

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of June 15, 2011

Emmet County Fairgrounds, Community Building, 1129 Charlevoix Avenue, Petoskey
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:00 AM, Wednesday, June 15, 2011.

The following Board members were present:

Keith Charters
Samuel Cummings
Bob Garner
Rodney Stokes

Mr. Torre was not in attendance due to another commitment.

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

Chairperson Garner thanked Emmet County and their partners for hosting the MNRTF Board meeting. Emmet County has invited the meeting attendees to stay for lunch.

Chairperson Garner, who was unable to attend the tour conducted by Emmet County, Bear Creek Township, Resort Township and the City of Petoskey yesterday afternoon, stated that he stopped by the Jones Landing Park project in Bear Creek Township this morning. He wished to commend the township and all others involved in the accomplishment of making this tremendous project a reality.

I. ADOPTION OF MINUTES FOR THE MEETING OF APRIL 13, 2011.

Chairperson Garner called for the adoption of the minutes from the April 13, 2011 MNRTF Board meeting.

**MOVED BY DIRECTOR STOKES, SUPPORTED BY MR. CHARTERS,
TO APPROVE THE MINUTES OF THE APRIL 13, 2011 MNRTF BOARD
MEETING. PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF JUNE 15, 2011.

Chairperson Garner called for the adoption of the agenda for the June 15, 2011 MNRTF Board meeting.

**MOVED BY MR. CHARTERS, SUPPORTED BY DIRECTOR STOKES,
TO ADOPT THE AGENDA OF THE JUNE 15, 2011 MNRTF BOARD
MEETING. PASSED WITHOUT DISSENTING VOTE.**

At this point, Chairperson Garner asked Grants Management, DNR, staff to introduce themselves and briefly outline their responsibilities to the audience. Staff in attendance were: Mr. Steve DeBrabander (Manager, Grants Management), Ms. Linda Harlow (Administrative Assistant), Mr. Sam Duncan (Program Manager, LWCF/Marine Safety/Recreation Passport), Mr. Jon Mayes (Manager, Recreation Grants), Mr. Joe Frick (Chief, Operations, Finance and Operations Division), Ms. Jule Stafford (Grant Coordinator), Mr. John Cherry (Grant Coordinator), Ms. Kelly Parker (LWCF/Marine Safety/Recreation Passport Grants Payment Officer), Ms. Christie Bayus (Grant Coordinator), and Ms. Shamika Askew-Storay (Grant Coordinator).

Chairperson Garner introduced the Board members to the audience.

III. PUBLIC APPEARANCES.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy

Mr. Tom Bailey, Executive Director of Little Traverse Conservancy, stated that he echoed Chairperson Garner's praise for the Jones Landing Park project, as well as the other county, city and township projects visited on the tour yesterday.

The conservancy has assisted with the acquisition of 24 MNRTF projects, totaling 7,094 acres. The total amount of grant funds received has been \$23,814,646, with the match for these projects being \$10,789,129.

Total projects completed through the conservancy since 1972 has been 519, with a total of 40,954 acres protected. The total value of all these projects is \$127,817,295.

Mr. Bailey stated that the MNRTF program has played a significant part in these acquisitions. The MNRTF has provided the leverage for agencies to acquire properties.

Ms. Lee Ann Garske, Downtown Development Authority, City of Ironwood – 11-112, Depot Recreation Park and Trailhead Improvements

Ms. Lee Ann Garske, Downtown Development Authority, City of Ironwood, made a presentation in support of the Depot Recreation Park and Trailhead Improvements project, 11-112, submitted by the city. She introduced Ms. Annette Burchell, Mayor Bob Burchell and Mr. John Garske, who have also accompanied her to the meeting. A handout was provided to the Board.

In 2009, the City of Ironwood and Downtown Development Authority conducted a study to enhance the downtown area. The MNRTF application submitted for improvements to the Depot Recreation Park will help enhance the downtown area. The city will provide a 30 percent match towards the project.

The depot, located in the town square, is in the heart of the downtown area. It was built in 1892 and was the original trailhead. Two railroads – Canadian National and Chicago Northwestern – ran parallel through Depot Park. This is a prime location for a motorized and non-motorized trail. In addition, the depot is on the National Historic Registry, owned by the City of Ironwood, and maintained by the Historical Society. Festivals and other events are held at the depot.

The park is a huge asset to the downtown area and will encourage visitors to not only visit the park, but other points of interests in the city, as well as local businesses.

