

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of June 17, 2009
Little Bear East Conference Center, 275 Marquette Street, St. Ignace
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:00 AM.

The following Board members were present:

Keith Charters
Bob Garner
Dennis Muchmore
Lana Pollack

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

I. ADOPTION OF MINUTES FOR MEETING OF MAY 6, 2009.

Chairperson Pollack stated that the minutes from the May 6, 2009 meeting had been revised slightly for clarification.

MOVED BY MR. GARNER, SUPPORTED BY MR. MUCHMORE, TO APPROVE THE MINUTES OF THE MAY 6, 2009 MNRTF BOARD MEETING, AS AMENDED. PASSED WITHOUT DISSENTING VOTE.

II. ADOPTION OF AGENDA FOR MEETING OF JUNE 17, 2009.

Chairperson Pollack called for the adoption of the agenda for the June 17, 2009 Board meeting.

MOVED BY MR. GARNER, SUPPORTED BY MR. MUCHMORE, TO APPROVE THE AGENDA FOR THE JUNE 17, 2009 MNRTF BOARD MEETING AS PRESENTED. PASSED WITHOUT DISSENTING VOTE.

At this point, Chairperson Pollack asked Ms. Deborah Apostol, Unit Manager, Recreation Grants, Grants Management, DNR to introduce DNR staff in attendance. Grants Management staff included Ms. Linda Harlow, Ms. Jule Stafford, Ms. Lisa McTiernan, and Ms. Linda Hegstrom. Other DNR staff in attendance were Mr. Rodney Stokes, Chief of Staff; Mr. Tom Wellman, Forest, Mineral and Fire Management Division and Ms. Stacy Welling, Upper Peninsula Regional Director.

Ms. Apostol also introduced Ms. Debra Evashevski, Downtown Development Director, City of St. Ignace, who was instrumental in providing the meeting arrangements.

III. OLD BUSINESS.

2009 Application Review – Notebooks

Ms. Apostol briefly outlined the 2009 MNRTF application notebooks that the Board has received. The notebooks include a summary sheet, a list of projects listed alphabetically, as well as a list of all acquisition and development projects.

Royalty Rates

Chairperson Pollack advised the audience that this presentation was requested by the Board as a follow-up to questions which were raised as to Michigan's royalty rates and if they are optimally set. These royalties fund the MNRTF.

Mr. Tom Wellman, Manager, Mineral and Land Management Section, Forest, Mineral and Fire Management Division, DNR, made a presentation on oil and gas royalty rates for leases on state-owned minerals. The royalty rate for competitively bid oil and gas leases of state-owned minerals is currently $1/6^{\text{th}}$. Back in 1981 it was $1/8^{\text{th}}$. The DNR does lease minerals based on a direct lease basis (non-competitive), in which case the state receives $3/16^{\text{th}}$, or 18.75%, royalty.

The Board received a handout which was compiled by the Interstate Oil and Gas Compact Commission on July 30, 2008. This handout compares royalty rates from different states. In general, states either have a fixed royalty rate or variable rate, which is based on production from the well, or it may be based on when the lease is actually developed. For those states that have a fixed royalty rate, Oklahoma is the only state which has the highest rate (18.75%). For variable rates, Louisiana ranges from 16.67% to 30.00%; and Texas from 20.00% to 25.00%, which are the highest two states. The three states which have the highest royalty rates---Oklahoma, Louisiana and Texas---are southern and western states that have a larger number of wells with a higher cumulative production, which generates higher profit that support higher royalties.

Several states have options where producers may request a reduction in royalty rates, where a well is not so profitable. Michigan does not provide this option.

Michigan has a higher minimum bonus bid for auction leases, which starts at \$10.00 per acre, where many states have a minimum bid of \$1.00 to \$2.50 per acre.

