

Second Update to the Environmental Review for the Proposed Timber Shores Family RV Camping and Beach Resort

Leelanau Township, Leelanau County, Michigan

Prepared for NM Investment Company LLC

September 13, 2022

I. Introduction

Section 15.6.B.1 of the Leelanau Township Zoning Ordinance (“the Ordinance”) states; *“Prior to the issuance of a land use permit the Planning Commission shall perform an Environmental Review, at no additional expense to the applicant, for all development in the Commercial and Industrial Districts and for all new development of three (3) or more residences in an Environmentally Sensitive area.”* Due to the complexity of the proposed Timber Shores Family RV Camping & Beach Resort (“the Project”) NM Investment Company (“the applicant”) has chosen to have its Project Team prepare this Environmental Review for the consideration of the Leelanau Township Planning Commission (“LTPC”). This is expected to save the LTPC money because it would likely have to hire professional assistance to meet the requirements of the Ordinance in preparing the Environmental Review and it would likely reduce processing time for the application which is an advantage to the applicant.

Every effort has been made to prepare this Environmental Review in a professional and objective manner with reliance on facts and accepted scientific and ecological principles resulting in realistic and defensible findings. Hypothetical situations that have no reasonable expectation of being manifest as a result of the Project have been avoided. Personnel with extensive experience in natural resources assessments and project evaluations have prepared this Environmental Review.

This Environmental Review for the proposed Project has been updated in conformance with the updated site plan and has been prepared in conformance with the content and format as specified in the Ordinance.

II. Summary of Project Status and Site Plan Revisions.

The following summary is provided to give clarity and understanding of the site plan revisions and other pertinent actions that have transpired since the first Application for Zoning Permit was submitted to the LTPC in March 2020.

The Joint Permit Application (“JPA”) was submitted to the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) on September 21, 2021 (File number HPB-KN1S-878JM). The applicant subsequently submitted a revised JPA to EGLE on December 29, 2021 and EGLE published a revised Public Notice on January 6, 2022.

EGLE issued a permit (No. WRP033648 v.1) on September 1, 2022 (“Permit”) which authorized three stream crossings for the main access road, one stream crossing of a one-way

campground road, 0.41-acre of wetland impacts, restoration of 1.13 acres of formerly filled wetlands as mitigation for the unavoidable impact to 0.41-acre of wetland, removal of eight old steel dock pilings in the former boat basin, three wetland boardwalks, the construction of a 1.5 acre recreation pond, installation of wetland equalization culverts, and installation of water and sewer lines under streams to be installed by directional drilling. A copy of the Permit was provided by EGLE to Leelanau Township.

During its review of the JPA, EGLE placed the Project on Public Notice, held a Public Hearing, and received comments from the public, governmental agencies, and other stakeholders regarding the proposed regulated activities.

The following paragraphs provide a summary of the findings of this Environmental Review:

1. A substantial number of revisions have been made to the site plan since the first application was submitted to the LTPC in March 2020. Refinements to the site plan have resulted in a further reduction of wetland impact to 0.41-acre; a 54% reduction from the 0.90-acre of wetland impact proposed in the March 2020 application to the LTPC. Other site plan revisions made for the purpose of reducing impacts to natural resources will be described in this document.
2. A wetland delineation was conducted on the Project site by King & MacGregor Environmental, Inc. (subsequently has become Barr Engineering Co.) in 2019. The delineation was confirmed by a wetland specialist from EGLE, and the wetland boundaries were surveyed to provide an accurate depiction of wetlands for the purpose of site planning.
3. Wetland mitigation has been authorized in the Permit issued by EGLE in the amount of 1.13 acres for a proposed mitigation-to-impact ratio of 2.77:1, exceeding the 2:1 replacement ratio required for forested wetland impacts. The wetland mitigation will be restoration of formerly filled wetlands, which is a preferred wetland mitigation practice. Monitoring of the restored wetlands will be conducted to ensure compliance with the wetland performance standards that EGLE has specified in its Permit.
4. The proposed wetland mitigation will result in a net gain of 0.72-acre of wetland on the Project site. The wetland restoration areas as well as existing wetlands and uplands will be placed in a Conservation Easement granted to the State of Michigan as specified in the EGLE Permit. The Conservation Easement, which is comprised of three areas on the property, will encompass 15.9 acres of land and will ensure the protection of the wetlands and uplands in perpetuity. When combined with the Conservation Easement granted by the applicant in 2006 to preserve the Ennis Creek riparian corridor, about 25% of the Project is protected by perpetual easements. The value of this commitment to protecting natural resources on the Project cannot be overstated.

5. A Protected Species Survey of the entire Project site was contracted by the applicant and was conducted by Barr Engineering Co. of Grand Rapids, Michigan. A copy of the Protected Species Report dated November 10, 2021 is attached to this document. The Report describes the methods and results of the survey and the conclusion of the report states, **“Based on visual observations of the of the available habitat and observation records by experienced ecological professionals, it is Barr’s opinion that no protected species will be adversely affected by the proposed activities.”**
6. Confirmation has been made with Robyn Schmidt of EGLE that the excavated ditch/stream located along the east side of the old railroad right of way does not have any permanent or seasonal connection to Ennis Creek. The excavated ditch is classified as a stream and enters Grand Traverse Bay near the south property line of the Timber Shores property. Some people have commented to the LTPC that this stream is a tributary of Ennis Creek, which is in error.
7. The only proposed impacts to the excavated ditch/stream include the reconstruction of the existing road crossing for the main access road and the installation of a 4” diameter watermain and a 4” diameter sanitary sewer line. The existing 12-inch diameter culvert, which is perched above the stream bottom, will be replaced with a 60-inch span by 46-inch rise corrugated metal arch culvert properly installed according to requirements of the EGLE Permit. The new culvert installation will be a significant upgrade from the existing small, perched culvert and will allow for improved stream flow, notwithstanding the minimal flow in the stream at this location, as well as movement of aquatic organisms along the stream course.
8. There will be no impacts to Ennis Creek proposed by the Project. Sewer and water lines will be directionally drilled under Ennis Creek and the 100-foot-wide Conservation Easement. There will be no surface impacts to Ennis Creek or the Conservation Easement as a result of the installation of these utility lines.
9. A field review by Robyn Schmidt and Charles Wolverton on December 1, 2021, resulted in locating the upstream origins of two branches of the small stream that is located just west of the proposed lodge building and joins with the excavated ditch along the south property line just prior to its outlet to Grand Traverse Bay. On December 2, 2021, Charles Wolverton and Project Engineer Robert Verschaeve of Gosling Czubak Engineering Sciences, Inc. surveyed the location of these upper reaches of the stream. As a result of locating these stream segments, the site plans were revised to add three additional stream crossings: two for the main access road and one for a one-way campground road. The configuration of the recreation pond was revised to avoid the upstream origin of one of the stream segments, resulting in the reduction of wetland impact from 0.53-acre to 0.41-acre. A revised JPA was submitted to EGLE on

December 29, 2021. EGLE then published a revised Public Notice on January 6, 2022, for the proposed Timber Shores Project.

10. The number of proposed camp sites has decreased from 355 to 332 due primarily to the elimination of all the proposed tent campsites. Compliance with the Wetland Grading Setback contained in the updated Ordinance eliminated all the formerly proposed 31 tent campsites. The tent sites themselves were located on uplands but preparation of the sites (e.g., clearing and grading) would have encroached on the Wetland Grading Setback. Most of the sites previously proposed for tent campsites are now included within the Conservation Easement to be granted to the State of Michigan.
11. An updated search of available parcels of land in Leelanau County was conducted on September 8, 2021, for the purpose of demonstrating there are no feasible and prudent alternative sites to the proposed Project site. The results of that search are provided in this Environmental Review.

III. Project Description

This Second Update to the Environmental Review for the Project has been prepared under the requirements of the Ordinance. There has been substantial additional information generated since the March 2020 application was submitted to the LTPC. The changes to the proposed Project were based upon further field investigations, engineering planning, LTPC input, coordination with EGLE in its Permit process, and public comments.

The Environmental Review prepared under the requirements of the Ordinance was submitted on October 1, 2020, to the LTPC. This Second Update to the Environmental Review is submitted to the LTPC for the purpose of providing additional and updated environmental information to assist the LTPC in its review of the Project.

