

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of August 20, 2008  
Lansing Community College West Campus, 5708 Cornerstone, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:10 AM.

The following Board members were present:

Keith Charters  
Bob Garner  
Dennis Muchmore  
Lana Pollack  
Frank Torre

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

At this point, Chairperson Garner invited Mr. Frank Mortl of the Michigan Oil and Gas Association (MOGA) to make a few comments to the Board.

Mr. Mortl thanked the Board and Chairperson Garner for allowing him to speak at the beginning of the meeting rather than waiting for the "Public Appearances" portion. He stated that what prompted his appearance today was the agenda item regarding the Board's policy on naming sites acquired or developed with MNRTF monies. He agreed with the concept that it is more important to permanently recognize the contributions of the program at a MNRTF-assisted site than to enforce rules on naming the site.

Mr. Mortl further stated that the members of the MOGA asked him to inform the Board of their wishes to not only recognize the MNRTF program, but also the contributions of MOGA in whatever signage requirement is adopted by the MNRTF Board. He asked that this be taken into consideration when a Board decision is made on naming/recognition.

Chairperson Garner thanked Mr. Mortl for his presentation.

I. ADOPTION OF MINUTES FOR MEETING OF JUNE 18, 2008.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE, TO APPROVE THE MINUTES OF THE JUNE 18, 2008 MNRTF BOARD MEETING. PASSED.**

Chairperson Garner asked Mr. Jim Wood, Manager, Grants Management, DNR, to introduce the Grants Management staff to the audience. Staff in attendance were Ms. Linda Harlow, Administrative Assistant to Grants Management and the MNRTF Board; Ms. Jule Stafford, Grant Analyst; Ms. Deborah Apostol, Manager, Recreation Grants Unit; and Ms. Linda Hegstrom, Ms. Lisa McTiernan and Mr. Jason Cherry, Grant Coordinators.

## II. ADOPTION OF AGENDA FOR MEETING OF AUGUST 20, 2008.

Mr. Wood advised the Board that there were three additional agenda items. These were:

1. Underserved Communities Workshop – under “Old Business”.
2. Constitutional Authority of the Board – Mr. Bob Keichel, Attorney General’s Office – under “New Business”.
3. DNR Projects – Mr. David Freed, Chief, Office of Land and Facilities – under “New Business”.

**MOVED BY MS. POLLACK, SUPPORTED BY MR. TORRE, TO APPROVE THE AGENDA OF THE AUGUST 20, 2008 BOARD MEETING, WITH THE ADDITIONAL AGENDA ITEMS. PASSED.**

At this point, Chairperson Garner introduced the MNRTF Board members to the audience.

OLD BUSINESS.

**Board Policies 92.2 and 92.3 – Naming Recognition Policy – Deferred from June 18, 2008 Meeting.**

Mr. Wood advised that a draft memo regarding the Naming Recognition Policy was provided to the Board at the June 18, 2008 meeting. The Board chose to defer this agenda item until today’s meeting.

Mr. Wood said that staff is looking for the Board’s concurrence of the direction the Naming Policy outlined by staff is going. Of particular concern is the policy as it relates to local units of government projects. The Board will be involved in the naming of DNR projects.

Ms. Pollack made the statement that times are hard, but they don’t have to be this hard if people stepped up and put in public funds to support our parks so we would not have to see “Coca-Cola State Park.” She does not think this is appropriate or in the best interest of the State of Michigan, either economically and certainly not in our value system. It is her understanding that the Legislature is putting pressure by boilerplate to start making money by selling some names. She does not like this, and feels we should stay close to Michigan’s traditional values.

Mr. Charters stated that it appears the policy will allow local units of government to handle their own naming issues. Mr. Wood responded that is correct. Mr. Charters further stated that one of the things that have bothered him over the years is when a local unit of government closes on their property, they must have MNRTF signage, yet on state projects there is no signage. The DNR has wondered where they would put signage on some of their properties acquired with MNRTF funding. There have been hundreds of thousands of acres acquired by the state under the program, yet no recognition of the MNRTF.

Chairperson Garner added that he would like to see the word “voters” and the citing of the constitutional amendment added to the proposed MNRTF sign outlined in the naming policy.

Chairperson Garner asked if this could again be deferred until the October 15 Board meeting. Mr. Wood stated that there will be a more formal proposal and details on costs for the Board at their October meeting.

### MNRTF Investments and Mineral Revenue Trends

Mr. Joseph Frick, Chief, Office of Financial Services, DNR, provided an overview of MNRTF investments. The MNRTF has \$345 million in total investments as of September 30, 2007. In addition, there is approximately \$118 million in the state’s common cash fund which is operating money that has not yet been spent.

Mr. Frick outlined asset allocation, which is the ratio of the investments that is recommended to the State Treasurer that might be in equities as opposed to fixed income bonds. He also mentioned investment reserves in the stabilization reserve.

The current asset allocation recommendation goes back to the original ability to invest in stocks prior to 2003 and the constitutional amendment. The state was authorized to get into the stock market and did so at 25% investment and it has worked out well up until this year. There has been roughly a 10% average gain over the 2003-2007 period. In 2008 we are down about 10% from the cost level.

The current spending policy is to take 5% of the total investments and that is how much is available to spend from the earnings of the fund. That is the \$17.2 million that is indicated on the “Investment Scenarios” handout provided to the Board. The mechanism that allows us to take this 5% is the Stabilization Reserve which was established by Board Policy. That is made up of any excess earnings over 5% plus lapses that have been earmarked.

Mr. Frick outlined Question 14 on the “Questions and Issues” handout regarding the stock market not performing well lately and how much investment has been lost. Because of using the 5% spending policy, it should not impact MNRTF. If the stock market would continue to go down, that would be a problem.

Mr. Frick briefly outlined figures on the other handout provided to the Board. Investment balances include in the corpus: Principal - \$319 million; Stabilization Reserve - \$26.3 million; Total Investment Funds - \$345.3 million. These figures are as of September 30, 2007.

The Board approved a resolution setting up a reserve target of 20% of the total investment. At this point, there would be a reserve target of \$69 million. We are short of the target by \$42.7 million. As the reserves build up, the equities could become more aggressive. The equities target was \$86 million, which was 25% of the total investments. There is about a 30% cushion. Once the reserve hit 20% of the equity level that would be when we would begin rationing up on the equities.

Mr. Frick outlined the other two handouts, which illustrate the different rates of return on investment balances based upon the asset allocation ratio.

Mr. Frick informed the Board this presentation was made to the Natural Resources Commission's Committee on Finance.

Mr. Muchmore asked if we were reserving a percentage on the reserve. When the total reserve accumulation is figured out, is part of the reserve put in the Stabilization Reserve? Mr. Frick stated he would have to go back to the actual resolution, but he believes it says 20% of the corpus was the target. Mr. Muchmore asked if the Stabilization Fund was included in this target. Mr. Frick stated he would have to go back to the actual wording that was passed. [NOTE: The actual Board resolution reads: "The target amount for the Reserve will be 20% of the current value of the corpus, including the Reserve."]

Mr. Muchmore added that he understands why we want to do it, but it is common sense, although he feels the DNR keeps getting in trouble because it does not explain its reserves policy. Mr. Frick referred the Board to Question 9 on the "Questions and Issues" handout. Stabilization reserves were established for the following reasons:

- 1) Spend a portion of market value gains, rather than just dividends, interest and gains on sales.
- 2) Protect principal from loss should market value decreases occur.
- 3) Stabilize spending so that it does not fluctuate unpredictably with market value changes.
- 4) Generate additional investment income on the retained balances.

Discussion ensued regarding reserves.

Mr. Muchmore stated that there has been a controversy that reserves were thought of as surplus, and he wanted to make this distinction.

#### Potential Mining Impact on MNRTF Applications

Mr. Tom Wellman, Manager, Minerals and Land Management Section, DNR, provided a PowerPoint presentation outlining the potential mining impact on MNRTF applications and metallic leasing in the Upper Peninsula.

