is contrary to the public’s interest. In contrast, staying the effectiveness of the 2025 Ordinance will not harm anyone and will maintain the status quo. The Ferry Companies have operated under their current contracts for more than a decade.

### **STATEMENT OF FACTS**

Shepler’s has been operating ferry services to and from Mackinac Island for approximately eighty years. (ECF 1, PageID.4.) Throughout that time, Shepler’s has worked closely with the City Council to ensure that it meets the transportation needs for Mackinac Island, including the specific needs for residents, commuting workers, and tourists. (*Id.*) Shepler’s also owns property in both St. Ignace and Mackinaw City. (ECF 1, PageID.5.) With this property, Shepler’s has developed parking lots, which it uses to operate a business for parking services. (*Id.*) Plaintiff Mackinac Island Ferry Company d/b/a Arnold Transit Company

(“MIFC” or “Arnold”) is the culmination of several companies with approximately 140 years of experience with ferry services to and from Mackinac Island. (ECF 1, PageID.6.)

In 2012, the City and the Ferry Companies resolved a rate dispute (including proposed legislation that, if passed, would have removed the City’s ostensible regulatory authority)<sup>1</sup> with the adoption of a Ferry Boat Ordinance and the simultaneous entry of 15-year Franchise Agreement along with Memoranda of Understanding between the City and the Ferry Companies, which remain in effect until June 30, 2027, as set forth below.

### **I. The 2012 Ferry Boat Ordinance.**

On June 20, 2012, the City Council approved Ordinance Number 465, which became effective July 10, 2012 (the “Ordinance,” copy attached at **Exhibit 1**). The Ordinance regulates ferry boat operations to and from the City. In pertinent part, it states that “no person shall operate a ferry boat service nor shall any person provide a ferry boat service in the City without such person having first obtained a franchise from the city.” (ECF 1, PageID.3.) The City admitted in its Answer to Plaintiffs’ Complaint that this Ordinance is currently effective. (ECF No. 7, PageID.41 (in answer to paragraph 12, the “City admits that the Ordinance regulates, among other things, ferry service to and from the City, as stated in Sec. 66-462 of the Ordinance.”).)

### **II. The Non-Exclusive Franchise Agreement for the Ferry Companies.**

In connection with the Ordinance, on June 27, 2012, Shepler’s entered into a Franchise Agreement with the City for the purpose of establishing a “nonexclusive ferryboat franchise authorizing [Shepler’s] to operate a public ferryboat service to and from the City of Mackinac

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<sup>1</sup> See SB 1150 of 2012 (<https://www.legislature.mi.gov/documents/2011-2012/billintroduced/Senate/pdf/2012-SIB-1150.pdf>).

See also SB 1151 of 2012 (<https://www.legislature.mi.gov/documents/2011-2012/billintroduced/Senate/pdf/2012-SIB-1151.pdf>).

Island[.]” (ECF 1-1; ECF 7-3.) The parties also executed a Memorandum of Understanding on June 2, 2012, including that all ferry “lines determine their own schedule and rates,” which they must file with the City. (MOU, **Exhibit 2**.) Ferry rates have not changed since 2022 despite continuously rising operating costs since that time.

Shepler’s entered into an Amendment and Restatement of Franchise Agreement with the City dated November 13, 2023, which expires June 30, 2027. (ECF 7, PageID.77-78; ECF 7-4.) MIFC entered into an Amendment and Restatement of Franchise Agreement with the City dated October 18, 2023, which expires June 30, 2027. (ECF 7, PageID.78; ECF 7-4.) The Franchise Agreement are materially identical and shall therefore be referred to hereinafter singularly as the Franchise Agreement.

### **III. Hoffmann Family of Companies Acquires Shepler’s.**

In 2022, Hoffmann Family of Companies (“Hoffmann”), by Hoffmann Sheplers Ferry Service, LLC, purchased Shepler’s. (See ECF 7, PageID.75; see also Declaration of David Hoffmann, ¶ 3, **Exhibit 3**; Declaration of Chris Shepler, ¶ 2, **Exhibit 4**.)

### **IV. The City Requests That Hoffmann Also Purchase MIFC.**

The Ferry Companies’ operation of both ferries is only the result of the City’s actions. After Hoffmann was operating Shepler’s, the City requested that Hoffmann also purchase and operate the other ferry service, MIFC. (ECF 1, PageID.8-9 (Complaint ¶¶ 33-38; Ex. 3, ¶ 8; Ex. 4, ¶ 9.) Specifically, as part of the transition of Shepler’s to Hoffmann, Chris Shepler arranged for David Hoffmann to visit Mackinac Island on May 23 and 24, 2022. (Ex. 3.) Mr. Shepler arranged for Mr. Hoffmann to tour the St. Ignace and Mackinac Island facilities and to meet several people on the Island. (*Id.*) He wanted to introduce Mr. Hoffmann to some of the key actors on the Island with respect to ferry services, including, but not limited to, Mayor Margaret

Doud, Brad Chambers, owner of Mackinac Island Carriage Tours, and Tim Hygh, the CEO for the Mackinac Island Convention and Visitors Bureau and the Mackinac Island Tourism Bureau, together now branded as Mackinac Island Tourism. (*Id.*)

Mr. Hoffmann and Mr. Shepler met with Mayor Doud and Messrs. Chambers and Hygh at the Mayor's Windemere Hotel on May 23, 2022, around 4:30 or 5:00pm. (*Id.*) At their May 23, 2022, meeting, Mayor Doud complimented the operation of Shepler's and said that it was doing a great job and was well-regarded on and around the Island. (*Id.*) During this May 23, 2022, meeting, Mayor Doud made the remark to the effect of, 'it sure would be nice if Hoffmann bought Star Line, too.' (*Id.*) Star Line was the operating name of MIFC. (*Id.*) Mayor Doud and the others continued, explaining that Star Line was poorly run and had received a lot of complaints, and was in overall poor financial condition with ferries that were in poor physical condition. (*Id.*) Most people with knowledge of the situation already knew that Star Line was in dire straits. (*Id.*) Mayor Doud expressed in no uncertain terms that she would be pleased if Hoffmann Family of Companies purchased Star Line and Messrs. Everyone in the meeting had the same theme, i.e., 'when is Hoffmann going to buy MIFC?' (Ex. 4.) Everyone, including the Mayor, Messrs. Chambers and Hygh, City Council, and many others on the Island, knew that MIFC was in great peril of being able to continue to operate. (*Id.*) It was a constant topic of discussion, and that discussion usually also included the prospect of Hoffmann purchasing MIFC. (*Id.*)

In the summer of 2024, for at least two full months through July and August 2024, Mr. Shepler was tasked with reporting to the City every week on the state of MIFC. (Ex. 4.) He had regular calls with the Mayor to discuss what he was going to talk about at the City Council meetings so that there would be no surprises for her. (*Id.*) It was a very bleak picture for MIFC.

The common sentiment was disbelief over how bad Jerry Fetty, the former executive of MIFC, had run MIFC into the ground. (*Id.*) MIFC was in such bad condition that there was concern that customers could get hurt. (*Id.*)

Ultimately, Hoffmann came through on the purchase of MIFC and Mr. Shepler acted as MIFC's President. (Ex. 4.) In or about June 2024, Hoffmann purchased all or a controlling majority of the stock of MIFC (f/k/a Star Line). (ECF 7, PageID.75.) MIFC was in such bad shape that Hoffmann completely shut the company down before rebranding and reopening it. (Ex. 4.) This resulted in Shepler's having to run 100% of customers to the Island while going through this transition. (*Id.*) Hoffmann made immediate infusion of millions of dollars of capital, about \$6 million, to MIFC, to restore it to proper working and operating order. (*Id.*; ECF 1, PageID.8-9 (Complaint ¶¶ 33-38).) Hoffmann only purchased MIFC because it believed, based on what Mayor Doud and Messrs. Chambers and Hygh said to David Hoffmann and Chris Shepler on May 23, 2022 and subsequent continued meetings and discussions with them and Mr. Shepler and the council, that the City of Mackinac Island, by its mayor and council, desired this outcome, and that Hoffmann could turn it into a profitable business venture over time. (Ex. 3.)

**V. The Ferry Companies' Notice of Rate Increases, Which The City Purported to Reject.**

In the fall of 2024, as required under the Franchise Agreement, both Shepler's and MIFC submitted their proposed rates for ferry services to the City Council for the 2025 season, which included a \$2 rate increase and various charges for ancillary services (which increase does not apply to residents of the Island). (ECF 1, PageID.9.) To explain the increase (the first increase since 2022), representatives for Shepler's and MIFC notified the City that, in addition to the substantial capital investments that need to be recouped over time, both Shepler's and MIFC were experiencing a significant increase in expenses, including a \$500,000 increase in fuel

prices, an increase in local taxes of \$50,000, a \$1,900,000 increase in payroll, and the approximately \$420,000 in lost ticket value that Shepler's and MIFC, in conjunction with the City, gives away for purposes of promotion. (*Id.*) To be clear, the Ferry Companies did not request that the City approve these new rates. Under the Franchise Agreement, the Ferry Companies were simply informing the City what the new rates would be.

Even though the City had no ability to "approve" or "reject" the Ferry Companies' new rates, on or about September 11, 2024, the City Council passed a resolution that purported to reject Shepler's and MIFC's proposed rate increase for ferry boat services and their statement/schedule for additional ancillary costs. (ECF 1, PageID.10.) The resolution states that the "recent purchase of all the ferry boat companies by one company presents the City with *a monopoly situation*, a situation the City has never faced before." (*Id.* (emphasis added)) The resolution continued to "freez[e] the rates that were in place for the 2024 season," with certain listed exceptions. (*Id.*)

Prior to Hoffmann's purchase of MIFC, at no time did the City disclose or indicate to Mr. Hoffmann, Mr. Shepler, or, to their knowledge, anyone else at the Ferry Companies, that the City believed that, by Hoffmann purchasing MIFC, it would give the City the ability to set ferry prices or impact the Ferry Companies' ability to set prices per the standard contractual notice provision of the existing Franchise Agreement. (Exs. 3, 4.) Hoffmann only learned of the City's position in the fall of 2024, after the acquisition of MIFC, when the City Council passed the above-referenced resolution rejecting the rates that the Ferry Companies submitted per the Franchise Agreement for the 2025 season and freezing base rates, ultimately leading to this litigation. (Ex. 3.) If Hoffmann had known that the City would take the opportunity to declare a monopoly after the purchase, deviate from the existing Franchise Agreement, assert regulatory



authority over not just ferry rates but also parking (including on property that is not on the Island) and all other fees it considers related to ferry services, like priority boarding, luggage fees, and others, and freeze base fare rates since 2022 at a level that does not permit a return on our investments, let alone any profit, Hoffmann would not have purchased MIFC. (Ex. 3.)

**VI. The City's 2025 Ordinance, To Be Effective May 28, 2025 If Not Enjoined.**

But it must have been obvious to the City that under Franchise Agreement and the Ordinance it lacked the authority to reject the Ferry Companies' new rates and charges (and, most fundamentally, completely lacked the ability to oversee any non-rate aspect of the Ferry Companies' charges and activities at all), because on April 30, 2025, the City adopted a new Ordinance governing Ferry Boats, Ordinance No. 628 (the "2025 Ordinance"). (ECF No. 19-1, attached as **Exhibit 5**.) This occurred after the Ferry Companies filed their initial Complaint in this matter on March 3, 2025, and after the City filed its Counterclaim on April 3. The 2025 Ordinance is the enactment that Plaintiffs now ask this Court to enjoin from taking effect, and/or to enjoin its enforcement.

The 2025 Ordinance purports to give the City exactly the powers it lacked under the Franchise Agreement. (Ex. 5.) In pertinent part, the 2025 Ordinance requires that a ferry boat operator that is granted a franchise to operate ferry service "shall submit in writing to the Council its proposed service rates and Schedule of Services for the following year," no later than September 1<sup>st</sup> of each year. A Ferry Boat Company "has the obligation to demonstrate that the Service Rates are just and reasonable for the services provided." (Ex. 5, § 22(b). Following the production of certain voluminous information also outlined in the 2025 Ordinance, "[t]he Council shall determine the Service Rates and Schedule of Services no later than November 30<sup>th</sup> of the year prior to the year the rates are scheduled to go into effect." (Id. § 22(f).) Significantly,

the 2025 Ordinance defines “Service Rates” to include activities it cannot regulate under the Franchise Agreement or the Charter, such as “any rate, fare, fee and/or charge the Ferry Boat Company charges for any service related to the Ferry Boat Service, including but not limited to transportation of passenger [sic], transportation of property, luggage, and parking fees.” (*Id.* § 2.)

In sum, the 2025 Ordinance: (1) grants the City broader authority to regulate the Ferries’ rates than permitted under the still-effective Franchise Agreements; (2) grants the City authority that it does not possess to regulate non-ferry services owned by Plaintiffs, such as parking and others; (3) invalidly implements an “annual regulation fee”, which is both a breach of the Franchise Agreements and an unconstitutional revenue-generating tax; and (4) requires the Ferry Companies to provide an overly broad and invasive amount of confidential operating and financial information to the City each year, not only from the Ferry Companies themselves, but potentially from affiliates of the Ferry Companies that might play a tenuous role in the Ferry Companies’ operations.

Yet, after adoption of the 2025 Ordinance, it is not even altogether clear what “ordinance” of the City controls ferry boat operations. The 2025 Ordinance does not repeal the 2012 Ordinance, and does not appear to have been published or posted. The 2025 Ordinance states that it repeals and replaces the “previous Ferry Boats Ordinance, No. 445,”<sup>2</sup> but the 2025 Ordinance does not mention Ordinance No. 465, which became effective July 10, 2012, and which had repealed and replaced the previous Ferry Boats Ordinance, No. 454. (*See* Ex. 1.)

