



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES
DIRECTOR

June 9, 2008
FOR INFORMATION ONLY

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Dedicated State-owned Land
AuSable State Forest – Crawford County
Land Transaction Case #19980101

Sale: 1,693 acres, more or less

Description: Crawford County, Grayling Township, T26N, R03W. State-owned land in Sections 20, 29, 32, and 33.

Purchaser: Axiom Entertainment, Inc.

Sale Price: \$5,214,440.00, including transaction fee. Price to be adjusted for any acreage if determined by a survey to be greater than 1,693 acres.

Authority: Part 21, Subpart 10, Act 451, Public Acts of 1994, as amended

Notice: This item will appear on the Department of Natural Resources' (DNR) June 30, 2008 Calendar, and is for information and public comment only. When all requirements have been met, the transaction will be posted in local newspapers as required by legislation.

Comments: In April 2000, the Director authorized the DNR to enter into a Memorandum of Understanding (MOU) with Grayling Industrial Development Committee (now the Crawford County Economic Development Partnership (CCEDP), and Grayling Township.

The MOU provides a vehicle for marketing of the property, review of proposals, and submittal of recommendations to the DNR by Grayling and Crawford County organizations, while at the same time ensuring an open, public process prior to any sale of the land by the DNR.

NATURAL RESOURCES COMMISSION

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Grayling Township and the CCEDP have provided the DNR with their written approval in support of the project, provided it conforms to the MOU and that full financing is in place.

The DNR is working in conjunction with the Michigan Economic Development Corporation, the Michigan Department of Environmental Quality, and the Michigan Department of Transportation in evaluating the applicant's proposal.

The Land Exchange Facilitation Fund (LEFF) Act allows the DNR to sell rights in land and deposit the proceeds in a fund, which can then be used to acquire replacement property. Proceeds from the sale will be deposited in the LEFF for acquiring replacement property. The schedule for closing on this transaction will be conducted in such a manner as to correspond with simultaneous acquisition of replacement lands. The deposit into the LEFF of any sale proceeds not immediately utilized will not cause the fund to exceed \$2,500,000.00, as stipulated by legislation.

The conveyance of property in this transaction is to be completed in phases. Closing dates on the phases would be subject to agreement of the parties.

It is contemplated that the Michigan Economic Development Corporation and the Michigan Department of Transportation will provide financial support and infrastructure improvements for the project.

The sale is contingent upon the applicant demonstrating financing for the entire project.

Applicant's Proposal: The property is proposed to be taken down in three phases:

Phase I – comprised of two (2) sections, 640 acres which represents the main property component for the development of the theme park and 160 acres of industrial at the northern portion of the property.

Phase IIA – comprised of three (3) sections, 600 acres which is zoned for the agricultural component, outdoor amphitheater, resort hotel, additional industrial, 410 acres zoned for the campgrounds and resort hotel, and 60 acres in the northwestern portion of the property which currently is zoned industrial.

Phase IIB – comprised of one section of 230 acres zoned commercial.

Phase I would be released at closing. This would allow for the development of the theme park and supporting activities. Phase IIA would be released after 12 months of construction dedicated to the theme park, with Phase IIB being released as requested for commercial development to occur.

David E. Freed, Chief
Land and Facilities

Ronald A. Olson, Chief
Parks and Recreation

Douglas A. Reeves, Acting Chief
Wildlife

Lynne M. Boyd, Chief
Forest, Mineral and Fire Management

Arminda S. Koch
Resource Management Deputy

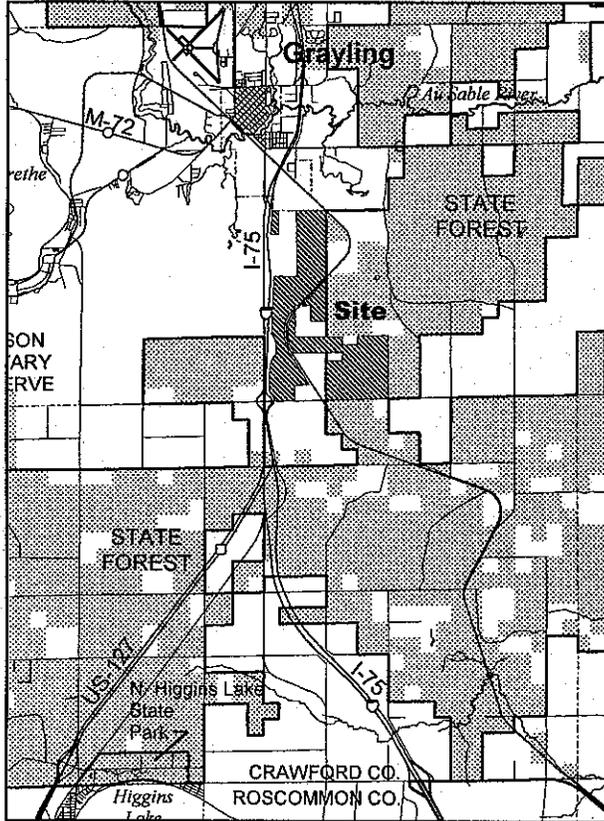
Dennis R. Fedewa
Chief Deputy

I approve the staff recommendations.

Rebecca A. Humphries
Director

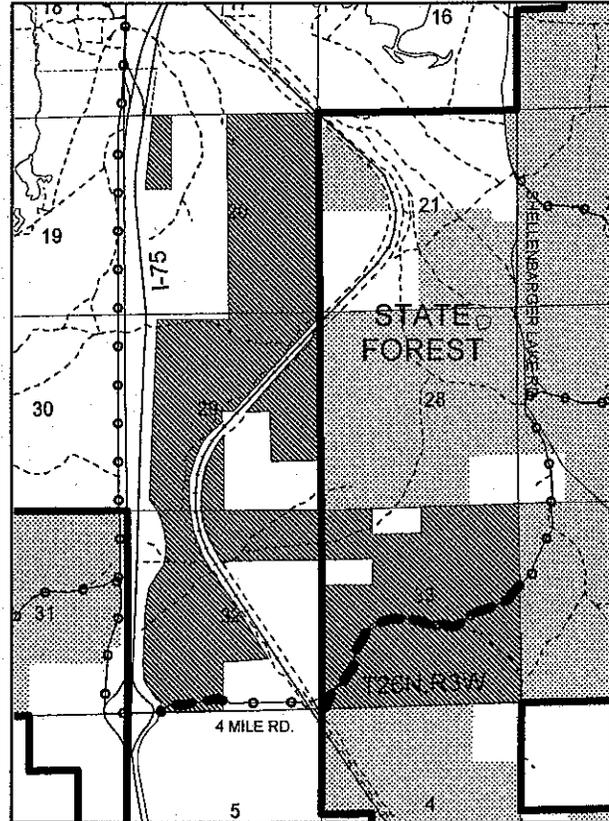
Date Approved

SALE OF DEDICATED STATE-OWNED LAND
Grayling Management Unit - Crawford County
Land Transaction Case #19980101



Regional Location

- State Forest or Park Boundary
- ▨ State Land
- Private Land



Sections 20, 29, 32, and 33, T26N, R03W
Grayling Township

- State Forest Boundary
- Existing Snowmobile Trails
- - Designated Snowmobile Trail, to be Relocated
- ▨ State Land to be Sold
(1,693 acres, more or less - \$5,214,440.00)
- ▨ State Land
- Private Land