The DNR has seen a reduction in the interest to lease state-owned minerals. At the May 2009 auction, 67% of the nominations went "no-bid." In 2008 there were zero "no bid" nominations. The average bid declined from \$100.00 per acre to \$20.00 per acre. This suggests a "soft" market. In 2008, there were 140,000 acres nominated. There are 2,600 acres nominated for the next auction, which will be in November of 2009.

Mr. Wellman stated that Michigan's current royalty rate of $1/6^{\text{th}}$ for auction leases and $3/16^{\text{th}}$ for direct leases is very competitive with the rates charged in other states.

Mr. Charters stated that at the Natural Resources Commission level, the Committee on Land Management had a discussion on royalty rates. The Committee concurred with DNR staff's recommendations.

Mr. Garner asked if there were any plans to lease lands for wind energy. Mr. Wellman responded that is still in the developmental stage. Mr. Charters asked if such leasing policy was developed, would this be revenue for the MNRTF. Mr. Wellman responded he does not believe it would be.

Mr. Charters asked if gravel and aggregate minerals royalties were declining. Mr. Wellman responded that it has generally declined, but the federal stimulus package has increased opportunities for road construction.

Chairperson Pollack asked if the reason leases were down this year was because the price of oil was down. Mr. Wellman responded that a year ago when prices were at their peak, companies were trying to find land for production wherever they could. When oil and gas prices decline, there is less interest in leasing lands. Another issue is that Michigan is "maturing" for oil and gas production (all the oil and gas has been found).

IV. NEW BUSINESS.

2009 MNRTF Applications – Invitations to Make Presentations at August Board Meeting in Lansing (Southern Lower Peninsula)

Ms. Apostol stated that 11 local applicants have been identified to be invited to make a public presentation at the August 19, 2009 Board meeting. The Board has received a list of these local units in their notebooks. If the Board would like other applicants invited, please let Linda Harlow know by July 27, 2009.

V. STATUS REPORTS.

Grants Management Outreach Report

Ms. Apostol outlined the Grants Management Outreach report for the Board. Ms. Lisa McTiernan and Ms. Linda Hegstrom have spearheaded the outreach process and attended several meetings. The report details the efforts to reach out to local units of government to explain the revised MNRTF criteria that the Board recently adopted.

The outreach process will achieve two main goals – development of a resource manual which will compile all of the resources available to applicants to help put a project together as well as managing it; and to do a series of regional workshops in the fall to bring all of the collaborating agencies and organizations together. This will introduce the communities to the resources and the agencies. Ms. McTiernan and Ms. Hegstrom have participated in eight meetings to date.

At this point, Ms. McTiernan advised the Board that Michigan State University Cooperative Extension and regional planning agencies have expressed an interest to host workshops in the fall to communicate with local units of government as to the resources they have available. Such resources would include preparing recreation plans, grant applications, mapping, site plans, etc. The response has been very positive.

Chairperson Pollack asked if the level of involvement by the other agencies was new. Ms. McTiernan responded the Southwest Michigan Regional Planning Agency has been involved in helping communities prepare recreation plans. In the case of the Huron

Pines Resource Conservation and Development Council at Grayling, they were not aware of the MNRTF criteria and its goals. They mentioned that they have retired DNR professionals that could help communities, as well as Americorps members. The Community Foundation of St. Clair County also wanted to participate in the workshops and expressed an interest to partner with the MNRTF to fund recreation projects.

Chairperson Pollack asked if the needs of communities have been identified. Ms. McTiernan responded that the State Outreach Council, which is through the USDA, primarily focuses on serving women, minorities, and certain communities. The University of Michigan Center for Applied Environmental Research has also been a good source. Grants Management has obtained new ideas as to what works well to get information to communities.

Chairperson Pollack asked if the Board could assist staff in any way. Ms. Hegstrom responded that if communities were aware that the Board was supportive of the outreach efforts would give staff credibility. Chairperson Pollack stated that the Board does not want any community to not be funded because of lack of information or understanding of how the MNRTF process works.