Improvements to the park will also provide a public, handicap accessible restroom, which the downtown area does not have at this time. It will also include a pavilion, kiosk for signage of trails and community information, outdoor ice rink, playground equipment, benches, receptacles, landscaping, and additional lighting.

The Depot Park is a prime location for a motorized and non-motorized trail. The motorized trail will be paved for dust control, and the non-motorized trail will be added.

Four years ago a range concept for trails group was formed. At this time, the group is working with Mr. Roger Storm, DNR, to acquire railroad property – Ironwood to Bessemer – through Canadian National. This project is going very well. In addition, the city is committed to complete streets ordinance for safety improvements. Also, in 2013 and 2014, the Michigan Department of Transportation (MDOT) is doing major reconstruction on US-2 through the city and bike paths are planned at that time.

Over 35 support letters have been received by MDOT, DNR, local businesses, range and trails groups, community college, schools, county, etc. in support of this project.

The city has already received a MDOT Enhancement grant and Community Development Streetscape grant.

Ms. Denise Stephens, Downtown Development Authority Member, City of Bessemer – 11-065, Mary Street Ethnic Commons and Trailhead Project

Ms. Denise Stephens, Downtown Development Authority Member, City of Bessemer, made a presentation in support of the Mary Street Ethnic Commons and Trailhead Project, 11-065, submitted by the city. She also introduced Mr. Thomas Chatel, City Manager, who was also in attendance. A handout was provided to the Board.

The project was created by the City of Bessemer, Downtown Development Authority and Michigan State University's (MSU) Small Town Design Initiative Community Design Initiative. The project is referred to as the "Spartan" project. This project has evolved over the last two years, with three community socials being held, and facilitated by MSU. From these meetings, 13 potential projects were recommended for the downtown Bessemer area. The Downtown Development Authority approved nine of these projects to be completed in the summer of 2011, totaling \$60,000.

There has been \$10,400 donated for further downtown area beautification from citizens in the community.

The "Spartan" group stated that it was important to recognize and honor the ethnic groups that first settled in Bessemer. This project will not only immortalize Bessemer's roots, but also teach and inform visitors and youth how valuable its heritage is.

Historians and authors in the area are researching potential stories that will be placed on interpretive panels in front of six country flags, representing where the founding fathers immigrated from. A reflecting pool will run the length of the park with a small water fountain in the center. All these features will be in the commons area.

It is felt that with the development of this project, it will allow existing businesses in the downtown area to be more sustainable, as well as attracting additional businesses. In addition, it is felt that the city is a perfect fit for the regional trail concept. The commons is on an established motorized trail and a proposed non-motorized trail three blocks away. This would create a great way to collaborate with the neighboring communities. Informational kiosks in the proposed park would also identify the other regional scenic destinations in the county. By establishing trailheads, it is believed that tourism dollars can be increased in the region. Currently, residents of Wisconsin, Minnesota and Illinois make up the vast majority of tourism to the area.

Ms. Stephens further stated that the city's match is 30 percent. The city currently owns the property. It has been 19 years since the City of Bessemer has been the recipient of a MNRTF grant.

Director Stokes asked if any of the improvements would be made to Mary Street, and if so, would they be for parking, curbing and gutters. Ms. Stephens responded yes, and the city is proposing to make it a one-way street (currently two-way). This would be a pedestrian-friendly area. Director Stokes asked if cars would still be able to use this area. Ms. Stephens responded that there will be a retaining wall that will be on either side of the park. The one-way traffic would be parallel parking. On the other side are some businesses. The park would be across the street from them. Director Stokes stated his reason for asking these questions is that MNRTF funds are not granted for street improvements.

Mr. Edward A. Kisiel, Township Supervisor, Eagle Harbor Township – 11-099,
Keweenaw Coastal Wildlife Corridor Brockway Acquisition

Mr. Edward A. Kisiel, Township Supervisor, Eagle Harbor Township, presented a PowerPoint presentation in support of the Keweenaw Coastal Wildlife Corridor Brockway Acquisition, 11-099, submitted by the township. Presenters on the PowerPoint include Eagle Harbor Township, The Nature Conservancy, Copper Country Audubon, Houghton Keweenaw Conservation District and Keweenaw Land Trust.

The corridor extends between Eagle Harbor on the west and Copper Harbor on the east. It encompasses approximately 16 miles. The summit of Brockway Mountain has been used as a viewing and birding site for 75 years. With access to Brockway Mountain Drive, the summit property would have accessibility by automobile or bicycle.

Brockway Mountain is a significant corridor for migratory birds in the Midwest. For the last two years, local school children have been bused to Brockway Mountain to view birds and views of this area.