The City bases its alleged right to adopt the 2025 Ordinance and otherwise disregard the Franchise Agreement based upon Section 9 of the Franchise Agreement, as amended and restated, which provides: “[i]n the event that no competition is found to exist in ferry boat

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<sup>2</sup> Ferry Boats Ordinance No. 445 was effective April 8, 2010 (copy attached, **Exhibit 6**).

service to and from the City, the City has the right to assert its jurisdiction over schedules and fares to the extent permitted by present law.” (ECF 7, PageID.78.)<sup>3</sup> As discussed below, however, the City cannot unilaterally vary the terms of the Franchise Agreement. And, of course, even now the Ferry Companies do not control all transportation to and from Mackinac Island, and the Ferry Companies’ operation of their ferries under the Hoffmann umbrella is only the product of the City’s own invitation.

## **VII. The City’s Proposed Legislation.**

Along with the 2025 Ordinance, on May 14, 2025, SB 304 was introduced. (SB 304, **Exhibit 7.**) It is sponsored by the state senator who represents Mackinac Island. It regards the general powers of the City of Mackinac Island. The 13<sup>th</sup> item on page 4 revises “all aspects of the ferry service” including baggage fees, early or priority boarding fees, fees and charges for *parking* and all other fees.” (emphasis added). This further evinces the City’s knowledge that it does not currently possess the authority under the Charter or the Franchise Agreements to regulate in the ways it now desires and purports to do under the 2025 Ordinance, and it is therefore seeking legislation to give it such authority.

## **STANDARD OF REVIEW**

When evaluating whether to grant a motion for a temporary restraining order, courts in the Sixth Circuit consider the following four factors: “(1) whether the plaintiff has established a substantial likelihood or probability of success on the merits; (2) whether there is a threat of irreparable harm to the plaintiff; (3) whether issuance of the injunction would cause substantial harm to others; and (4) whether the public interest would be served by granting injunctive relief.”

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<sup>3</sup> See also legal opinion dated January 7, 2025, provided to the City, available <https://mccmeetingspublic.blob.core.usgovcloudapi.net/mackinacmi-meet-a1f9dcd7ddaa4390946f8a13da99bd33/ITEM-Attachment-001-abbf7ff07af24eaf849259a32ac5c921.pdf>.

*Babler v. Futhey*, 618 F.3d 514, 519-20 (6th Cir. 2010). “The likelihood of success on the merits is typically the most important factor of a preliminary injunction analysis[.]” *Higuchi Int’l Corp. v. Autoliv ASP, Inc.*, 103 F.4th 400, 409 (6th Cir. 2024); *Kentucky v. Biden*, 57 F.4th 545, 550 (6th Cir. 2023) (“The first factor is the most important”), citing *Roberts v. Neace*, 958 F.3d 409, 416 (6th Cir. 2020). “But even though the district court must make an initial determination related to the moving party’s likelihood of success, the purpose of a preliminary injunction ‘is simply to preserve the status quo.’” *TowerCo 2013, LLC v. Berlin Twp. Bd. of Trs.*, 110 F.4th 870, 880 (6th Cir. 2024), quoting *US v. Edward Rose & Sons*, 384 F.3d 258, 261 (6th Cir. 2004).

## **ARGUMENT**

### **I. An Injunction Maintains the Status Quo.**

The City and the Ferry Companies have been setting rates and fees pursuant to the Franchise Agreement (without regard to Section 9) and the 2012 Ordinance, No. 465, since 2012, which was a negotiated resolution of their then rate-dispute. The Franchise Agreement remains in place for a term ending in more than two years, June 30, 2027. The City proposed and adopted the 2025 Ordinance only after this litigation commenced. The status quo would be maintained by entering the requested injunction enjoining the implementation of the 2025 Ordinance. *See TowerCo 2013, LLC*, 110 F.4th at 880, quoting *Edward Rose & Sons*, 384 F.3d at 261.

### **II. The Ferry Companies Are Likely To Succeed On The Merits.**

The City has no more authority to regulate the Ferry Companies than what the State provided to the City under the Charter and to which the City agreed under the Franchise Agreement. The City alleges that it “is one of only a very small and select handful of municipalities in the state whose authority to enact ordinances and to carry on its affairs is primarily derived from a special legislative act rather than some other more general statutory provision, such as the Home Rule Cities Act, M.C.L. § 117.1a *et seq.*” (ECF 7, PageID.74.)

According to the City, “the Legislature realized long ago how special the City of Mackinac Island is, and wisely chose to provide the City with specific grants of power to enable the City to adequately handle its particular transportation needs and to otherwise function in its unique environment.” (*Id.*) The Ferry Companies acknowledge that significant decision-making authority was delegated to the City, but the City still must abide by its contracts and comply with the law.

The Legislature created the City of Mackinac Island in 1899 under the charter of the City of Mackinac Island, 1899 LA 437 (the “Charter”). As a result of being created in this manner, the City is considered a “special charter city.” *See* OAG 1981-1982, No 5,936, fn 1 & 6 (July 24, 1981). While the City may meet the definition of fourth class city with its small population of approximately 500 people, Mackinac Island has never expressly reincorporated as under the Home Rule City Act.<sup>4</sup> According to the Michigan Municipal League, the City is the only “special charter” city remaining in Michigan.<sup>5</sup> As a special charter city, the City is governed by the Charter.

The Charter is comprised of 31 chapters, which span over 100 pages of text. Within the Charter, two provisions specifically discuss the regulation of ferries by the City Council of Mackinac Island. The first reference appears in Chapter IX, which lists the general powers of the City Council. Paragraph 13 of Section 1 of Chapter IX states that the City Council has the authority:

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<sup>4</sup> *See* Municipal Report, Organization of City and Village Government in Michigan (“Municipal Report”), *available at* <https://mml.org/wp-content/uploads/2024/10/MR-Org-of-City-Village-Govt-in-MI-Oct-2024.pdf>; House Legislative Analysis of SB 1204, May 5, 2010, *available at* <http://www.legislature.mi.gov/documents/2009-2010/billanalysis/House/htm/2009-HLA-1204-3.htm>.

<sup>5</sup> *See* Municipal Report, p 2.

To establish or authorize, license and regulate ferries to and from the city, or any place therein, or from one part of the city to another, and to regulate and prescribe from time to time the charges and prices for the transportation of persons and property thereon[.]

The second reference to ferries in the Charter is in Chapter XVI, entitled “Ferries.” This section provides that:

The council of said city may regulate and license ferries from such city or any place of landing therein to the opposite shore, or from one part of the city to another; and may require the payment of such reasonable sum for such license as to the council shall seem proper and may impose such reasonable terms and restrictions in relation to keeping and management of such ferries, and the time, manner, and rates of carriage and transportation of persons and property as may be proper, and provide for the revocation of any such licenses and for the punishment, by proper fines and penalties, of the violation of any ordinance prohibiting unlicensed ferries, and regulating those established and licensed.

Under the Code of Ordinances for the Cit of Mackinac Island, Chapter VII, Section 6:

“Within one week after the passage of any ordinance the same shall be published in some newspaper printed in the county and circulated within the city, or posted in five public places in the city, and the clerk shall immediately after such publication of posting enter upon the record of ordinances, in a blank space to be left for such purpose under the recorded ordinance, a certificate stating in what newspaper and of what date such publication was made or when and of what date such posting was made, and sign the same officially, and such certificate shall be prima facie evidence that legal publication or posting of such ordinance has been made.”

**A. The Proposed 2025 Ordinance is Void.**

The Ferry Companies have not been able to locate any publication of the 2025 Ordinance and are not aware of its posting. To the extent the City did not comply with the Code of Ordinances for the City of Mackinac Island, Chapter VII, Section 6, the Ferry Companies are likely to succeed on the merits because the 2025 Ordinance cannot take effect.

More fundamentally, the 2025 Ordinance does not purport to repeal or replace the 2012 Ordinance, No. 465, which is referenced in, and incorporated into, the parties’ contracts. The adoption of a new ordinance, without repealing the operative one, creates inconsistencies and

subjects the Ferry Companies to different requirements that cannot be reconciled with the 2012 Ordinance. (*Compare* Exs. 1 and 5.) To the extent the City contends that the 2025 Ordinance repealed the 2012 Ordinance, No. 465, which took effect on July 10, 2012 when the parties also were entering the Franchise Agreement, the 2025 Ordinance expressly did not do so, as it only purported to repeal and replace an earlier ordinance, the 2010 Ferry Boats Ordinance, No. 445. Thus, the 2025 Ordinance is no basis to upset the 2012 Ordinance upon which the Ferry Companies have relied and acted under pursuant to the Franchise Agreement.

**B. The 2025 Ordinance Constitutes the City's Breach of the Franchise Agreement.**

The City has attempted to justify its efforts to further regulate and breach its contractual obligations to the Ferry Companies by claiming the Ferry Companies are a monopoly:

The City has determined under its authority to “license and regulate ferries to and from the city, . . . and to regulate and prescribe . . . the charges and prices for the transportation of persons and property thereon,” which was delegated exclusively to the City through the Michigan Legislature’s adoption of the City’s Charter, that the common ownership and control by Hoffmann Marine of Shepler’s and MIFC/Arnold has eliminated competition in ferry boat service to and from the City *and created a monopoly* in the provision of such ferry boat services. The City therefore “has the right to assert its jurisdiction over schedules and fares to the extent permitted by present law,” pursuant to Section 9 of the MIFC/Arnold Amendment and Restatement of Franchise Agreement and the City’s Charter and Ordinances.

(ECF 7, PageID.49 (emphasis added).) There are several fatal flaws with the City’s rationale.

*First*, there is nothing in the record to confirm how and even whether the City has made a determination about whether the Ferry Companies represent a monopoly. As the City itself notes, there are myriad other ways to get to the City, and both of the contracts with the City are, on their face, non-exclusive. Moreover, there is not, and could not, be any contention that the Ferry Companies have somehow breached their contracts with the City. They are living up to their end of the bargain. This includes the implementation of a \$2 fare increase for non-residents that was

announced the city last fall. The increase represents an approximately 5 percent increase in fares, and is the first increase since 2022. When compared to other City businesses, and particularly the hotels where prices have skyrocketed, this is an eminently reasonable increase that is far less than the rate of inflation.

Even if the City were allowed to change the express terms of the Franchise Agreement through subsequent action (which it is not), the consolidation of ferry services does not, in itself, lead to the conclusion that the Ferry Companies are exercising monopoly economic power over transportation to and from Mackinac Island (which they are not). “Monopoly” is a term that arises under the antitrust laws, and identification of a “monopoly” requires a sophisticated analysis beyond just a quick look at what business entities are presently operating a specific service in an identified geographic area. Factors such as the substitutability of other products or services, barriers to entry into or expansion in the market, the possibility of other competitors, and other factors must be considered in identifying what the relevant antitrust market is, and a participant’s market power therein.<sup>6</sup>

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<sup>6</sup> The City fails to allege the “market” the Ferry Companies are accused of monopolizing. The relevant market is tethered to the purported monopoly or coordinated conduct; without a defined market, “there is no way to measure [the defendant's] ability to lessen or destroy competition.” *Spectrum Sports Inc. v. McQuillan*, 506 U.S. 447, 455 (1993). The City must “identity the relevant product and geographic markets so the district court can assess what the area of competition is, and whether the alleged unlawful acts have anticompetitive effects in that market.” *Total Benefits Plan. Agency, Inc. v. Anthem Blue Cross & Blue Shield*, 552 F.3d 430, 437 (6th Cir. 2008). In general, the relevant market includes services that are “reasonably interchangeable with, as well as identical to, defendant's” services. *American Council of Certified Podiatric Physicians & Surgeons v. American Bd. of Podiatric Surgery, Inc.*, 185 F.3d 606, 622 (6th Cir.1999); *see also White and White, Inc. v. Am. Hosp. Supply Corp.*, 723 F.2d 495, 500 (6th Cir. 1983) (the “reasonable interchangeability” standard looks to “whether the substitute products or services can perform the same function, and/or [] consumer response (cross-elasticity); that is, consumer sensitivity to price levels at which they elect substitutes for the defendant’s product or service”).

Here, the City appears to allege that Counterclaim Defendants simultaneously hold monopoly power over two ill-defined and otherwise improper antitrust markets. (ECF No. Counterclaim ¶ 69.) First, if the relevant service market constitutes “ferry service to and from Mackinac Island,” as the City sometimes pleads, the Counterclaim contradicts itself by simultaneously admitting that travel to and from Mackinac Island is possible by aircraft and



The City, of course, has never presented any such analysis, and even its pleadings in this matter admit facts that could be damning to a conclusion of “monopoly” power by the Ferry Companies, as discussed below. The City has admitted, for example, that would-be ferry passengers can also travel to Mackinac Island by airplane and private boat, but has never quantified the significance of that. The City has also never identified any barriers to entry that would keep other competitors from entering the market for ferry services, and the Franchise Agreement is expressly non-exclusive. Nor has the City ever asserted that present dock capacity or an inability to build new docks or for a potential competitor to purchase ferries poses any sort of barrier to entry. Moreover, the City has not identified any anticompetitive conduct by the Ferry Companies to exclude competition by others in the market for ferry transportation, which it would be required to do to support any claim of “monopolization” under the antitrust laws.