Mr. Charters wondered if there was participation from the small, rural townships of Northern Michigan and Upper Peninsula. Ms. Hegstrom responded that staff is in the initial stages, but have met with Huron Pines Resource Conservation and Development in Grayling. They will be reaching out to the smaller townships in the area. This is one of the goals of the regional workshops.

Mr. Charters asked when communicating with these smaller communities, is it done through the Michigan Townships Association or Michigan Municipal League. Ms. Hegstrom stated that the regional planning commissions have offered to contact communities. Staff has not spoken to the Townships Association or Municipal League at this time. Mr. Muchmore added that he feels it is incumbent to let the Executive Directors of the Townships Association, Municipal League and Michigan Counties know about the MNRTF. These three organizations should be notified at the very least.

Financial Report

Mr. Muchmore mentioned the Administrative expenses. They have gone up about 20%. He asked about the Land Ownership Tracking System (LOTS) expense. He noticed that less money was put into this expenditure than last year. Mr. Stokes responded that LOTS is an ongoing project. He is not sure why the expense has gone down this year, but he will find out. One reason might be that the Department of Information Technology (DIT) now maintains the system. Mr. Garner added that it may be because most of the upfront work on the system has now been completed.

Mr. Charters stated that the Board received the answers to questions raised at the May 6 Board meeting by email and the information was good. Chairperson Pollack asked that if the Board receives information in the interim between meetings that a copy be included in their package for the upcoming meeting.

Chairperson Pollack asked about getting new software for the Grants Management database. Mr. Stokes responded that staff has met with DIT and the repairs are being done in phases. All repairs should be completed by the December Board meeting.

Chairperson Pollack asked if the DIT charge was annual. Mr. Stokes responded it is an annual charge to maintain the system. The database repairs are above and beyond these charges. Chairperson Pollack wants this information provided at the next meeting. Mr. Stokes responded that Mr. Joseph Frick, Chief of Office of Financial Services, DNR, will be at the next meeting to answer any questions.

Mr. Garner asked if answers to questions raised by the Board could be included in the minutes where it was posed.

Open Projects Status Report

Mr. Charters asked about the status of the Gerrish Township acquisition projects (TF06-036 and TF07-002). Ms. Jule Stafford responded that both project agreements have been executed and are waiting for the Department of Environmental Quality's (DEQ) response to the remediation issue. Once that is resolved, they can proceed with the acquisitions. Mr. Charters asked what happens if DEQ holds it up and the project agreements expire. Ms. Stafford stated that they will get an extension.

Mr. Charters asked about the Grayling Township development project (TF00-388) and wondered about the "grantee must repay \$75,128.81 of undocumented costs" and wondered if there will be problems collecting these funds. Ms. Apostol responded that there may be some problems. Staff has met with the township on numerous occasions and sent letters. The township has not completed a portion of the project and staff has been unable to get information needed to close out the project. Mr. Stokes added that as a last resort we can go through the Attorney General's office to obtain the repayment of the funds. Usually informing the community that they will be ineligible to receive any grant assistance in the future unless repayment is made seems to work.

Mr. Muchmore asked about Oakland County's Upper Bushman Lake Acquisition (TF06-199) and wondered if another appraisal had been done. Ms. Hegstrom responded that it appears that the appraisers were coming to a consensus.

Chairperson Pollack asked about the City of Novi's acquisition project (TF05-165). Ms. Apostol responded that the final reimbursement has just been received. Ms. Pollack asked about the City of Ironwood acquisition project (TF03-210). Ms. Apostol responded that this project is now being audited.

MNRTF Lump Sum and Line Item Department Projects

Mr. Charters asked if the Kamehameha Schools Development Rights Purchase (TF05-133) is almost done. Ms. Stafford responded that the DNR is still waiting on information to close out the project.

At this point, Mr. Stokes stated that at the last meeting, the Board approved the MNRTF new sign design. Staff has noticed other signs of a similar color as the current MNRTF sign and do not want any confusion with recognition of the program. Ms. Stafford has identified some color schemes for the new sign. Staff is asking the Board which color scheme they would like.