The Project site plan encompasses approximately 90 acres (not including the wastewater treatment plant) and is situated within a 213.60-acre tract of land located between M-22 and Grand Traverse Bay, south of Camp Haven Road and north of Cove Road within Leelanau Township, Leelanau County, Michigan and is approximately two miles south of Northport, Michigan. The Project site contains approximately 1,724 feet of shoreline on Grand Traverse Bay. The main entrance will be located off M-22 at the intersection of N. Overlook Road and will provide a deceleration lane to facilitate northbound traffic turning off M-22 into the Timber Shores Project. The long access road into the campground will ensure that there is no staging of vehicles turning in to Timber Shores off M-22. If required by the LTPC a traffic study will be conducted by an experienced firm in conformance with the Michigan Department of Transportation requirements to verify that no traffic issues will result from the Project.

The original Timber Shores Resort was located on this site and was one of the largest camping trailer parks in the Midwest with approximately 800 camp sites, which operated from the early 1960's thru the early 1980's. The resort had significant infrastructure on the waterfront including

a large clubhouse, activities and maintenance buildings, outdoor and indoor pools, large sand beach, small boat basin with dockage and access channel in Grand Traverse Bay, tennis courts, large parking lots and campsites in the interior portions of the property. The campsites were served with sewer, water and electric service. The former resort was very popular and those that camped there have fond memories of Timber Shores Resort. The oil crisis was a major factor in declining vacation travel at the time of its closing.

The applicant acquired the subject property over the period from 2003 to 2005. The Project intends to return approximately 90 acres of the total 213.6 acres back to its original use as a destination-quality, family-oriented recreational vehicle campground resort with 332 camping sites, including staff lodging. Including the area of the wastewater treatment plant would bring the acreage total to about 115 acres.

Various redevelopment projects have been proposed for this site after the original Timber Shores Resort closed but none have been implemented for various reasons. Substantial planning and initial site development have taken place with previous projects, including demolition of the former Timber Shores' buildings and other infrastructure, some land clearing, and installation of two 12-inch diameter water wells that were approved by the State of Michigan but not put into service.

In 2006 a permit (No. 05-45-0084-P) was granted by what was then the Michigan Department of Environmental Quality ("MDEQ") to the current owner of the property to construct a 450-unit housing and condominium development, including impacts to 0.96-acre of wetland, construction of three large ponds, stream crossings for roads and utilities, and wetland mitigation on a project site that was about 450 acres in size. Due to the residential mortgage and economic crisis that commenced in 2008 this project was delayed due to market and financing issues. Changing real estate conditions subsequently prevented the reinstatement of the large housing project and NM Investment Company LLC continued to explore alternative viable uses of this valuable Grand Traverse Bay waterfront property.

In 2019 a plan emerged to establish a high-quality RV resort and campground on the Timber Shores property. The Project Team for the proposed Project is comprised of professionals with expertise needed to design and permit the Project. Walter G. Johnson of Vogel Advisors is the Development Coordinator. The campground design was completed with the expertise of Wisconsin-based Bud Styer & Associates www.budstyerassociates.com and Commercial Recreation Specialists, Inc. www.crs4rec.com. Kathleen Walsh, owner of Advanced Outdoor Solutions, offers consulting services for RV parks nationwide and has provided valuable input on the design and operation of Timber Shores. This design team has extensive experience with the development and operation of commercial recreation facilities like the proposed Project. Engineering services are being provided by Traverse City based Gosling Czubak Engineering Sciences, Inc (www.goslingczubak.com) and Scott Thompson of Northern Civil Consulting. Natural resources consulting services are being provided by Charles Wolverton of Wolverton Consulting, LLC. King & MacGregor Environmental, Inc. (now Barr Engineering Company) performed the Wetlands Delineation Survey, which has been approved by EGLE, and the

Protected Species Report referenced earlier. These firms have extensive experience in the design, engineering, environmental impact and permitting of a diverse array of projects. Ruth and Scott Walker, owners of Due North Marketing Communications of Northport, MI, are responsible for website development (www.timbershoresrvpark.com) marketing and outreach. Richard L. Edmonds, PLC heads up the Legal Services team.

IV. Purpose and Need for the Proposed Project

Leelanau County is a peninsula protruding into Lake Michigan, bordered by West Grand Traverse Bay on the east and Lake Michigan on the west. Leelanau County is also home to Sleeping Bear National Lakeshore which attracts about 1.7 million visitors per year with July and August 2020 recording about 1.1 million visitors alone (www.MLive.com, August 28, 2020). Given the extensive Great Lakes waterfrontage, harbors, quaint towns, orchards and vineyards, wineries, and the Sleeping Bear National Lakeshore, Leelanau County is a popular tourist destination and high-end home sites are abundant. The City of Traverse City is located just southeast of Leelanau County.

Although Leelanau County has small towns such as Leland, Suttons Bay, Glen Arbor, Cedar, Maple City, and Northport, lodging to accommodate the large tourist influx is generally lacking. Most visitors travel in Leelanau County on day trips from lodging in Traverse City or drive from further originations. The Village of Northport is located near the northern tip of Leelanau County which is furthest away from most overnight lodging facilities. As a result, visitors spend relatively short time in Northport and the businesses suffer as a result. Leelanau State Park is located at the northern tip of the Leelanau Peninsula and offers 51 rustic campsites and three mini-cabins and due to high demand, the sites are generally fully booked for the camping season each year.

The proposed Project would provide significant lodging accommodations for visitors to the area, both for those with their own recreation vehicles or other camping equipment and for those people that want to rent a Park Model RV for a short stay at Timber Shores while enjoying all the amenities of Timber Shores and the surrounding area. The guests of Timber Shores would add substantially to the local economy as they spend longer time in this part of Leelanau County compared to the present situation.

Timber Shores will also provide well-paying seasonal jobs for an estimated 20 hourly employees, many of which will be young people in need of summer employment, plus full-time salaried management positions. On-site employee housing will be provided so as not to strain the already limited supply of workforce housing in the area. Due to the relative lack of summertime businesses in the Northport area, seasonal jobs for young people are lacking. The Project will also engage many local businesses for services and supplies. The Project also envisions the provision of additional workforce housing to support the area economy.

The Project would in effect be a *reuse* of the property as a camping resort like the former use of the property. The entire Project site is situated in the Commercial Resort Zoning District. The

property is very well-suited to this type of use and would be compatible with the characteristics of the site and would utilize the Grand Traverse Bay waterfront as a significant site amenity. The Project will also include the creation of a 1.5-acre recreation pond well inland from Grand Traverse Bay and will be the center of water-based recreation. The site plan has been prepared with the concerns of adjacent landowners in mind, most of which are seasonal homes in two subdivisions along Indian Camp Road and Cove Trail. Setbacks and natural greenbelt buffers have been employed in the proposed site plan for the purpose of reducing secondary impacts to neighboring properties to the extent it is practical.

The applicant did not just purchase the subject property for the purpose of proposing the Project; it has owned the property for many years and has been working to reasonably develop the site with a compatible use that will be an amenity to the overall community. Site Plan and agency permit approvals of the previously planned resort housing development illustrate the community support for development of the property. Property taxes on the site (raw land) are approximately \$80,000 per year and are expected to increase considerably with the planned Project improvements with very little demand on community services.

V. Analysis of Alternatives to the Proposed Site

Due to its location near the northern portion of the Leelanau Peninsula the Project site is not economically viable for alternative commercial uses and the Commercial Resort Zoning District designation supports the proposed use. The proposed Project is a “destination” resort and campground. Without water-based recreation the proposed campground is not feasible given the significant financial cost and risk of redeveloping the Project without the proposed recreation amenities. To be viable at this “destination” location, the resort/campground must serve a broad spectrum of recreationists that own motor homes of all sizes, travel trailers, and people that want to rent a small cabin, Glamping Tent or RV for a night or two to enjoy the recreational amenities of the site or to recreate in Leelanau County. The additional available acreage also allows for on-site storage of RV’s, a major factor for RV owners who prefer to have seasonal access to the resort without the transportation expense, which is also a benefit due to reduction of traffic.

It is the applicant’s contention that there is no feasible or prudent alternative site for the proposed Project for the following reasons:

1. Utilizing another site that it does not own is not prudent since the proposed site is perfectly suited for use as a campground resort (and is zoned as such) and other waterfront sites of similar size in the area are not available. An internet search on Realtor.com for vacant land for sale in Leelanau County conducted on September 8, 2021, revealed the following properties of 75 acres or larger that may accommodate the size of the proposed Project but none of which have water frontage.