A reading of the unambiguous terms of the Franchise Agreement plainly demonstrates that the City is attempting to insert *new* language into the Franchise Agreement that simply does not exist. Shepler’s and MIFC have not breached the Franchise Agreement whatsoever. The language of the Franchise Agreement is unambiguous and must be enforced according to its plain terms. *Rory v. Cont’l Ins. Co.*, 473 Mich. 457, 703 N.W.2d 23, 28 (Mich. 2005). Per Article 3, the Ferry Companies are required only to “file [their] schedule[s] of services and rates for the next season with the City Clerk” no later than November 15 of each year. After not having raised ferry rates in the several years since Hoffmann acquired Shepler’s, in late 2024 the Ferry Companies notified the City that they intended to raise ferry rates by \$2. (ECF No. 7,

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private boat, while still asserting that the Ferry Companies are the only service providers in the market. (ECF No. 7, Counterclaim ¶ 69.) Second, to the extent the City argues that the relevant service market is parking in Mackinaw City or St. Ignace over which the Ferry Companies allegedly exercise complete control, and which is somehow “necessary” to transit on the Ferry Companies’ ferries, that assertion is threadbare and belies common sense. (ECF No. 7, Counterclaim ¶ 65.)

Counterclaim ¶ 32.) The City declined to “approve” the new rates, *id.* ¶ 41, even though it had no ability to control them. Nothing in the Franchise Agreement gives the City the right to approve or reject the files rates. The only exception to the Ferry Companies’ ability to determine their rates is Section 9, which allows the City “the right to assert its jurisdiction over schedules and fares to the extent permitted by present law” if “no competition is found to exist in ferry boat service[.]” (*Id.*)

But the Franchise Agreement does not speak to the circumstances under which “no competition is found to exist,” or by what means that is to be determined. (*See id.*) The City apparently claims the unilateral right to assert such lack of competition, but that power is nowhere to be found in the Franchise Agreement. To the contrary, if one looks to antitrust law to determine circumstances in which “no competition” exists,<sup>7</sup> factors such as the availability of substitute products or services (here, for example, airplane and private boat), and the possibility of new entrants entering the market relatively easily, must be considered, as discussed in Plaintiffs’ pending Motion to Dismiss the City’s Counterclaim.

**Second**, if the City wants more competition, it can always issue another license. The Ferry Companies’ contracts are non-exclusive.

**Third**, it was the City that asked Hoffmann to purchase MIFC because it was in dire straits and its fleet was breaking down. (Exs. 3, 4.) The City actively supported and caused the current situation. It is settled contract law that a party to a contract cannot induce a breach or cause the condition that permits it to declare rights to the detriment of the other contracting party. *See Kerber v. Wayne Cty. Emples. Ret. Sys.*, 2021 U.S. App. LEXIS 22912, at \*15-16 (6th Cir.

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<sup>7</sup> It is fair to interpret Section 9 of the Franchise Agreement under the antitrust laws. The City itself repeatedly uses the word “monopoly” to describe its justification for invoking Section 9, including in the City Council’s resolution last fall to freeze rates and in the City’s Answer to Plaintiffs’ Complaint, and has brought antitrust counterclaims against the Ferry Companies.

Aug. 2, 2021) (A party “cannot avoid liability on [a] contract for the failure of a condition precedent where [it] caused the failure of the condition.”), quoting *Harbor Park Mkt., Inc. v. Gronda*, 277 Mich. App. 126, 743 N.W.2d 585, 588 (Mich. Ct. App. 2007). The City benefited from Hoffmann’s purchase of MIFC for the greater good of having such a necessary ferry service that, under its then-ownership, was swiftly going under, only to then immediately seize upon that common ownership to invoke a provision of the Franchise Agreement aimed at monopolies. Hoffmann never would have purchased MIFC had it known of the City’s intentions. (Ex. 4.)

**Fourth**, even if the Ferry Companies were exercising monopoly economic power over transportation to and from Mackinac Island (which they are not), the Ferry Companies have the right to a rate that permits them to make a return on their investment and generate a profit, whereas the City’s limitation and “freeze” is confiscatory as a matter of law in causing the Ferry Companies to lose money, threatening their very viability. See *Michigan Consol. Gas Co. v. Michigan Public Service Com.*, 389 Mich. 624, 638 (Mich. 1973); *In re Ind. Mich. Power Co.*, 329 Mich. App. 397, (Mich. Ct. App. 2019) (“‘A public utility has a right to a just and reasonable rate of return on its investment,’ and such utilities ‘are protected from being limited to rates that are confiscatory.’”), quoting *Ass’n of Businesses Advocating Tariff Equity v. Pub. Serv. Comm.*, 208 Mich App 248, 269 (1994); *Verizon N., Inc. v. Mich. PSC*, 260 Mich. App. 432, (Mich. Ct. App. 2004) (“a rate order is unconstitutional if it establishes a rate that is so low that it is confiscatory”).

Thus, the Ferry Companies are likely to succeed on the merits because the City’s reliance on Section 9 of the Franchise Agreement to unilaterally declare a nonexistent monopoly for the

sake of freezing rates to a confiscatory degree is both unconstitutional and a breach of the Franchise Agreement.

**B. Parking And Other Services Are Not Covered by the Charter or Franchise Agreement.**

The City's attempt to expressly regulate – for the first time and without any legal authority – the fees the Ferry Companies charge for parking at the lots it operates outside of the City and dock ownership is also doomed to failure, and poses yet another reason that the Ferry Companies are likely to succeed on the merits. In paragraph 39 of its Counterclaim, the City alleges that it “is empowered under the Amendment and Restatement of Franchise Agreements, and its Charter and Ordinances, to regulate the rates and charges of Shepler's and MIFC/Arnold for ferry boat service to Mackinac Island, *including without limitation their charges for parking in the company-owned lots* which is necessary to access the ferries, and other rates and charges in connection with transportation by ferry.” (ECF 7, PageID.78 (emphasis added).) The City gave itself this “right” only in the 2025 Ordinance. (Ex. 5 § 2 (definition of “Service Rate” to include “charges for any service related to the Ferry Boat Service, including but not limited to transportation of passenger [sic], transportation of property, luggage, and parking fees.”).)

Neither the Charter nor the Franchise Agreement contain any language that gives the City the right to regulate fees charged for parking or for ancillary services, such as priority boarding or luggage fees. Section 3 of the Franchise Agreement only requires the Ferry Companies to file their “schedule of services” for ferry service and rates; Section 9 of the Franchise Agreement allows the City to regulate only “schedules and fares” if “no competition” is found to exist. (*Id.* §§ 3, 9.) The Ferry Companies cannot be held to have breached the Franchise Agreement by

setting prices for these ancillary services when the Franchise Agreement does not mention any rights or duties related thereto whatsoever.<sup>8</sup>

Nothing in the Charter or any other source gives the City the authority to regulate parking or ownership of the ferry docks. This is especially true where, as here, the parking lots the City purports to regulate are not even located in the City, but rather in Mackinaw City and St. Ignace, which are self-governing jurisdictions with their own municipal powers and governmental interests. The City can no more attempt to regulate commercial activity in Mackinaw City or St. Ignace than could, for example, the City of Detroit can regulate commerce in Ann Arbor. *See City of Riverview v. Sibley Limestone*, 270 Mich. App. 627, 716 N.W.2d 615 (Mich. Ct. App. 2006) (holding that city did not have the authority to adopt ordinance regulating quarry operator's blasting operations outside the city's boundaries; ordinance at issue was facially invalid to the extent it attempted to regulate blasting operations outside city). Although the City argues that parking at the Ferry Companies' lots is somehow inextricably linked with use of the ferries, such that a passenger must avail himself of the use of the Ferry Companies' lots to utilize the ferries, and no one would use the parking lots but for that purpose, (ECF No. 7, Counterclaim ¶¶ 55, 46-47), the City has never demonstrated this, and it belies common sense and is patently false. Ferry passengers can arrive at the docks in St. Ignace by foot, bicycle, ride sharing service, or private car; parking customers can use the parking lots to park their vehicles for any purpose at all. Any necessary tie between the parking lots and ferry service simply has not been demonstrated.

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<sup>8</sup> Indeed, although the City claims that "parking in the lots owned by the ferry companies [is] necessary to access the ferries," common sense demonstrates this is simply not true – passengers can travel to the docks by walking, by bicycle, by being dropped off by private car, and a variety of other methods. The Counterclaim does not allege anywhere that passengers on the ferries are *required* to purchase parking in Shepler's and MIFC's lots. Moreover, if regulation of parking were so essential to ferry service, one would expect the City to have attempted to address it in the Franchise Agreement, which it did not do.

Moreover, there are already competing parking lots in place that advertise Mackinac ferry parking. The Counterclaim admits that it is “conceivable” that a competitor could develop additional parking lots to serve ferry passenger, although it alleges that developing such lots would be “expensive, time-consuming, and uncertain.” (*Id.* ¶ 47.) In fact, this has already happened. The City’s allegation that there are “no competing public or privately-owned parking lots” other than those operated by the Ferry Companies is objectively incorrect. As but one example, at least one other property owner operates a competing lot right next to MIFC’s docks in Mackinaw City. *See* [www.ferryboatparking.com](http://www.ferryboatparking.com) (website advertising competing parking lot in Mackinaw City). Moreover, the City has never alleged that the Ferry Companies have ever taken any action to frustrate the development of competing parking alternatives.

As to the docks, although the Counterclaim alleges, for example, that the Ferry Companies “own or have exclusive access to the docks” in the City, Mackinaw City, and St. Ignace, the City has never alleged that the Ferry Companies have ever restricted their use by any competitor or potential competitor that sought access to the docks for its own use. And again, as to both dock access and control of parking, the Counterclaim notably never alleges that there were competitors or potential competitors ready to step in and provide ferry service to and from Mackinac Island but for the alleged anticompetitive conduct of the Ferry Companies.

For all of these reasons, the Ferry Companies are likely to succeed on the merits because the City’s attempt to regulate parking, priority, baggage, and other services that are not ferry rates is unauthorized by the Charter and not to be found in the Franchise Agreement.

**C. The “Annual Regulation Fee.”**

Another reason that the Ferry Companies are likely to succeed on the merits is because the 2025 Ordinance invalidly purports to implement a \$150,000 “Annual Regulatory

Fee” beyond the fees the Ferry Companies are already paying under the existing Franchise Agreement. This is not only contrary to and in breach of the parties’ Franchise Agreement, but is also unconstitutional pursuant to *Bolt v. City of Lansing*, 459 Mich. 152, 161-162 (1998). The new “regulatory fee” is not reasonably connected in any empirical or otherwise identified way to any regulatory purposes but instead improperly serves as a means primarily of producing revenue for the City and is therefore unlawful. In addition, any such fee must be reasonable on a fair and equitable basis and be used solely to pay the cost of a service to the vessel or water craft pursuant to 33 USCS § 5; *see also Moscheo v. Polk County*, 2009 Tenn. App. LEXIS 602, at \*8-9 (Tenn. Ct. App. (Knoxville) Sept. 2, 2009). The provision of the 2025 Ordinance purporting to implement the annual regulatory fee must be enjoined as unconstitutional and a breach of the Franchise Agreement.

As set forth above, there are multiple independent reasons that the Ferry Companies are likely to succeed on the merits. As this is the “most important” factor of the injunction analysis, coupled with the fact that the requested injunction would maintain the status quo (as has existed since 2012 under the Franchise Agreement), which is the purpose of injunctions, this motion should be granted an injunction entered.

## **II. The Ferry Companies Will Suffer Irreparable Harm.**

The harm to be suffered by the Ferry Companies if the 2025 Ordinance takes effect and enforced against them to breach the City’s contract would be immediate and irreparable. Allowing the New Ordinance to take effect jeopardizes the economy of the City and the surrounding area by jeopardizing the continued viability of, and ultimately the provision by the Ferry Companies, of ferry service to and from Mackinac Island. Simply put, the City’s regulatory fees, ability to unilaterally set fares and terms in violation of their own contract, and other, threatened draconian measures not involving ferry service would very likely shut down the

businesses. The regulatory aspect of this case, including the City's invalid attempt to regulate non-ferry parking services of the Plaintiffs and to generate revenue for the City under the guise of an unconstitutional "regulation" fee make it paramount that such invalid authority not be permitted or exerted. Another disturbing aspect of the 2025 Ordinance lies in Section 22 ("Regulatory Powers"), which requires:

A Ferry Boat Company has the obligation to demonstrate that the proposed Service Rates are just and reasonable for the services provided. A Ferry Boat Company shall include all documentation required to justify the proposed Service Rates and Schedule of Services, including but not limited to, the prior year's revenues by Service Class, quantity of services provided by Service Class, number of vehicles assessed parking fees and associated revenue, cost to perform services, maintenance costs, capital investment, audited financials, fuel costs, overhead and administrative costs, proposed Return on Equity, debt cost, depreciation, taxes, and any other costs included in the Service Rates. In the event any subsidiary, or commonly owned company, provides services related to Ferry Boat Service, including but not limited to parking, employment, or shuttles, that company's documentation and information shall be provided to the Council in accordance to this Section 22. The Franchisee shall provide any additional requested documentation or other information to the Council or its designee within 10 business days of issuance of request.

Accordingly, under Section 22, the Ferry Companies will be forced to divulge to the City a wide gamut of information that is not called for or required in the parties' contracts – not only information that might arguably bear a reasonable relation to an inquiry into the Ferry Companies' proposed rates, such as revenues by Service Class, quantity of services provided, and basic information about costs, but also a host of other information that is not tied to any regulation of rates whatsoever, such as information about the Ferry Companies' complete corporate financial performance, return on equity, tax information, and other types of information. To compound the problems inherent in this approach, Section 22 leaves itself open to an argument (although a fallacious one) that this type of information would be required not



only of the Ferry Companies themselves, but also of other members of the Hoffmann corporate family that are related only in the most tenuous manner to the Ferries.<sup>9</sup>

Not only could this requirement be tremendously burdensome for the Ferries and/or their corporate affiliates to satisfy, but divulging some of this information to the City risks the exposure of the Ferry Companies' and their affiliates' most sensitive corporate information to the public and competitors, through either FOIA requests or the doctrine of "inevitable disclosure," which cannot easily be controlled. Once that type of information has been revealed, the harm to the Ferry Companies and/or their affiliates might not be remediable through the simple payment of damages.

