

**Procedures for Receiving Approval for Converting Grant-Assisted Property
Michigan Natural Resources Trust Fund (MNRTF)
Land and Water Conservation Fund (LWCF)
January 4, 2010**

This document is provided as an outline of the general process and procedures for addressing Conversion of Use situations for public parks assisted by the state using Michigan Natural Resources Trust Fund (MNRTF) and/or the Land and Water Conservation Fund (LWCF). While conversion and mitigation is often a straight forward process, the circumstances often vary from case to case, and it is difficult to provide guidance to cover every possible scenario. After reviewing this outline, it is important to consult with the Department's Grants Management Office to discuss the specifics of your situation. Following that consultation, we will provide specific guidance to assist your efforts.

A fundamental purpose in providing grants to local units of government through the LWCF and MNRTF program is increasing the amount of public outdoor recreation opportunity in the state. To that end, the community receiving an LWCF or MNRTF grant and the Department of Natural Resources enter into an agreement wherein the community commits to keeping the area acquired or developed with grant assistance in public outdoor recreation use in perpetuity.

Occasionally, circumstances change and property encumbered by these grant obligations must be utilized for a purpose other than public outdoor recreation. In these cases, the Department strives to receive, at a minimum, a direct replacement for the property lost in both recreation usefulness and monetary value. While the programs have some detail differences in the documentation that is required, the following process will be used for either LWCF or MNRTF conversion situations. In both cases, the grantee works with staff to prepare a conversion and mitigation proposal that meets the program requirements. In cases where there are grants from multiple sources are utilized within the same site, the more restrictive policies will prevail; however the grantee will only be required to complete one proposal that will be used for final approval from the MNRTF Board of Trustees and the National Park Service.

On conversion proposals involving MNRTF grant-assisted property, the Department forwards the final recommendation to the MNRTF Board for final approval. In the case of the LWCF, the National Park Service makes the final determination.

Statement of Policy

A conversion of use occurs when one or both of the following situations occur:

- The grant-assisted site, or a portion of the site, is no longer used for public outdoor recreation, or
- The grant-assisted site, or a portion of the site, is conveyed by the grantee, either in fee, lease, or other mechanism, to another entity.

Specifically:

MNRTF Board Policy 94.1 states, in part: *"Property acquired or developed with Michigan Natural Resources Trust Fund (MNRTF) assistance, including both State and local projects, shall be retained and preserved in its natural state including development needed to provide for outdoor public recreation use as set forth in the MNRTF application. Property acquired or developed with MNRTF assistance shall not be wholly or partially converted to other than public outdoor recreation use without the approval of the Department of Natural Resources (DNR) and MNRTF Board and the implementation of mitigation measures approved by the DNR and the Board."*

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LWCF Guidance Manual Section, Chapter 8, states, in part: *“Property acquired or developed with L&WCF assistance shall be retained and used for public outdoor recreation. Any property so acquired or developed shall not be wholly or partly converted to other than public outdoor recreation uses*

without the approval of the NPS Regional Director pursuant to Section 6(f)(3) of the L&WCF Act and 36 CFR Part 59. The Director has the authority to disapprove conversion requests and/or to reject proposed property substitutions“.

Department Contact Information

In every conversion, the community is responsible for completing all necessary steps. A third party cannot become the grantee’s advocate or assume their responsibilities regarding the conversion. To obtain approval of a conversion, information listed in this procedure must be submitted by the grantee to the Michigan Department of Natural Resources (Department) for review. For assistance in working through the approval process, contact Grants Management at (517) 373-9125.

Mailing Address	Street Address
Grants Management	Grants Management
Department of Natural Resources	Department of Natural Resources
P.O. Box 30425	430 W. Allegan Street
Lansing, MI 48909-7925.	Lansing, MI

Early Coordination – Establishing the Boundary of the Conversion

Generally, the grant-assisted boundary will be considered the entire park unless otherwise stipulated through the grant agreement executed between the state and the grantee.

Grantees are requested to contact Grants Management as early in the process as possible to ensure that proper channels of communication are established. The first step in any conversion is agreement on the area converted, including both the shape and the total size of the area. Any conversion of less than the total grant-assisted site must take into consideration that total area impacted by the proposed non-conforming use, including necessary access routes and all possible intrusions into the remaining area. For example, cellular phone towers will require an access route for service and grantees should also consider the fall zone of the tower. In some cases, the proposed use of the area to be converted will prevent or diminish the intended recreation uses of the remaining site through noise, safety zone encroachment, or visual impairment. In some cases, the Department may determine that it is necessary to involve the National Park Service in the early coordination process to ensure proper procedures are followed and communications are established.

Only after the boundary of the conversion is established to the satisfaction of the Department may the grantee begin preparing the following documentation.

Required Information

To request approval of a conversion under the LWCF and/or MNRTF programs, provide the following information in writing to Grants Management. Please follow the outline shown.