The Metallic Minerals Leasing Policy 27.23-12 was developed to encourage the private sector rather than the state to risk capital in the exploration and development in the state's minerals; and the protection of the environmental, recreational and other uses of the land.

Mr. Wellman pointed out the locations of 2008 MNRTF applications in the Upper Peninsula via a map on PowerPoint. He also identified on other maps where the state-owned minerals and leased state-owned minerals were located. At the Board's last meeting, there were questions raised about three applications: 08-106, Republic Iron Ore Heritage Trail Acquisition, Republic Township; 08-024, Millie Mine Bat Viewing Site Trail, City of Iron Mountain; and 08-058, Gibson Lake Park Improvements, Crystal Falls Township. He pointed out these locations on the map.

Mr. Wellman also outlined a map of the bedrock geology of the Upper Peninsula and a map of the existing mining and potential mining areas.

Mr. Wellman also outlined the lease classification process for state-owned minerals. All lands nominated for leasing receive a field review from DNR resource divisions to determine the proper classification. Land use and other unique surface values or specific elements are what staff takes into consideration when evaluating.

Classifications are:

- ❑ **Non Leasable** is the most protective, and is typically reserved for protection of lands having unique surface values such as dedicated wilderness or natural areas or lands with restrictive covenants which prevent leasing.
- ❑ **Leasable Non-Development** prevents any surface activities from taking place on the land but allows exploration and/or mining to take place beneath the surface.
- ❑ **Leasable Development with Restriction** allows development of specific areas specified in the lease or following expressed approval.
- ❑ **Leasable Development** generally allows exploration and potential mining on the surface of the lease, following approval of an exploration or mining and reclamation plan.

Ms. Pollack asked if this determination is made when someone seeks a permit or is made earlier. Mr. Wellman responded that this is determined for state-owned minerals when parcels are nominated for lease. Before they are leased, they are classified under one of the above-referenced categories.

Mr. Wellman continued by stating that there are some additional lease requirements and restrictions that are in effect. These are:

- ❑ **No Exploration** may take place on any lease without an approved Exploration Plan.
- ❑ **No Mining** may take place on any lease without an approved Mining Plan.
- ❑ **All mining of nonferrous metals** must receive a permit through part 632, Nonferrous Metallic Mineral Mining.
- ❑ **All mining operations** must receive all necessary state, federal, and local permits for operations which are regulated by the respective statutes.

Mr. Wellman further stated that in summary:

- ❑ Opportunities for metallic mining are limited to the Western Upper Peninsula.
- ❑ State-owned minerals are classified prior to leasing to provide an appropriate level of development.
- ❑ State-owned minerals require approved exploration or mining and reclamation plans prior to conducting any activity on the surface.
- ❑ On private and state-owned minerals, Part 632 requires a mining plan reviewed and approved by the Department of Environmental Quality (DEQ) and DNR prior to commencement of mining.

Ms. Pollack stated that what she is going to be increasingly concerned about is the Superior Forest Partnership Project-Phase I (08-154) submitted by the DNR, Forest, Mineral and Fire Management Division. The Board is being asked to provide a substantial amount of funding over three phases. She is concerned about the potential for conflict. If the MNRTF invests in protecting it, what would it be protected from? It appears we would be protecting it from certain types of development, but not mining. Mining can have some very hard impacts on the land. Chairperson Garner added that it could also have some tremendous revenue impacts without having any large land impacts, as well. Ms. Pollack further stated that the MNRTF is here to save land, not to make money, but use the money that it does have to save the land. There could be some conflicts, and before the Board gets to the decision-making meeting, she will have some specific questions.

Ms. Pollack also mentioned the Kennecott permitted mine is being contested. Some people believe that the DNR is not being protective of the land and the resources are being put at risk. She feels the MNRTF Board has a special obligation to proceed cautiously.

Mr. Wellman stated that the State of Michigan has a significant mineral ownership in the Upper Peninsula. There is a very small amount that is under lease at the present time. In addition, if you consider how long there has been exploration in the Upper Peninsula, there are only two existing mines which are currently in operation.

Ms. Pollack asked that when land is about to be leased what kind of public notification is provided. Mr. Wellman responded that all lands which are nominated for lease are publicly noticed and there is an opportunity for comment during that period. Ms. Pollack asked at which level the decision is made. Mr. Wellman responded the decision is made by the Natural Resources Commission on a lease-by-lease basis. Mr. Charters stated that actually it is for the DNR Director's approval. Mr. Wellman responded that it is for DNR Director's approval, as part of the Natural Resources Commission process.

Ms. Pollack asked when the state owns the mineral rights, at what point is it likely that the private sector would be seeking a lease and what access do they have. Mr. Wellman responded that in the public domain, as far as geological information, the map shows certain types of rocks are capable of having metallic deposits. That is where they start their efforts. Obtaining the leases is one of the first steps in that process.

Ms. Pollack would like to suggest that the Board consider and discuss with staff that when an application is made in areas when it is known to have sulfide mining potential, whether it is leased or not, that there be some statement of information that is provided to the Board. She would like to know this information before funds are invested. Chairperson Garner would go further and request this information be a "blanket" statement to include gas and oil and all minerals. Mr. Wellman responded that staff could provide the information that they have, but in particular with metallic mining, a lot of this is unknown. There is a lot of exploration going on with few positive results. Staff can provide the Board with property that is under lease and what the leasing history is. For oil and gas, a little more information can be provided, as these are more defined. As far as metallic mining, it will not be as definitive.

Ms. Pollack asked could the Board, in granting funding for a particular project, put a stipulation on it that, assuming the state does own the mineral rights, the land cannot be developed for certain types of exploitation. Mr. Charters stated that he believes we will be hearing from the Attorney General's office on restrictions of the Board.

At this point, Mr. Bob Reichel made a presentation outlining the MNRTF Board's legal authority.

#### IV. NEW BUSINESS.

##### Mr. Bob Reichel, Attorney General's Office – Legal Authority of the MNRTF Board

Mr. Bob Reichel, attorney with the Environment, Natural Resources and Agriculture Division, Attorney General's Office, was asked by DNR staff to outline some basic issues of the legal authority of the MNRTF Board within which it operates. He provided the Board with a couple of state statutes for their information (Part 19, which governs the Michigan Natural Resources Trust Fund; and Executive Organization act of 1965 (excerpt).

For the last few years, Mr. Reichel has specifically been charged with working with DNR issues among other tasks. In that capacity, it his role to provide legal advice to DNR staff and, if requested, to the MNRTF Board.

There was a dispute that arose last year by a prior action of the Board that said there would be certain restrictions on the future use of the property and legal challenges to those restrictions (Gaylord to Cheboygan Trail, now called North Central State Trail). Subsequent decisions removed the restrictions. This property was partially funded by the MNRTF Board.

When the issue was raised, it was brought to Mr. Reichel's attention that at the time this particular trail project was proposed and the Board was asked to recommend funding, concerns were expressed about the nature of the activities on the proposed trailway, specifically whether there would be restrictions on motorized vehicles, and especially snowmobile use. At the time the Board was asked to act on this, there was a fair amount of discussion and the suggestion ultimately was reflected in the MNRTF Board minutes that the recommendation for funding for a couple of segments of the trail be contingent upon the designation of the trail as non-snowmobile or non-motorized.

Mr. Reichel stated, under the statutory process, the Legislature appropriates the funding recommendations of the MNRTF Board. It does not, to his knowledge, put into law any particular restrictions on the use of the property, other than those that are in the constitution itself and statute Part 19. Part 19 states: ".....the use of Trust Fund monies is limited solely to preserve lands, or interests in lands, and develop public recreational facilities."