Further, the Ferry Companies cannot go back and recover additional fares for services provided at unreasonably low rates. Even a public utility has a right to a just and reasonable rate of return on its investment. Where the revenue produced by an existing rate structure is less than a reasonable or just amount, a public utility has a constitutional right to rate relief. A public utility has, "as a corollary to that substantive right, a right to immediate rate relief where compelling circumstances indicate that such relief is necessary." *Consumers Power Co v PSC*, 415 Mich 134, 145; 327 NW2d 875 (1982). Indeed, every day that rate relief is denied is justice denied. In *Consumers Power*, the circuit court granted equitable relief to let rates go into effect subject to refund and the Supreme Court affirmed that action.

### **III. No One Will Be Harmed By The Requested Injunction.**

The relief that the Ferry Companies request only maintains the status quo of the parties' relationship since 2012 (which remains contractually effective for two more years) and prevents potential confusion and chaos regarding competing ordinances. As set forth above, maintaining

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<sup>9</sup> Because of services provided at the parent corporate level that are at times provided to the Ferries themselves (e.g., finance, legal).

the status quo is a core purpose of preliminary injunctions. Here, it is only the City trying to change the terms of the deal it negotiated. The public will not be harmed by maintaining the status quo, nor does the modest, overdue and necessary rate increase harm the public or the City. Again, the Ferry Companies are only permitted to raise their rates on a set schedule and subject to set terms, and they have exercised this discretion fairly and in the best interests of the parties and the public throughout the length of the contract. Requiring the parties to continue operating under a rubric they agreed to follow through 2027 will harm no one.

**IV. The Public Interest Supports The Requested Injunction.**

The public has a keen interest in this dispute in ways that manifestly support the requested injunction. Operation of the ferries is the lifeblood of tourism and business on the Island. The City concedes that, in addition to the approximately 583 residents who live on Mackinac Island year round, Mackinac Island attracts upwards of 1.5 million passengers per year. (ECF 7, PageID.79.) Making it more difficult for the ferries to operate, and possibly causing them to shut down by changing agreed upon contract terms, would negatively impact the entire state.

**CONCLUSION**

The Plaintiffs-Ferry Companies respectfully request that this Court enter a Temporary Restraining Order and Preliminary Injunction enjoining the enactment, effectiveness, and enforcement of Ordinance No. 628 because Plaintiffs are likely to succeed on the merits, Plaintiffs will suffer irreparable harm if the 2025 Ordinance goes into effect and/or is enforced, no one will be harmed by the requested injunction, and the public interest would be served by granting injunctive relief, which maintains the status quo.

Dated: May 23, 2025

Respectfully submitted,

/s/ Mark J. Magyar

Mark J. Magyar (P75090)  
DYKEMA GOSSETT PLLC  
201 Townsend St., Ste. 900  
Lansing, MI 48933  
(616) 776-7523  
[mmagyar@dykema.com](mailto:mmagyar@dykema.com)

- and -

William J. Dorsey  
Blank Rome LLP  
444 West Lake Street, Ste. 1650  
Chicago, IL 60606  
Tel.: (312) 776-2512  
[william.dorsey@blankrome.com](mailto:william.dorsey@blankrome.com)

Jeremy Rist (admission pending)  
Blank Rome LLP  
One Logan Square  
130 North 18<sup>th</sup> Street  
Philadelphia, PA 19103  
Tel.: (215) 569-5361  
[jeremy.rist@blankrome.com](mailto:jeremy.rist@blankrome.com)

*Attorneys for Plaintiffs/Counter-Defendants  
Shepler's Inc. and Mackinac Island Ferry  
Company*

# EXHIBIT 1

Karen S. Lennard  
Karen S. Lennard, City Clerk

**FERRY BOATS ORDINANCE  
CITY OF MACKINAC ISLAND, MICHIGAN  
Ord. No. 465 Eff. July 10, 2012**

An ordinance amending the City of Mackinac Island Ordinance with respect to ferry boats.

**THE CITY OF MACKINAC ISLAND ORDAINS:**

**DIVISION 1. GENERALLY**

**Section 1. Repealer.**

The previous Ferry Boats Ordinance, No. 454, is hereby repealed and replaced by this ordinance.

**Section 2. Definitions.**

The following words, terms and phrases, when used in this ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*City* means the City of Mackinac Island.

*Ferry boat* means any boat used to transport persons and/or property to and from the City as part of a ferry boat service.

*Ferry boat company* means any person which owns, controls, operates or manages a ferry boat providing a ferry boat service.

*Ferry boat service* means the transporting of persons and/or property for pay to or from the City by ferry boat.

*Franchisee* means any person who is granted a franchise under this Ordinance to provide ferry boat service.

*Regular ferry boat season* means the period of time between April 21 of any calendar year and October 31 of the same calendar year.

*Winter ferry boat season* means the period of time between November 1 of any calendar year and April 20 of the following calendar year.

*Person* means a natural person, corporation, trust, partnership, incorporated or unincorporated association, or other legal entity.

*To and from the City of Mackinac Island* means to or from the City of Mackinac Island where the ferry boats depart, or are destined to points and places within the State of Michigan, respectively.

### **Section 3. Declaration of purpose.**

The purpose of this ordinance is to:

- (1) Provide fair regulation of ferry service to and from the City in the interest of the public;
- (2) Promote and encourage adequate, economical and efficient ferry service to and from the City;
- (3) Promote and encourage harmony between ferry boat companies and their customers and passengers; and
- (4) Provide for the furnishing of ferry service without unjust discrimination, undue preferences or advantages.
- (5) Provide for the payment of franchise fees to the City.

### **Section 4. Violations; Penalties.**

- (a) Any person or ferry boat company who violates any provision of this ordinance shall be guilty of a civil infraction and liable for a fine not to exceed \$500. Each day that the violation continues is a separate offense.
- (b) In addition to pursuing a violation as a civil infraction, or as an alternative to pursuing a violation as a civil infraction, the City may pursue revocation of the franchise of the violating person or ferry boat company as provided in Section 15.
- (c) In addition to pursuing a violation as a civil infraction, or as an alternative to pursuing a violation as a civil infraction, the City may file a civil suit seeking injunctive relief pursuant to Section 5.

### **Section 5. Injunctive Relief.**

A violation of any provision of this ordinance by any person or ferry boat company is deemed to be a nuisance per se, causing irreparable harm, and shall constitute grounds for injunctive relief.

### **Section 6. Majority concurrence required.**

Any approval, denial or waiver by the council pursuant to this ordinance shall require the concurrence of a majority of all the elected aldermen.

### **Section 7. Schedule of services; additional services.**

- (a) A ferry boat company granted a franchise must provide ferry boat service during the entire regular ferry boat season and the ferry boat company selected from time to time to provide ferry boat service during the winter ferry boat season must in addition provide ferry boat service during the entire winter ferry boat season, ice conditions and weather permitting.

(b) A ferry boat company not selected to provide winter ferry boat service shall not provide ferry boat service during the winter ferry boat season without specific authorization from the council.

(c) A ferry boat company granted a franchise must operate in accordance with its schedule of services as is on file with the council. Provided, however:

(1) A ferry boat company is not obligated to provide service on any day when, in the good faith judgment of the ferry boat company, it would be unsafe to provide service because of the weather

(2) A ferry boat company may change its filed schedule of services.

#### **Section 8. Safety regulations; reporting requirement.**

(a) The ferry boats operated in connection with a ferry boat service shall meet all of the safety regulations of the United States Coast Guard. Any person operating a ferry boat in connection with a ferry boat service must provide written evidence of satisfaction of all of the United States Coast Guard regulations prior to the commencement of any ferry boat service.

(b) Any person operating a ferry boat in connection with a ferry boat service must give notice to the council, in writing, of any violation of the United States Coast Guard regulations of which such person has been informed by the United States Coast Guard, either in writing or by verbal communication.

#### **Section 9. Rates; filing requirements.**

(a) No ferry boat company shall make any unjust or unreasonable discrimination in rates, charges, classifications, promotions, practices, regulations, facilities or services for or in connection with ferry boat services, nor subject any person to any prejudice or disadvantage in any respect whatsoever; however, this shall not be deemed to prohibit the establishment of a graded scale of charges and classification of rates to which any customer or passenger coming within such classification shall be entitled.

(b) Any ferry boat company operating under approval of the state public service commission, or which has filed tariffs with the state public service commission, shall file a summary of the authorities held from this commission with the council. Such ferry boat company shall also file with the council a true copy of its tariffs on file with this commission. The council shall be given written notice of any proposed modification of the tariffs on file with this commission. Such notification shall be given to the council by any ferry boat company, in writing, as soon as any letter, form, or other document is filed with this commission seeking a modification of such ferry boat company's tariffs.

### **DIVISION 2. FRANCHISE**

#### **Section 10. Franchise; Required.**

(a) The City council may grant a franchise to operate a ferry boat service.



(b) No person shall operate a ferry boat service nor shall any person provide a ferry boat service in the City without such person having first obtained a franchise therefore from the City.

(c) No person shall use, occupy or traverse any public place or public way in the City or any extensions thereof or additions thereto for the purpose of establishing or maintaining a ferry boat service or any facility used in conjunction therewith, including, but not limited to, any building, pier, piling, bulkhead, reef, breakwater or other structure in, upon or over the waters in the City limits, without such person having first obtained a franchise therefore from the City.

#### **Section 11. Application; contents; fees; acknowledgement.**

(a) An application for a franchise to operate a ferry boat service shall be made in writing to the City Council and shall include such information as requested by the City council, including but not limited to:

- (1) The applicant's name, and if other than a single individual, a certified copy of the partnership agreement, articles of association, or articles of incorporation, as the case may be.
- (2) The applicant's principal place of business.
- (3) A description, including passenger capacity, of each ferry boat which will be used to provide a ferry boat service.
- (4) A schedule of ferry boat services proposed to be operated including arrival and departure times to and from the City.

(b) The application shall be accompanied by an application fee established by ordinance.

(c) The application must be signed by an individual with authority to legally bind the ferry boat company, and provide that the company, its officers, employees and agents, will operate according to the terms of this ordinance.

#### **Section 12. Issuance; display; transfer.**

(a) Upon the granting of such franchise, the City clerk shall issue a certificate evidencing the existence of such franchise, which must be publicly displayed on all ferry boats providing a ferry boat service.

(b) No franchise granted under this section may be sold, transferred or assigned unless such transaction is first approved by the council after receipt of a written application therefore, containing the same information as to transferee as would be required of an original applicant.

#### **Section 13. Nonexclusive; term; form.**

Any franchise issued pursuant to this ordinance shall be a nonexclusive franchise for a term of years, not to exceed 20 years, as the council may approve and shall be issued in the form to be determined by the

council. A grant of a franchise for a term of years shall create no right to a franchise after the expiration of the term of years.

#### **Section 14. Fees; reporting; record.**

- (a) During the term of any franchise granted pursuant to this division for the operation of ferry boat service, the person granted such franchise shall pay to the City in consideration of the granting of such franchise a franchise fee determined as follows:

- (1) For calendar year 2012 or any part of 2012 a franchisee shall pay a sum equal to \$600,000 divided by the number of ferry boat franchises in effect. Provided, however, that any amount paid by a franchisee in 2012 as franchisee fees pursuant to City of Mackinac Ordinance No.454 shall be credited against that franchisee's obligation to pay franchisee fees under this Ordinance No. \_\_\_\_ for 2012.
- (2) During all calendar years beginning on or after January 1, 2013, a franchisee shall pay a monthly fee equal to the base sum of \$50,000 divided by the number of ferry boat franchises in effect for the month the franchise fee is owed; provided, however, on July 1 of each calendar year after 2012, the \$50,000 base sum shall be adjusted by an increase equal to any percentage increase in the cost-of-living for the preceding one year period as reflected in the Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average published by the Bureau of Labor Statistics of the U.S. Department of Labor. If that Consumer Price Index is subsequently discontinued, the Council shall select comparable statistics on the cost of living as they are computed and published by the federal government.

(b) The monthly franchise fee shall be due and payable on the last day of each month, Provided, however, at the election of the franchisee, the total franchise fee owed by that franchisee for a calendar year, may be paid, without penalty, in six equal installments on the 15<sup>th</sup> day of June, July, August, September, October and November of that year. Such franchise fee shall be paid at the treasurer's office of the City during regular business hours. If the City treasurer's office is closed on the due date, then payment may be made during regular business hours on the next following day on which the office is open for business.

(c) No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the City may have for further or additional sums payable as a franchise fee under this section or for the performance of any other obligation under this division.

#### **Section 15. Revocation.**

A franchise granted pursuant to this ordinance may be revoked by the City council in the event a franchisee defaults in its performance of the terms and provisions of this ordinance. Such revocation shall not be effective until the franchisee has been advised of the violation and, except for a violation of Section 7(a) or 7(b) of this Ordinance, given a period of ten (10) calendar days to cure the default, and if the default is not cured within that ten (10) day period, provided with a hearing before the City council. The

ten (10) day period to cure does not apply to violations of Section 7(a) or Section 7(b) of this Ordinance. The City council decision shall be based on a preponderance of the evidence.