Mr. Charters stated that at the last meeting the wording for the new sign was approved. He mentioned a letter that Board members received from the Michigan Oil and Gas Association. They are stating the new language does not specify where the revenue for the MNRTF comes from. Mr. Muchmore added that their concerns are well founded in a way. Making this recognition obvious protects the MNRTF and its source of revenue.

Chairperson Pollack asked Board members if there was an interest in revisiting the language that will be on the new sign. Mr. Charters would like to have the language revisited. He also wanted to make sure that signs are placed on state acquisition projects at key entrances. Mr. Stokes responded that he will make sure the DNR complies with this.

Chairperson Pollack suggested that Mr. Charters work with Grants Management staff to develop some revised language for the new sign. Also, staff should decide what the color scheme of the sign should be. As far as cost, Chairperson Pollack would like to see more signs and visibility as a factor.

VI. PUBLIC APPEARANCES.

Ms. Tina Allen, Grants Coordinator, East Bay Township – 09-126, Killingsworth/Kelly Parks Extension Acquisition

Ms. Tina Allen, Grants Coordinator, East Bay Township, made a PowerPoint presentation in support of 09-126, Killingsworth/Kelly Parks Extension Acquisition.

Ms. Allen pointed out the location and various aspects of the proposed project via PowerPoint. The project is for the acquisition of an additional 70.91 acres to the existing 55-acre Killingsworth/Kelly Parks in East Bay Township, Grand Traverse County. The parks are across the street from the Traverse City State Park. This location is very urbanized.

The township has seven public, charter and private schools. Although the township has a population of about 9,000, one-third of the residential units are non-homestead, which adds another 6,000 residents living in the township part of the year.

The parcel to be acquired is on the north side of the parks. There is a pine plantation, hardwood and some open meadow areas. The owner of the property was ready to sell it for development, but offered it to the township first. The owner is willing to donate the 25% match.

Ms. Allen stated that she has contacted the Conservation Resource Alliance, Grand Traverse Conservation District and Conservancy and asked for their assistance in preparing the application. This project is at the crest of both the Mitchell Creek and Boardman River Watershed. Ecologically, this piece of property turns out to be more important to acquire than originally thought.

East Bay Township has a parks and recreation commission in charge of budgeting which comes from the township's general fund. There are no entrance fees to the parks and no "residents only" policy.

The township's recreation plan supports acquiring the property.

Ms. Allen further stated that the owner of the property does understand that the value of the property put in the application is double the SEV. This may or may not be accurate any longer. The owner realizes that this could be significantly less, but he is still willing to provide the 25% match.

The township has developed a relationship with the conservation district and they would help with managing the property, designing parking areas and trailheads. The property is adjacent to one of the Conservation Resource Alliance's wildlife corridors. The Audubon Society has documented two threatened species on the property. The township has been in touch with Disability Network of Northern Michigan and they have provided ideas for accessibility.

Ms. Allen stated that at this point East Bay Township has decided to adopt a no hunting policy, as there are homes hidden within the area.

Mr. Garner was concerned about the no hunting policy. He wondered if bow hunting would be allowed. Ms. Allen responded that at this time the township board wanted to take the conservative, no hunting approach. Mr. Garner strongly suggested that the township board discuss allowing bow hunting. Ms. Allen will advise the township board of this suggestion.

Mr. Charters asked if the mineral rights come with the acquisition. Ms. Allen does not believe they do. Mr. Charters said this is something to be concerned about when looking at the price of the property.

Mr. Jerry Robbins, Golden Township – 09-085, Gold 'N Silver Park Acquisition

Mr. Jerry Robbins, representing Golden Township, Oceana County, made a presentation in support of 09-085, Gold 'N Silver Park Acquisition. Silver Lake State Park, a 1700-acre park, is located in the township. This is one of the most unique state parks in the state and attracts approximately one million visitors per year. It is the largest sand dune area east of the Mississippi where you can not only drive to, but onto, the dunes.

