



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



KEITH CREAUGH  
DIRECTOR

August 31, 2012  
Sent by fax to 231-724-6768

Mr. Derrick Smith  
City of Muskegon Treasurer  
933 Terrace Street  
Muskegon, MI 49440

Dear Treasurer:

Subject: Notice of Estimated Payments in Lieu of Taxes  
DNR Land Transaction #20070091

In accordance with Public Act Numbers 240 and 294 of 2012, this notice is being provided to you as the Treasurer of the local taxing unit where the Department of Natural Resources is acquiring new public land. These Public Acts require the Department to estimate the amount of annual payments in lieu of taxes (PILT) on public lands that it is acquiring, and to provide that information to you at least 30 days before the acquisition. Please note that these are only estimates. The Department does not have the authority to determine the valuation of real property for the purposes of the annual PILT payments. Per MCL 324.2153 this authority lies with the State Tax Commission.

The following is a breakdown of the Department's estimate of annual PILT payments for public lands where Act 451 of 1994, Part 21, Subpart 14 directs the State to make these payments and for those lands where Subpart 13 directs the payment of taxes on tax reverted, recreation, and forest lands that are not covered under Subpart 14.

Subpart 13 – Estimated tax on tax reverted, recreation, and forest lands: \$0.00.

Subpart 14 - Estimated Annual PILT Payments: \$2,400.00.

Also, for your information I have attached a copy of a memo that summarizes this acquisition of public land within your jurisdiction.

Should you have questions, please feel free to contact me at Real Estate Services Section, Acquisitions and Exchanges, P.O. Box 30448, Lansing, Michigan 48909-7948.

Sincerely,

Paul Johnson  
Real Estate Services Section  
Johnsonp1@michigan.gov  
(517) 373-1096 voice  
(517) 335-1880 fax

PJ/mh

Enclosures



STATE OF MICHIGAN



DEPARTMENT OF NATURAL RESOURCES

LANSING

REBECCA A HUMPHRIES

JENNIFER M. GRANHOLM  
GOVERNOR

<b>A P P R O V E D</b>
DIRECTOR, 20
MICHIGAN NATURAL RESOURCES COMMISSION
(ASSISTANT TO THE COMMISSION)

July 13, 2009

**TO:** Natural Resources Commission

**INFORMATION:** Rebecca A. Humphries, Director

**Transaction:** State Forest Trail Acquisition  
Musketawa Trail Extension – Muskegon County  
Land Transaction Case #20070091

**Purchase:** 3.31 acres (0.55 linear miles) - \$83,700.00

**Description:** See “Exhibit A” for the complete legal description

**Seller:** Mid-Michigan Railroad, Inc., San Antonio, Texas

**Special Conditions:** Preservation of the Railroad Corridor through provisions of federal law, Section 8(d) of the National Trails Act, 16 U.S.C. 1247 (d).

**Property Taxes:** Not applicable to an operating railroad

**Authority:** Part 5, Act 451, Public Acts of 1994, as amended

**Notice:** This item will appear on the Department of Natural Resources’ (Department) August 3, 2009 Calendar, and is eligible for approval on August 10, 2009.

**Comments:** The offered 3.31 acres of inactive railroad corridor extends westerly 0.55 miles from the west end of the Musketawa Trail to US-31 in the City of Muskegon. This segment is a critical piece toward connecting the State-owned Musketawa Trail and the Laketon Avenue Connector in the City of Muskegon.

NATURAL RESOURCES COMMISSION  
Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • John Madigan • Timothy L. Nichols • J. R. Richardson • Frank Wheatlake

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In cooperation with the City of Muskegon, the acquisition of this segment will bring the City and the Department one step closer to connecting the Musketawa Trail and the City of Muskegon Lakeshore Trail. The City has been awaiting this purchase in order to pursue trail development along the US-31 right-of-way.

The corridor is “railbanked” under federal transportation railbanking authority. Under federal statutory railbanking provisions, the proposed acquisition will protect the integrity of the trail corridor for future railroad use while providing for interim recreational trail use.

Based on past practice, acquisition cases involving potential acquisition of Michigan Trailways are presented to the Natural Resources Commission (NRC) for approval.

- Recommendations:
- (1) That the proposed right-of-way acquisition be approved by the NRC under the Abandoned Railroad Policy (NRC Policy 2626) approved by the Commission at its April 1973 meeting.
  - (2) That the purchase of the 0.55 miles of the corridor, totaling 3.31 acres, more or less, be approved with payment to be made from funds appropriated from the Michigan Natural Resources Trust Fund, State Trailways Initiative, as contained in Act 153, Public Acts of 2006.
  - (3) That the lands described above be acquired for use as a Michigan Trailway and designated as such when the legislated requirements are met, pursuant to Part 721 of Act 451, Public Acts of 1994, as amended.
  - (4) That the lands described above be dedicated for public use as part of the Musketawa Trail to be administered by the Forest, Mineral and Fire Management Division.

July 13, 2009



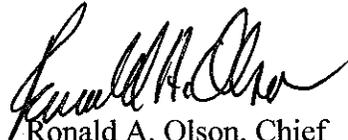
David E. Freed, Chief  
Land and Facilities



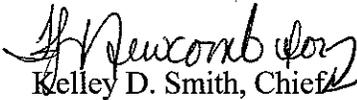
Lynne M. Boyd, Chief  
Forest, Mineral and Fire Management



Russ Mason, Chief  
Wildlife



Ronald A. Olson, Chief  
Parks and Recreation

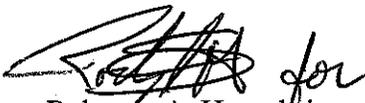


Kelley D. Smith, Chief  
Fisheries



Arminda S. Koch  
Resource Management Deputy

I have analyzed and discussed these recommendations with staff and concur as to matters over which the NRC has authority.



