



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



RODNEY A. STOKES
DIRECTOR

May 16, 2011

TO: Rodney A. Stokes, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of State-owned Land
Proud Lake State Recreation Area – Oakland County
Land Transaction Case #20050520

Sale: 502 acres, more or less, to be sold in two phases as outlined below.

Description: Oakland County, Commerce Township; A parcel of land located in the Section 1, Section 2 and Section 11, as depicted in the attached map, to be fully described by survey prior to closing.

Purchaser: Charter Township of Commerce, Michigan.

Sale Price: \$2,805,000.00, including transaction fees and appraisal costs:
Parcel 1 – 201.4 acres, more or less. \$1,282,140.00
Closing by September 15, 2011

Parcel 2 – 301.3 acres, more or less. \$1,522,860.00
Closing no later than April 15, 2012

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

Notice: This item will appear on the Department’s May 31, 2011 Calendar, and is eligible for approval on June 7, 2011. The transaction was also posted in local newspapers as required by legislation.

Stipulations: The property must remain open to public access and used for open space, wildlife habitat and public outdoor recreation purposes in perpetuity, as specified in the “Declaration of Covenants, Conditions and Deed Restrictions” (“Declaration”) executed between the Department and the Charter Township of Commerce.

Comments: This transaction effects a multi-year discussion of conveying State land to Commerce Township to be used for public recreation and open space protection. For many years, Commerce Township expressed interest in acquiring this land for public park purposes. Concurrently, the Parks and Recreation Division was evaluating properties it manages in southern Michigan. This review revealed

that this property, known as “Proud Lake Recreation Area - East Unit,” was underutilized and not meeting the objectives for which it had been purchased.

The southerly portion had been occupied by the U.S. Department of Defense since the 1950's for a Nike missile base as part of the national defense network. Due to occupation by the Defense Department, which prohibited access by the public, the site was not actively managed as part of the Recreation Area. Consequently, for 60 years, the property has played a limited role in contributing to the Department's resource management programs. However, since the missile base was deactivated, local residents have made informal recreational use of the property. It provides meaningful open space and habitat in a heavily developed urban area.

The property was again evaluated in the Department's Land Consolidation Strategy in 2006 and recommended for sale or exchange. Public meetings were held to obtain review and comment. Support was expressed for maintaining the property in public ownership and keeping it open for outdoor recreation.

The property is bisected by Wise Road which divides the property into two distinct portions - north and south of Wise road. The north portion contains 253± acres and is undeveloped. It contains gently rolling topography with land cover of mature red pine stands, hardwoods, scrub, a pond/wetland complex and grassy openings. A network of walking trails extends around the property. A small pond is located near the westerly boundary, with a small stream and extensive wetlands bounded by rolling, forested knolls.

South of Wise Road is 248± acres consisting of wooded areas interspersed with open meadow areas. At the southern edge flows Hayes Creek, a tributary of the Huron River. A small impoundment occurs where the stream from north of Wise Road intersects with Hayes Creek.

The south parcel includes approximately 72± acres, portions of which contain remnants of the former Nike missile base which was developed with a collection of dwellings, offices, support structures, driveways and parking areas. The easterly portion of this area was the location of former underground missile silos. The silos have been filled in and the area now consists of open fields.

In 2007, the Walled Lake School District purchased an 80 acre portion of the East Unit south of Hayes Creek. It is anticipated the School District will utilize the property it purchased and this property for school-related sports, education and outdoor activities in the future.