In the case of the North Central State Trail issue, after the lands were acquired and the trail developed, because this is land that went to the State of Michigan, owned and managed by the DNR, there was a Director's Order that prescribed what activities could or could not take place. The initial Director's Order that applied to this area did indeed prohibit certain motorized use. There was public controversy over the years and conflicting desires about the use of this corridor expressed by people along the trailway,

particularly about interference with their enjoyment of the property. In 2006, the DNR decided, based upon strong support for the development of the segment of the trail for snowmobile use, to modify the Director's Order to allow some snowmobiling. The issue was brought before the MNRTF Board, and they made the decision to, in effect, authorize the change in use.

Mr. Reichel further stated that the attorneys who represent some of the people opposed to the snowmobile use raised the issue of whether or not the MNRTF Board had the authority to remove the restriction. That brought the issue to the attention of the Attorney General's office to review. There is not a formal opinion of the Attorney General, but the Attorney General does have the authority at the request of agencies and legislators to issue formal opinions. Mr. Reichel stated that when he and his supervisors reviewed this issue, the conclusion that was reached was in this case the Board did not have the legal authority to remove the restriction, but the more significant point was, what authority did the Board have in the first instance to essentially prescribe a particular management routine for the land once it is acquired.

Mr. Reichel continued by stating that it was not his purpose today to tell the Board what to do, but just to cue up the issue and walk through the basic legal authority of the Board so they could have the benefit of this for making future actions and decisions.

At this point, Mr. Reichel walked the Board through, Part 19 of the Natural Resources and Environmental Protection Act. In Section 1905 it states that "The Michigan natural resources trust fund board established within the department [of natural resources]. The board shall have the powers and duties of an agency transferred under a Type I transfer pursuant to section 3 of the executive organization act of 1965....". There are different kinds of state agencies. A Type I agency, under the Executive Organization Act, basically means that it is an autonomous spot that is housed within a department of state government. "A Type I transfer agency shall exercise its prescribed statutory powers, duties and functions....independently of the head of the department." What that means in the case of the MNRTF Board is that the functions that it performs, decisions are made independent of the Natural Resources Commission or the Director of the DNR, but it is housed bureaucratically within the DNR. The MNRTF Board, like any state agency, is a creature of the Legislature. It has all the powers, but only the powers that the Legislature has conferred it.

Mr. Reichel stated that Section 1906 says in part "The board shall elect a chairperson and establish administrative procedures." Section 1907 is the key provision that defines the MNRTF Board's authority. It says "The board shall determine which lands and rights in land within the state should be acquired and which public recreation facilities should be developed with money from the trust fund and shall submit to the legislature in January of each year a list of those lands and rights in lands and those public recreation facilities that the board has determined should be acquired or developed with trust fund money, compiled in order of priority....the board shall supply with each list a statement of the guidelines used in listing and assigning the priority of these proposed acquisitions and developments." The core and vital function of the Board is determining which lands or interest in lands are to be acquired with money from the MNRTF and which public recreational projects will be funded. It does not put the Board in the position of managing or overseeing the management of such lands.

Mr. Reichel further stated that going back to the issue that triggered this discussion, the North Central State Trail project, the conclusion he informally reached on this issue was that the Board did not need to act to change the use of the land. The use of the land, which was state land, is regulated by the DNR under the established processes (Director's Orders) that mandate which activities will or will not be permitted. He is not suggesting that anyone was acting in bad faith. The Board has done so much important work over the years as a body of policies and procedures that have been developed over time, which may or may not have been fully analyzed in terms of what precisely the parameters of the Board's authority.

Mr. Reichel continued by stating that the Board certainly has the ability to establish its own administrative processes, but unlike other agencies, it is not empowered to promulgate rules. State agencies are sometimes authorized by the Legislature to promulgate rules and to carry out legislative mandates. The key distinction is rules, unlike policies or guidelines, carry the force of law that may affect the rights of third parties. In order to legally bind other parties or public, first the agency has to have authority to promulgate rules, and then if rules are promulgated there is a very detailed process that has to be laid out whereby they are put out to the public. The statute does not empower the Board to promulgate rules, and if the Board were trying or wanted to affect the rights of third parties, they would have to go to rule promulgation.

There is also a process under the Administrative Procedures Act that talks about guidelines, which is basically a statement of agency policy or procedure. It could bind the agency but could not bind another party. This also must go through a process, but is less extensive than promulgating rules. Mr. Reichel feels there is a very substantial question about whether it is wise or even appropriate for the Board in its deliberation of proposed projects to engage in or purport to determine beyond the project description on a continuing basis how the land or the interest in land will be managed.

Ms. Pollack stated that one of the Board's policies stipulate that should future lands that have been acquired or improved with MNRTF support cannot be changed in purpose from a public park to another use without approval of the Board. She wondered how that relates to what Mr. Reichel just outlined. Mr. Reichel responded that he is aware of this policy (Board Policy 94.1, Conversions). To the extent that it purports to regulate the future use of land, it is not all clear to him that that policy and procedure has the force of law.

Mr. Wood offered as clarification that when the MNRTF monies are appropriated, there is language in those appropriations that specifically state that the land may not be used other than for the intended project. So there is a statute in place. Mr. Reichel stated that he is not suggesting that the land from the acquisition or those facilities be converted for any other use. The issue that he is trying to address is what role, if any, the Board has to play or should play in the process. The constitution and statute very clearly says that monies from the MNRTF shall only be used for certain purposes in Section 1903. It says "Subject to various limitations, certain money from the fund may be used only for the following purposes: a) the acquisition of land or rights in land for recreational uses or the protection of land because of its environmental importance or scenic beauty; b) the development of public recreation facilities; and c) the administration of the fund."

To break this explanation down, once land is acquired, the DNR is the state agency that is bound by the restrictions of the Legislature as to the use of the lands. Secondly, the projects that the Board recommends money to be appropriated be provided in a grant basis to local units of government. The grant agreement is established for each of these projects that places specific limitations on use of the property and which would be consistent with the statutory mandate that the properties only be used for the specified purposes.

Mr. Reichel does not want to suggest in any way that projects funded by the Board are up for grabs. The question he wanted to raise was where in this process the Board's role was. As he reads the statute, the Board plays a vital role at the front end of the projects, by screening and deciding which ones to recommend and in what priority. The legal matter is not clear to him that the Legislature has empowered the Board with the responsibility of continuing control and management of these lands.

Mr. Reichel further stated that if a grant is given, there is a legally and enforceable contract between the state and the grant recipient. If there is some breach of that agreement or attempt to misuse the land in a way that is not contemplated or authorized, that could be enforced. The public is not without recourse. The question he is addressing is where the MNRTF Board fits in the process.

Ms. Pollack stated that it appears if the Board wishes to exercise whatever influence they may have, it would have to be in the grant agreement. If it is part of the grant agreement, then any change in the agreement would still not come back to the Board, but rather the DNR would handle. Mr. Reichel responded that is his understanding.

Chairperson Garner responded that it is interesting to him that while the list of projects recommended is dealt with in the Legislature and enacted, none of the issues such as no mining or no motorized vehicles are enacted. These are not enacted to give the Legislature an immediate force of law. Mr. Reichel responded that is correct. Using the North Central State Trail as an example, there was a project description that went through the process before the Board and it did talk about certain conditions. But the project description, rather than the subject, basic purpose, recipient and amount, are not enacted.

Mr. Muchmore stated that basically what is being said is to figure out what is to be acquired, whether it is a good piece of property, but once acquired and in future years, it is basically out of the Board's hands. Mr. Reichel responded looking at the statute as written, that is the conclusion he draws. The Board's function is at the front end of the process.

Chairperson Garner stated that he appreciated Mr. Reichel appearing before the Board today. It is a real eye-opener on what the Board's duties are and what direction they can take. Mr. Reichel wanted to state that this is no way criticism of the Board or staff. Chairperson Garner responded that it is not taken that way.

Mr. Reichel added that the Board should try and proceed cautiously whether they want to go down the road in involving themselves in land use decisions beyond the basic description of the front end of projects and modifying them in the future. He wanted to emphasize that the use of the property and projects funded by the MNRTF are constrained by the Legislature and the constitution. If the DNR gets the land, it is

subject to those requirements. A grant recipient can and should be subject to those requirements in the grant agreement.