Brockway Mountain provides environmental conservation, historical and cultural preservation, scenic beauty, four-season outdoor recreation, public access for all ages and all levels of physical fitness and is free from light pollution. It is a great location for star gazers. Several astronomy events have been sponsored on the summit of Brockway Mountain.

Brockway Mountain is the keystone of the Keweenaw Coastal Wildlife Corridor. Partners have recognized the environmental significance of the area for geology, habitat and its value to local residents and migratory species. Protecting Brockway Mountain

will further enhance the value of the corridor and prevent habitat fragmentation and route disruption for annual migratory birds.

Many visitors have thought Brockway Mountain was already a park. This should be a park and a place for the public to enjoy.

Eagle Harbor Township feels that the protection of the natural resources and quality of life are the most important legacy that can be left for future generations.

Mr. Charters asked who owns the property – an individual or corporation. Mr. Kisiel responded an individual owns the property. Over the years, the family has generously allowed public access to the property. The township wants to secure this in a public trust so activities and access can be continued, and that it is an integral anchor property for the Keweenaw Coastal Wildlife Corridor.

Mr. Cummings asked if the owners (Wescoast) operate the property as a private enterprise. Mr. Kisiel responded there is a small store at the top at the present time. Mr. Cummings asked if all improvements have been made at their expense. Mr. Kisiel responded yes. The only improvement that he is aware of is the small store. It is the township's plan to refurbish the store as an interpretive center.

Director Stokes asked if this property is adjacent to the property acquired a couple of years ago with MNRTF assistance. Mr. Kisiel responded he does not know if it is adjacent, but the MNRTF has assisted in funding for many municipalities in the area. There has been MNRTF funding assistance in the corridor at Eagle Harbor Township for a conservation area.

Chairperson Garner asked if any preliminary appraisals had been done. Mr. Kisiel responded that an appraisal had been done. There has been a mutual agreement between the township and the owner that this price would be accepted.

Director Stokes asked if the mineral rights would come with the property. Mr. Kisiel responded he believed the gravel and sand rights would, but is not sure about the deep mining rights. Mr. Charters added that the Board would like to know this before making their final decision to approve the acquisition project. Mr. Kisiel will find out and let the Board know.

Mr. Harry Larkin, Supervisor; and Ms. Jane Keene, Township Clerk, Leland Township – 11-020, Clay Cliffs Natural Area Acquisition, Leland Township

Mr. Harry Larkin, Supervisor, Leland Township, made a PowerPoint presentation in support of the Clay Cliffs Natural Area Acquisition project, 11-020, submitted by the township. This application was submitted last year for possible funding. Since that time, updates have been made that the township would like to provide to the Board.

The Clay Cliffs Natural Area is 104 acres, with 1800 feet on Lake Michigan, and 1700 feet on North Lake Leelanau. This rises approximately 187 feet above Lake Michigan. Mr. Larkin pointed out various significant features of the property via photographs on PowerPoint.

The property is not designated as a deer corridor; it is one of the remaining areas where deer have free movement between the lakes.

The property would provide four-season recreation activities.

In 2010, the township requested a 70 percent MNRTF grant of \$4,106,200. One of the recommendations that were suggested last year was to seek other grant supporters. The township has done this, and has been able to increase the funding from the Leelanau Conservancy. The township has also been in contact with the NOAA-CELCP staff. The township will not know if they have been successful in receiving this funding until September or October, but they have suggested the township request 30 percent funding, rather than 10 percent funding. The Clay Cliffs Natural Area project is the only project they are forwarding for funding in the State of Michigan. If this grant is not received, the township feels they can take this portion on locally.

There is a willing seller (the owner has inherited the property from siblings).

Hunting and fishing will be available on the property. Visitors will need to come in by boat to use the beach area. If additional money is raised in the future, the township would like to provide better access to the beach.

Chairperson Garner asked if the property was land-locked. Mr. Larkin responded no. There are five or six boat ramps on the north lake at the present time. It has been discussed to use the west side of M-22 as a parking-staging area.

Mr. Cummings asked if providing a better access area would be a future development grant that the township would request. Mr. Larkin responded it possibly could be, but at this time the township is concentrating on acquiring the property and using it for passive recreation, with hunting and fishing allowed.

Mr. Larkin added that the township is pleased that the Conservancy has been helping acquire this property. There has been no opposition from the local community. Mr. Charters responded he had received one call in opposition.