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1. **DESCRIPTION OF CONVERSION:** Describe the conversion being proposed (or that has already occurred). Describe the grant-assisted site and indicate how much of the site is involved in the conversion. Discuss the recreation opportunities and uses of the park before and after the conversion. Explain why the conversion is being considered or why it had occurred without prior approval. Also include information on how the control of the property will be conveyed; if other than in fee, include a copy of the conveyance document.
2. **PUBLIC REVIEW:** The proposed conversion must go through a rigorous public review process that includes ample opportunity for the residents of the community to review the proposed changes to the grant-assisted area as well as the proposed mitigation. The community must provide a copy of the public notice and a certified copy of the public meeting minutes. At a minimum, the residents must be given 30 days to review the proposed conversion, including a public meeting specific to the conversion and mitigation proposal. All issues and comments raised during the review process or at the subsequent meeting must be addressed in the final conversion request materials. For the LWCF, the public review process must adhere to National Environmental Protection Act (NEPA) standards.
3. **ALTERNATIVES TO THE PROPOSED CONVERSION:** Discuss all practical alternatives, including no action, to the proposed conversion and why they were rejected. If there is a viable alternative to converting grant-assisted property, the conversion will not be approved.
4. **BEFORE AND AFTER SITE PLANS FOR THE CONVERSION:** Provide a site plan or boundary map that depicts project boundary and uses of the grant-assisted park prior to being converted (or partially converted). Provide a separate site plan that depicts the project boundary and uses following the conversion. Show dimensions and acreage.
5. **MAP AND SITE PLAN FOR THE MITIGATION:** Provide a location map and site plan or map of the property proposed as mitigation (replacement). Show dimensions and acreage. More than one property can be used as mitigation. Property currently owned by the grantee or another public agency cannot be used as mitigation unless certain conditions are met. Please contact Grants Management for information on conditions that may apply.
6. **RECREATION USEFULNESS:** Provide an analysis of the recreation usefulness of the mitigation property in comparison to the conversion property. In essence, will the mitigation property replace the recreation opportunities lost through conversion of the project site? The mitigation property is not required to provide identical recreation experiences or be located at the same site as the conversion property. However, the recreation usefulness of the mitigation property should be equal or greater than the conversion property. ***Grantees are encouraged to discuss potential mitigation properties with Grants Management before preparing a formal request.***
7. **LOCAL RECREATION PLAN:** If your community has a plan in place, explain how the proposed development of the mitigation property is in accordance with the local recreation plan. If your community does not have a current recreation plan, other community planning documents may be utilized to support the request.

The information provided by the grantee will be evaluated for completeness and to determine whether the Department will support the conversion and mitigation

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proposal. The grantee will be informed of the Department's determination in writing. Following a decision by the Department to support the conversion and mitigation proposal, a submittal will be prepared by the Department and sent to the National Park Service and/or the MNRTF Board, as appropriate. Proposals that are not supported by Department staff will not be forwarded to the NPS or the Board.

At this point, the Department will conduct an analysis of the proposed conversion. You should wait before proceeding to the next step, which involves the cost of appraisals. After receiving Department approval "in concept" on the proposed mitigation property and proposed public recreation for that property, continue with obtaining appraisals as outlined below. Adjustments to the mitigation proposal may be necessary depending on the outcome of the appraisals.

8. APPRAISALS:

Appraisals must be completed by a State Certified General Appraiser following appraisal standards provided by the Department. These standards will be used by the Department's Office of Land and Facilities to review the appraisals.

Evaluate the fair market value of the conversion property in relation to the mitigation property. The fair market value of the mitigation property, excluding the value of any buildings or facilities that do not enhance outdoor recreation, must be equal to or greater than the fair market value of the conversion property.

Appraisals of the conversion and mitigation properties must be performed to document that the mitigation property has a fair market value at least equal to the property to be converted.

For conversion proposals that involve LWCF-assisted sites, the following item is also required. Further guidance will be provided under separate cover.

- 9. ENVIRONMENTAL ASSESSMENT:** The Department will provide the grantee with a federal environmental screening form to be completed by the grantee agency. The screening form is used to identify potential or known negative effects to environmental or cultural resources, or social conditions, as the result of the proposed action. The completed form is to be sent to Grants Management for review. An environmental assessment report may not be necessary if none of the "triggers" apply to the conversion and mitigation proposal. If the Department determines that an environmental assessment is required, further guidance will be provided to the grantee. In that case, an environmental assessment of the conversion and mitigation properties must be completed.

- 10. STATE HISTORIC PRESERVATION OFFICE (SHPO) REVIEW:** Review of potential effects of the conversion and mitigation proposal on historical properties is conducted by the SHPO. A letter of "no effect" will need to be obtained from SHPO for the conversion property and the mitigation property. Follow the guidance provided. Note that SHPO has guidance specific to cell towers.