Mr. Muchmore stated it is his understanding that once the Board has made the decision to fund a project, they cannot attach “strings” to the project that run in conflict with legislative priorities or powers given to the DNR. Mr. Reichel responded that is correct. To put it differently, the Board has the powers that the Legislature have given it. The Board’s powers do not include ongoing control of the use of the property.

Ms. Pollack asked if this would preclude the Board’s power to negotiate with an applicant certain use restrictions that would become part of the grant agreement. If there were to be future changes in the grant agreement, it would be up to an authority other than the Board, meaning the DNR. Mr. Reichel responded that as he understands it, the grant agreement is executed by the DNR on behalf of the state and recipient. So it is the DNR that would be involved in a) the enforcement of the agreement, and b) if there was some proposal to modify it.

Ms. Pollack asked if the Board were to recommend a project for a municipality, what could keep that municipality from turning the property into a trailer park, which would be inconsistent with the use that was intended. Mr. Reichel stated that a project has to be consistent with the statutory limitations of public recreational facilities. Those restrictions would be enforceable under the terms of the grant agreement. The grant contract would prevent some unilateral deviation.

Mr. Muchmore asked if the Board constrains a project with certain requirements, it is assumed the grantee could protest the requirements that the Board placed on the project as being outside the scope of the Board’s authority. The grantee could say it was done in the context of duress and that acceptance of the project was outside the scope of the Board and therefore, that the restriction would not be a valid imposition on the project. Mr. Reichel responded that it is possible that someone could do that, but a grant is a grant. The applicant describes a particular project to the staff and Board and the recommendation is to approve or disapprove it. If the applicant wants the benefit of public funds for this purpose, they are subjecting themselves to the terms of the agreement.

Chairperson Garner again thanked Mr. Reichel for his presentation. This rounds out the statute, constitution and what the duties of the Board are.

#### 2008 Application Review – August 1 Acquisitions

Ms. Apostol advised the Board that 22 additional acquisition applications have been received by the August 1 deadline—15 local, totaling \$12 million; and 7 state acquisitions, totaling \$17 million.

The grand total of 2008 development and acquisition applications received is 159, totaling \$90 million.

Ms. Apostol continued by stating that the Board has basic information on the 22 new acquisition applications in their packet of information. Additional information will be provided at the Board’s October meeting.

Staff will continue to do site visits and provide scoring to all applications received for 2008. New secondary cycle acquisition applications will not have the benefit of the preliminary evaluation, written comments as to how they scored, and the opportunity to provide supplemental information as the April 1<sup>st</sup> applicants.

Mr. David Freed, Chief, Office of Land and Facilities, DNR – DNR Projects

Mr. David Freed, Chief of the Office of Land and Facilities, DNR, outlined three conservation easements that were approved by the MNRTF Board in 2006 and 2007. These are:

1. Flowing Well (1720 acres in Kalkaska County, working with Grand Traverse Regional Land Conservancy).
2. Hackett Lake (660 acres in Cheboygan County, adjacent to Pigeon River Country State Forest, working with Little Traverse Conservancy).
3. Leelanau State Park (51 acres, Leelanau County, adjacent to Leelanau State Park, working with Leelanau Conservancy).

Over the years, the MNRTF has approved different conservation easements, including the three mentioned. These three were envisioned to be a partnership between the state and the conservancies and they have been. The state would acquire the conservation easement and the conservancy would hold other rights outside of the right for public access and to protect the property.

Even though the partnerships make sense, it has become apparent to the DNR in these three cases that the conservancies were going to be holding a minimal amount of rights. The state was acquiring most of the rights under the conservation easement. At this point, the DNR thinks it makes sense for the state to hold all of the rights. The DNR has worked with the three conservancies and they are in agreement. At the August Natural Resources Commission meeting last week, Director Humphries approved the cases with the stipulation that the DNR acquire all of the property rights.

Mr. Freed stated he is here today to make the Board aware of these issues and to have their concurrence. No additional MNRTF revenues would be involved in this. The award that was already presented is in place. Instead of holding of holding the conservation easement, the state would hold title to all of the rights.

Mr. Freed further stated that Director Humphries wanted Mr. Freed to extend her thanks and appreciation for these projects. He also wanted to publicly thank the conservancies that the DNR has been working with.

V. STATUS REPORTS.

DNR Real Estate Report

Mr. Wood stated that the Board has received this report in their packet of information. Mr. Freed and Mr. Ed Meadows of the Office of Land and Facilities, DNR, were available if the Board has any specific questions.

No further discussion.

### Local Projects Completion Report

No discussion.

### Open Projects Status Report

No discussion.

### MNRTF Lump Sum and Line Item Department Projects

No discussion.

### Financial Report.

Mr. Wood advised the Board that the estimated revenue figures have changed significantly since the last meeting. It is estimated that approximately \$43 million will be available for 2009 projects. This is a record amount of revenue.

Mr. Charters asked about the Kamehameha project and wondered if there was still a balance of \$1.1 million. Mr. Wood responded that we have not received the final balance of the project.

Mr. Charters also asked about the Forest, Mineral and Fire Management Division's expenditure on the Financial Report. In 2007, it was \$833,775 and this year it is estimated to be \$1,043,100. He wanted to know why the increase. Mr. Wood responded that the \$833,775 is the actual expenditures and the \$1,043,100 is the appropriation for 2008. This figure may not necessarily be the actual expenditures. This is about a 4% increase from the 2007 appropriation.

Mr. Wood stated that staff has discussed providing the Board with a breakdown of where the funds are distributed in Forest, Mineral and Fire Management Division. He has spoke with the Office of Financial Services, DNR, and will provide this to the Board at their October meeting.

## VI. PUBLIC APPEARANCES.

### Representative Terry Brown – 08-056, Veterans Waterfront Park Improvements, Village of Port Austin

Representative Terry Brown made a presentation in support of 08-056, Veterans Waterfront Park Improvements, Village of Port Austin. He stated that a week ago the Waterways Commission was in Port Austin and was able to observe the proposed project.

Port Austin is a community at the tip of the thumb area of the state. There is no expressway on the way to the village. It is a very important area. The lighthouse was one of the first lighthouses in the state and its 160<sup>th</sup> anniversary was celebrated a couple of weeks ago.

The Great Lakes are our best asset and the shorelines surrounding them needs to be protected and be managed in such a way that opportunities can be provided. Port Austin is one of the communities that are relying heavily on tourism as well as fishing and other opportunities for residents. It is a community that not only has the identity of being a lakeside community, but has the respect and admiration of many other communities.

Representative Brown concluded by stating on behalf of Senator Barcia and himself, they would love to see this project go forward. It is the kind of investment that he thinks would see returns forever.

Mr. Robert Koski, Supervisor, Addison Township – 08-067, Lake George Nature Park Acquisition

Mr. Robert Koski, Supervisor of Addison Township, made a PowerPoint presentation in support of 08-067, Lake George Nature Park. He stated that the township will be making some improvements to their grant application by the October 1 deadline for supplemental information. Improvements will include ADA access.

Mr. Koski pointed out the watershed preserve, Peringian property and the proposed Lake George Nature Park via a map on PowerPoint. The watershed preserve is 230 acres located on the border of Lapeer and Oakland counties. This property was assisted with MNRTF funds. This is the watershed for three rivers—Flint, Belle and the north branch of the Clinton.

The Lake George Nature Park acquisition is an 80-acre parcel. Lake George flows up into the watershed area. The Peringian property may be donated to the township or at least make it reasonably priced. This would create a wildlife corridor.

Mr. Koski stated that the Oakland County Parks and Recreation Department is very supportive of the project. The township does not have a parks and recreation department, but has a lot of volunteers. The township also is very supportive of the project.

Mr. Koski continued by pointing out various points of the proposed nature park. The lake is surrounded completely by woods and wetlands. The DEQ has a protection easement on much of the wetlands. There are hunting, fishing and nature capabilities.