**Section 16. Rights of City; public utility.**

Any franchise granted under this division is made subject to all applicable provisions of the Charter of the City and ordinances thereof, and specifically subject to the rights and powers of the City and limitations upon the ferry boat company holding such franchise as are set forth in the Charter, including, but not limited to, chapter IX, section 1, chapter XV and chapter XVI thereof which are herein incorporated by reference, and such ferry boat company shall abide by and be bound by such rights, powers and limitations, and any franchise granted under this division constitutes and shall be considered as a public utility franchise and a ferry boat company shall be deemed to be a public utility.

**Section 17. Recourse of franchisee.**

Any person granted a franchise pursuant to this division shall have no recourse whatsoever against the City, its officers, boards, commissions, agents or employees for any loss, cost, expense or damage arising out of any provision or requirement of this ordinance or the enforcement thereof.

**Section 18. Value.**

No franchise granted pursuant to this division shall be given any value by any court or other authority public or private, in any proceeding of any nature or character whatsoever, wherein or whereby the City shall be a party or affected therein or thereby.

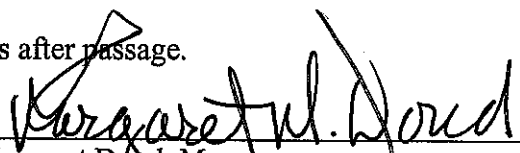
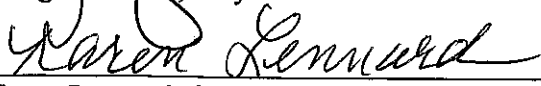
**Section 19. Severability.**

Should any section, clause, or provision of this ordinance be declared to be invalid by a court of record, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared invalid.

**Section 20. Effective Date.**

This ordinance shall become effective twenty (20) days after passage.

Date:

  
Margaret Doud, Mayor  
  
Karen Lennard, Clerk

Adopted: 6/20/2012

Effective: 7/10/2012

# EXHIBIT 2

June 2, 2012

MEMORANDUM OF UNDERSTANDING

- 1) 15 year franchise with the understanding that after five years, there is a right to enter into a new 15 year franchise.
- 2) All lines determine their own schedules and rates. However, the boat lines will file their schedules and rates with the City. There is a commitment by not less than two of the lines to maintain not more than their present maximum rate for the summer season of 2012.
- 3) \$600,000 annual franchise fee with an annual CPI Adjustment to be split equally among all operating boat lines.
- 4) \$100,000 subsidy to boat line operating ice to ice in exchange for their providing exclusive passenger service in the off-season. Off-season service will be placed up for bid annually with the guarantee of the \$100,000 subsidy. In the event there are no bidders for winter service, the City reserves its right to act in ways necessary or appropriate to ensure that off-season services are offered. The charge for local residents for off-season service will be \$5.00 per person one way, with any resident or seasonal pass previously purchased.
- 5) Year round freight services may be offered by any franchisee.
- 6) On July 1, the 7% franchise fee ends along with the current franchises. New franchises will be issued immediately containing the provisions contained in this memorandum. The \$600,000 will be pro-rated this season and paid in full beginning in the summer season of 2013.
- 7) Plante Moran study will not go forward.
- 8) Action on any proposed legislation will be suspended until at least June 12, 2012. If the City Council adopts the content of this memorandum, the legislation will be permanently postponed or tabled.
- 9) The Mayor will ask the City Council to act on the proposed new agreement during the week of June 4, 2012.

- 10) All signatories agree that they will fully support the contents of this memorandum and urge the Public and the Council to do likewise.

W. R. Skye  
Stacy B. Skye

Louis W. Pfeiffer

Linda L. Pfeifferman  
Carol T. Reisch

Margaret M. Pond  
Sig. Centre.

Mussey

Sam Munn, III

Therly T. G. L. H.  
William K. Chamber, D.V.

# EXHIBIT 3

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MICHIGAN  
NORTHERN DIVISION**

Shepler's Inc. d/b/a Shepler's Mackinac  
Island Ferry Service, and Mackinac Island  
Ferry Company d/b/a Arnold Transit  
Company,

Plaintiffs/Counter-Defendants,

-against-

City of Mackinac Island,

Defendant/Counterclaim- Plaintiff.

Case No.: 25-cv-00036

Hon. Robert J. Jonker

Mag. Maarten Vermaat

**DECLARATION OF DAVID HOFFMANN**

I, David Hoffmann, pursuant to 28 U.S.C. § 1746, hereby declare and state as follows:

1. I am the founder and chairman of Hoffmann Family of Companies ("Hoffmann"). I lead a family-owned network of enterprises that employs over 16,000 people worldwide. This network includes more than 200 distinct brands and properties spanning 30 countries.

2. I consider myself to be a self-made entrepreneur. I grew up working the milk delivery route with my father, beginning the days at 3:30 or 4 a.m. I had no hot running water until my sophomore year in high school. I married my high school sweetheart, Jerri. We've been married more than 50 years and we have 13



grandchildren. Hoffmann is a family business that does not have shareholders or quarterly reports or quarterly financials to report to Wall Street.

3. In 2022, Hoffmann purchased Shepler's Inc. d/b/a Shepler's Mackinac Island Ferry Service ("Shepler's"). "Hoffmann Marine" is not an organized entity, but it is a trade name used by the Hoffmann Family of Companies to encompass its separately-owned and organized maritime businesses, including Shepler's.

4. From the outset, our goal was to maintain the culture of Mackinac Island and that is what Hoffmann bought into. We did not want to see things change. The first thing Hoffmann looks at when deciding whether to purchase a company is the people. It was important to Hoffmann to keep Chris Shepler, the former CEO of Shepler's who sold the company to Hoffmann, on the team as President. We, as a company, were thrilled and impressed with the management of Shepler's and all the employees when we purchased it. We had no desire to change anything.

5. I visited Mackinac Island on May 23 and 24, 2022, to tour the St. Ignace and Mackinac Island facilities and to meet several people on the Island. Chris Shepler arranged the visit. Mr. Shepler indeed remained with Shepler's as its President after the sale and he wanted to introduce me to some of the key actors on the Island with respect to ferry services, including, but not limited to, Mayor Margaret Doud, Brad Chambers, owner of Mackinac Island Carriage Tours, and Tim Hygh, the CEO for the Mackinac Island Convention and Visitors Bureau and the

Mackinac Island Tourism Bureau, together now branded as Mackinac Island Tourism.

6. The focus of this declaration is my meeting with Mayor Doud and Messrs. Chambers and Hygh at the Mayor's Windemere Hotel on May 23, 2022, around 4:30 or 5:00pm. Chris Shepler was present at the meeting as well. I recall that we met just off the lobby area of the hotel.

7. At our May 23, 2022, meeting, Mayor Doud complimented our operation of Shepler's. She said that we were doing a great job and that Shepler's was well-regarded on and around the Island.

8. During my May 23, 2022, meeting with Mayor Doud, she made a remark to me to the effect of, 'it sure would be nice if you bought Star Line, too.' Star Line was the operating name of Mackinac Island Ferry Company or MIFC, another ferry company providing service to and from the Island. Mayor Doud continued, explaining that Star Line was poorly run and had received a lot of complaints, and was in overall poor financial condition with ferries that were in poor physical condition. She expressed to me in no uncertain terms that she would be pleased if Hoffmann Family of Companies purchased Star Line, which is what I understood.

9. Prior to my meeting with Mayor Doud and Messrs. Chambers and Hygh, I had not considered and had no inclination to purchase MIFC. It was not a particularly attractive investment and it was obvious that it would require significant

capital infusion at the outset, which I understood was one of the reasons that Mayor Doud desired for Hoffmann Family of Companies to purchase MIFC.

10. I understand that Chris Shepler had further meetings with Mayor Doud and city council members regarding this potential purchase, which ultimately culminated with Hoffmann Family of Companies purchasing MIFC.


11. I only purchased MIFC because I believed based on what Mayor Doud and Messrs. Chambers and Hygh said to me on May 23, 2022 and subsequent reports from Mr. Shepler as to his continued meetings and discussions with them and the council through the summer of 2024, that the City of Mackinac Island, by its mayor and city council, desired this outcome, and that we could turn it into a profitable business venture over time.

12. At no time did the City disclose or indicate to me, or to my knowledge anyone else at the ferry companies, that the City believed that, by Hoffmann Family Companies purchasing MIFC, it would give the City the ability to set ferry prices or impact the ferry companies' ability to set prices per the standard contractual notice provision of the existing franchise agreements. I only learned of the City's position in the fall of 2024, after the acquisition of MIFC, when the City Council passed a resolution rejecting the rates that the ferry companies submitted per the franchise agreements for the 2025 season and freezing base rates, ultimately leading to this litigation.

13. If I had known that the City would take the opportunity to declare a monopoly after the purchase, deviate from the existing franchise agreements, assert regulatory authority over not just ferry rates but also parking (including on property that is not on the Island) and all other fees it considers related to ferry services, like priority boarding, luggage fees, and others, and freeze base fare rates since 2022 at a level that does not permit a return on our investments, let alone any profit, I would not have approved the purchase of MIFC.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed this 23rd day of May 2025.

/s/ David Hoffmann   
David Hoffman

# EXHIBIT 4

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MICHIGAN  
NORTHERN DIVISION**

Shepler's Inc. d/b/a Shepler's Mackinac  
Island Ferry Service, and Mackinac Island  
Ferry Company d/b/a Arnold Transit  
Company,

Plaintiffs/Counter-Defendants,

-against-

City of Mackinac Island,

Defendant/Counterclaim- Plaintiff.

Case No.: 25-cv-00036

Hon. Robert J. Jonker

Mag. Maarten Vermaat

**DECLARATION OF CHRIS SHEPLER**

I, Chris Shepler, pursuant to 28 U.S.C. § 1746, hereby declare and state as follows:

1. I am the President of Shepler's Inc. d/b/a Shepler's Mackinac Island Ferry Service ("Shepler's").

2. In 2022, I sold Shepler's to the Hoffmann Family of Companies ("Hoffmann"). I made the decision to sell with the unanimous support of my brother, sister, and parents.

3. I have taken some criticism for my decision to sell Shepler's to Hoffmann due to some peoples' views of Hoffmann as a typical private equity investment firm run by a billionaire who is an outsider to the community. But

contrary to this perception, I did my due diligence, including utilizing a mergers and acquisitions company, Greenwich Capital Group in Birmingham. Hoffmann was among forty (40) buyers interested in purchasing Shepler's. My conclusion was that Hoffmann's purchases of companies in general is, from a company mission standpoint, to maintain, build, improve and run the companies it acquires, not break them up or quickly sell them. This was very important to me.

4. As I told the Detroit Free Press when it inquired about the sale, the decision to sell to Hoffmann was about searching for the right fit, and there were other offers to purchase Shepler's for more money than Hoffmann offered. *See* <https://www.freep.com/story/money/business/michigan/2022/03/18/sheplers-ferry-mackinac-island-sold-hoffman-family-companies/7077585001/>.

5. Hoffmann planned, and has followed through with its plan, to keep Shepler's the same, including its employees and its name. My hope and belief was that one day Shepler's employees eventually would run the company, and that was part of the sale, including to keep the team in place because Hoffmann was impressed with how operations were run. I stayed on as President of Shepler's following the sale, and I considered it my job to make it a seamless transition.

6. As part of the transition, I arranged for David Hoffmann to visit Mackinac Island on May 23 and 24, 2022. I arranged for Mr. Hoffmann to tour the St. Ignace and Mackinac Island facilities and to meet several people on the Island. I wanted to introduce Mr. Hoffmann to some of the key actors on the Island with

respect to ferry services, including, but not limited to, Mayor Margaret Doud, Brad Chambers, owner of Mackinac Island Carriage Tours, and Tim Hygh, the CEO for the Mackinac Island Convention and Visitors Bureau and the Mackinac Island Tourism Bureau, together now branded as Mackinac Island Tourism.

7. Mr. Hoffmann and I met with Mayor Doud and Messrs. Chambers and Hygh at the Mayor's Windemere Hotel on May 23, 2022, around 4:30 or 5:00pm.

8. At our May 23, 2022, meeting, Mayor Doud complimented our operation of Shepler's. She said that we were doing a great job and that Shepler's was well-regarded on and around the Island.

9. During our May 23, 2022, meeting with Mayor Doud, she made a remark to us to the effect of, 'it sure would be nice if you bought Star Line, too.' Star Line was the operating name of Mackinac Island Ferry Company or MIFC, another ferry company providing service to and from the Island. Mayor Doud and the others continued, explaining that Star Line was poorly run and had received a lot of complaints, and was in overall poor financial condition with ferries that were in poor physical condition. Me and most others with knowledge of the situation already knew that Star Line was in dire straits. Mayor Doud expressed to us in no uncertain terms that she would be pleased if Hoffmann Family of Companies purchased Star Line, which is what I understood. Messrs. Chambers and Hygh were in full agreement with the Mayor. Everyone in the meeting had the same theme, i.e., 'when is Hoffmann going to buy MIFC?'



10. It is difficult to fully impress upon people without knowledge of the situation how bad it had gotten at MIFC before Hoffmann's purchased it. Everyone, including the Mayor, Messrs. Chambers and Hygh, City Council, and many others on the Island, knew that MIFC was in great peril of ceasing to operate. It was a constant topic of discussion, and that discussion usually also included the prospect of Hoffmann purchasing MIFC.

11. In the summer of 2024, for at least two full months through July and August 2024, I was tasked with reporting to the City every week on the state of MIFC. I had regular calls with the Mayor to discuss what I was going to talk about at the City Council meetings so that there would be no surprises for her. It was a very bleak picture for MIFC. The common sentiment was disbelief over how Jerry Fetty, the former executive of MIFC, had run MIFC into the ground. MIFC was in such bad condition that there was concern that customers could get injured when riding its ferries.