Rebecca A. Humphries  
Director

\_\_\_\_\_  
Date Approved

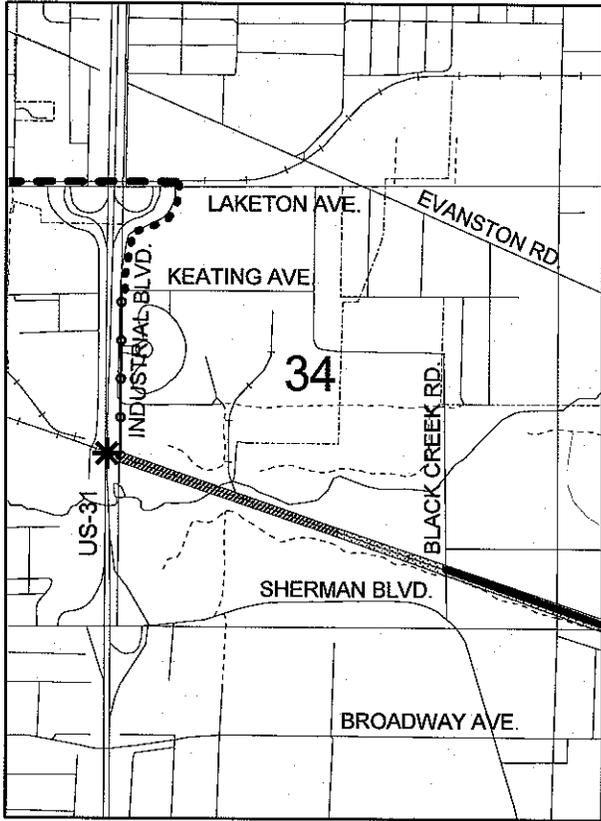
EXHIBIT A  
Land Transaction Case #20070091

All that portion of the Mid-Michigan Railroad, Inc. right-of-way that extends in a general East-West direction on, over, across a portion of Muskegon County, Michigan, as depicted on Pennel Company (formerly Muskegon, Grand Rapids & Indiana Railroad) Right-of-Way and Track Map V10-17, and described as follows;

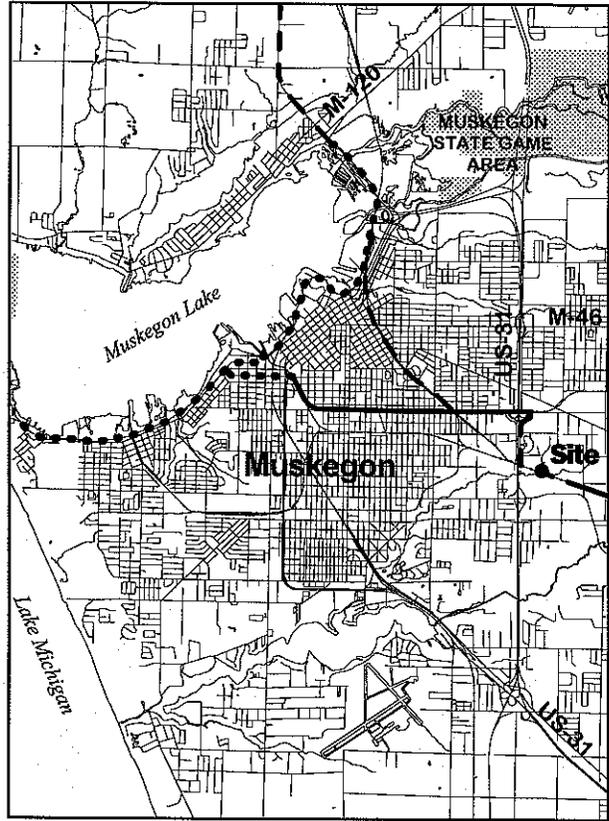
Commencing at a point in the SW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , Section 34, T10N, R16W, Muskegon County, Michigan, commonly known as Milepost 191.4, thence traversing in a Westerly direction across the SW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , the SE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , the NE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , and the NW  $\frac{1}{4}$  of SW  $\frac{1}{4}$  of Section 34, and ending at a point known as Milepost 191.9 being the East Line of Section 33, T10N, R16W, Muskegon County, Michigan.

Subject to a Railbanking/Interim Trail Use Agreement, dated May 19, 2009, which provides for reconveyance of the right-of-way in the event of the restoration of railroad service.

**STATE FOREST TRAIL ACQUISITION**  
**Musketawa Trail Extension - Muskegon County**  
**Land Transaction Case #20070091**

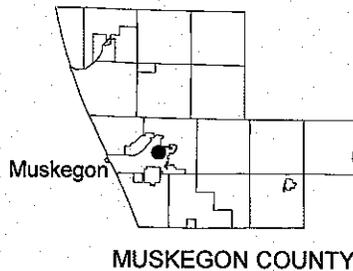


Section 34, T10N, R16W, City of Muskegon



Regional Location

- |   |   |
|---|---|
|  Inactive railroad corridor offered to DNR<br>(0.55 miles, 3.31 acres) |  Existing Musketawa Trail and connectors |
|  State-owned railroad corridor (undeveloped)                           |  Future trail connectors                 |
|  Musketawa Trail (DNR)   |  Lakeshore Trail (City of Muskegon)      |
|  Laketon Avenue Connector - Musketawa Trail<br>(DNR/City of Muskegon)  |   |
|  Musketawa Trail paved connector (City of Muskegon)                    |   |
|  Musketawa Trail future connector (City of Muskegon)                   |   |
|  * Railroad bridge to be removed by MDOT                               |   |



DNR-FMFM  
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 Commission\_Memos\  
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 07-02-09, 4:00 pm