The ranger station for the nature center could include: restrooms, storage for park equipment, canoe or rowboat rental, training center for gun safety and hunter training, and gathering place for guided nature hikes and indigenous plant hikes. The rangers are all volunteers and train for their responsibilities and duties with the Addison Township police, which is part of the Oakland County Sheriff Department.

There are a lot of trails on the property. These can be developed from existing deer trails. They are proposed for very low impact public use and planned for wildlife viewing and seating areas. A universal access fishing pier, picnic area and hitching post for equestrians is being proposed.

Park management resources include:

- ❑ Parks and Recreation Master Plan
- ❑ Township-funded park budget
- ❑ 7-member park committee
- ❑ 10 park rangers – volunteer
- ❑ WAM crew
- ❑ Volunteer labor
- ❑ Equipment and materials provided by local sources
- ❑ Support from Addison Township Sheriff Substation and MDNR
- ❑ Planning support from Oakland County

Mr. Koski further stated that the property will be used for cross-country skiing, snow-shoeing, ice fishing, bird watching, fall color enjoyment, catch and release fishing and bow hunting.

Chairperson Garner asked about the catch and release fishing and if anglers are allowed to keep fish. Mr. Koski responded that the township asks that they release most of their catch because if all were caught, it would deplete the lake. Chairperson Garner wondered about pan fish. If most of the fish were released, there would be a problem with stunting. Mr. Koski responded any pan fish caught were allowed to be kept. He also mentioned that deer hunting is allowed, but there is criterion that is required of the property.

Mr. Koski further stated that the natural resources are conserved by the Michigan Department of Environmental Quality (DEQ) and the Six Rivers Regional Land Conservancy. Township ownership is needed for public recreation, hunting, fishing and other beneficial uses to take place. Without township ownership, the property will most likely be sold to a private party.

Mr. Charters asked about the natural resources being conserved by the DEQ and the conservancy. He wondered who owned the property at the present time. Mr. Koski responded the conservancy owns the property. Mr. Charters wondered if it was not already protected. Mr. Koski responded that the wetlands are protected, but the conservancy has a mortgage coming due and it will be up for sale at that point.

Ms. Pollack asked how long the conservancy has owned the property. Mr. Koski responded about a year or more. This was a situation where the DEQ allowed a construction further south in Oakland County if other land was to be preserved. There was a piece of land that was needed for a hospital. Ms. Pollack said it appears there was a private, nonprofit development that took place and they had to get some mitigation change. She wondered if they had to pay for this property. It does appear they did a good job of protecting the property if it is about to be threatened with development. She wondered how this exchange took place. Mr. Koski responded that he believes the DNR has just so much of the land that was going to be protected. In order to come up with the total 80 acres, the conservancy had to come up with the money and buy the whole thing.

Ms. Pollack said this still does not make sense to her, unless they decided to protect additional acreage beyond which the developer was required to acquire for mitigation. Mr. Charters stated that this appears similar to a project proposed for acquisition by

Leelanau County in the past. He wondered if the Board was being asked to “bail out” the conservancy.

Ms. Donna Folland, Executive Director of the Six Rivers Regional Land Conservancy, responded no. This property has been targeted for acquisition by the township for several years. In fact, they submitted an application for acquisition a few years ago. At that time the property was in dispute between two brothers. The conservancy has been working with the township to help them find opportunities to acquire the property. The opportunity that came up was Beaumont Hospital filled wetlands when they were expanding their campus in Troy and they needed to mitigate those wetlands being filled. The conservancy worked with the DEQ and Beaumont Hospital. They got their mitigation credits for the property. This property actually was more credits than needed, so the hospital put more money into the property.

The conservancy also received an interest-free loan to complete the acquisition. Where it stands now, the property has a conservation easement over the wetlands areas that are held by DEQ. The conservancy is the owner of the property. The intent has always been to protect the resources. The conservancy’s first choice would be for the township to hold the property and be open to the public. If that is not available, the conservancy will sell the property, but the resources will still be protected and they would still continue to monitor the DEQ’s easement. It will not be developed, as there is not enough unprotected land to actually be developed, but most likely it would not be accessible to the public.

Ms. Folland further stated that the conservancy has worked with DEQ to develop the conservation easement that is going to allow for recreational uses to be open as a public park. If it is not a public park, that would be a case of conservation of private land.

Mr. Charters stated that the Board needs some more information on this proposed acquisition.

Ms. Suzanne Kayser, Mayor’s Office, Special Initiatives Program; City of Flint; and Ms. Heidi Phaneuf, Senior Planner, Genesee County – 08-075, Grand Traverse Greenway Property Acquisition

Ms. Suzanne Kayser, Mayor’s Office, Special Initiatives Program, City of Flint; and Ms. Heidi Phaneuf, Senior Planner, Genesee County, made a PowerPoint presentation in support of 08-075, Grand Traverse Greenway Property Acquisition, City of Flint. The neighborhood association has taken on responsibilities in the park as far as adding amenities to it.

This is a grassroots generated project made up of people involved in the “Friends of the Flint River Trail.” They are very anxious about this acquisition.

The City of Flint has 33,000 students between Kettering University, University of Michigan-Flint and Mott Community College. They are all within a few blocks of each other.

It is also a very important perspective on this trail that it represents innovation and change. The trail will impact the citizens of the city.

Ms. Kayser stated that the match has been secured for the acquisition.

At this point, Ms. Phaneuf outlined the project via the PowerPoint presentation. The project came out of the Genesee County Regional Trail Plan, which was prepared by Genesee County in 2006. Trails were identified and prioritized as to the ones that were most important to Genesee County. This plan was approved by the county.

One of the things to be created by this trail was the connection to the main trail in the county, which is the 12.5-mile Flint River Trail. This would provide the citizens of the city and county access to recreation opportunities in a safe way. The trail would meet ADA requirements. In addition, in the process of creating the trail the corridor around it would be preserved.

Ms. Phaneuf pointed out various priority trails for the county via a map on PowerPoint. The Grand Traverse Greenway Trail starts in downtown Flint and ends in the City of Burton. The 3-mile portion that the city is seeking to acquire runs to the city limits.

There are other improvements that are being worked on, including the Flint River Trail, by making it more accessible, new signage, denoting parking areas and also destinations along the trail. The Genesee Valley Trail, which is another rail-to-trail corridor, the county is currently working with the Michigan Department of Transportation (MDOT) on a Transportation Enhancement project. A regional trail system is trying to be built and the Grand Traverse Greenway Trail is a major part of it. When complete, it will connect through the entire City of Flint, north to south. This would lead up into the Genesee County parks area, which is the largest county-wide park system in the state. There are no state parks in the county.

A committee of citizens, trail groups and local universities has helped to bring this all together. They meet on a regular basis and the goal is to provide additional resources to the City of Flint. There is a lot of community support behind this initiative.

The trail is currently owned by CSX Transportation and is three miles long. The goal is to have the trail completed by 2010. The trail would connect to Riverbank Park in downtown Flint. Springrove (sp) is a new project, which is a four-acre natural area that is being revitalized from a brownfield and has one of the few wetlands that are still in existence in the city. The trail also would connect to Aldrich (sp) Park and Happy Hollow, which is an 80-acre natural preserve tucked away in the city. In addition, the trail would connect to several other areas in the city.

Ms. Phaneuf pointed out more of the areas on the map on PowerPoint and explained what improvements would be made.

Ms. Pollack asked if there are any anticipated access fees to be charged. Ms. Phaneuf responded no. All city parks are free. Ms. Pollack asked if that was true for Genesee County parks. Ms. Phaneuf responded yes. There are boat launch fees, but other than that no access fees are charged.

Ms. Kayser wished to thank the Board for inviting the City of Flint to make a presentation. She also wanted to thank Ms. Apostol, Mr. Cherry and others who have come to the city to help guide them through the process.

Mr. Chris Youmans and Mr. Patrick Doher, Jackson County – 08-085, Sparks County Park Urban Fishing Project

Mr. Chris Youmans, Superintendent, Sparks County Park; and Mr. Patrick Doher, Jackson County, made a PowerPoint presentation in support of 08-085, Sparks County Park Urban Fishing Project.