12. Ultimately, Hoffmann came through on the purchase of MIFC and I acted as MIFC's President for a short time. MIFC was in such bad shape that we completely shut the company down before rebranding and reopening it. This resulted in Shepler's having to run 100% of customers to the Island while going through this transition. Hoffmann made immediate infusion of millions of dollars of capital, about \$6 million, to MIFC, to restore it to proper working and operating order.

13. At no time did the City disclose or indicate to me, or to my knowledge anyone else at the ferry companies, that the City believed that, by the Hoffmann Family Companies purchasing MIFC, it would give the City the ability to set ferry prices or impact the ferry companies' ability to set prices per the standard contractual notice provision of the existing franchise agreements. I only learned of the City's position in the fall of 2024, after the acquisition of MIFC, when the City Council passed a resolution rejecting the rates that the ferry companies submitted per the franchise agreements for the 2025 season and freezing base rates.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed this 23rd day of May 2025.

/s/ Chris Shepler  
Chris Shepler

# EXHIBIT 5

**FERRY BOATS ORDINANCE**  
**CITY OF MACKINAC ISLAND, MICHIGAN**  
**Ord. No. 628 Eff. 5.28.2025**

An ordinance amending the City of Mackinac Island Ordinance with respect to Ferry Boats.

**THE CITY OF MACKINAC ISLAND ORDAINS:**

**DIVISION 1. GENERALLY**

**Section 1. Repealer.**

The previous Ferry Boats Ordinance, No. 445, is hereby repealed and replaced by this ordinance.

**Section 2. Definitions.**

The following words, terms and phrases, when used in this ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Annual Regulatory Fee* means the fee assessed to Franchisee(s) for the cost of regulation of Ferry Boat Service rates, schedules, parking fees, and other services

*City* means the City of Mackinac Island.

*Council* means the City Council of the City of Mackinac Island, Michigan

*Ferry Boat* means any boat used to transport persons and/or property to and from the City as part of a Ferry Boat Service.

*Ferry Boat Company* means any person which owns, controls, operates or manages a Ferry Boat providing a Ferry Boat Service.

*Ferry Boat Service* means the transporting of persons and/or property for pay to or from the City by Ferry Boat.

*Franchisee* means any person who is granted a franchise under this article to provide Ferry Boat Service.

*Invested capital* means direct equity investment of a Ferry Boat Company in the Ferry Boat Services, including all services related to said Ferry Boat Services.

*Person* means a natural person, corporation, trust, partnership, incorporated or unincorporated association, or other legal entity.

*Regular Ferry Boat Season* means the period of time between April 21 of any calendar year and October 31 of the same calendar year.

*Return on Equity* means a return on equity for a Ferry Boat Company that is based on comparable authorized return on equity of other regulated service utility providers in Michigan.

*Schedule of Services* means the times and places of departure of Ferry Boats.

*Service Class* means any type or classification (or sub-classification) of service for which the Ferry Boat Company charges a separate Service Rate.

*Service Rate* means any rate, fare, fee and/or charge the Ferry Boat Company charges for any service related to the Ferry Boat Service, including but not limited to transportation of passenger, transportation of property, luggage, and parking fees.

*To and from the City of Mackinac Island* means to or from the City of Mackinac Island where the Ferry Boats depart, or are destined to points and places within the State of Michigan, respectively.

*Winter Ferry Boat Season* means the period of time between November 1 of any calendar year and April 20 of the following calendar year.

### **Section 3. Declaration of purpose.**

The purpose of this ordinance is to:

- (1) Provide fair regulation of ferry service to and from the City in the interest of the public;
- (2) Promote and encourage adequate, economical and efficient ferry service to and from the City;
- (3) Promote and encourage harmony between Ferry Boat Companies and their customers and passengers;
- (4) Provide for the furnishing of Ferry Boat Service without unjust discrimination, undue preferences or advantages; and
- (5) Provide for the payment of franchise fees to the City.

### **Section 4. Violations; penalties.**

(a) Any person or Ferry Boat Company who violates any provision of this article shall be guilty of a civil infraction and liable for a fine not to exceed \$500.00. Each day that the violation continues is a separate offense.

(b) In addition to pursuing a violation as a civil infraction, or as an alternative to pursuing a violation as a civil infraction, the Council may pursue revocation of the franchise of the violating person or Ferry Boat Company as provided in section 66-496.

(c) In addition to pursuing a violation as a civil infraction, or as an alternative to pursuing a violation as a civil infraction, the Council may file a civil suit seeking injunctive relief pursuant to section 66-464.

### **Section 5. Injunctive relief.**

A violation of any provision of this article by any person or Ferry Boat Company is deemed to be a nuisance per se, causing irreparable harm, and shall constitute grounds for injunctive relief. In the event injunctive relief is sought and granted by the Council, the Franchisee against which the injunctive relief was granted shall reimburse the Council for all costs and reasonable attorney's fees.

**Section 6. Majority concurrence required.**

Any approval, denial or waiver by the Council pursuant to this article shall require the concurrence of a majority of all the elected aldermen.

**Section 7. Schedule of services; additional services.**

(a) A Ferry Boat Company granted a franchise must provide Ferry Boat Service during the entire Regular Ferry Boat Season and the Ferry Boat Company selected from time to time to provide Ferry Boat Service during the Winter Ferry Boat Season must in addition provide Ferry Boat Service during the entire Winter Ferry Boat Season, ice conditions and weather permitting.

(b) A Ferry Boat Company not selected to provide winter Ferry Boat Service shall not provide Ferry Boat Service during the Winter Ferry Boat Season without specific authorization from the Council.

(c) A Ferry Boat Company granted a franchise must operate in accordance with its Schedule of Services as is on file with the Council. Provided, however:

- (1) A Ferry Boat Company is not obligated to provide service on any day when, in the good faith judgment of the Ferry Boat Company, it would be unsafe to provide service because of the weather.
- (2) A Ferry Boat Company may change its filed Schedule of Services; however no changes shall occur until after the new Schedule is approved by the Council.

(d) Any request for increases to fares or rates, or decreases in the Schedule of Services shall require a minimum of thirty (30) days' notice of such changes prior to any such Council discussion or decision.

**Section 8. Safety regulations; reporting requirement.**

(a) The Ferry Boats operated in connection with a Ferry Boat Service shall meet all of the safety regulations of the United States Coast Guard. Any person operating a Ferry Boat in connection with a Ferry Boat Service must provide written evidence of satisfaction of all of the United States Coast Guard regulations prior to the commencement of any Ferry Boat Service.

(b) Any person operating a Ferry Boat in connection with a Ferry Boat Service must give notice to the Council, in writing, of any marine casualty (as defined in 46 CFR 4.03-1) or violation of the United States Coast Guard regulations of which such person has been informed by the United States Coast Guard, either in writing or by verbal communication.

(c) All docks used by the Franchisee shall be inspected for safety of all services in use every five (5) years or upon reasonable request from the Council, whichever event occurs first. Safety inspections shall be conducted by an independent engineer of the Council's choosing, and shall be paid for by the Franchisee.

**Section 9. Rates: filing requirements.**

(a) No Ferry Boat Company shall make any unjust or unreasonable discrimination in rates, charges, classifications, promotions, practices, regulations, facilities or services for or in connection with Ferry Boat Services, nor subject any person to any prejudice or disadvantage in any respect whatsoever; however, this shall not be deemed to prohibit the establishment of a graded scale of charges and classification of rates to which any customer or passenger coming within such classification shall be entitled.

**DIVISION 2. FRANCHISE**

**Section 10. Franchise; required.**

(a) The Council may grant a franchise to operate a Ferry Boat Service.

(b) No person shall operate a Ferry Boat Service nor shall any person provide a Ferry Boat Service in the City without such person having first obtained a franchise therefore from the Council.

(c) No person shall use, occupy or traverse any public place or public way in the City or any extensions thereof or additions thereto for the purpose of establishing or maintaining a Ferry Boat Service or any facility used in conjunction therewith, including, but not limited to, any building, pier, piling, bulkhead, reef, breakwater or other structure in, upon or over the waters in the City limits, without such person having first obtained a franchise therefore from the City.

**Section 11. Application; contents; fees; acknowledgement.**

(a) An application for a franchise to operate a Ferry Boat Service shall be made in writing to the Council and shall include such information as requested by the Council, including but not limited to:

- (1) The applicant's name, and if other than a single individual, a certified copy of the partnership agreement, articles of association, or articles of incorporation, as the case may be.
- (2) The applicant's principal place of business.
- (3) A description, including passenger capacity, of each Ferry Boat which will be used to provide a Ferry Boat Service.

(b) The application shall be accompanied by an application fee established by ordinance.

(c) The application must be signed by an individual with authority to legally bind the Ferry Boat Company, and provide that the company, its officers, employees and agents, will operate according to the terms of this article.

**Section 12. Issuance; display; transfer.**

(a) Upon the granting of such franchise, the city clerk shall issue a certificate evidencing the existence of such franchise, which must be publicly displayed on all Ferry Boats providing a Ferry Boat Service.

(b) No franchise granted under this section may be sold, transferred or assigned unless such transaction is first approved by the Council after receipt of a written application therefore, containing the same information as to transferee as would be required of an original applicant.

**Section 13. Nonexclusive; term; form.**

Any franchise issued pursuant to this ordinance shall be a nonexclusive franchise for a term of years, not to exceed 20 years, as the Council may approve and shall be issued in the form to be determined by the Council. A grant of a franchise for a term of years shall create no right to a franchise after the expiration of the term of years.

**Section 14. Fees; reporting; record.**

(a) During the term of any franchise granted pursuant to this division for the operation of Ferry Boat Service, the person granted such franchise shall pay to the Council in consideration of the granting of such franchise a franchise fee determined as follows:

- (1) During all calendar years beginning on or after January 1, 2013, a Franchisee shall pay a monthly fee equal to the base sum of \$50,000.00 divided by the number of ferry boat franchises in effect for the month the franchise fee is owed; provided, however, on July 1 of each calendar year after 2012, the \$50,000.00 base sum shall be adjusted by an increase equal to any percentage increase in the cost-of-living for the preceding one-year period as reflected in the Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average published by the Bureau of Labor Statistics of the U.S. Department of Labor. If that Consumer Price Index is subsequently discontinued, the Council shall select comparable statistics on the cost of living as they are computed and published by the federal government.

(b) The monthly franchise fee shall be due and payable on the last day of each month, provided, however, at the election of the Franchisee, the total franchise fee owed by that Franchisee for a calendar year, may be paid, without penalty, in six equal installments on the 15th day of June, July, August, September, October and November of that year. Such franchise fee shall be paid at the treasurer's office of the city during regular business hours. If the city treasurer's office is closed on the due date, then payment



may be made during regular business hours on the next following day on which the office is open for business.

(c) No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the city may have for further or additional sums payable as a franchise fee under this section or for the performance of any other obligation under this division.

#### **Section 15. Revocation.**

A franchise granted pursuant to this ordinance may be revoked by the Council in the event a Franchisee defaults in its performance of the terms and provisions of this article. Such revocation shall not be effective until the Franchisee has been advised of the violation and, except for a violation of subsections 66-466(a) or 66-466(b) of this article, given a period of ten calendar days to cure the default, and if the default is not cured within that ten-day period, provided with a hearing before the Council. The ten-day period to cure does not apply to violations of subsection 66-466(a) or subsection 66-466(b) of this article. The Council decision shall be based on a preponderance of the evidence.

#### **Section 16. Rights of city; public utility.**

Any franchise granted under this division is made subject to all applicable provisions of the charter of the city and ordinances thereof, and specifically subject to the rights and powers of the city and limitations upon the Ferry Boat Company holding such franchise as are set forth in the charter, including, but not limited to, chapter IX, section 1, chapter XV and chapter XVI thereof which are herein incorporated by reference, and such Ferry Boat Company shall abide by and be bound by such rights, powers and limitations, and any franchise granted under this division constitutes and shall be considered as a public utility franchise and a Ferry Boat Company shall be deemed to be a public utility.

#### **Section 17. Recourse of Franchisee.**

Any person granted a franchise pursuant to this division shall have no recourse whatsoever against the city, its officers, boards, commissions, agents or employees for any loss, cost, expense or damage arising out of any provision or requirement of this ordinance or the enforcement thereof.

#### **Section 18. Value.**

No franchise granted pursuant to this division shall be given any value by any court or other authority public or private, in any proceeding of any nature or character whatsoever, wherein or whereby the city shall be a party or affected therein or thereby.

### **DIVISION 3. REGULATION**

#### **Section 20. Regulation required.**

(a) The Council shall have and exercise complete power to regulate all rates, fares, fees, charges, services, rules, conditions of service, Schedules of Service and all other matters pertaining to Ferry Boat Service provided by a Ferry Boat Company or Companies.

(b) The Council may establish a Ferry Boat Service Regulatory Committee (FRC) to review a Ferry Boat Company's proposed Service Rates, Schedule of Services, and all terms and conditions of service; and to provide the Council with a recommendation regarding those Service Rates, Schedule of Services, and terms and conditions. The FRC shall have the same authority as the Council to require a Ferry Boat Company to supply all documentation necessary to determine if the proposed Service Rates and Schedule of Services are fair and reasonable. The FRC shall be composed of three members appointed by the mayor and approved by the Council. A minimum of one member shall be a member of the Council.