Property #1: 184-acre property comprised of a 62-acre orchard and forested/open land with no water frontage located between Traverse City and Suttons Bay on Pleasant Hills Road. Zoned Rural Residential. Price \$1,500,000.

Property #2: 153-acre property with a 59-acre orchard, two potential building sites, and farm outbuildings. There is a Conservancy Agreement of the large agricultural parcels. Price \$1,299,000.

Property #3: 147.85-acre property of mixed open land and forest. Multiple parcels comprise this property located in the Suttons Bay area. Price \$1,975,000.

Property #4: 125-acre forested property on a seasonal road in the Empire vicinity. Price \$698,500.

Property #5: 102-acre property comprised of pasture land and forest south of Glen Lake off S. Plowman Road (CR 675); zoning allows RV parks and campgrounds. Price \$995,000.

Property #6: 75-acre property comprised of a sweet cherry orchard and hay fields located southwest of the Village of Lake Leelanau. Price \$869,000.

This search of available vacant properties in Leelanau County is simply intended to indicate that, as of the date of the search (September 8, 2021), the following findings are demonstrated:

1. There are no other available sites in Leelanau County that provide frontage on Grand Traverse Bay or with other water frontage. Water frontage is a key amenity for the Project.
2. The search of available properties illustrates the extremely high cost of vacant acreage parcels in Leelanau County, some of which may be attributed to the globally important orchard industry, the high value of view property, and the demand for properties in Leelanau County. Although there are five sites of over 80 acres and one site of 75 acres for sale, purchase of any of these sites is not financially feasible or prudent, as explained below.
 - a) To expect the applicant to purchase another vacant land property for its RV Resort with no water frontage, and for financial reasons having first to sell the waterfront property it presently owns, and then navigate the rezoning and/or zoning approval process to obtain approval for the Project on another property is certainly not prudent, financially, or otherwise.
 - b) It is important to note that the property presently owned by the applicant would have to be sold and, given the value of the property, would likely be

proposed for developed for housing or maybe another “Commercial Resort” project. Property with 1,724 feet of frontage on Grand Traverse Bay, given the value of the property, will not go undeveloped and could result in more wetland impact and other impacts resulting from the development and less land in Conservation Easement than the proposed Project. The land will not remain vacant forever.

- c) The Project site contains sufficient land to buffer the campground and recreation amenities from adjacent properties and has its access from state highway M-22, which provides excellent transportation access for the Project. The campground itself will not be visible from M-22, preserving the rural views from M-22.
- d) The applicant has owned the property for over 16 years, has significant investment in the property, and has made several attempts to sell the Timber Shores property in the ensuing years since the 2006 project was permitted by MDEQ. Some parcels have been divested but the 213.6-acre core area of the former Timber Shores Resort remains in the applicant’s ownership. Attempts of divest itself of the remaining property has been unsuccessful, including offering to sell the property to Leelanau Township at fair market value if the Township could obtain funding from the Michigan Natural Resources Trust Fund. Ultimately the Township decided not to pursue the purchase.
- e) The fact that the proposed Project is a redevelopment of the former Timber Shores Resort is another reason for utilizing the proposed site and not seeking another site for the Project, especially considering the fact that the proposed Project as presently designed has only 0.41-acre of wetland impact and will restore 1.13 acres of wetland filled during the construction of the former Timber Shores Resort resulting in an actual gain of 0.72 acres of restored wetland with the proposed Project.
- f) In 2006 the MDEQ made a finding that there were no feasible or prudent alternative sites available for the 450-unit housing development on the Timber Shores property as evidenced by the fact that a permit was issued for the project (Permit No. 05-45-0084-P). EGLE made a similar finding for the proposed Project as evidenced by its issuance of the Permit on September 1, 2022.

While the applicant understands that considering other sites is generally required for a feasible and prudent alternatives analysis, the following facts are compelling in making a finding that the proposed site is the most feasible and prudent alternative for the proposed Project:

1. The prior use of this site as a large campground and resort in the 1960s through the early 1980s is important.
2. The Township has evidently recognized this former use of the property and identified the site appropriately in its Master Plan and has zoned this property as Commercial Resort.
3. Many residents have expressed support for the redevelopment of the Timber Shores site. To seek another site and not utilize the proposed site is simply not prudent. To develop another site, if another suitable site was available, would leave the former Timber Shores Resort property for some other future development that may not be as compatible with the site and its history, have a greater environmental impact on the site, and may not benefit the greater Northport area as much as the proposed Project.

VI. Analysis of Alternatives to the Proposed Site Plan

1. Avoidance and Minimization of Wetland Impacts

Assuming that the proposed site is considered as the only feasible and prudent alternative location for the proposed Timber Shores Project, the next critical step is to avoid and minimize impacts to wetlands to the greatest practicable extent with the site design.

The property contains numerous wetlands as defined by the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended (“NREPA”). A comprehensive wetland delineation was performed by King & MacGregor Environmental, Inc. in 2019 and wetland boundaries were flagged and geo-referenced using sub-meter Global Positioning System (“GPS”) equipment. EGLE conducted an on-site review and verified the location of wetland boundaries with a total combined wetland area of approximately 10.1 acres. Post-field work processing of the GPS files resulted in the creation of an accurate map of the wetlands on the subject property, including some revisions to wetland boundaries made by EGLE. The report from EGLE verifying the wetland delineation was dated December 16, 2019 and has been provided to the LTTC in the prior submittal.

It is important to realize that the construction of the original Timber Shores Resort in the 1960s resulted in extensive wetland filling to create campsites and other infrastructure. The “pinwheel” uplands located within wetlands shown on the site plan are old fill areas in wetlands to create campsites. Some of the old fill areas are proposed for removal to restore wetlands as part of the wetland mitigation package. Extensive existing wetlands, uplands, and old fill areas of the former Timber Shores Resort will be protected in perpetuity by the Conservation Easement to be granted to the State of Michigan as described in the EGLE Permit.

2. Site Design Factors

There are certain factors driving the design of the proposed Timber Shores Project and, as a result, may have some influence on the ability to avoid wetland impacts in some areas. The factors influencing site design are as follows:

a) Recreation Areas

The resort is waterfront-focused, and the siting of the recreation amenities is critical to the site design and functionality of the Project. The waterfront is an important amenity for the recreation activities and includes the beach on Grand Traverse Bay, kayaking and other small non-motorized watercraft access from the former marina basin, and swimming in the Bay. The proposed recreation pond with water-based recreation pods is located further inland than initially planned in order to avoid wetlands and further buffer the recreation pond from adjacent properties. It is important to note that except for 0.12-acre of unavoidable wetland impact for the construction of the recreation pond, there is no wetland impact associated with the recreation amenities at the Project (the remaining 0.29-acre of wetland impact is for roads and stormwater basins).

b) Campsites

Campsites have been sited to achieve the following goals:

- Optimal density and dispersion for a quality camping experience.
- Safe and efficient traffic flow.
- Reasonable proximity to the primary recreation activity areas.
- To meet the primary site design goal of avoiding wetland impacts for all campsites.

c) Recreation Pond

The development of the 1.5-acre recreation pond is an essential amenity of the Project and is expected to be the prime water-based recreation focus area with much lesser use of Grand Traverse Bay. The location of the proposed pond has been moved from its original location which was closer to the Bay to avoid a small stream and wetlands. The configuration of the pond has also been revised to further avoid wetlands with the result being that the proposed pond will have unavoidable impact of only 0.12-acre of wetland. The wetland impact from the construction of the proposed pond was reduced by relocating the proposed pond to the west of its originally proposed location. This necessitated the relocation of the main day-use parking lot west of the excavated ditch/stream and adjacent to the main access road. The new location of the day-use parking lot further from the facilities will require a shuttle to be operated to transport day-use guests to the main lodge for registration.

There are two primary components that are integral to the consideration of alternatives for the recreation pond: one, its purpose and two, its location.

The recreation pond is an essential component of the resort in that it provides a safe water-based recreation amenity for the resort, especially for younger people. The recreation pond is the preferred alternative for providing swimming recreation as compared to utilization of Grand Traverse Bay. The Bay was initially considered for the location of the floating recreation pods but, after a bathymetric survey it was determined that locating the recreation pods in Grand Traverse Bay would have too many negative factors associated with the location in the Bay. The most important factor was the fluctuating water levels of the Bay (Lake Michigan) which would influence the annual siting of the floating recreation pods at proper water depths and would likely complicate the Great Lakes Bottomland Lease with the State of Michigan that would be required for such use in Grand Traverse Bay.