Mr. Doher, who is employed by Johnson, Johnson and Roy, a consulting firm, made comments as a citizen of Jackson County. He is one of the volunteers who help maintain the parks and have been helping to move forward with the county's master plan initiative.

Jackson County has a wonderful parks system. Sparks County Park is home of the Cascade Falls. The Cascade Falls just celebrated its 75<sup>th</sup> birthday. It is 465 acres and includes a golf course and is nestled in the City of Jackson and partly in the township.

A master plan was developed for the entire Jackson County parks system. Sparks County Park encompasses a natural area and the linkage of the natural area to a broader wetlands complex system. As part of the master plan process, the county went to the community and asked what they felt was important for the park, likes and dislikes. There were two public forums held—April 25 and May 17, 2006. One of the things that were important to the county was to include input from the children in the region.

Mr. Doher explained that what the county proposes to accomplish with this project is to concentrate on the natural area and the linkage to the larger wetlands complex. This project is also part of a larger urban fishery that provides universally accessible fishing, urban pond and stream amenities, picnic and recreation components, gateways, landscape and furnishings.

The county attempted to organize the project around the Board's five major goals:

1. **Resource Protection.** This would protect the natural areas and wetlands area. This would also allow the development of an interpretive trail system and also it would become part of the wetlands hydraulic connection between the pond and urban fishery.
2. **Water Access.** This is what this project is all about. There is a large, deep well that serves the pond, but because of the hydraulic characteristics there needs to be some dredging incorporated that will enhance the fishery and the access to the water. Some of the things that the county would like to include in the project are a series of different types of connections that allows the trail system to be integrated and also barrier-free and accessible. It would allow the trail to go all the way through the entire network of the wetlands system. Accessible fishing platforms, as well as interpretive and educational opportunities would be included.
3. **Community Recreation.** This is a 465-acre park that is all about community recreation. There is a recreational ball field complex. There are some areas that are preserved for schools and educational opportunities. The Cascade Falls is part of this recreation. The county would like to provide a unified picnic shelter.

4. **Urban Recreation.** The park sits in the City of Jackson, which has a population of 35,000 plus population. The park provides visitors with the opportunity to see natural systems and fisheries within an urban area and provide that opportunity for people who do not necessarily have access to these resources. Part of this goal is to have a trail system that teaches people about these resources. In addition, this would also show visitors that there is natural beauty within urban areas and that these areas can be preserved.

In addition, the county is planning on incorporating into the urban fishery system a viewing chamber which allows visitors the opportunity to view the actual system in the stream. This is not part of this application, but are plans for the future.

5. **Economic Development.** In order to attract and retain businesses and employees, it is necessary to have a sound environmental system of natural resources that provide opportunities for recreation. The county would like to attract interpretive groups and garden clubs to be able to plant areas, as well as corporations or community groups that could be a part of the plantings as well. The county is also providing recreational opportunities at the Cascade Manor House for garden clubs as well as other events.

Ms. Pollack asked if there were any access fees to get into the park. Mr. Doherty responded that the only fee that is charged is for the golf course and Cascade Falls. There are no fees to get into the park itself.

Mr. Muchmore asked if the park was hunting accessible. Mr. Doherty responded no. Mr. Muchmore suggested that the county have a conversation with Professor Steve Moord (sp) at Michigan State University who has done an extensive economic study about the benefits of a community like Jackson for expanding park land in terms of acquiring economic development. Mr. Doherty responded the professor joined the county at one of the public meetings.

Mr. Torre asked if the cash donation indicated in the application was available at this time. Mr. Doherty responded that a professional fund-raising firm has helped the county with the capital campaign.

Ms. LuAnn Maisner, Parks and Recreation Director; and Ms. Jane Greenway, Parks and Land Management Coordinator, Meridian Township – 08-044, Towner Road Park Development

Ms. LuAnn Maisner, Parks and Recreation Director; and Ms. Jane Greenway, Parks and Land Management Coordinator, Meridian Township, made a presentation in support of 08-044, Towner Road Park Development.

Ms. Maisner stated that the township had been working with the property owner since 2000. He was very interested in seeing the site developed as a park. The property was acquired by the township a year and a half ago. There has been much community, schools, sport groups and community organizations support for the acquisition and development of the site. Many fund-raisers were held to obtain the grant match. The township also has a park millage that assisted with the match.

At this point, Ms. Greenway continued by outlining the project. This is a 22-acre site in the northern portion of the township. This is one of the last available sites that could be used for an integrated recreational complex. To the east is a land preservation property. There is a special millage in Meridian Township to acquire lands to be preserved. This site is also on the route of two proposed bike trails and is close to residential development. It is also in a portion of the township that has been identified to be deficient in community parks, per the township's five-year recreation plan.

The site was a former golf driving range and not all of it has been cleared. There is a nice woodlot along the south side of the park. Also, there is a remnant prairie and wetlands. It is in perfect condition for a combined active and passive recreation because there is not a lot of grading that will need to take place for some proposed sports fields.

Development will include a .6-mile walking path, pavilion, interpretive signage, benches, two ball diamonds, multi-purpose athletic field area, restroom building, universally accessible playground, and parking. In addition, there are several mixed use projects going on to the west of the development. A tunnel is proposed across Saginaw Highway to connect to the park.

An archery facility is being proposed for future development. The township was awarded a grant from the DNR's Law Enforcement Division to purchase archery equipment. At this time, the township's parks and recreation department has archery programs going on in some of its parks, but they do not have suitable facilities to store equipment.

In addition, a Haslett elementary school has built a greenhouse and is growing native plants for Meridian Township to plant in the parks. There has been much school partnering and student involvement in the township parks.

Last year, the township created a Universal Access Advisory Board to review the parks and how they can be improved. The project has been reviewed several times and has offered their comments and changed the plans accordingly. As a result, many of the features of the development are universally accessible.

The property was purchased eight years ago with park millage funds. There is not much money left over for new development. A good portion of this park property is active recreation. The township has more than 900 acres of parkland and many of the parks are natural areas.

Ms. Greenway read two letters of support for the project to the Board.

Ms. Maisner added that the township does not charge an access fee to any of their parks.

Mr. Ken Mahoney, County Commissioner, Muskegon County; and Ms. Julie Stoneman, Director, Land Conservancy of West Michigan – 08-029, Meinert County Park Property Acquisition

Mr. Ken Mahoney, County Commission for Muskegon County, made a PowerPoint presentation in support of 08-029, Meinert County Park Property Acquisition. The property is 95 acres adjacent to Meinert Park. It contains dunes, forest, interspersed

with wetlands and a small, undeveloped lake. The county is enthusiastic about adding this property to the park.

Meinert County Park is currently 88 acres of lakefront and recreation area. With the addition of the property, it will allow the county to have hiking trails through the dunes. The property is contiguous with the park. Partnering with the county on this acquisition is the Land Conservancy of West Michigan.

Ms. Stoneman continued by stating the property is located in central west Michigan. Meinert Park is 88 acres of rolling dunes, including beach access, and spectacular views of Little Flower Creek and Lake Michigan shorelines. There also is a campground. This acquisition would add 95 acres of critical dune land to the Meinert County Park. This is an important stretch of coastal sand dunes. This is one of the largest walks of undeveloped, high quality dune lands that exist between Holland and Ludington that is in private ownership and has willing sellers.

Ms. Stoneman pointed out various other aspects of the acquisition via maps on the PowerPoint presentation.

Ms. Stoneman further stated that Muskegon County is part of a growing region, with central west Michigan having the second largest population in the state. Tourism in Muskegon County has increased over the last five years.

Michigan Natural Features Inventory staff has been on the site, as well as others, but there still needs to a more thorough biological inventory as it is known there are important plant species. An important fact is this acquisition would link to a recreation facility that already has an infrastructure in place that would enable visitors to enjoy a different aspect of the natural area community. The park would prevent encroachment of additional residential development and provide additional habitat protection.

