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Southeast Michigan Council of Governments



Implementing the Lake St. Clair Management Plan

Options for Local Funding for
Lake St. Clair

March 20, 2008

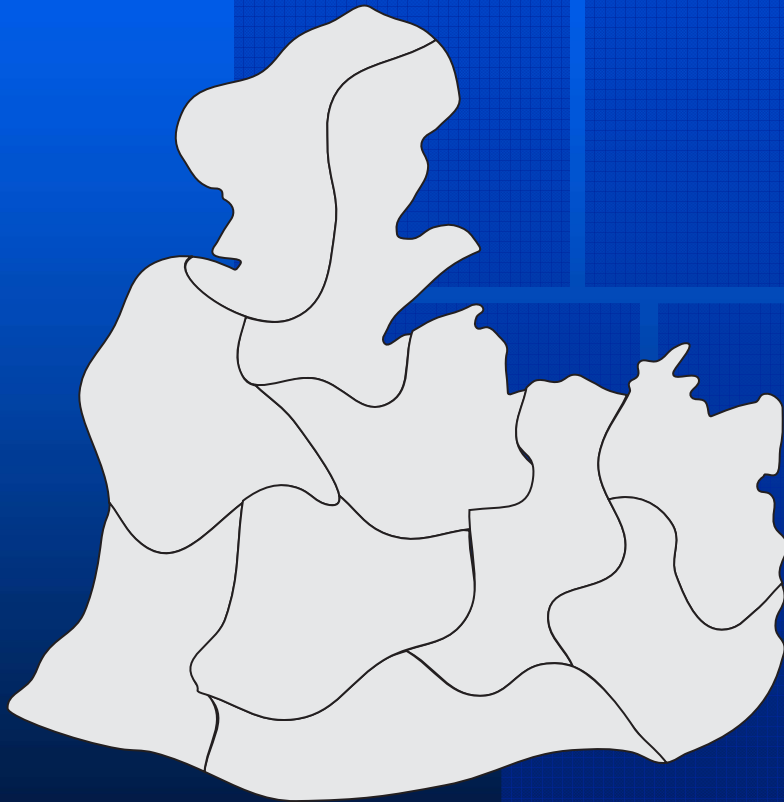
Purposes

- Review funding strategy to date
- Provide perspective on strategy
- Explore local funding options
- Stimulate dialogue

St. Clair River/Lake St. Clair Management Plan

- Released in 2004
- 100 plus recommendations

Turned priorities..... Into fundable projects



- Phragmites control
- Habitat restoration
- Maintaining real-time monitoring
- Integrating monitoring with modeling
- Illicit detection
- Information management

Current state of affairs

- Projects defined
- Projects well accepted
- Process recognized
- Process appreciated
- Financing is the question

Current Strategy for Implementation

- Federal grants
- Earmarks
- Local match
- Incorporate into agency programs

Need for Local Match: The Dilemma

- Recognition that actions are needed
- Bad timing: Local fiscal resources
- Without local match, federal funding unlikely

Current State of Affairs

Securing local match

- Appealing to local governments
- Short term match
- Short term solution
- Needed: long-term funding structure

Current State of Affairs

2009 Appropriations

- Earmark request: Real-time monitoring
- Add-on request: Priority project consistent with plan

Next Step

Develop Long-term Funding Structure

Important!

Feds unlikely to fund long-term

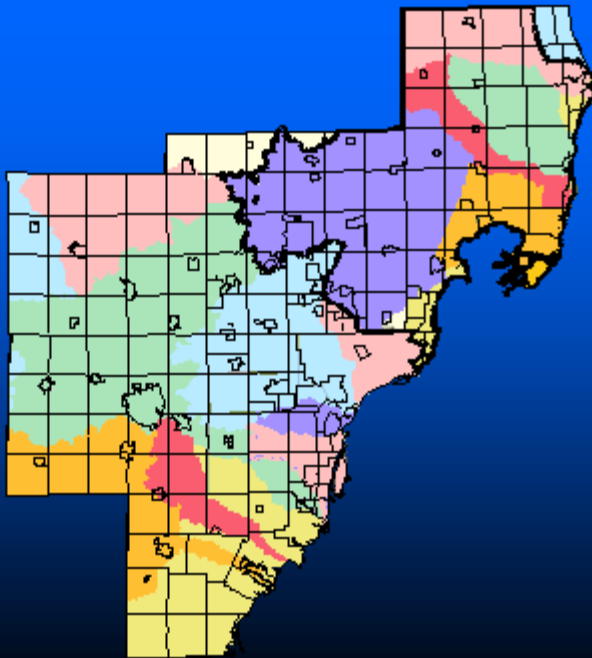
And/or

Unlikely their priorities and ours will be the same

So what do we do?