The safety of people using the floating pods located in the Bay was also an important concern due to the distance of the floating pods from the shore and potential difficulties with keeping track of people in the water. The logistics of getting people to the floating pods when they are located further from shore, which could be several hundred feet, was another issue.

Concerns were expressed by some residents that own property on Grand Traverse Bay in the proximity of the Project regarding the visual and auditory impacts of having the floating recreation pods in the Bay. These concerns were taken into consideration and were another primary factor in deciding to locate the floating pods in the recreation pond in location well inland from the waterfront.

Other important factors with siting the floating pods in the Bay are water temperature, wave action, potential currents, and the substrate on the lake bottom, which is primarily comprised of small to large rocks, regarding walking and swimming. Cold water temperatures and wave action are likely to periodically delay or impair the use of the floating pods in the Bay, the water temperatures during the earlier parts of the season and wave action possible at any time during the season, the latter of which would preclude the use of the pods due to safety concerns. In addition, all the above-mentioned factors would have economic impacts on the Project.

It is for the above reasons that the siting of the floating pods in Grand Traverse Bay was determined to be not feasible or prudent and the alternative of the recreation pond was selected as the best location for the floating pods and other water-based recreation activities.

The location of the proposed recreation pond within the site plan was then considered and the following factors having primary consideration: proximity to the main recreation area of the Resort and the size and configuration of the pond. Regarding the proximity

of the pond to the main recreation area of the Resort, it is critically important to centralize and consolidate recreation activities, especially water-based recreation, due to the need to administer recreation use, i.e., registration, passes, safety orientation, and safety monitoring by staff. The size and configuration of the pond are secondary location factors but are important to the use and engineering design of the pond.

For the above-stated reasons, locating the proposed recreation pond in its presently proposed location was determined to be the most feasible and prudent location and results in avoiding over 0.33-acre of wetland from the initially proposed location.

d) Main Access Road and Campground Roads.

The construction of the main access road to the Main Lodge near the waterfront and campground roads will result in 0.29-acre of wetland impact in 26 separate locations resulting in an average of only 0.01-acre per wetland fill site. These wetland impacts are unavoidable due to the essential element of proper road design for the type of vehicles that will navigate the roads in the Project as well as meeting State of Michigan campground regulations. The main day-use parking lot has been relocated west of the excavated ditch/stream and will have no wetland impacts.

Numerous iterations of the proposed site plan have been created during the planning stages of the Project over the past four years. Many factors were considered in the preparation of the site plan, including the number of campsites for each type of use (i.e. RVs, travel trailers, and cabins), the proximity to the main recreation area, the cost of providing utility services to the campsites, the type and location of recreation amenities that are crucial to the viability of the Project, buffering from neighboring properties, meeting existing and proposed zoning ordinance requirements, and very importantly, the avoidance and minimization of wetland and stream impacts. The proposed site plan is the culmination of years of planning and review to create a site plan that meets the above-mentioned criteria.

VII. Financial Considerations of the Proposed Project

A significant issue with the viability of businesses in the Village of Northport and Leelanau Township is the fact that this area is near the end of the Leelanau Peninsula and visitors here find few options for overnight lodging. Thus, daytrips are the rule from areas that have lodging accommodations, specifically Traverse City 35 miles to the south. As a result, businesses like the few restaurants and retail stores struggle financially. Some residents have a difficult time finding meaningful employment and young people don't stay in the area as a result of limited employment opportunities. Health care providers and schools have challenges also. Longtime residents have strong memories of the economic benefits to the community when the original Timber Shores was in operation.

The proposed Timber Shores redevelopment would significantly boost the local economy, if only during the non-winter months (April through October). Approximately 20 hourly plus additional

salaried management employees would be employed at Timber Shores during these months plus the hiring of local businesses for services and supplies. The hundreds of guests at the resort would add significant income to local the grocery store, restaurants, and retail stores. Housing will be provided for seasonal employees, which resolves a significant problem in Northern Michigan of general lack of housing for seasonal employees.

The taxes that would be paid by Timber Shores would be a substantial boost to the local governments, schools, law enforcement, and other departments dependent upon tax revenue. Private family-oriented RV Campground Resorts have a good track record of requiring very little municipal services for police, fire, or EMS and have no negative impact on local schools. The existence of resort properties such as the proposed Project adds to the desire of families to locate their homes in the area and thus add to the economic base of the community.

VIII. Environmental Impacts of the Proposed Project

The Project site contains wetlands, streams, Lake Michigan shoreland, and wildlife habitat. The wetlands are primarily comprised of trees and shrubs, with little open marsh. The following sections describe the natural resources on the Project site and provide conclusions regarding the probable environmental impact on each natural resource type.

1. Wetlands

The Project will result in the unavoidable impact to 0.41-acre of wetland. EGLE issued its Permit under the authority of Part 303 of NREPA on September 1, 2022.

It is important to note that the proposed site plan has taken every effort to avoid impacts to wetlands, but some wetland impacts are unavoidable, specifically impacts to 0.12-acre of wetlands associated with the proposed recreation pond and 0.29-acre of wetland impact for the construction of roads and stormwater basins. There are no proposed impacts to wetlands from the construction of campsites, buildings, or other Project infrastructure.

As defined by the Wetland Delineation conducted by Barr Engineering and verified by EGLE, wetlands comprise 10.1 acres within the Project site. As such, only 4.1% of the wetlands on the Project will be impacted but the proposed wetland mitigation will result in the restoration of 1.13 acres of previously filled wetlands for a net gain of 0.72-acre of wetland because of the Project, an increase of wetlands of 7.1%.

Some of the wetlands on this property have been impacted by the construction of the original Timber Shores Campground and past logging has altered the habitat on this property. The wetlands are primarily fed by near-surface groundwater, and most do not contain surface water during the growing season, but some areas of ponded water are often present in early spring. Wildlife habitat in the wetlands, while present, is not exemplary or unique and is primarily utilized by white-tailed deer, raccoons, skunks, small rodents, red squirrels, chipmunks, mink (along streams and the lakeshore), and birds such as raptors (hawks and owls inland, bald eagles along the lakeshore), wild turkeys, black-capped chickadees, blue jays, American robins,

and other species of songbirds, some of which only migrate through the area in the spring and fall migrations, such as many species of warblers.

The proposed road layout is designed for efficient and safe travel by guests of the resort in recreation vehicles, trucks, and cars as well as golf carts and bicycles. In many areas the road layout is also a function of avoiding wetlands and to provide access to campsites that avoid wetland impacts. The geometry of the road curves and intersections also affects the road locations and is a critical component considering the variety of vehicles that will travel on these roads. The 0.29-acre of wetland impact associated with the proposed roads is unavoidable and wetland impacts from roads have been avoided to the greatest practicable extent. Wetland impact attributed to road construction is in 26 separate locations resulting in an average of only 0.01-acre per wetland fill site and then only along the edges of wetlands.

The proposed recreation pond will unavoidably impact 0.12-acre of wetland. As previously discussed, the proposed pond was relocated to the west resulting in substantially less wetland impact (0.45-acre to 0.12-acre, a reduction of 0.33-acre). On this property, there is no location for the proposed recreation pond that totally avoids wetlands other than in the open field west of the proposed Project. The open field location is not feasible due to the distance from the rest of the recreation activity facilities and safety concerns and administrative inefficiencies as explained earlier.

NREPA requires that unavoidable impacts to wetlands must be mitigated at a ratio of at least 1.5:1 for emergent wetland impacts and 2:1 for forested wetland impacts. Emergent Wetland types are comprised of primarily herbaceous wetland vegetation. Forested Wetlands have a predominant forested canopy of trees at least 20 feet in height. Shrub Wetlands are characterized by a predominance of woody shrubs less than 20 feet in height. Most of the wetlands that are proposed for impact by the Project are classified as Forested Wetlands and would require a 2:1 replacement ratio for mitigation.

The proposed wetland mitigation for the Timber Shores Project is *restoration* of 1.13 acres of wetland that was filled during the construction of the original Timber Shores Campground in the 1960s. As a result, given the presently proposed wetland impacts and mitigation plan, the proposed Project will result in a *net gain of 0.72-acre of wetland for a replacement ratio of 2.77:1*, which exceeds the 2:1 ratio required by NREPA. Thus, wetland area will increase by 7.1% because of the Project.