Ms. Stoneman further stated that local support for the acquisition is positive. The acquisition is in the hands of two family members. One of the owners is seriously ill and the other is held in an estate which needs to be liquidated.

Ms. Stoneman also added that the grant itself will be restructured, as there has been some hope of getting federal funds to help with the acquisition.

Mr. Muchmore asked about the other grants the county was applying for. Ms. Stoneman responded that the county is working in partnership with the conservancy and it is hoped the grants are secured by October 1. Mr. Muchmore asked if the cash donations will remain in place or will they be displaced if the county gets another grant. Ms. Stoneman responded that those are commitments from the neighborhood associations and others. Those will remain in place.

Mr. Muchmore said it was his understanding that the acquisition would be contiguous to Meinert County Park. He wondered by doing so, would the access to the lake only be up through Meinert County Park. Mr. Mahoney responded there is a high dune behind the lake. You can see the lake and walk along the high ridge that overlooks the lake, but direct access to Lake Michigan would be through the current park area.

Mr. Muchmore asked if an access fee would be charged. Mr. Mahoney responded that a fee would be charged. This is needed to support the county park system, as this is the only revenue that the park system has. Mr. Muchmore asked what the fee was. Mr. Mahoney responded \$4.00 per car; however, people can walk into the park. The fee is for car access only. Mr. Muchmore asked where people could park to walk into the park. Mr. Mahoney responded along Meinert Park Road.

Both Mr. Muchmore and Ms. Pollack expressed the fact that they have problems with an access fee being charged for car access into the park.

Ms. Pollack asked how much revenue was received from the access fees. Mr. Mahoney responded he did not know, but the information could be provided to the Board.

Mr. John Balint, Deputy City Engineer, City of Pontiac – 08-040, Clinton River Trail Pedestrian Bridge

Mr. John Balint, Deputy City Engineer for the City of Pontiac, made a PowerPoint presentation in support of 08-040, Clinton River Trail Pedestrian Bridge. The Clinton River Trail was started by the Rails-to-Trails Conservancy when the railroad abandonment was first announced in 1998. Through the advocacy of the “Friends of the Clinton River Trail”, Rails-to-Trails Conservancy and the State of Michigan, the cities along the trail are Rochester, Rochester Hills, Auburn Hills, Pontiac and Sylvan Lake. Corridors of the trail were acquired with grants from the MNRTF and other federal transportation dollars.

The master plan for the trail was completed by Greenways Initiative in 2003 and since that time four of the five communities along the trail, which are part of the Clinton River Trail Alliance, have completed their trail sections. The City of Pontiac is the major gap in the trail.

Mr. Balint pointed out the trail areas via a map on PowerPoint.

The Clinton River Trail Bridge over Telegraph Road is a continuation of Phase I that was completed in 2004, which is approximately 1.5 miles of crushed limestone trail. The Phase II portion of the trail, which is on the east side of the Phase I that was completed, will be completed in the spring of 2009, leaving only the pedestrian bridge and Phase III to be designed and constructed. This will complete the master plan's trail.

The Clinton River Trail over Telegraph Road is a very important link to the overall master plan. It is the most important road crossing in the trail, second would be in Auburn Hills where it crosses I-75.

The Oakland County Parks and Recreation Department recently initiated a gap analysis and study to identify and direct gapping in the trail system and systems throughout the county. As part of the study, the Clinton River Trail pedestrian bridge was found to be one of the major gaps and the Phase III portion of the trail. The safety of pedestrians is the utmost importance. The grade crossing at Telegraph, which is also known as M-24, seemed to be the only feasible option. At Telegraph, there is a separated/median crossing with six lanes of traffic, three going north and three going south. The average daily traffic for this section of road is 16,000 vehicles per day and the speed limit is 45.

Plans for the construction of the bridge have been developed in 2006 using funds acquired from the Community Foundation for Southeast Michigan. The plans are complete with only some minor adjustments being needed.

Mr. Balint read a couple of letters of support for the trail project for the Board's information.

Ms. Pollack asked if there were any access fees. Mr. Balint responded that there are no fees. Ms. Pollack also asked if there was MDOT money involved with the development. Mr. Balint responded yes.

Mr. Balint answered questions the Board had regarding the Phase III portion of the trail development.

#### Mr. John Pridnia, Village of Port Austin – 08-056, Veterans Waterfront Park Improvements

Mr. John Pridnia, representing the Village of Port Austin as a resident, made a presentation in support of 08-056, Veterans Waterfront Park Improvements. He has lived in the community for six years, and upon moving there observed the area has everything you could want, but was very stagnant and not keeping up with the times for new development or growth. In these six years, there has been a new village council, president, Downtown Development Authority and Chamber of Commerce, all who support this project. Because of these governmental changes, the village is becoming a vibrant and growing community. There are many economic development projects and retail growth, both full time and seasonal residents. Events and festivals are held almost weekly. The area is an agricultural-influenced community, as well as tourism and recreation area. Mr. Pridnia and his wife are involved with a farmer's market that draws several thousand visitors and has many vendors.

Mr. Pridnia wished to thank Jason Cherry, Grant Coordinator for the Port Austin area, for all his help in pointing out deficiencies and the time to address them.

Mr. Pridnia stated that the project involves a complete renovation of the entire shoreline of the Village of Port Austin. This would be a joint project between the Village of Port Austin, DNR Waterways Commission, Army Corps of Engineers, DEQ and MDOT.

The Village of Port Austin is a harbor-of-refuge that has not had any attention in 30 years. It has lost the traffic of the boaters because it is not as pleasant a place as other places in the state. The DNR Waterways Commission has been wonderful to work with. They held their meeting in Port Austin 12 days ago. The Waterways Commission has pledged \$3.7 million to completely do all of the area that falls into their realm of responsibility. There will be a complete redoing of docks and boat launch.

The Village of Port Austin is going to take the responsibility of creating a new beach area with access, a cul-de-sac, pavilion, new play stations for children, and passive area. The village has 764 residents and has spent \$1,027,000 for its participation in the project. The village has received a grant of \$100,000 from the DEQ, Waterfront Redevelopment. They have also requested \$50,000 from the DEQ, Coastal Zone Management. The request from the MNRTF is \$500,000. Construction on the

Waterways-funded portion of the project will commence a couple of weeks after Labor Day.

Mr. Pridnia further stated that the project is in the prime, six-block area of Port Austin. Because it is a port community, you cannot see the lake because everything is buildings or mounds. Without destroying any of the trees or landscaping, there will be shaving down of the properties. In the spring, an old and unsightly civic center building will be removed. A lower profile visitor's center will be built.

Mr. Pridnia stated that what this project includes is removing old buildings and site elements, open views, provide universal access between downtown and the Lake Huron waterfront, new visitor's center, new pavilion, new beach that did not exist before, play areas, recreation areas, access to docks for boaters and a breakwall walk that will be enhanced by the Army Corps of Engineers.

In terms of universal access, the DNR Waterways portion is a fee area and you cannot use it unless you do pay a fee. As for the village's project, there will be no fee structure, including parking. The project is unique because the change in views and grading creates public view and accessibility and universal access. This will allow freedom to move between downtown and the entire public waterfront on Lake Huron. In addition, it will allow universal access between downtown, the harbor, the low creek going through the area, village docks, another beach, pier head and a breakwall.

In terms of environmental issues, the visitor's center has been designed by LEED certified professionals and is designed as such that it will not block the view of the water. The end of Lake and Center Streets will be cleaned up because of erosion problems. The site of an old water plant will become a park. The DEQ's Waterfront Redevelopment Program selected the project for funding partly to showcase the green site design.

Mr. Pridnia further stated that a Veterans Memorial was completed by the village in 2008, funded by the village. Timing for construction of the MNRTF portion of Veterans Waterfront Memorial Park is crucial.