Director Stokes asked about the funding. It appears the township is asking less than what was requested in their application. Mr. Larkin responded the township is requesting \$2,933,000 from the MNRTF if the CELCP grant is approved at 10 percent. If the CELCP is approved at 30 percent, the request from the MNRTF would be \$1,759,800. If the township does not receive the CELCP grant, the difference would be raised locally. Mr. Charters wanted to be reminded of this issue when the Board makes their final decision in December.

Ms. Sallie Snyder and Ms. Emily Meyerson, Marina Park Commission, Tuscarora Township – 11-084, Marina Park Trailhead Development

Ms. Emily Meyerson and Ms. Sallie Snyder, Marina Park Commission, Tuscarora Township, made a presentation in support of the Marina Park Trailhead Development project, 11-084, submitted by Tuscarora Township.

Ms. Meyerson stated that she has worked with the DNR's Forest Management Division to develop the trail. The DNR owns over 200 miles of rail corridor and they have

contracted with her to create partnerships to implement their trail system. Many of the trails projects have been funded by the MNRTF.

Ms. Meyerson proceeded to outline various trails and trail networks that have been developed in the area. There are partnerships with MDOT, DNR, MNRTF and local units of government in the development of these trails.

Ms. Meyerson stated that once the trails are developed there needs to be trailheads established, including restroom facilities, picnic areas and trash receptacles. These facilities need to be open year round, as most of the trails are also used for snowmobiling. DNR's Forest Management Division has been working with the partnerships to develop the trails for year-round facilities.

Ms. Meyerson continued by stating that the DNR has been working with Tuscarora Township to develop a trailhead site. The township's Marina Park is right by the trail. The DNR, township and Marina Park Commission went through two years of design for the trailhead.

The township is asking for a 70 percent grant from the MNRTF and 30 percent match. This will be to provide expand parking, upgrade (winterize) bathrooms, and amenities. The reason the cost is below what other trailheads have been is because existing facilities are being improved.

Ms. Snyder continued by stating that Marina Park is in existence because of the MNRTF. The property was acquired about 15 years ago. The plan at that time was a large open space for community events. The boat launch was completed with local funds, as well as Waterways Funds. The boat launch was opened in 2009.

The trail is a natural barrier between Main Street in Indian River and Marina Park. The township passed a millage for the funding in 2006 and received permission to lower the trail from Indian River to Depot Town, which is around six feet. A four-foot barrier will be removed for access to the trail. This will be done in the fall at a cost of \$70,000.

Ms. Snyder further stated that when the trailhead issue was discussed with the DNR and Ms. Meyerson, the township did not have the funding for this development. The DNR paid for half of the design concept for the trailhead. The township is asking for \$250,900 in MNRTF funding, with the DNR paying the remainder of \$107,600.

Mr. Charters complimented Ms. Meyerson on her assistance partnering with the DNR and Tuscarora Township on this trailhead project. Too often the DNR is accused of always saying "No." Ms. Snyder responded that from a community standpoint, she has found working with the DNR most rewarding because they have helped focus in on what the possibilities are and then as we work through the process, the DNR's insight is very valuable.

Chairperson Garner responded that this uses a facility to its highest use. The trailhead is close to the waterway that will take someone from Petoskey to Lake Huron. This becomes a multi-trailhead.

Director Stokes wanted to thank Ms. Snyder and Ms. Meyerson, as this partnership would not be possible without the assistance of local units of government. Through the

MNRTF and other funds, the DNR is able to acquire and develop trails, but having local units of government willing and able to operate and maintain the trailheads, is greatly appreciated.

Ms. Connie Vorenkamp, Burt Lake Trail Committee Member, Burt Township (Cheboygan County) – TF10-047, Burt Lake Non-Motorized Trail Development

Ms. Connie Vorenkamp, Burt Lake Trail Committee Member, Burt Township, made a presentation outlining the progress of the Burt Lake Non-Motorized Trail Development project, TF10-047, that was funded by the MNRTF Board last year. The MNRTF grant was \$398,500 with a total project cost of \$538,500. Over \$140,000 has been raised locally for the match requirement.

The next step of the project will be to work with the township's engineering firm. The boundary map and legal description of the trail is being started. Construction is expected to begin next year with completion within the expiration date identified in the project agreement.

The trail will be of aggregate surface and starts at Maple Bay Campground, which is a DNR State Forest Campground. It will then continue through the Cheboiganing Nature Preserve, which is owned by the Little Traverse Conservancy. That preserve is adjacent to the Colonial Point Memorial Forest, owned by the University of Michigan Biological Station. Both of these properties are open to the public for environmental education and outdoor recreation. These are joint efforts of the Little Traverse Conservancy, Burt Lake residents, MNRTF, Michigan Chapter of the Nature Conservancy and the University of Michigan Biological Station. The trail will provide safe access to these destinations.

