



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES
DIRECTOR

July 23, 2007

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Dedicated State-owned Land
Proud Lake State Recreation Area – Oakland County
Land Transaction Case #20040054

Sale: 83.2 acres

Description: Oakland County, Commerce Township; A parcel of land located in the N ½ of Section 11, T02N, R08E, being more particularly described as: Beginning at the NE corner of said Section 11; thence S 2° 19' 18" E, 2,247.79 feet along the East line of said Section 11; thence S 87° 12' 59" W, 1,114.00 feet; thence S 2° 19' 18" E, 400.00 feet to a point on the East-West ¼ line of said Section 11 (Commerce Road – 33 feet ½ width); thence S 87° 12' 59" W, 101.82 feet along said ¼ line; thence N 1° 15' 01" W 577.50 feet; thence S 87° 12' 59" W, 528.00 feet; thence S 1° 15' 01" E, 177.42 feet; thence S 87° 12' 59" W, 1,001.69 feet to a point on the North-South ¼ line of said Section 11; thence N 1° 46' 44" W, 444.00 feet along said ¼ line; thence N 53° 56' 18" E, 3,287.46 feet to the Point of Beginning and containing 83.236 acres.

Purchaser: Walled Lake Consolidated School District, Walled Lake, Michigan.

Sale Price: \$4,620,000.00, including transaction fees and appraisal costs.

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

Notice: This item will appear on the Department of Natural Resources' (Department) August 6, 2007 Calendar and is eligible for approval on August 13, 2007. The transaction was also posted in local newspapers as required by legislation.

Comments: In 2004, the Walled Lake Consolidated School District (WLCSD) applied to acquire 154 acres of State land for school purposes in Commerce Township, Oakland County. This application was received prior to the Phase II review of Oakland County in the Department's Land Consolidation Strategy.

NATURAL RESOURCES COMMISSION

Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • Darrell Earley • John Madigan • J. R. Richardson • Frank Wheatlake

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Concurrent with the request from the WLCSD, the Parks and Recreation Division was evaluating properties it manages in southern Michigan. This review revealed that the area known as "Proud Lake Recreation Area - East Unit" was underutilized and not meeting the objectives for which it had been purchased. The northerly portion of the East Unit had been occupied by the U.S. Department of Defense since the 1950s for a Nike missile base as part of the national defense network. This facility remained in place until 1974. Due to occupation by the Defense Department, which prohibited access by the public for the intended recreation uses, and then subsequent residential and commercial development adjacent to the property, the original and primary purpose for acquisition was (and is) no longer feasible. Consequently, the property has played a limited role in the Department's resource management programs since it was acquired.

The request from the WLCSD was reviewed using the Department's formal review process. Following review, the requested parcels were not approved, instead the alternative configuration of 83.2 acres outlined in this memorandum was recommended for approval by the Land Exchange Review Committee on December 15, 2005.

Although the East Unit had been determined to be surplus, the property was again evaluated in the Department's Land Consolidation Strategy when Oakland County was reviewed in 2006. The East Unit, including the land desired by the WLCSD, was recommended for approval for sale or exchange as a result of that review. Public meetings were held to obtain review and comment. The recommendations for Oakland County were reviewed by the Natural Resources Commission and approved by the Director in March 2007.

The parcel desired by the School District is located south of Hayes Creek, which separates this site from the balance of the Proud Lake East Unit. The parcel includes frontage along Commerce Road which provides the primary access to this tract. As part of the recommendation for disposal, the Department will retain ownership of a corridor along the southerly edge of Hayes Creek to provide protection of the riparian habitat and water quality in the stream.

The parcel was purchased in 1946 and 1947 with a fund consisting of a combination of Game and Fish Funds and a special appropriation for purchasing wildlife management lands. This funding source has important legal and regulatory impacts on the intended use, allowable activities, and disposal of these properties.

The goal of this transaction is to use the proceeds from the sale of this surplus parcel to acquire additional land for public outdoor recreation and natural resource conservation. Priority will be given to parcels within project

boundaries that have been identified as Department priorities as part of the Department's land consolidation project.

The Department is currently holding discussions with representatives of Oakland County, Commerce Township, WLCSD, interested citizens and outdoor recreation organizations to explore options to maintain the balance of the East Unit lying north of Hayes Creek as recreation and open space.

The Land Exchange Facilitation Fund (LEFF) Act allows the Department to sell rights in land and deposit the proceeds in a fund, which can then be used to acquire 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 LEFF of any sale proceeds not immediately utilized will not cause the fund to exceed \$2,500,000.00, as stipulated by legislation. Proceeds from the sale will be deposited in the LEFF for acquiring replacement property which meets the criteria for use of the funds from this transaction.

Review by Forest, Mineral and Fire Management, Mineral and Land Management Section staff found the land did not have significant mineral value. The recommendation is to include mineral rights as part of the sale.

- Recommendations:
- (1) That the 83.2 acres as described in a survey dated July 2, 2007 be sold to the Walled Lake Consolidated School District.
 - (2) That the State retain rights to aboriginal antiquities.
 - (3) That the State convey mineral rights in the sale.

(4) That the proceeds from the sale be deposited into the LEFF to be used to acquire replacement lands in Southern Michigan which meet the criteria for lands acquired with funds from the Game and Fish Protection Fund.

David E. Freed, Chief
Land and Facilities

Ronald A. Olson, Chief
Parks and Recreation

William E. Moritz, 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.