Chairperson Garner stated the Legislature must approve the MNRTF projects before funding can be released. Sometimes it is almost another year after the Board approves the project that the funding is approved. Mr. Pridnia responded that Senator Barcia and Representative Brown have been using the Village of Port Austin as an example of economic improvements to a community. With the gas prices, the village has exploded with tourism.

Ms. Pollack asked how far the village was from the wind project. Mr. Pridnia responded they are about six miles from the state's biggest wind farm. It is very impressive. When done, there will be about 200 windmills.

Mr. Charters was intrigued with the amount of match the village is putting in compared to their small population. Mr. Pridnia responded that the village has worked something out with the USDA that the village can borrow the money in a 40-year loan at very low interest. The Downtown Development Corporation has a money flow. With this, the village will pay off this loan during the 40-year duration. In addition, a multiple unit retail outlet is being planned that will enhance the tax revenues coming in.

Ms. Pollack asked if the farmers market works with the local schools so the farmers are selling their products to the schools. Mr. Pridnia responded yes, and co-fund a birthday project. As in any market, there are certain limitations as to what can be sold. All the segments have been brought in to make the market work.

Mr. Michael Uskiewicz, Township Manager, Port Huron Township – 08-043, Bakers Field Park Development

Mr. Michael Uskiewicz, Township Manager for Port Huron Township, made a presentation in support for 08-043, Bakers Field Park Development. The project is just less than 60 acres of undeveloped land which fronts the Black River. He pointed out various features of the property via a map. From 1976 there was a lot of pressure on the township from developers wanting to develop the property. Back in 2000, the MNRTF Board awarded a grant enabling the township to acquire the property.

In 2004, there was an election of some new board members, and one of the things the new board did was change the focus of where the township was going to go. One aspect that they took on was to establish a township manager position, as well as a Bakers Field Master Plan and Park. There were some community focus groups involved with the project and a consultant was hired. The community focus groups generated a number of ideas. According to the DNR, the Bakers Field property is one of the last remaining undeveloped parcels of property along the Black River. Most of the property is commercial or privately owned with very little access to the river. The focus groups outlined that the property should be kept in its natural state because of the numerous habitat species.

Mr. Uskiewicz pointed out via a map of the Bakers Field Park the small boat launch that will be put in. From a safety and accessibility standpoint, the location is adjacent to an area on the Black River that will go out to Lake Huron. Without this access, to get to Lake Huron you would have to go all the way down the Black River through the urban area of Port Huron and into the St. Clair River. There will also be some shoreline improvements which will help with erosion. A step process will be used to enable users to walk down to the waterfront. A universally accessible ramp will be developed for access to the river for fishing. A picnic facility and walkways, which will be paved, are to be developed.

One of the aspects that came out of the study done by the Center for Independent Living was interpretive signage that will be universally accessible. Windssocks mark the interpretive signage. A parking area for small boats/trailers will be developed.

Chairperson Garner asked how long a ride it was to get into the St. Clair River. Mr. Uskiewicz responded it was about three or four miles. Once you get into the St. Clair River, it is another mile or mile and a half to get to the mouth of Lake Huron.

Mr. Uskiewicz concluded by stating there is strong community support for the project.

Mr. Muchmore asked if there was an access fee. Mr. Uskiewicz responded no.

Mr. Ronald Rau, Supervisor, Putnam Township; and Mr. John Colvert, “Friends of Lakelands Trail” – 08-041, Lakelands Trail Development

Mr. Ronald Rau, Supervisor of Putnam Township; and Mr. John Colvert, “Friends of Lakelands Trail” made a PowerPoint presentation in support of 08-041, Lakelands Trail Development.

Mr. Colvert stated that improvements were made to the Hamburg Township portion of the trail, with the assistance of a MNRTF grant, and wanted to thank the Board for their approval of this grant.

The Lakelands Trail connects many communities in southern Livingston County—Hamburg, Pinckney, Gregory and Stockbridge. There are a lot of users of this trail. The trail is also a critical component of the Airline Trail, which will eventually link to Lake Michigan and Lake Huron. The Lakelands Trail is a prime position to connect to the Oakland County trails to the east and Jackson County trails to the west.

The Michigan Trails and Greenways Alliance recently produced a Connecting Michigan Plan. The Lakelands Trail is an important link to that. The land is already DNR land and is leased to townships. This would be good use of DNR land and the townships would be good guardians of it.

There are some future connections to the Lakelands Trail that will be important. There is an organization that is putting together a rail commuter line which will go from Howell to Ann Arbor in an attempt to relieve the congestion on US-23. One of the stops would be at the Lakelands Trail in Hamburg Township. If these improvements can be made to the Putnam Township section, it would be possible to get on a bike, ride to the train station in Hamburg, go down to Ann Arbor, hook up with the Washtenaw County trail system and never have to use a gallon of gas.

There are a lot of amenities along the trail—grocery stores, restaurants, post offices, recreation areas (Pinckney Recreation Area which has connector trails), government offices, senior centers, libraries and local events.

One of the biggest local connections is the Pinckney Community Schools which is involved with the “Safe Routes to School.” This is a federally-funded program to try and get children to walk or bike to school. Pinckney Schools had a policy that you could not ride your bike or walk to school because there was no safe way to do it, but with the Lakelands Trail improvements, students have now been able to do so. In the Pinckney Community Schools there are eight schools along the trail. The school also utilizes the trail for nature classes.

The Lakelands Trail also provides activities for the following:

- ❑ Boy and Girl Scouts – trimming and picking up trash.
- ❑ Connects to recreation areas.
- ❑ Provides new recreation options – in the Putnam Township area of the trail, will provide bridges for fishing, plus closer to residents in the area to use the trail.
- ❑ Powerhouse Health and Fitness International.
- ❑ Bikes, running and skating.

The Lakelands Trail has created a number of partnerships. These include:

- Michigan DNR and MDOT
- Michigan DNR and the "Friends of the Lakelands Trail
- Village of Pinckney, Putnam Township and the Michigan DNR
- Aging Consortium of Livingston County and the Lakelands Trail
- Equestrian Groups
- Lakelands Trail and Historical Groups
- Lakelands Trail and the University of Michigan Biological Preserve

At the Pinckney trailhead, there is the Pinckney Depot, but no restroom facilities. The project calls for permanent restrooms to be incorporated into the depot, with a possible room for concessions or other activities.

Mr. Charters stated that some of the townships in Livingston County have outlawed hunting. He asked if Putnam Township was one of them. Mr. Rau responded no. Mr. Rau also added that there are no fees to use the trail.

Mr. Muchmore asked what Putnam Township was putting into the project. Mr. Colvert responded that right now, nothing. The township is trying to get an MDOT grant for the trail.

Mr. Muchmore stated there was some controversy from equestrians along the trail in Hamburg Township. Mr. Rau responded that the township's portion does not really run through neighborhoods. It is next to state land with a very rural area character. Hamburg Township's paved portion of the trail was more through subdivisions. In Putnam Township's paved portion it is more rural and access to state lands. Mr. Colvert also added that what Putnam Township has done with the plan is given the equestrians a wider stance than existed in Hamburg Township. Mr. Muchmore asked if there was any discussion as to who would clean the trail. Mr. Colvert responded that the township has a grant from DNR for \$3,000 to keep the trail maintained and clean. As far as cleaning of the equestrian portion, it is a separate trail. The paved portion is 10 feet of pavement and then side-by-side eight feet of turf. Whatever is on the turf, stays on the turf.

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

Ms. Pollack asked if the Board was going to have a presentation on the Upper Peninsula applications. She has a number of questions about them. Ms. Apostol responded that someone from the DNR will be presenting all of the state applications to the Board at their October 15 meeting.

#### VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, October 15, 2008, at Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

ADJOURNMENT.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. MUCHMORE, TO  
ADJOURN THE MEETING. PASSED.**

The meeting was adjourned at 12:55 PM.

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Bob Garner, Chairperson  
Michigan Natural Resources Trust Fund  
Board of Trustees

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James Wood, Manager  
Grants Management

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DATE