Conclusions of Wetland Impacts: Wetlands have been avoided with the proposed campground design to the greatest practicable extent and the 0.41-acre of wetland impact will be mitigated by restoration of previously filled wetlands resulting in a net gain of 0.72-acre of wetland on the Timber Shores property, or a 7.1% increase in wetland. Restoration of wetlands is preferred by EGLE over creation of new wetlands from uplands (i.e., non-wetlands). Restoration in this case will involve removal of the fill placed in wetlands in the 1960s down to the grade of the adjacent remaining wetlands. The wetland hydrologic condition, which is the most important factor in determining the presence of wetlands (the other two parameters being

wetland soils and hydrophytic vegetation), remains under the old fill and ensures that the restored wetland will be successful as mitigation for other unavoidable impacts to wetlands once the former grade is established. Native wetland plant communities will be established in the restored wetlands.

The proposed wetland mitigation at Timber Shores will enlarge the existing wetlands in the seven sites where wetland restoration is proposed. It is widely accepted by wetland scientists that larger wetlands have greater intrinsic ecological value than smaller wetlands. As previously stated, wetland area on the Project site will increase by 0.72-acre because of the Project. Very importantly, at total of 15.9 acres of existing wetlands, uplands, and the restored wetlands will be placed in a Conservation Easement granted to the State of Michigan which will protect these areas in perpetuity. The preservation of this acreage of the Project site can only be considered to be a significant factor in preserving natural resources.

It is also important to note that the First Amended Ennis Creek Village Conservation Easement Agreement (“Conservation Easement”) granted by NM Investment Company LLC to Leelanau Township on 16 May 2007 not only permanently protects Ennis Creek from its headwaters to Camp Haven Road, but also preserves wetlands within the Ennis Creek Conservation Easement corridor as well as 53.44 acres of high quality wetland west of M-22 on property owned by NM at the time the easement was granted, which includes the headwaters of Ennis Creek. The 53.44 acres of wetland contains highly diverse wetlands and includes old-growth Northern white cedar trees.

As a result, the total of the wetland mitigation package described serves to increase wetland resources and protect existing wetlands in perpetuity.

2. Inland Lakes and Streams

There are no inland lakes on the Project site. Three streams are present; Ennis Creek, an unnamed drainage ditch, and the small unnamed stream that has its origins in the central portion of the site near the northwest corner of the proposed recreation pond. There are no direct impacts to Ennis Creek that will result from the proposed Project. The only crossing of Ennis Creek will be for the proposed emergency access road that is located on an existing 20-foot wide one lane road that crosses Ennis Creek (over existing culverts) as shown on the revised site plan. Underground sewer and water lines will be directionally drilled under Ennis Creek and the protected riparian corridor. The 2007 Conservation Easement includes the land 50 feet on both sides of Ennis Creek (100 feet total width) from M-22 to Camp Haven Road and serves to protect Ennis Creek from development perturbations on the property in perpetuity. Stormwater runoff from the proposed Project will not be directed to Ennis Creek and other impacts to Ennis Creek or its water quality are highly unlikely.

The main access road to the Project will cross the drainage ditch, which qualifies as a “stream” under Part 301 of NREPA (Inland Lakes and Streams), and will require the installation of a new culvert which is included in the EGLE Permit. The existing road crossing at the location of the

proposed main access road has a 12-inch diameter culvert that is perched above the bottom of the stream and will be replaced by a 60-inch span by 48-inch rise corrugated metal pipe arch culvert 64 feet in length properly installed into the stream bottom.

The drainage ditch has no direct connection to Ennis Creek. The drainage ditch, when water flows in it, flows southerly and easterly and outlets to Grand Traverse Bay near the south boundary of the Project site.

The third stream has its headwaters at a spring located northwest of the revised recreation pond and then flows northerly for some distance through wetlands and then turns easterly until its course changes to the south and eventually joins the drainage ditch near its outlet to Grand Traverse Bay. This small unnamed stream meets the criteria as a "stream" under Part 301 of NREPA and is about two to three feet in width. Avoiding impacts to this unnamed stream was the primary reason for the revisions to the location of the proposed recreation pond.

There are three additional road crossings of this unnamed stream, two for the main access road and one for a proposed one-way campground road. The first road crossing of this unnamed stream ("Stream Crossing #1 on the plans) is on the main access road and is located near the headwaters of the stream near the northwest corner of the proposed recreation pond. A 49" span by 33" rise corrugated metal pipe culvert 70 feet in length is proposed for Stream Crossing #1 at this location.

Stream Crossing #2 is for a one-way campground road. A 49" span by 33" rise corrugated metal pipe culvert 35 feet in length is proposed at this location.

Stream Crossing #3 is on the main access road just west of the headquarters building. A 49" span by 33" rise corrugated metal pipe culvert 45 feet in length is proposed at this location.

Conclusions of Inland Lakes and Streams Impacts: Impacts to the three streams located on the Timber Shores property will be very minimal to non-existent and limited to the four properly sized and installed culverts for stream crossings of roads. Nonetheless, mitigation for stream impacts is more than adequately compensated by the Conservation Easement that was placed for the purpose of buffering Ennis Creek from development, ensuring that development will not negatively impact Ennis Creek, which is the highest quality stream on the property.

IX. Lake Michigan Shorelands

The initial plan iterations for the Project had floating recreation pods some distance out in Grand Traverse Bay. Upon hearing comments from local residents, The Watershed Center (Heather Smith) and others regarding this concept it was decided to abandon that plan and instead construct a 1.5-acre pond on the property west of the beachfront. There is no construction proposed in Grand Traverse Bay except for the removal of eight (8) steel pilings from the small boat basin that were once part of the docks at the former Timber Shores Resort that will be removed for public safety reasons as authorized by the EGLE Permit.

The Project proposes to restore approximately 500 feet of the beach located from the boat basin on the north to just south of the rock jetty on the south. Presently the beach is sand in the wave-wash zone and landward of that zone the beach has been colonized by various species of shrubs, primarily willows, Autumn olive (a highly invasive non-native shrub), balsam poplar, and herbaceous vegetation like grasses and goldenrods. The beach restoration would entail removing the vegetation, sifting the sand to remove woody debris, plant parts and stones and possibly augmenting the beach with clean sand from another source. All work on the beach restoration would take place above the water line and above the Ordinary High Water Marks as defined by State and Federal laws and would not involve work in any wetlands. In other words, the proposed beach restoration is not regulated by State or Federal statutes.

It is important to note that approximately 70% of the 1,724 feet of frontage on Grand Traverse Bay within the Project will be left in its natural condition. A **Waterfront Restoration and Protection Plan** has been prepared and will be submitted to the LTPC during the Site Plan Review. The plan explains the proposed beach restoration at Timber Shores and addresses concerns that have been expressed during the past years of meetings of the LTPC by the public, the Grand Traverse Band of Ottawa and Chippewa Indians ("GT Band"), and the LTPC regarding the proposed use of the waterfront, protection of Grand Traverse Bay, and neighbors' concerns for visual and other impacts. The proposed Waterfront Restoration and Protection Plan provides details that are intended to address the concerns that have been expressed for the waterfront activities.

The proposed beach restoration area will encompass 1.26 acres, 0.91-acre is within the new 125-foot Waterfront Setback and 0.35-acre is outside of the new Waterfront Setback. The beach will extend 526 feet along the frontage, which is 30 percent of the total 1,724 feet of frontage owned by Timber Shores. The proposed beach is a critical amenity to the entire Timber Shores Resort. Not a lot of swimming in the Bay is anticipated due to the somewhat rocky or gravelly substrate in the water and cooler water temperatures but children love to play at the water's edge and on a sandy beach.

As a condition of approval of the activities proposed within the 125-foot Waterfront Setback for the Timber Shores project, a **Waterfront Conservation Easement** is proposed by Timber Shores. The purpose of the Waterfront Conservation Easement is to protect the northern 820 lineal feet of the total 1,724 lineal feet of waterfrontage owned by Timber Shores in perpetuity. This constitutes 48 percent of the total waterfrontage. The proposed Waterfront Conservation Easement would extend landward to/beyond the 125-foot Waterfront Setback line except where the proposed roads and campsites would reduce the landward extent of the Conservation Easement. The proposed Waterfront Conservation Easement would encompass about two acres of wetland and upland.

The proposed permanent protection of nearly half of waterfrontage owned by Timber Shores and the associated two acres of land is a significant factor in protecting and preserving the Grand Traverse Bay waterfront on this property in perpetuity. The Waterfront Restoration and Protection Plan will be part of the application package submitted to the LTPC.