#### **Section 21. Cost of regulation.**

(a) The Council shall determine the annual cost of regulation of Ferry Boat Companies and assess each Company an Annual Regulation Fee for the cost of regulation. Upon passage of this ordinance, the Council shall invoice the 2025 Annual Regulatory Fee of \$150,000.00 to each Ferry Boat Company to cover the estimated 2025 cost of regulation of Ferry Boat Companies. A Ferry Boat Company shall be required to pay such invoice in quarterly payments, with the first payment due 30 days after the date of the invoice and all subsequent payments due the first business day of June, July, and August of each year. The annual cost of regulation shall include all fees paid for consultants, legal services, court costs, litigation costs, and other costs directly associated with regulation of Ferry Boat Companies.

(b) After 2025, the Council shall establish the Annual Regulatory Fee by the first Friday in February. The Annual Regulatory Fee shall be based on forecasted cost of regulation that year, the amount of regulatory costs incurred by the Council in the previous year, and the previous year's Annual Regulatory Fee. The Annual Regulatory Fee shall be calculated by subtracting any collected unused regulatory fees from the previous year from the projected annual regulatory costs. If the previous year's actual regulatory cost exceeded the previous year's Regulatory Fee collected, the cost in excess of the Regulatory Fee shall be added to the current years projected regulatory costs.

#### ***Annual Regulatory Fee***

$$= \text{Projected Current Year Regulatory Cost} - (\text{Previous Year Regulatory Fee} - \text{Actual Regulatory Cost})$$

#### **Section 22. Regulatory Procedure.**

(a) In order to prepare for the review of a Ferry Boat Company's 2026 Service Rates, upon passage of this Ordinance, all Ferry Boat Companies shall provide any and all documentation needed for the Council to review Ferry Boat Company operations, cost to provide Ferry Boat Services, annual revenues, quantity of Service Classes provided, and any other documentation or information requested by the Council. Said documentation shall be prepared by and certified by a certified public accountant.

(b) A Ferry Boat Company shall submit in writing to the Council its proposed Service Rates and Schedule of Services for the following year, no later than September 1<sup>st</sup> of each year. A Ferry Boat Company has the obligation to demonstrate that the proposed Services Rates are just and reasonable for the services provided. A Ferry Boat Company shall include all documentation required to justify the proposed Service Rates and Schedule of Services, including but not limited to, the prior year's revenues

by Service Class, quantity of services provided by Service Class, number of vehicles assessed parking fees and associated revenue, cost to perform service, maintenance costs, capital investment, audited financials, fuel costs, overhead and administrative costs, proposed Return on Equity, debt cost, depreciation, taxes, and any other costs included in the Service Rates. In the event any subsidiary, or commonly owned company, provides services related to Ferry Boat Service, including but not limited to parking, employment, or shuttles, that company's documentation and information shall be provided to the Council in accordance to this Section 22. The Franchisee shall provide any additional requested documentation or other information to the Council or its designee within 10 business days of issuance of request.

(c) A Ferry Boat Company shall provide the Council requested documentation within ten (10) business days of issuance of the Council's written request.

(d) The Council has the right to require an independent audit of a Ferry Boat Company's financials if it is determined, in the Council's sole judgment, that the audited financials provided by a Ferry Boat Company are not adequate in the judgment of the Council.

(e) A Ferry Boat Company shall be entitled to a fair Return on Equity in the Ferry Boat Service. Return on Equity shall not include portions of capital financed through debt.

(f) The Council shall determine the Service Rates and Schedule of Services no later than November 30<sup>th</sup> of the year prior to the year the rates are scheduled to go into effect.

(g) A Ferry Boat Company has the right to request reconsideration by the Council of the Council's determination of the Service Rates and Schedule of Services. With any request for reconsideration, a Ferry Boat Company shall include documentation that the current approved Service Rates do not cover operating and maintenance costs, and do not provide a fair rate of return on capital investment. The Ferry Boat Company shall also propose different Service Rates.

(h) The Council shall provide final determination of the Service Rates and Schedule of Services no later than December 30<sup>th</sup>.

### **Section 23. Severability.**

Should any section, clause, or provision of this ordinance be declared to be invalid by a court of record, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared invalid.

### **Section 24. Effective Date.**

This ordinance shall become effective twenty (20) days after passage.

  
Margaret Doud, Mayor

  
Danielle Leach, Clerk

Adopted: 4.30.2025

Effective: 5.28.2025

# EXHIBIT 6

**FERRY BOATS ORDINANCE  
CITY OF MACKINAC ISLAND, MICHIGAN  
Ord. No. 445 Effective: April 8, 2010**

An ordinance amending the City of Mackinac Island Ordinance with respect to ferry boats.

**THE CITY OF MACKINAC ISLAND ORDAINS:**

**DIVISION 1. GENERALLY**

**Section 1. Repealer.**

The previous Ferry Boats Ordinance, No. 244, is hereby repealed and replaced by this ordinance.

**Section 2. Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Extended ferry boat season* means the period of time between March 15 of any calendar year and January 15 of the following calendar year.

*Ferry boat* means any boat used to transport persons and/or property to and from the city.

*Ferry boat company* means any person which owns, controls, operates or manages a ferry boat providing a ferry boat service.

*Ferry boat service* means the transporting of persons and/or property for pay to or from the city by ferry boat.

*Regular ferry boat season* means the period of time between April 30 of any calendar year and October 31 of the same calendar year.

*To and from the city* means to or from the city where the ferry boats depart, or are destined to points and places within the state, respectively.

**Section 3. Declaration of purpose.**

The purpose of this article is to:

- (1) Provide fair regulation of ferry service to and from the city in the interest of the public;
- (2) Promote and encourage adequate, economical and efficient ferry service to and from the city;
- (3) Promote and encourage harmony between ferry boat companies and their customers and passengers; and
- (4) Provide for the furnishing of ferry service without unjust discrimination, undue preferences or

advantages.

#### **Section 4. Penalties.**

Any person violating any of the provisions of this article shall, upon conviction thereof, be guilty of a misdemeanor. Each day of violation of this article shall constitute a separate offence.

#### **Section 5. Majority concurrence required.**

Any approval, denial or waiver by the council pursuant to this article shall require the concurrence of a majority of all the elected aldermen.

#### **Section 6. Schedule of services; additional services.**

(a) The council may grant a franchise to operate a ferry boat service either during the regular ferry boat season or during the extended ferry boat season.

(b) A ferry boat company must operate in accordance with its schedule of services as is on file with the council. Provided, however:

(1) Nothing in this article should be interpreted as limiting any ferry boat company from offering ferry boat services in addition to the services contained in its filed schedule of services.

(2) Prior to the commencement of any regular ferry boat season the council may grant a ferry boat company permission to commence ferry boat service either before or after April 30 and permission to terminate service either before or after October 31.

(3) A ferry boat company providing services during the extended ferry boat season is not obligated to provide service on any day of the extended season when, in the judgment of ferry boat company, it would be unsafe to provide service because of the weather.

#### **Section 7. Safety regulations; reporting requirement.**

(a) The ferry boats operated in connection with a ferry boat service shall meet all of the safety regulations of the United States Coast Guard. Any person operating a ferry boat in connection with a ferry boat service must provide written evidence of satisfaction of all of the United States Coast Guard regulations prior to the commencement of any ferry boat service.

(b) Any person operating a ferry boat in connection with a ferry boat service must give notice to the council, in writing, of any violation of the United States Coast Guard regulations of which such person has been informed by the United States Coast Guard, either in writing or by verbal communication.

#### **Section 8. Rates; filing requirements.**

(a) No ferry boat company shall make any unjust or unreasonable discrimination in rates, charges, classifications, promotions, practices, regulations, facilities or services for or in connection with ferry boat services, nor subject any person to any prejudice or disadvantage in any respect whatsoever; however, this shall not be deemed to prohibit the establishment of a graded scale of charges and classification of rates to which any customer or passenger coming within such classification shall be entitled.



(b) Any ferry boat company operating under approval of the Interstate Commerce Commission or the state public service commission, or which have filed tariffs with the Interstate Commerce Commission or the state public service commission, shall file a summary of the authorities held from either of these commissions with the council. Such ferry boat company shall also file with the commission a true copy of its tariffs on file with either of these commissions. The council shall be given written notice of any proposed modification of the tariffs on file with these commissions. Such notification shall be given to the council by any ferry boat company, in writing, as soon as any letter, form, or other document is filed with either of these commissions seeking a modification of such ferry boat company's tariffs.

## **DIVISION 2. FRANCHISE**

### **Section 9. Required.**

- (a) No person shall operate a ferry boat service nor shall any person provide a ferry boat service or acquire ownership or control of a ferry boat company in the city without such person having first obtained a franchise therefore from the city.
- (b) No person shall use, occupy or traverse any public place or public way in the city or any extensions thereof or additions thereto for the purpose of establishing or maintaining a ferry boat service or any facility used in conjunction therewith, including, but not limited to, any building, pier, piling, bulkhead, reef, breakwater or other structure in, upon or over the waters of the city harbor, without such person having first obtained a franchise therefore from the city.

### **Section 10. Application; contents; fees.**

- (a) The application for a franchise to operate a ferry boat service shall be made in writing to the council and include:
- (1) The applicant's name, and if other than a single individual, a certified copy of the partnership agreement, articles of association, or articles of incorporation, as the case may be.
  - (2) The applicant's principal place of business.
  - (3) A description of each ferry boat which will be used to provide a ferry boat service.
  - (4) A schedule of ferry boat services proposed to be operated including arrival and departure times to and from the city and the passenger capacity for each scheduled trip.
- (b) The application shall be accompanied by an application fee established by ordinance.
- (c) If a ferry boat service will be operated in such an irregular fashion so that a time schedule of services is not feasible, no such schedule of services need be filed with the application.

### **Section 11. Schedule of services; filing.**

Any ferry boat company operating with a franchise issued under this division shall provide a copy of its schedule of services to the clerk of the city annually. If changes are made in that schedule which will



affect services for more than four days, the ferry boat company will provide notice of the change to the city clerk.

**Section 12. Issuance; display; transfer.**

- (a) Upon the approval of the filed schedule of services or waiver of the same by the council, and receipt of the application fee, the council shall issue a franchise as is required by this division.
- (b) Upon the granting of such franchise, the city clerk shall issue a certificate evidencing the existence of such franchise, which must be publicly displayed on all ferry boats providing a ferry boat service.
- (c) No franchise granted under this section may be sold, transferred or assigned unless such transaction is first approved by the council after receipt of a written application therefore, containing the same information as to transferee as would be required of an original applicant.

**Section 13. Nonexclusive; term; form.**

Any franchise issued pursuant to this article shall be a nonexclusive franchise for a term of years, not to exceed 20 years, as the council may approve and shall be issued in the form to be determined by the council.

**Section 14. Fees; reporting; record.**

- (a) During the term of any franchise granted pursuant to this division for the operation of ferry boat service during the regular ferry boat season, the person granted such franchise shall pay to the city in consideration of the granting of such franchise a monthly franchise fee in the amount of 2½% of the gross receipts from all charges for providing a ferry boat service.
- (b) During the term of any franchise granted pursuant to this division for the operation of ferry boat service during the extended ferry boat season, the person granted such franchise shall pay to the city in consideration of the granting of such franchise a monthly fee in the amount of 2% of the gross receipts from all charges for providing a ferry boat service.
- (c) The monthly franchise fee shall be due and payable on the last day of each month in which any ferry boat service is performed. Such franchise fee shall be paid monthly during the existence of the franchise on or before the 15<sup>th</sup> day of the month following the month for which the franchise fee is due and payable. Such franchise fee shall be paid at the treasurer's office of the city during regular business hours. If the city treasurer's office is closed on the 15<sup>th</sup> day, then payment may be made during regular business hours on the next following day on which the office is open for business.
- (d) Each payment of the monthly franchise fee shall be accompanied by a statement setting forth in detail the computation of the franchise fee, including the gross receipts for the period for which the payment is made and certified under oath by the franchisee or an officer thereof.
- (e) The city shall have the right to inspect at all reasonable times the customer records of any person granted a franchise under this division from which its franchise fee payments are computed and shall have the right of audit and recomputation of any and all franchise fees paid. No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the city may have for further

or additional sums payable as a franchise fee under this section or for the performance of any other obligation under this division.

### **Section 15. Rights of city; public utility.**

Any franchise granted under this division is made subject to all applicable provisions of the Charter of the city and ordinances thereof, and specifically subject to the rights and powers of the city and limitations upon the ferry boat company holding such franchise as are set forth in the Charter, including, but not limited to, chapter IX, section 1, chapter XV and chapter XVI thereof which are herein incorporated by reference, and such ferry boat company shall abide by and be bound by such rights, powers and limitations, and any franchise granted under this division constitutes and shall be considered as a public utility franchise and a ferry boat company shall be deemed to be a public utility.

### **Section 16. Recourse of franchisee.**

Any person granted a franchise pursuant to this division shall have no recourse whatsoever against the city, its officers, boards, commissions, agents or employees for any loss, cost, expense or damage arising out of any provision or requirement of this article or the enforcement thereof.


### **Section 17. Value.**

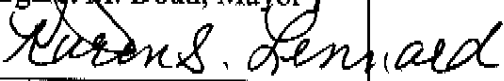
No franchise granted pursuant to this division shall be given any value by any court or other authority public or private, in any proceeding of any nature or character whatsoever, wherein or whereby the city shall be a party or affected therein or thereby.

### **Section 18. Effective Date.**

This ordinance shall become effective twenty (20) days after passage.

Date: March 24, 2010

  
Margaret M. Doud, Mayor

  
Karen S. Lennard, City Clerk

Adopted: 3/24/10

Effective: 4/8/10

# EXHIBIT 7

# SENATE BILL NO. 304

May 14, 2025, Introduced by Senators DAMOOSE, BELLINO, BUMSTEAD, SINGH, MCMORROW, BAYER and MCBROOM and referred to Committee on Regulatory Affairs.