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By agreement with the Township, the entire property is subject to a set of conditions and restrictions, the "Declaration," that govern the uses and development permitted on the property under an approved Management Plan. In general, these provisions include:

- The land is to be maintained in a generally natural condition to be used as open space, wildlife habitat and public outdoor recreation land.
- Improvements may be created to enhance the outdoor recreational value of the property. Allowed improvements may include an outdoor heritage education and recreation center, sheltered archery and gun ranges, fishing ponds, trails, signage and related infrastructure.
- On the 72 acre formerly developed area only, install active outdoor recreation facilities and fields such as soccer, baseball, and football fields, tennis and basketball courts, and ice rinks in areas of the property which were previously developed, and do not contain sensitive or valued natural characteristics.
- Conduct uses and events in support of the allowable purposes including classes, instructional activities, contests, tournaments or similar events.
- Fees may be charged to offset the costs of ownership, operation and maintenance of the property.
- Establish partnerships with public and private entities for the purpose of advancing the public recreation and open space purposes of the Declaration.
- Any activity not consistent with the Conservation Values stipulated in the Declaration is prohibited.

The Department will retain rights to revenue from utility easements and facilities, except for easements serving the property.

The Township accepts the following obligations under the Declarations:

- To enforce the Declaration and prevent any activity on, or use of the Property, that is inconsistent with the purpose of the Declaration.
- To incorporate management of the Property into a Master Plan for township parks.
- To indemnify and hold harmless the State of Michigan and from liability arising from acts of the Township.

The effect of the restrictions limiting future uses of the property, and the cost of removing the remains of the former Nike site compound, are reflected in the appraised value of the property.

One goal of this transaction is to use the proceeds from the sale to acquire additional land for public outdoor recreation and natural resource conservation. Priority will be given to parcels within DNR project boundaries identified as priorities in the Department's land consolidation project, and where possible, in southern Michigan.

Thus, this partnership for retaining this property in open space, habitat and public recreational use, and using the proceeds to acquire additional open space in the heavily-populated areas of the state, is of substantial public benefit.

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 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.

The property was acquired in stages between 1946 and 1947 with funds consisting of a combination of special legislative appropriation, Game and Fish Fund and land exchange. By agreement with the United States Fish and Wildlife Service, a portion of the proceeds will be allocated to the LEFF Game and Fish Subfund and used to acquire replacement land with state Game and Fish Fund designation.

Review by Forest 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 502 acres be sold to the Commerce Township, as follows:

Parcel 1 – 201.4 acres, more or less. \$1,282,140.00, with closing to be by September 15, 2011.

Parcel 2 – 301.3 acres, more or less. \$1,522,860.00 with closing no later than April 15, 2012.

(2) That the sale is subject to the state retaining rights to revenue from public utilities, except for utilities serving the property, as more specifically defined in Paragraph III A of the "Declaration."

(3) That the Township agree, and accept all terms of the "Declaration" and the Property be used for the purposes stated therein.

(4) That the State retain rights to aboriginal antiquities.

(5) That the State convey mineral rights in the sale.

(6) That the amount of \$460,000.00 be deposited into the LEFF Game and Fish Subfund to be used to acquire replacement lands which meet the criteria for lands acquired with funds from the Game and Fish Protection Fund.

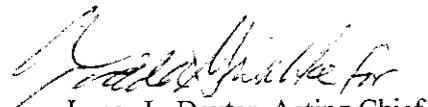
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(7) That the remaining proceeds from the sale be deposited into the LEFF to be used to acquire replacement lands.

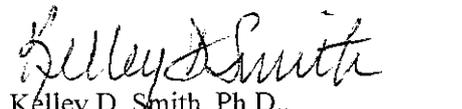
(8) That the Department and Natural Resources Commission acknowledge with appreciation the Charter Township of Commerce for its interest and commitment in this significant partnership to provide public outdoor heritage and recreation in this important urban area of the state.


Russ Mason, Ph.D., Chief
Wildlife Division


Lynne M. Boyd, Chief
Forest Management Division


James L. Dexter, Acting Chief
Fisheries Division


Ronald A. Olson, Chief
Parks and Recreation Division


Kelley D. Smith, Ph.D.,
Acting Resource Management Deputy


Mark H. Hoffman
Chief Administrative Officer

I approve the staff recommendations.