Mr. Robbins pointed out the location of the park, dunes, residential area, downtown Silver Lake area and the location of the acquisition via a map. The proposed property is located in the middle of the commercial area of Silver Lake. The property is approximately six acres. Four acres is green space. There is a stream that runs through the property and into Silver Lake. Across the street there is public access from the park to Silver Lake. There is electricity and an artisan well on the property. Two of the six acres is wetlands.

The park will not be used for any planned ball fields, tennis courts or soccer fields. It will be used for open space activities, such as picnicking, music festivals and craft shows. Restrooms, benches, drinking fountain and bike rack will be added. A raised walkway will be put in the wetlands area for school children to observe birds and other vegetation.

Once a year, the Silver Lake Chamber of Commerce holds their Apple and Barbecue Festival on the property. This includes a craft and car show. Approximately 5,000 people attended last year.

Mr. Robbins continued by outlining where a new 10-foot wide bike path will be put in, as well as a new road and the locations of each and where they will connect. The bike path will be separated from the new road by green space. The bike path will connect with other bike paths in the surrounding communities.

The owner of the property has been very cooperative and has allowed the Silver Lake Chamber of Commerce use the property for the last few years for events; however, if the property is not made into a park it will be developed. In addition, the matching funds for the project are in place.

Mr. Garner stated that the acquisition cost is very high. The MNRTF will not have as much to allocate for projects this year as they did last year. He will be looking at the cost of proposed projects very closely.

Mr. Dan Petersen, Community Development Director; and Mr. Scott Erickson, City Manager, City of Ironwood – 09-161, Ironwood Rail Grade Acquisition

Mr. Dan Petersen, Community Development Director for the City of Ironwood, Gogebic County, made a presentation in support of 09-161, Ironwood Rail Grade Acquisition. This project is to acquire old railroad grades located within the City of Ironwood. The city is developed around mine shafts. With the mine shafts came rail corridors, which connect individual neighborhoods and commercial district in the city. Acquisition of these rail corridors would certainly promote outdoor recreation opportunities, as well as economic development. Mr. Petersen stated that the city is on the border of Wisconsin. Trails could be connected to the Wisconsin trail system.

The Miners Memorial Heritage Park is a 230-acre green space in the middle of the city. There was a lot of relocation of houses. The city owns most of the parcels in this area. A trail system could be developed in this area.

The city has had discussions with DNR staff and they are looking to acquire the northern rail rig that runs from the City of Ironwood to Marenisco. In addition, the North Country Trail is another possible link to the Ironwood trail system, which would connect Wisconsin, Michigan and Minnesota.

Mr. Petersen said there is a lot of enthusiasm in the community for the trail system.

Chairperson Pollack asked how much area the city is trying to acquire. Mr. Petersen responded approximately 21,000 feet (four miles). The city is seeking a grant for \$1,185,000. There were no assessments done on the property. This is an estimate of the cost at this point.

Mr. Charters had a problem with the "other identified parcels" at \$933,000. Mr. Petersen responded that this is a piece in the downtown area. This links other trail sections, but it is not a part of the linear connection.

Chairperson Pollack asked if the acquisition project could be done in phases, which part would the city acquire first. Mr. Erickson responded the city would go after the rail corridors first as adjacent property owners may try and purchase them. The property downtown is owned by the railway and they are currently using it for their office area.

Discussion ensued as to the proposed rail corridor properties—priorities in acquiring, ownership of parcels, and title searches completed.

Mr. Muchmore asked the city to provide the Board with parcel numbers. He also asked about the city's match amount. Mr. Petersen responded that they are working with the railroad company (Rail Property Management) to provide a portion of the match, but have not had a commitment from them. The city is also working with the Michigan Department of Transportation (MDOT) on a portion of the match.