- Formalize: Collaboration
- Recognize: Long-term funding is on us
- Engage: Entire watershed
- Disclose & Contemplate: Cost share options

Lake St. Clair Watershed



- 89 communities, 4 counties
- Projects benefit all communities

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Potential Funding Structures

- Partnership of Communities
 - Selection of fiduciary based on mission
- Alliance of Communities
 - Addresses need for fiduciary
 - Local funds via members

Characteristics to consider

- Proportionality -- ratio of community total to watershed total
- Schedule--Payment over time
- Level of participation
- Basis for Equity

Some Formula Ideas

Population

Land area

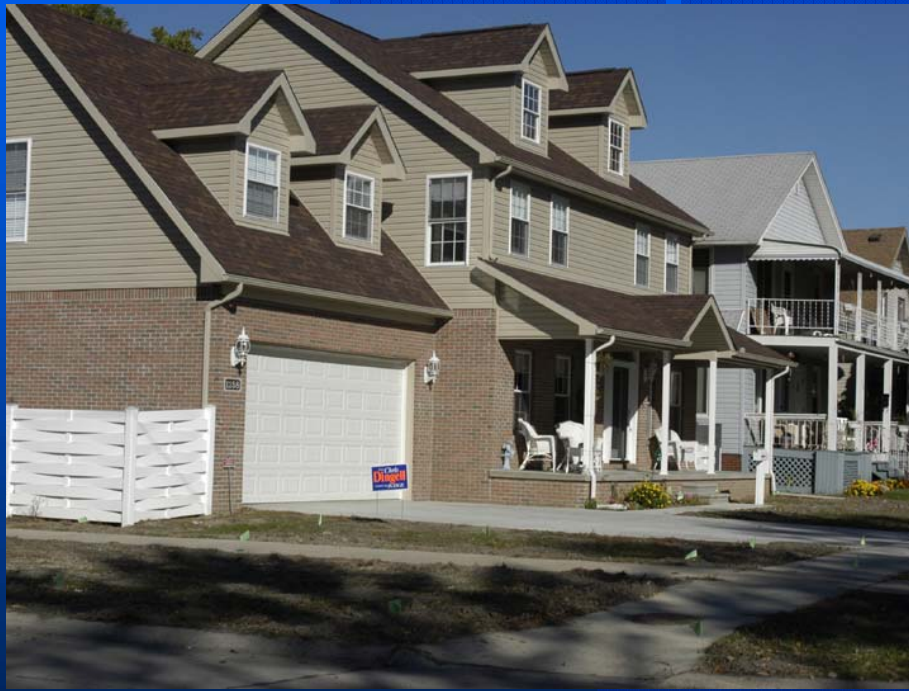
Taxable value

Taxable value with geographic tiers

Taxable value with Land area combined

Land area and population

Population



Considerations

- Simple
- Assumption: impact tied to number of people
- Disregards ability to pay
- Too simplistic?

Land Area



Considerations

- Simple
- Assumption: impact tied to land area only
- Disregards ability to pay
- Too simplistic?

Taxable value

Considerations

- Simple
- Response to budgetary stress
- No relationship to impacts



Taxable Value with geographic Tiers

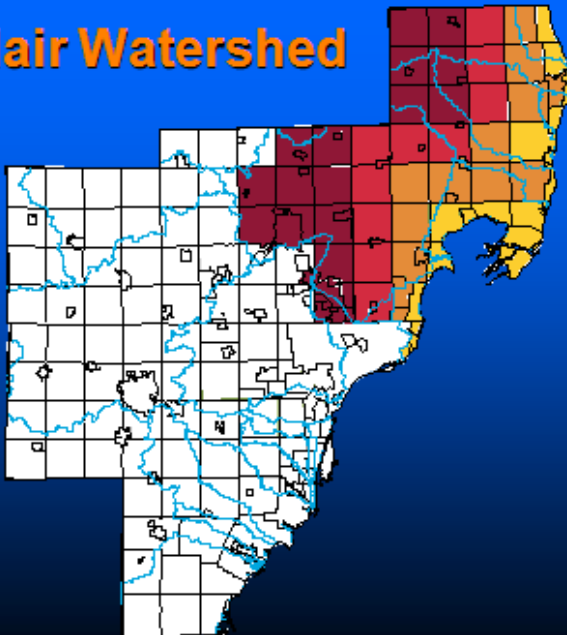
Lake St. Clair Watershed

Funding tiers

Multippliers based on percent of taxable value

- 75%
- 50%
- 25%
- 10%

Case study for spreadsheets is the Clinton River Watershed
All calculations in each tier are scaled according to its respective multiplier



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Considerations

- Benefit based on proximity appears more equitable
- One watershed-one Team?

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Combined Taxable Value and Land Area



Considerations

- More complex
- Combines ability to pay with impacts on water quality
- More equitable?
- Less equitable?

Combined Land Area and Population



Considerations

- Successfully used in Rouge Watershed
- Better surrogate for impact

In conclusion

- Funding strategy needed
- Dialogue needed
- Evaluate options using theory of relativity