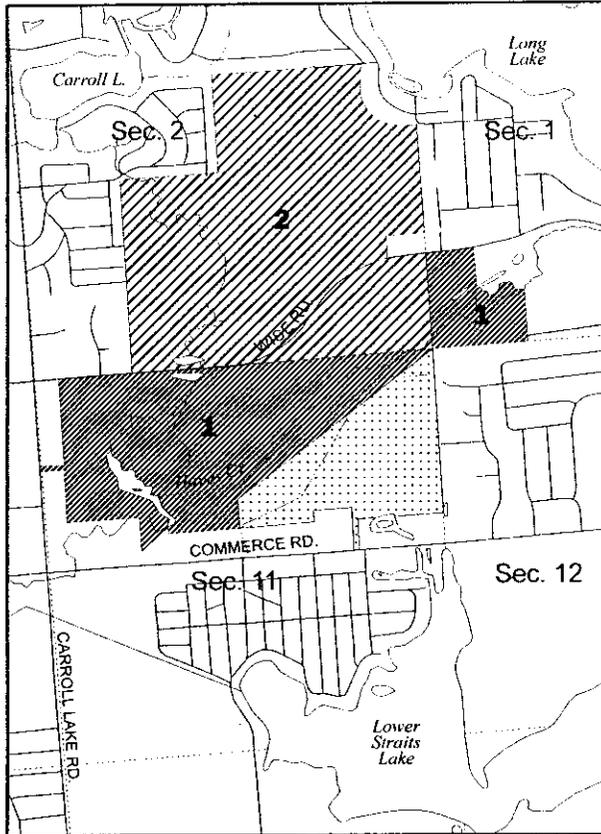
Rodney A. Stokes
Director

Date Approved

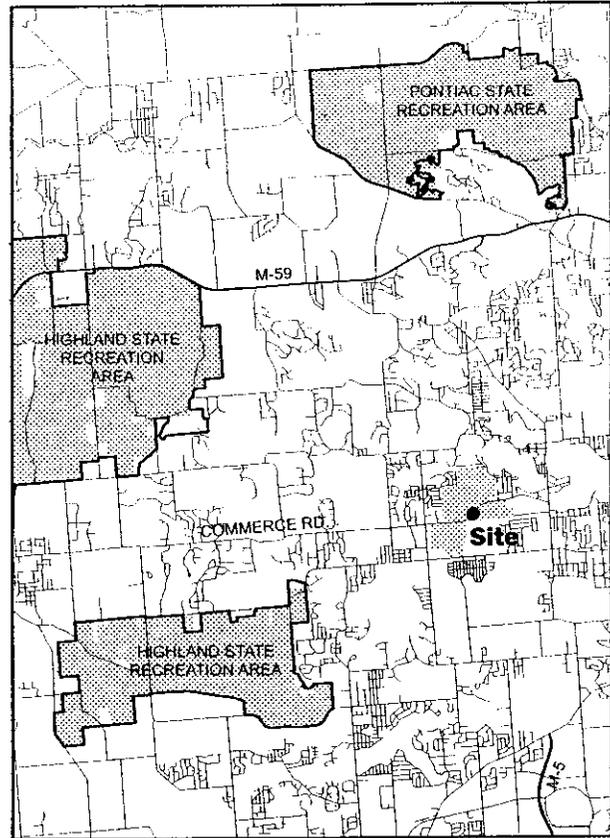
SALE OF SURPLUS STATE-OWNED LAND

Proud Lake State Recreation Area - Oakland County

Land Transaction Case #20050520

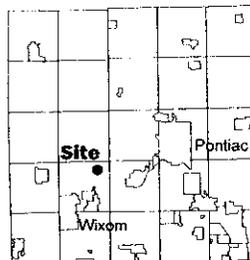


Sections 1, 2 and 11, T02N, R08E
Commerce Township



Regional Location

- Recreation Area boundaries
- Sale Parcel 1 (201.00 acres)
- Sale Parcel 2 (301.00 acres)
- State-owned parcel sold to Walled Lake Schools in 2007
- State land
- Private land



OAKLAND COUNTY



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