Mr. Bryan Vincent, City Superintendent, City of Manton – 09-030, Mill Pond Recreation Area Improvements

Mr. Bryan Vincent, City Superintendent for the City of Manton, Wexford County, made a PowerPoint presentation in support of 09-030, Mill Pond Recreation Area Improvements. The city is a small community. Because of US-131 going around the city rather than through it, has created an economic loss to local businesses. Even though there was a recent plant closure, which was a major supplier of jobs in the city; and a \$4.5 million waste water system repair, residents were still able to create a national award-winning Veterans Museum. Mr. Vincent outlined other facilities of interest in the city.

The proposed project would be a continuation and enhancement of an existing two-mile trail system called the Manton Area Historical Pathways, Gardens and Waterways. Local volunteers constructed the existing trail system which was funded by local donations and labor. The trail is adjacent to Cedar Creek and Manton Mill Pond. The city has applied twice for MNRTF assistance for this development project.

The Department of Environmental Quality (DEQ) issued a violation to the city for dam deterioration at Mill Pond. In addition, DNR's Fisheries Division complained about the rising water temperature due to the shallow pond. Staff from the city, DEQ, DNR, Conservation Resource Alliance and legislators met to discuss the dam issue.

Mr. Vincent stated that the proposed development project does not have anything to do with dam removal. The Conservation Resource Alliance and DNR will handle the dam issue.

Mr. Vincent continued by stating the trail will be handicapped accessible and provides educational experiences with interpretive wildlife signage along the trail.

The city's match includes a local match of \$25,000 from the General Fund, in-kind services of \$10,000 (materials and labor) and \$10,000 cash donations. Mr. Charters wondered where the \$300,000 in federal funds came from. Mr. Vincent stated that the funds were grant applications from the Conservation Resource Alliance and DNR.

Mr. Muchmore stated that a narrative was not included and requested one be provided. Mr. Vincent responded he will provide this [*NARRATIVE ATTACHED*].

Mr. Muchmore asked about the \$165,000 for dam removal and stream reroute in the scope items and wondered if this was still part of the project. Mr. Vincent responded a feasibility study will be done, but anything for dam removal will be provided by the Conservation Resource Alliance. Mr. Muchmore asked that this be clarified in the scope items.

Mr. Muchmore asked what specifically the city is looking for in developing this project—a tourist stop, to enhance the community? Mr. Vincent responded that Manton is a “bedroom” community and relies on tourism.

Chairperson Pollack asked what kind of communication or collaboration/cooperation has there been with other surrounding townships for long-term planning. Some communities have an inactive downtown and a huge sprawl in townships. All this gets lost in the lack of planning and zoning. Mr. Vincent responded that the city has a good relationship with the surrounding townships. He attends the township meetings for Cedar Creek Township, the fastest growing township in Wexford County.

Chairperson Pollack asked if there is a single decision that has been taken collectively to deal with sprawl. Mr. Vincent stated that most people who live in the sprawl area move there as they do not want to live in the city. This project is one that all the residents in Manton as well as the surrounding townships and areas can enjoy. Chairperson Pollack stated that this fact should be referenced in the application narrative.

Ms. Lois Krepps, Supervisor, Meade Township – 09-066, Meade Township Park Development

Ms. Lois Krepps, Supervisor of Meade Township, Mason County, made a presentation in support of 09-066, Meade Township Park Development. Within the township borders are two rivers—the Sauble and Little Manistee. The proposed project is located on Free Soil Road, one of only two paved east/west roads that cross the county. Fifty percent of the township is federal forest. The township is rural with no industry, with the population being primarily retirees, seasonal users and a core group of local residents with young children. There is a great need for a safe and accessible area for retired individuals and young children to enjoy.

Ms. Krepps outlined the history of the township and township hall. She provided photographs and other information. The original township hall was built in 1912 and renovated in 1980 to include plumbing, kitchen, bathroom and small meeting room. The township bought 11 acres across the road from the original hall and moved and upgraded the building. The new location has ample paved and lighted parking facilities. With this infrastructure in place for the park, the grant money being requested would be maximized.