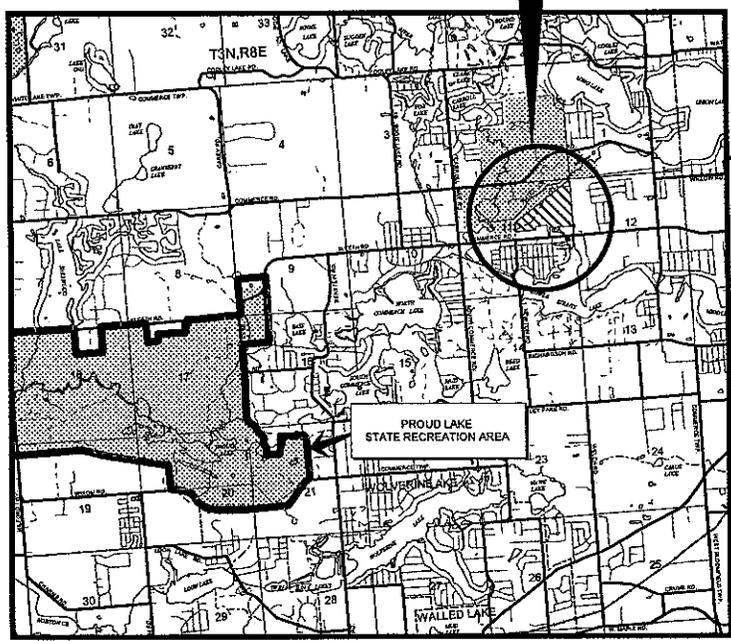
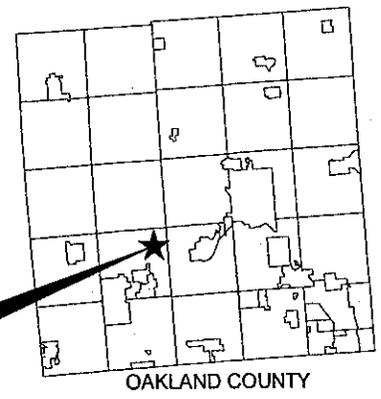
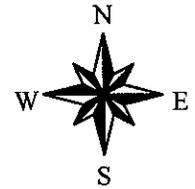
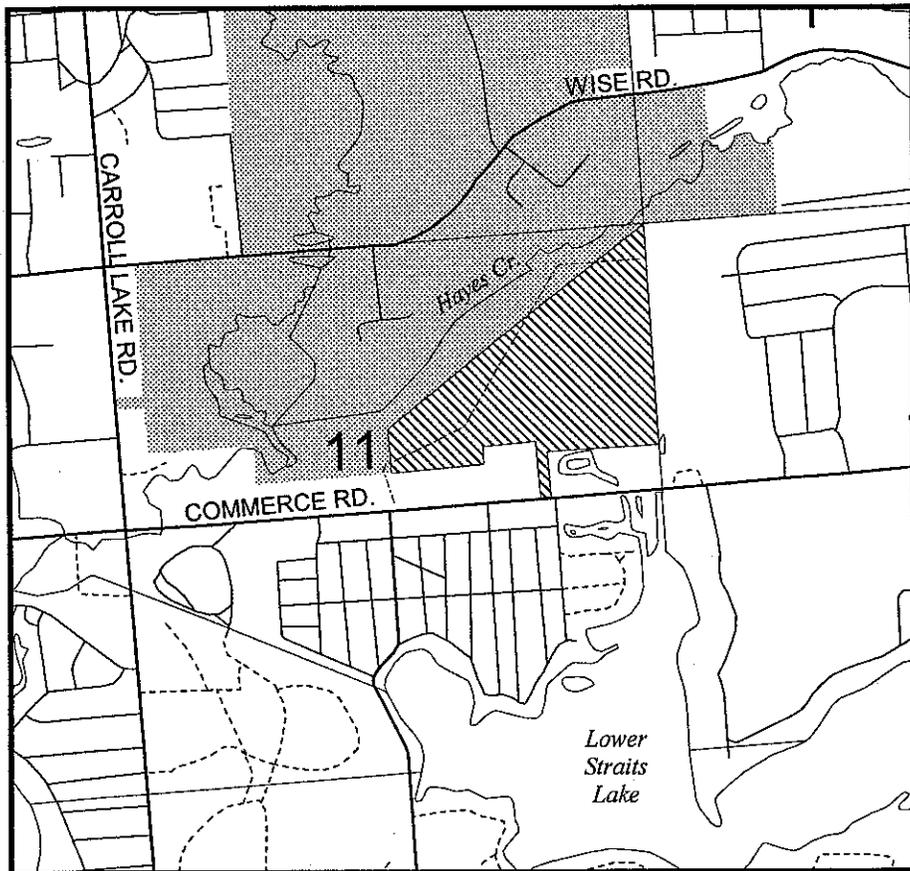
Rebecca A. Humphries
Director

Date Approved

SALE OF DEDICATED STATE-OWNED LAND

Proud Lake State Recreation Area - Oakland County

Land Transaction Case #20040054



- Proud Lake State Recreation Area Boundary
- State Land to be Sold (83.24 acres)
- State Land
- Private Land

SOURCE
 MICHIGAN DEPARTMENT OF NATURAL RESOURCES
 FOREST, MINERAL AND FIRE MANAGEMENT

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