Conclusion of Lake Michigan Shorelands Impacts: Beaches are very common on the Great Lakes and the restored beach will provide an important recreation amenity for the Project. The removal of the vegetation and restoration of a clean beach is not regulated by State or Federal laws as proposed and will have minimal impact to wildlife and other environmental impacts would be almost non-existent. Regarding aesthetics, the beach will be visually appealing from Grand Traverse Bay and from neighboring properties and in conformance with other beaches on the Bay. Because there will be no recreation pods in the Bay, the beach will provide open space along the shoreline. The maintenance of the beach during varying water levels of the Bay will comply with applicable State and Federal laws.

X. Great Lakes Impacts

The only regulated activity proposed in Grand Traverse Bay is the removal of the eight (8) old steel pilings that are remnants of the docks in the existing small boat basin at the former Timber Shores campground. Although the existing small boat basin was constructed during the initial construction of the former Timber Shores Resort by excavating the basin in upland and connecting by an access channel into the Bay, the basin is regulated under Part 325 of NREPA, Great Lakes Submerged Lands. As such, the removal of these eight steel pilings that extend about eight feet out of the water requires a permit under Part 325 of NREPA. The EGLE Permit issued September 1, 2022 authorizes the removal of the pilings. The removal of the pilings may also require authorization from the U.S. Army Corps of Engineers but should qualify for a Nationwide Permit under Section 10 of the Rivers and Harbors Act of 1899. Removal of the pilings is being proposed due to public safety concerns and aesthetic reasons.

There will be swimming, kayaking, paddle boarding, sailing, and similar activities expected in Grand Traverse Bay. Such activities will have no deleterious impacts on water quality, fisheries, or wildlife associated with that area and is consistent with similar uses all along the Great Lakes shoreline of Leelanau County. Neighboring properties by the way, operate motorized watercraft in addition to the non-motorized watercraft of the types expected to be used at Timber Shores.

Conclusion of Great Lakes Impacts: Any environmental impacts to Grand Traverse Bay that result from the Timber Shores Project are expected to be non-existent or extremely minimal.

XI. Stormwater Runoff

The Project site is relatively flat topography and has wetlands interspersed throughout the site, both being site characteristics that are beneficial to efficient management of stormwater runoff. Stormwater management are an important component of the engineering and landscaping plans developed for the Project and a Stormwater Pollution Prevention Plan ("SWPPP") will be implemented as a component of the construction permitting for the Project. The permeability of the soils on the Project site will be conducive to percolation of stormwater runoff into the ground, augmenting the hydrology of wetlands and minimizing runoff from the site.

The relatively flat topography of the Project site will facilitate a stormwater runoff design that keeps runoff below erosive velocities and includes retention/detention basins and swales to keep runoff near its source until it can percolate back into the ground or be slowly released.

A permit for the stormwater control plan is required by the Leelanau County Drain Commission. The stormwater control plans and the application for permit have been submitted to the Drain Commission for review.

Stormwater Runoff Impacts Conclusion: Due to the flat topography and soil characteristics of the site and the relatively low density of impervious surfaces within the Project, stormwater runoff will be properly managed both during construction and operation of the Project. The review of the application and subsequent permit for the stormwater control plan by the Leelanau County Drain Commission will ensure that proper design and Best Management Practices are in place for the Project and deleterious impacts from stormwater runoff during site construction or operation of the campground will not occur. Implementation of the SWPPP will also serve to protect the site from stormwater runoff and erosion during construction.

XII. Sewage Treatment

Two options for sewage treatment have been investigated to serve this important function for the Project; a private on-site sewage treatment facility (“WWTP”), and connection to the municipal sewage treatment system that serves the Northport area. A private on-site sewage treatment system is financially and technically feasible. The planned WWTP utilizes a biological process known as Moving Bed Bioreactor (“MBBR”) that has been proven to effectively treat sewage from projects such as the proposed Timber Shores Project. Most importantly, the site topography and soil types are conducive to the construction and operation of an on-site system. There is adequate land available for the treatment plant in an area that would have suitable setback from the camping sites and local residential areas. The site for the on-site system is shown on the Project plans.

Connecting the Project to the municipal sewer has also been investigated and coordinated with the Northport Leelanau Township Utility Authority (“NLTUA”). The existing sewer line would have to be extended about two miles to the Project site and the responsibility for extending the sewer has not been resolved. In addition, the existing municipal treatment system may not have adequate capacity. NLTUA has advised that they do not have the financial capacity to expand their system and that they would support the decision for an on-site WWTP. The NLTUA facility also uses a MBBR treatment system.

It has become apparent that connecting to the NLTUA sewer is not feasible for the reasons previously explained. Therefore, the Project Team decided that a private WWTP is the most feasible and prudent alternative for treatment of sewage at Timber Shores. Implementation of a private sewage treatment WWTP requires a substantial amount of planning, engineering, coordination, permitting, and cost. The private system will adequately provide treatment of

sewage from the Project that meets or exceeds Michigan Department of Health and Human Services requirements.

Design of the WWTP is being conducted primarily by Gosling Czubak Engineering Sciences, Inc. to satisfy State of Michigan permitting requirements for a private on-site MBBR system. Don Hearl of EnviroProcess LLC and Mark Hurley, M.S., P.E. of Gosling Czubak Engineering Sciences, Inc. are experts in design and installation of MBBR treatment systems and are the principal people in charge of the WWTP design and permitting.

A hydrogeological investigation has been conducted as a critical component of planning and engineering of the WWTP. The system capacity, sewage flow calculations, and other details are being calculated for the WWTP. Once the plans and specifications are done, the application to the State of Michigan must be submitted and processed.

Sewage Treatment Impacts Conclusion: The treatment of sewage from the Project is the most critical component as it relates to protection of the environment on the property and adjacent properties. As such, the WWTP design will be state-of-the-art and will release treated effluent to the drain field that is much cleaner than effluent discharged by traditional septic tanks. A licensed operator will be contracted to operate the WWTP as required by State of Michigan law. This aspect of the Project should raise no valid environmental concerns from the LTPC or the public.

XIII. Wildlife Habitat Impacts

There is little “old growth” timber on the Project site, which is comprised of predominantly second growth forest cover that has grown since logging took place on the property at various times throughout its history. Vegetation on the Project site is varied and primarily successional plant communities in response to past land uses. There are several major plant community types on the site as described below.

- Evergreen trees such as Eastern white pine, Red pine, Northern white cedar, and Eastern hemlock.
- Deciduous trees such as red oak, sugar maple, red maple, trembling aspen, balsam poplar, white birch, ash, and American basswood.
- Shrub species or shrub-size tree species such as red-osier dogwood, gray dogwood, sandbar willow, black willow, balsam poplar, trembling aspen and extensive areas of the non-native invasive Autumn olive.
- Openings dominated by a variety of species of perennial grasses, goldenrods, Queen Anne’s lace, and other herbaceous plants.
- Wetlands have trees of species listed above and some areas have cattails, sedges, rushes, and species of goldenrods and grasses.

Wildlife habitat on the subject property, while present, is not exemplary or unique due in part to past developments and disturbances and also due to the inherent site characteristics. An

example of an exemplary vegetation community is found in the 53.44-acre wetland west of M-22 that was placed in Conservation Easement in 2007 as a component of the former proposed housing project at Timber Shores. This wetland is high quality wetland wildlife habitat and contains the upper reaches of Ennis Creek.

Past land uses, including the development of the former Timber Shores Resort in the 1960s; demolition and removal of infrastructure from the former Timber Shores Resort (including a number of large buildings, paved areas, underground utilities, tennis courts, etc.); logging of portions of the property (both clear cutting and selective logging); and other perturbations on the landscape over time have resulted in the mixture and characteristics of the vegetation types and wildlife habitats that are present today.

The Timber Shores property is primarily inhabited by white-tailed deer, raccoons, skunks, opossums, small rodents, red squirrels, black and grey squirrels, chipmunks, mink (along streams and the lakeshore), and birds such as raptors (hawks and owls inland, bald eagles along the lakeshore), ruffed grouse, wild turkeys, several species of woodpeckers, black-capped chickadees, blue jays, American robins, cardinals, and other species of songbirds, some of which only migrate through the area in the spring and fall migrations, such as many species of warblers and related species. Shorebirds such as sandpipers, killdeer, dunlins, and Herring gulls, Ring-billed gulls, and Common terns will utilize the near-shore and beach habitats along Grand Traverse Bay.