Development being proposed for the park over a five-year plan include a pavilion with picnic facilities, drinking fountain, nature trail and benches, ball diamond and backstop, volleyball court, horseshoe pits and restrooms. Phase I would include restrooms, pavilion, fountain and sidewalks. All will be universally accessible. The cost for Phase I would be \$44,000.

The remainder of the project would be spread out over four years to include a one-mile nature trail. The trail would not only be used for recreational purposes, but as a teaching aid as the Free Soil Elementary School is located close by. The trail will be universally accessible. The District Health Department #10 supports this project as part of the “Building Healthy Communities Initiative” started in 2005. This could include a monetary contribution of approximately \$5,000-10,000 towards the project.

Ms. Krepps further outlined the project with photographs provided. She also explained that in 1954, the supervisor of the township leased an 88-acre woodlot from the state. In the late 90s when oak and maple prices were high, it was select cut. Proceeds from the timber sale were used for moving the township hall and buy the land. Mr. Muchmore further inquired about these lands. Mr. Stokes added that the DNR used to lease or deed land to local units of government and school districts to manage for forest lands. Revenues have been derived from management of these lands. Back about five years ago, legislation was introduced for school districts to sell the lands, and if they did sell, some of the proceeds would come back to the DNR.

Chairperson Pollack reiterated that this shows the clear value of the outreach program.

Ms. Emily Meyerson, Meyerson Consulting, representing Presque Isle County – 09-041, Millersburg Historic Depot Regional Trailhead Development

Ms. Emily Meyerson, Meyerson Consulting, representing Presque Isle County, made a PowerPoint presentation in support of 09-041, Millersburg Historic Depot Regional Trailhead Development. This is a collaborative project with the county, Village of Millersburg and the DNR. Ms. Meyerson introduced Mr. Carl Altman, Presque Isle County Board Chairman; Ms. Sheila Nichols, Village of Millersburg; and Ms. Laurie Marzolo and Mr. Rob Pelton from DNR's Atlanta Field Office, who were also in attendance. Ms. Meyerson also works with the Top of Michigan Trail Council, as well as the DNR, to develop, manage and plan the Northern Michigan trail system.

Ms. Meyerson stated that there are over 180 miles of DNR and 40 local miles of trails in the northern Lower Peninsula trail network. She indicated proposed trail areas via a map on PowerPoint. Millersburg is halfway between Alpena and Cheboygan and connects with the Alpena to Cheboygan State Trail. Millersburg is in the center of the snowmobile trail system.

The Alpena to Cheboygan Trail is 70 miles long. It goes through three counties, three cities, two villages and fourteen townships. The construction for surfacing the trail was \$3.1 million. Sixty percent of this amount is coming from the federal Transportation Enhancement grant program, 20 percent from Michigan Department of Transportation, 16 percent from the MNRTF (\$500,000 grant) and 4 % from various local units of government.

The communities along the Alpena to Cheboygan Trail want to draw visitors to the area. Access to the trail and connections to local facilities and parks is important.

In their involvement with the project, the DNR is looking at three things: 1) creating partnerships with local communities; 2) providing facilities year-round; and 3) to meet multiple goals.

An important partner in the Millersburg trailhead project is the Millersburg Historic Society. They are in the process of renovating a depot, which is the only surviving one from Alpena to Mackinaw City.

The property is partly owned by the DNR and the Village of Millersburg. Presque Isle County wanted to see the trail become an infrastructure for economic development and growth. The project was identified in 2004 in a trail master plan. The DNR and Village

of Millersburg sponsored a community design workshop to find out the needs of the community and how they could be met. A Recreation Improvement Fund grant was awarded in 2007 for design and development plans.

Ms. Meyerson pointed out the main areas of the village and depot property via a map on PowerPoint and outlined a historic walk, interpretive signage, pavilion, skate park, ice rink, parking and other amenities that would be developed.