A bill to amend 1899 LA 437, entitled

"An act to vacate the Township of Holmes and Village of Mackinac in Mackinac County, State of Michigan, and to Incorporate the City of Mackinac Island in said Mackinac County,"

by amending section 1 of chapter IX and section 1 of chapter XVI;  
and to provide for a referendum.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER IX

2 GENERAL POWERS OF CITY CORPORATION

3 Section 1. Said City of Mackinac Island shall, in addition to  
4 such other powers as are herein conferred, have the general powers

1 and authority in this chapter mentioned; and the council may pass  
2 such ordinances in relation thereto and for the exercise of the  
3 same, as they may deem proper, namely:

4 First, to restrain and prevent vice and immorality, gambling,  
5 noise and disturbance, indecent or disorderly conduct or  
6 assemblages, and to punish for the same; to prevent and quell  
7 riots; to preserve peace and good order, and to protect the  
8 property of the corporation, and of its inhabitants, and of any  
9 association, public or private corporation or congregation therein,  
10 and to punish for injuries thereto, or for unlawful interference  
11 therewith;

12 Second, to apprehend and punish vagrants, truants, mendicants,  
13 street beggars, drunkards and persons found drunk in any of the  
14 public streets or places in the city, disorderly persons, and  
15 persons conducting themselves in a disorderly manner in any of the  
16 public streets or places in the city, and common prostitutes;

17 Third, to prevent injury or annoyance from anything dangerous,  
18 offensive, or unhealthy; to prohibit and remove anything tending to  
19 cause or promote disease; to prevent and abate nuisances, and to  
20 punish those occasioning them, or neglecting or refusing to abate,  
21 discontinue, or remove the same;

22 Fourth, to prohibit and suppress all disorderly houses and  
23 places, houses of ill-fame, assignation houses, gambling houses,  
24 and all places where persons resort for gaming or to play at games  
25 of chance, and to punish the keepers thereof;

26 Fifth, to regulate or license the use of billiard tables, nine  
27 or ten-pin alleys or tables, and ball alleys;

28 Sixth, to prohibit and suppress every species of gaming, and  
29 to authorize the seizure and destruction of all instruments and

1 devices used for the purpose of gaming;

2 Seventh, to prohibit and prevent the selling or giving of any  
3 spirituous, fermented or intoxicating liquors to any drunkard or  
4 intemperate person, minor or apprentice, and to punish any person  
5 so doing;

6 Eighth, to regulate, restrain or prohibit all sports,  
7 exhibitions of natural or artificial curiosities, caravans,  
8 circuses, menageries, theatrical exhibitions, shows, and all  
9 exhibitions of whatever name or nature, for which money or other  
10 reward is in any manner demanded or received; lectures on historic,  
11 literary, or scientific subjects excepted;

12 Ninth, to prevent and punish violations of the Sabbath day,  
13 and the disturbances of any religious meeting, congregation or  
14 society, or other public meeting assembled for any lawful purpose;  
15 and to require all places of business to be closed on the Sabbath  
16 day;

17 Tenth, to license auctioneers, auctions and sales at auction;  
18 to regulate or prohibit the sale of live or domestic animals at  
19 auction in the streets or alleys, or upon any public grounds within  
20 the city; to regulate or prohibit the sale of goods, wares,  
21 property, or anything at auction, or by any manner of public  
22 biddings or offers by the buyers or sellers after the manner of  
23 auction sales, and to license the same, and to regulate the fees to  
24 be paid by and to auctioneers; but no license shall be required in  
25 case of sales required by law to be made at auction or public  
26 vendue;

27 Eleventh, to license hawkers, peddlers, and pawnbrokers, and  
28 hawking and peddling, and to regulate, license or prohibit the sale  
29 or peddling of goods, wares, merchandise, refreshments, or any kind

1 of property or thing by persons going about from place to place in  
2 the city for that purpose, or from any stand, cart, vehicle, or  
3 other device in or upon the streets, highways, alleys, sidewalks,  
4 or in or upon the wharves, docks, or from boats, open places or  
5 spaces, public grounds or buildings in the city;

6 Twelfth, to license and regulate wharf boats, and to regulate  
7 the use of tugs and other boats used in and about the harbor, and  
8 within the jurisdiction of the city;

9 Thirteenth, to establish or authorize, license and regulate  
10 ~~ferries~~**all aspects of ferry service** to and from the city, or any  
11 place therein, or from one part of the city to another, and to  
12 regulate and prescribe from time to time ~~the~~**all** charges and prices  
13 for **or in connection with** the transportation of persons and  
14 property, ~~thereon~~**by ferry, including, but not limited to, baggage**  
15 **fees, early or priority boarding fees, fees and charges for parking**  
16 **of vehicles by persons accessing the ferry service, whether within**  
17 **the city or on the mainland, and all other fees and charges in**  
18 **connection with the ferry service;**

19 Fourteenth, to regulate and license all taverns and houses of  
20 public entertainment; all saloons, restaurants, and eating houses,  
21 and to regulate and prescribe the location of saloons; but this  
22 shall not be construed as authorizing the licensing of the sale of  
23 intoxicating liquors;

24 Fifteenth, to license and regulate all vehicles of every kind,  
25 used for the transportation of persons or property for hire, in the  
26 city, and regulate or fix their stands on the streets and public  
27 places, and at wharves, boat landings, railroad station grounds and  
28 other places;

29 Sixteenth, to regulate and license all toll bridges within the

1 city, and to prescribe the rates and charges for passage over the  
2 same;

3 **Seventeenth, ~~Seventeen,~~** to provide for and regulate the  
4 inspection of meats, poultry, fish, butter, cheese, lard,  
5 vegetables, flour, meat, and other provisions;

6 Eighteenth, to regulate the inspection, weighing and measuring  
7 of brick, lumber, fire-wood, coal, hay, and any article of  
8 merchandise;

9 Nineteenth, to provide for the inspection and sealing of  
10 weights and measures, and to enforce the keeping and use of proper  
11 weights and measures by vendors;

12 Twentieth, to regulate the construction, repair and use of  
13 vaults, cisterns, areas, hydrants, pumps, sewers and gutters;

14 Twenty-first, to prohibit and prevent, in the streets, or  
15 elsewhere in the city, indecent exposure of the person, the show,  
16 sale, or exhibition for sale, of indecent or obscene pictures,  
17 drawings, engravings, paintings, and books or pamphlets, and all  
18 indecent or obscene exhibitions and shows of every kind;

19 Twenty-second, to regulate or prohibit bathing in the rivers,  
20 ponds, streams and waters of the city;

21 Twenty-third, to provide for clearing the rivers, ponds,  
22 canals and streams of the city and the races connected therewith of  
23 all driftwood and noxious matter; to prohibit and prevent the  
24 depositing therein of any filth or other matter tending to render  
25 the waters thereof impure, unwholesome and offensive;

26 Twenty-fourth, to compel the owner or occupant of any grocery,  
27 tallow chandler shop, soap or candy factory, butcher shop or stall,  
28 slaughterhouse, stable, barn, privy, sewer, or other offensive,  
29 nauseous or unwholesome place or house, to cleanse, remove or abate



1 the same whenever the council shall deem it necessary for the  
2 health, comfort, or convenience of the inhabitants of the city;

3 Twenty-fifth, to regulate the keeping, selling, and using of  
4 dynamite, gunpowder, firecrackers and fireworks, and other  
5 explosive or combustible materials, and the exhibition of  
6 fireworks, and the discharge of firearms, and to restrain the  
7 making or lighting of fires in the streets and other open spaces in  
8 the city;

9 Twenty-sixth, to direct and regulate the construction of  
10 cellars, slips, barns, private drains, sinks, and privies;

11 Twenty-seventh, to prohibit, prevent and suppress mock  
12 auctions, and every kind of fraudulent game, device, or practice,  
13 and to punish all persons managing, using, practicing, or  
14 attempting to manage, use or practice the same, and all persons  
15 aiding in the management or practice thereof;

16 Twenty-eighth, to prohibit, prevent and suppress all lotteries  
17 for the drawing or disposing of money or any other property  
18 whatsoever, and to punish all persons maintaining, directing, or  
19 managing the same, or aiding in the maintenance, directing, or  
20 managing the same;

21 Twenty-ninth, to license and regulate solicitors for  
22 passengers or for baggage to and from any hotel, tavern, public  
23 house, boat or street railway station; and to provide the places  
24 where they may be admitted to solicit or receive patronage; also  
25 draymen, carmen, truckmen, porters, runners, drivers of cabs,  
26 hackney coaches, omnibuses, carriages, sleighs, express vehicles,  
27 and vehicles of every other description used and employed for hire,  
28 and to fix and regulate the amounts and rates of their  
29 compensation;

1 Thirtieth, to provide for the protection and care of paupers,  
2 and to prohibit and prevent all persons from bringing to the city,  
3 from any other place, any pauper, or other person likely to become  
4 a charge upon the city, and to punish therefor;

5 Thirty-first, to provide for taking a census of the  
6 inhabitants of the city, whenever the council shall see fit, and to  
7 direct and regulate the same;

8 Thirty-second, to provide for the issuing of licenses to the  
9 owners and keepers of dogs, and to compel the owners and keepers  
10 thereof to pay for and obtain such licenses; and to regulate and  
11 prevent the running at large of dogs; to require them to be muzzled  
12 and to authorize the killing of all dogs not licensed, or running  
13 at large in violation of any ordinance of the city;

14 Thirty-third, to prohibit and punish the use of toy pistols,  
15 sling shots and other dangerous toys or implements within the city;

16 Thirty-fourth, to require any horses, mules, or other animals  
17 attached to any vehicle or standing in any of the streets, lanes,  
18 or alleys in the city to be securely fastened, hitched, watched or  
19 held; and to regulate the placing and provide for the preservation  
20 of hitching posts;

21 Thirty-fifth, to provide for and regulate the numbering of  
22 buildings upon the streets and alleys, and to compel the owners or  
23 occupants to affix numbers on the same; and to designate and change  
24 the names of public streets, alleys and parks;

25 Thirty-sixth, to provide for, establish, regulate and preserve  
26 public fountains and reservoirs within the city, and such troughs  
27 and basins for watering animals as they may deem proper;

28 Thirty-seventh, to prevent or provide for the construction and  
29 operation of street railways and to regulate the same and to

1 determine and designate the route and grade of any street railway  
2 to be laid or constructed in said city;

3 Thirty-eighth, to establish and maintain a public library, and  
4 to provide a suitable building therefor, and to aid in maintaining  
5 such other public libraries as may be established within the city  
6 by private beneficence as the council may deem to be for the public  
7 good;

8 Thirty-ninth, the council may also license transient traders,  
9 which shall be held to include all persons who may engage in the  
10 business of selling goods or merchandise after the commencement of  
11 the fiscal year, and the license fee in such cases may be  
12 apportioned with relation to the part of the fiscal year which has  
13 expired, but such traders, if they continue in the same business,  
14 shall not be required to take out a second license after the  
15 commencement of the next fiscal year: Provided, such goods or  
16 merchandise have been assessed for taxes for said fiscal year;

17 Fortieth, the council shall further have authority to enact  
18 all ordinances, and to make all such regulations, consistent with  
19 the laws and constitution of the state as they may deem necessary  
20 for the safety, order and good government of the city, and the  
21 general welfare of the inhabitants thereof; but no exclusive  
22 rights, privileges or permits shall be granted by the council to  
23 any person or persons, or to any corporation, for any purpose  
24 whatever.

25 CHAPTER XVI

26 **FERRIES**

27 Section 1. The council of said city may ~~regulate and license~~  
28 **and regulate all aspects of** ferries from such city or any place of  
29 landing therein, ~~to the opposite shore,~~ or from one part of the

1 city to another; and may require the payment of such reasonable sum  
2 for such license as to the council shall seem proper and may impose  
3 such reasonable terms and restrictions in relation to the keeping  
4 and management of ~~such ferries,~~ **a ferry transportation service,** and  
5 the time, manner, and rates of carriage and transportation of  
6 persons and property as may be proper, **including, but not limited**  
7 **to, baggage fees, early or priority boarding fees, fees and charges**  
8 **for parking of vehicles by persons accessing the ferry service,**  
9 **whether within the city or on the mainland, and all other fees and**  
10 **charges in connection with the ferry service,** and provide for the  
11 revocation of any such licenses and for the punishment, by proper  
12 fines and penalties, of the violation of any ordinance prohibiting  
13 unlicensed ferries, and regulating those established and licensed.

14 Enacting section 1. This amendatory act does not take effect  
15 unless approved by a majority of the electors of the city of  
16 Mackinac Island voting on the question. The question of the  
17 approval of this amendatory act shall be submitted to the qualified  
18 electors of the city at the next regular election to be held not  
19 less than 60 days after the effective date of this amendatory act  
20 or at a special election called for that purpose. The question  
21 shall be submitted in substantially the following form:

22 Shall 1899 Local Act 437, entitled "An act to amend 1899 LA  
23 437, entitled 'An act to vacate the Township of Holmes and Village  
24 of Mackinac in Mackinac County, State of Michigan, and to  
25 Incorporate the City of Mackinac Island in said Mackinac County,'  
26 by amending section 1 of chapter IX and section 1 of chapter XVI;  
27 and to provide for a referendum," be adopted?

28 Yes ( )

29 No ( )

1           (2) If a majority of the electors voting on the question, as  
2 determined by the canvass of votes cast, vote in favor of the  
3 adoption of this amendatory act, it takes effect 10 days following  
4 the certification of the election results.