There are many dead/dying trees on the Timber Shores property, primarily ash trees that have been infected by Emerald ash borers and over-mature aspen trees that have died or are dying of old age. While these trees have provided, or some may still provide food source for woodpeckers, removal of many of these dead/dying trees is necessary for public safety purposes when in proximity to roads, campsites, walking trails, or other areas frequented by guests at the resort. Dead/dying trees located in wetlands that must be removed will have their stumps remain in order to protect the wetland substrate from disturbance. In addition, large mature aspen trees are present that should be harvested. Otherwise, these trees will eventually die and create public safety problems in areas where people will be present at the campground.

Any development that alters the landscape is likely to have some impact on the species of wildlife that inhabit that area. In some cases, development provides a different habitat that may favor other species of wildlife. The key point with the proposed Timber Shores Project is that substantial wildlife habitat will remain after the construction of the resort and such habitat will be interspersed throughout the site in the form of wetlands, both natural and restored, wooded buffers on the south and east borders of the property, and open fields to the west of the Project. The permanent preservation of about 25 acres of wetlands and uplands in a Conservation Easement granted to the State of Michigan is significant.

It is important to note that “clear cutting” will not occur on the Project site; the only tree clearing will be to remove dead/dying trees that pose a danger to the public and clearing necessary for the construction of roads, campsites, and buildings. The total area of the 213.6 acres within the

Project site that will be cleared for campsites is 20.88 acres; roads, sidewalks, parking lots, and buildings comprise 13.01 acres for a total of 33.89 acres, which is only 15.8 percent of the total land within the Project site.

Wildlife Habitat Impacts Conclusions: Although some impacts to wildlife habitat will unavoidably result from the development of the Timber Shores Project, the existing wildlife species will still find suitable habitat and the overall impact to wildlife that frequent the site is not considered significant. As stated above, only 15.8 percent of the total land area within the Project site will be cleared which will minimize impacts to wildlife species. Public use will be centered on the recreation pond and the beachfront area which is a relatively small portion of the Project site. The camping sites comprise a majority of the Project site, but use of these areas is relatively low impact to wildlife species that frequent the area and disturbance to wildlife should not be a concern. Integration of people and wildlife species like those that frequent this site and other camping areas is one of the amenities and benefits of camping recreation. To minimize disturbance to wildlife, pets will be required to be always leashed except when in campers or RVs.

Migration of birds during the early spring and fall migration periods will not be substantially affected by the campground due to the lower usage by guests at the campground in April-early May and October. Those that do camp during these early and late season time periods are unlikely to be taking part in any of the water-based recreation and will be mostly low-key camping and disturbance to migrating birds is expected to be minimal.

XIV. Fish Habitat Impacts

The aquatic resources on the property include Ennis Creek, the unnamed ditch, the small unnamed stream, and Grand Traverse Bay. Ennis Creek provides habitat for several species of fish, including some brook trout, suckers, and forage species as evidenced by stream surveys conducted for the 2006 housing project. The drainage ditch may have forage species of fish, but the lack of stream flow is likely a significant detriment to fish inhabiting that stream. The small unnamed stream may have some forage species in some sections, but stream size provides minimal habitat for fish. Grand Traverse Bay contains many species of fish, but activities at Timber Shores will not impact fish or fish habitat in the Bay.

Fish Habitat Impacts Conclusions: The proposed Timber Shores Project will have minimal impact on fish or fish habitat because of the construction and operation of the resort due to the fact that Ennis Creek is protected by the Conservation Easement and expected seasonal activities in Grand Traverse Bay will have no effect on fish or fish habitat. Impacts to the other two streams are being avoided except for properly designed and permitted road crossings. The reconstruction of the main road crossing over the excavated ditch will greatly improve the stream crossing for fish by removal of the small, perched culvert and replacement with the large arch culvert. The new culvert will allow fish passage, even though few fish are expected to be present in the stream.

XV. Impacts from Use of Chemicals

Chemicals will be used to maintain safe water quality in the lined recreation pond. Only those chemicals labeled for such use in public swimming areas will be used and will be applied only by people licensed and trained in such chemical applications. Above ground Fuel storage areas will be constructed by licensed contractors and operated to safely store and dispense of fuels needed for maintenance vehicles according to state regulations and best management practices. Other chemicals may be used to maintain landscaped areas, periodically seal asphalt roads/parking lots, all of which will be used according to label directions for safe use.

Impacts from Chemical Use Conclusions: The types of chemicals to be used at the Timber Shores Resort are not considered hazardous or harmful if used in accordance with the labeling of the chemicals. For management to use chemicals in the recreation pond or other locations on the property that are harmful is contrary to the public uses of the resort and is extremely unlikely to occur.

XVI. Presence of Threatened or Endangered Species

During the project review and permitting by the State of Michigan for the 2006 project, there were no species identified by the Michigan Natural Features Inventory (MNFI) in the vicinity of the Project site. MNFI maintains a database of endangered, threatened, and species of special concern in Michigan. A survey of potential summer roost trees that could be used by Indiana bats (*Myotis sodalis*) was conducted and potential roost trees within the proposed development were removed during the winter when Indiana bats have left the area for winter hibernaculum locations.

The U.S. Fish & Wildlife Service Information for Planning and Consultation (“IPaC”) was reviewed for this EA. The IPaC is an online database of information regarding listed species of flora and fauna. The information in the following sections was obtained from the IPaC. The approximate 200-acre Project area was delineated in the IPaC, and threatened or endangered species were identified in the database. Those species identified as having potential occurrences in the Project area are as follows:

- Indiana bat (*Myotis sodalis*)- Endangered
- Northern long-eared bat (*Myotis septentrionalis*) – Threatened
- Piping plover (*Charadrius melodus*)- Endangered
- Red knot (*Calidris canutus rufa*)- Threatened
- Eastern massasauga rattlesnake (*Sistrurus catenatas*) – Threatened
- Michigan monkey flower (*Mimulus michiganensis*) – Endangered
- Pitcher’s thistle (*Cirsium pitcheri*) – Threatened

The IPaC indicates that there are no Critical Habitats for listed species at the Project location.

Also provided in the IPaC is a list of Birds of Conservation Concern, which are species for which there are indications that populations may be declining and need to be monitored. Should a species continue to decline it may become a candidate to be listed as a Threatened species. Two species of birds identified in the IPaC as having potential occurrence in the Project area are Canada warbler (*Cardellina canadensis*) and Lesser yellowlegs (*Tringa flavipes*).

More detailed information from the IPaC on the Threatened or Endangered species is provided in the following sections.

Indiana bat

Critical habitat for Indiana bat is described in the IPaC but according to the IPaC the Timber Shores Project site is not within the critical habitat area. According to the IPaC, the primary factors responsible for the decline in Indiana bat populations is white-nose syndrome, which is a fungal disease seriously infecting bats; commercialization of caves; loss and degradation of forested habitat; and pesticides. Indiana bats are considered to be present wherever suitable habitat exists within their range; Leelanau County is identified as being within the range of Indiana bats. The bats migrate to northern areas during the summer months and retreat to winter hibernacula, mostly in states to the south, although there is one large hibernaculum located at Tippy Dam on the Manistee River in Manistee County, Michigan which is used by several species of bats in winter.

Summer roost habitat for Indiana bats consists of trees five inches in diameter and larger that have exfoliating bark or cracks/crevices where bats roost during the day.

Voluntary Conservation Measures that may be implemented to minimize potential impacts to Indiana bats are provided in the document "General Project Design Guidelines for Indiana Bat", U.S. Fish & Wildlife Service Michigan Ecological Services Field Office. Those measures include the following:

- Protection of mature forest, particularly hardwoods/mixed hardwoods.
- Waterbodies such as streams, ponds, and forested wetlands.
- Preserving wooded travel corridors can be extremely beneficial in connecting suitable habitats for Indiana bats.

Voluntary Conservation Measures that would be implemented at the Timber Shores Project are described below:

Cutting of dead trees (primarily species of ash that have been killed by Emerald Ash Borer) will only be removed during the time of year when Indiana bats have left the area for winter hibernacula, that being from October 1 to March 31. Only trees that are a danger to the public at Timber Shores will be removed.