Ms. Meyerson concluded by stating that the project will provide:

- a local park,
- amenities the historic museum needs,
- a regional gathering space for users and community group,
- an economic draw to the community,
- amenities for a regional statewide trail facility, and
- creates a model partnership.

Mr. Muchmore asked how the trail is presently being used – trail riders or horses? Ms. Meyerson responded that horses, bikers and walkers presently use the trail. Snowmobilers use it during the winter. It is just a grassy, open area at the present time.

Mr. Tom Church, Township Trustee and Mr. Alan Riel, Planning Commission,
Watersmeet Township – 09-123, Central Agonikak National Recreation Trail
Enhancement

Mr. Tom Church, Township Trustee for Watersmeet Township, made a PowerPoint presentation in support of 09-123, Central Agonikak National Recreation Trail Enhancement. The township is very large – seven times the normal size of a township. The Sylvania Wilderness, which is in the township, is the size of a normal township. There is major access to the township, via US-2 and 45, as well as bordering the State of Wisconsin.

There are over 3,000 lakes in the area. The township is located on the northern end of the lakes district and has 300 lakes, 200 miles of streams and countless springs. The Wisconsin River starts from the township and flows into the Mississippi River. Other rivers are the Ontonagon, Middle Branch and Paint.

There are bike trails existing or being developed in Boulder Junction, Sayner, St. Germain, Eagle River and Three Lakes, Wisconsin. The township's bike trail will tie to these trails. Marinesco Township is an adjacent township to the west of Watersmeet. There is a plan to develop a bike system to that area, as well as to the east to Iron River or Crystal Falls.

Mr. Church pointed out aspects of the Wilderness Lakes Trail System via a map on PowerPoint. The wilderness itself is over 18,000 acres and 35 lakes with old growth timber. There are thousands of visitors per year. The bike trail goes around the wilderness area and the township will take precautions not to violate any regulations.

Mr. Church further stated that Watersmeet Township is 75% national forest, with 12% of it being lakes or streams. There are remote hunting camps within the township. The

growth rate in the township from 1990 to 2000 was 40.5%. He outlined various facilities in the township.

The township's proposed project for the central section of the Agonikak Trail will run 2.29 miles from Allen Lake Road to Military Road. Development will include culverts and making it easier to use. Mr. Church outlined portions of the trail that have been completed by the State of Wisconsin.

Volunteers and partners in the trail system from both Michigan and Wisconsin include the National Forest Service, local Indian tribes, local governments and non-profit organizations.

Mr. Bruce Rosen, Council Member, City of Iron Mountain – 09-121, Iron Mountain City Park Improvements-Phase I

Mr. Bruce Rosen, Council Member for the City of Iron Mountain, made a presentation in support of 09-121, Iron Mountain City Park Improvements-Phase I. Development will be completed in two phases. Phase I will provide ADA-accessible accommodations—roadways, parking, picnic tables, restroom facility, paved trail system, athletic field, Frisbee golf course, and multi-use area.

Chairperson Pollack asked if the city was working with the neighboring townships to be a partner in funding the project. Mr. Rosen responded the city has held a consolidated services committee meeting. The park was discussed with the City of Kingsford. The city will be meeting with Breitung Township, City of Norway and Dickinson County regarding the park.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

Ms. Apostol advised that the Greater South Haven Chamber of Commerce has awarded the MNRTF Board the 2008 Business Excellence Award for Community Partnership. This is in recognition of the MNRTF Board's support and dedication and service to the Greater South Haven area. This was for the Board's assistance in funding the Deerlick Creek acquisition project.

Ms. Apostol further stated that a resolution was passed in support of the Deerlick Creek project and signed by State Representatives Tonya Schuitmaker and John M. Proos, State Senator Ron Jelinek and Congressman Fred Upton.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, August 19, 2009, Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

IX. ADJOURNMENT

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO
ADJOURN THE MEETING. PASSED WITHOUT DISSENTING VOTE.**

The meeting was adjourned at 12:20 PM.

Lana Pollack, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Manager
Grants Management

DATE