Land clearing only affects 15.8% of the land within the Project area for campground roads (most of which are one-way roads) and campsites with no large forest clearcuts. The forested areas

at Timber Shores are mostly second growth. Incidental take of Indiana bats is not reasonably expected to occur from the proposed construction activities. The Project site design preserves wooded travel corridors beneficial to bats and other wildlife species.

Given the Voluntary Conservation Measures to be implemented at the Project and the unlikely occurrence of incidental take of Indiana bats, a presence/absence survey of Indiana bats is not proposed.

Piping plover

The Project area is outside of the critical habitat area for Piping plover as identified by the IPaC. Piping plovers utilize Great Lakes beaches for nesting. The proposed beach at Timber Shores will be located south of the boat basin. The northern portion of the waterfront on Grand Traverse Bay on the property will not be altered for the Project, which provides a beach of varying widths according to Great Lakes water levels and is about 800 feet in length.

Red knot

The IPaC indicates that no critical habitat has been designated for this species and no Candidate Information or Candidate Assessments are available. Red knot is a species of shorebird that may utilize beaches along Grand Traverse Bay during their periods of migration between May 1 and September 30. This species should not be substantially affected by the Timber Shores Project, especially considering the 800 feet of beach to be left in its natural condition as described above.

Eastern Massasauga rattlesnake

The IPaC indicates that no critical habitat has been designated for this species. Massasaugas live generally in wet areas and use adjacent uplands during part of the year (mostly summer). Their active season is generally April-October.

Wetland acreage, which is important to Massasaugas, will be increased by the Project as 1.13 acres of former wetland will be restored as part of the Project mitigation. The Project will not affect groundwater levels or surface waters; changing water levels can have negative impacts on Massasaugas, particularly during hibernation. The Ennis Creek Conservation Easement Corridor permanently protects potential hibernacula used by Massasaugas, which consists of holes under logs or banks that are near the groundwater levels that provide constant temperatures in winter. The 53.44-acre exemplary wetland that is also in a Conservation Easement located on the west side of M-22 and contains the upper reaches of Ennis Creek would likely be considered quality habitat for Massasauga.

Monkey flower

The IPaC indicates that no critical habitat has been designated for this species and no Candidate Information or Candidate Assessments are available. The potential range of Monkey

flower includes Leelanau County, but previous plant surveys and wetland delineation field work have not documented any Monkey flowers on the Project.

Pitcher's thistle

The IPaC indicates that no critical habitat has been designated for this species and no Candidate Information or Candidate Assessments are available. The range of Pitcher's thistle includes Leelanau County and is generally found in sand dunes along Lake Michigan/Grand Traverse Bay. Suitable habitat for Pitcher's thistle is not present on the Project and no occurrences have been noted during prior plant surveys.

Protected Species Study

NM Investments contracted Barr Engineering Company to conduct a Protected Species Survey of the entire Project site. A copy of the Protected Species Report dated November 10, 2021, is attached to this document. The Report describes the methods and results of the survey. The conclusion of the report states, **"Based on visual observations of the of the available habitat and observation records by experienced ecological professionals, it is Barr's opinion that no protected species will be adversely affected by the proposed activities."**

Presence of Threatened or Endangered Species Conclusions: Based on prior investigations and inquiries on this property and the recent Protected Species Study, there is no reason to believe that any Threatened or Endangered species exist at the Timber Shores Project site. Voluntary Conservation Measures as described in this EA that would be implemented for Indiana bats (and other species of bats) are expected to minimize any potential impacts on bats. Protection of potential habitat for Massasaugas within the areas protected by Conservation Easement is an important conservation measure for that species. The other species listed by the IPaC are not expected to be present at this Project site due to lack of suitable habitat.

Based upon this information described, no significant impact to listed species is reasonably expected as a result of the Timber Shores Project.

XVII. Mitigation of Environmental Impacts

The critical first step in any plan to mitigate natural resource impacts for a project is to *avoid and minimize* impacts if feasible to do so. Unavoidable impacts should then be mitigated by compensatory mitigation. The Project Team has strongly focused on avoiding impacts to streams and wetlands on the Project site, with the result being the unavoidable impact to only 0.41-acre of wetland and the only impacts to streams being for the proper design and installation of four road crossings of streams.

The primary environmental impact that requires mitigation is the unavoidable impact to 0.41-acre of wetland. A mitigation plan has been submitted to EGLE as required in its September 1, 2022 Permit that describes the restoration of 1.13 acres of wetlands filled during the

construction of the prior Timber Shores campground. A *net gain* of 0.72-acre of wetland (7.1% of the total) will result from the Project. Only 15.8 percent of the total land area within the Project site will be cleared which will minimize impacts to wildlife species.

Mitigation of Environmental Impacts Conclusions: Some impacts to wildlife species are expected as a result of the proposed Project, but documentation of the specific impacts on each species that may inhabit or seasonally use the Timber Shores property is difficult and mitigating those types of unknown or low-level impacts is not feasible. The proposed wetland restoration will more than compensate for the unavoidable impacts to wetlands that will occur on the Timber Shores Project site and will provide better wildlife habitat than the previously filled wetlands that will be restored. The wetland restoration sites, and the adjacent existing wetlands and uplands will be protected in perpetuity by a 15.9-acre Conservation Easement.

In addition, it is important to note that significant mitigation was provided for the project that was permitted by Leelanau County and MDEQ in 2006 in the form of the Conservation Easement placed on the Ennis Creek corridor and the 53.44 acres of exemplary wetland and headwaters of Ennis Creek. Because the 2006 project was not undertaken by NM Investment Company LLC due to economic conditions beyond its control, the mitigation (i.e., Conservation Easements) was provided but no impacts for which mitigation was required were manifested on the property. Thus, it is reasonable to attribute the benefits to the environment from these previously granted Conservation Easements to the present Project mitigation.

XVIII. Presence of Historic or Archaeological Sites

The 2006 permit issued by what was then the MDEQ involved queries being submitted to the Michigan State Historic Preservation Office (SHPO). SHPO maintains an extensive database on state historic sites, of which there are about 2,700 sites in Michigan, 25 of which are in Leelanau County (SHPO). None of the listed historic sites is located on or near the Timber Shores property

Regarding burial grounds, settlement sites, sites of archaeological or historic significance none have been identified on or near the Timber Shores property in previous extensive reviews by State agencies responsible for these sites.

XIX. Summary of the Findings of the Environmental Review

It is the applicant's contention that this Environmental Review provides sufficient documentation to satisfy the provisions of the Leelanau Township Zoning Ordinance. Any construction project on the landscape results in some level of environmental impacts and this Project is no exception. The key finding is that the impacts to the environment are not reasonably expected to be significant for any aspect of the Project and unavoidable impacts will be mitigated.

It is the position of the applicant that this Environmental Review provides the supporting documentation for the LTPC to make a finding that the Project as proposed does not pose "an unresolved environmental risk" (from Section 15.6.B.3 of the Leelanau Township Zoning

Ordinance) and therefore an Environmental Assessment is not required. Section 15.6.C of the Ordinance (Environmental Assessment) further states that **“If the environmental review reveals the likelihood of a development polluting, impairing, degrading or destroying the environmentally sensitive natural features on the subject parcel, and mitigations of those impacts have not been achieved, and Environmental Assessment....shall be required...”**

A reasonable and objective analysis based upon the findings of this Environmental Review must conclude that the Project does not require an Environmental Assessment using the criteria described in Section 15.6.C of the Ordinance and the proposed Timber Shores Family RV Camping & Beach Resort will have no discernable negative impact on the public health, safety, welfare or environment.

- The “public health” will be protected by the state-of-the-art WWTP licensed by the State of Michigan; the installation of the water distribution system from two 12-inch diameter deep wells installed in 2006 and approved by the State of Michigan; the operation and maintenance of the recreation pond to monitor water quality to maintain public health standards; and maintenance of public gathering areas and restrooms in conformance with sanitary conditions.
- “Public safety” will be a top priority at Timber Shores and will be promoted by rules and enforcement for travel on roadways in the campground, usage of the beach, Grand Traverse Bay, recreation pond, and other recreation facilities.
- “Public welfare” is closely tied to public health and public safety and includes adjacent property owners. The Project plans, resort operations, and maintenance activities will ensure minimal impact of the welfare of guests of the Resort and neighbors.
- Protection of the “environment” has been a focus of the planning for the Project from Day One, as described in this Environmental Review. There is no “unresolved environmental risk” posed by the construction and operation of the proposed Project.

XX. Attachments

Protected Species Report dated November 10, 2021