In addition, the first three-mile segment is an east-west connector trail along the shores of the north end of Burt Lake, connecting the North Central State Trail and the Northwest State Trail.

Ms. Vorenkamp thanked the Board for their support of this project, and will provide them with yearly updates on the progress of the trail development.

Mr. Wally Delamater, Village Manager, Village of Suttons Bay; and Ms. Julie Clark, Executive Director, Traverse Area Recreation and Transportation (TART) Trails – 11-097, Front Street Pathway Development

Mr. Wally Delamater, Village Manager, Village of Suttons Bay, made a presentation in support of the Front Street Pathway Development project, 11-097, submitted by the village. The project is for the development of 1.3 miles of non-motorized trail that will provide universal access through the Village of Suttons Bay.

Currently the trail from the City of Traverse City ends at the southern end of Suttons Bay. The project will combine five parks, three marinas, and provide access for trail systems from the south to the north.

At this point, Ms. Clark made some comments. This trail ties into a larger trail system. The TART Trails have been around for a long time. It started off as four separate groups, with the Leelanau Trail being one of them. The Village of Suttons Bay has been a partner in maintaining the corridor through the village. The TART Trails have initiated

a capital campaign to finish the Leelanau Trail. With the Village of Suttons Bay's project, it will help complete the corridor.

Over the past three years, \$3 million has been raised for the corridor. The TART Trails will be a financial partner with the village. The trail will connect about 24 miles that will lead to Acme. The TART Trails are also working with the City of Traverse City to bring in more city-oriented trails with the goal of having about 60 miles of inter-connected trails. The TART Trails get about 250,000 people per year on the trail system. This is not just for the Village of Suttons Bay, but it is a regional destination.

Mr. Delamater concluded by stating that there are other improvements going on in the village. The village would like to be a partner with the MNRTF, as well as their other established partners, in developing this trail project.

Mr. Charters asked if this was the northern half of the trail that is included in the grant request. Ms. Clark responded yes, it is the very end of the northern terminus.

Mr. William Drozdalski, Trustee, Suttons Bay Township – 11-098, Herman Community Park Development

Mr. William Drozdalski, Trustee, Suttons Bay Township, made a presentation in support of the Herman Community Park Development project, 11-098, submitted by the township.

In 2006, the MNRTF assisted the township in acquiring 126 acres for the park (100 acres wetlands and 26 acres for active recreation). The township closed on the property in 2009. Currently, \$238,000 has been raised for the project.

Phase I construction is expected to begin in mid-July of this year, to include grading of 15 acres, construction of entrance road and partial parking, leveling and seeding areas for soccer fields and construction of one tennis court.

The application that has been submitted for MNRTF funding would be Phase II of the park development. It would include a covered pavilion, 1.5 miles of paved walking trail, walking paths through the wetlands, additional grading for more playing fields, additional tennis court and additional parking.

There are many park supporters, including rotary charities and community foundation, as well as personal donations. Marketing has been done to promote the park development. A golf outing is being planned this year as a fund-raiser.

Mr. Mark Brochu, Director, Parks and Recreation, St. Clair County – 11-116, Blue Water River Walk Expansion

Mr. Mark Brochu, Director, Parks and Recreation, St. Clair County, made a presentation in support of the Blue Water River Walk Expansion acquisition project, 11-116, submitted by the county. The county was awarded a grant in 1998 to acquire the property (\$962,000 grant).

The acquisition application that has been submitted is for approximately three acres which would connect the Bridge to Bay Trail, which is a regional shoreline trail, into the

site. A philanthropist is working with the Community Foundation to get substantial shoreline to move the trail up onto the Black River. The county is requesting \$500,000 from the MNRTF, and is committing \$250,000 in local match.

Mr. Brochu further stated he is a member of the Michigan Recreation and Park Association and the Michigan Association of County Recreation Officials. Both organizations are enthusiastic about the early success of the Recreation Passport Program. This program is seen as another opportunity for park development. In addition, these organizations try to serve as a partner with the DNR on legislative matters of mutual interest, as well as on the state level.

Director Stokes stated that he appreciates that the Michigan Recreation and Park Association's Public Policy Committee has been very helpful to the DNR on a number of initiatives. He appreciates their support on the Recreation Passport Program.

Mr. Cummings asked if the seller (Acheson Ventures) had plans to develop the property. Mr. Brochu responded that they had purchased the property and several others to consolidate. They did a huge environmental cleanup. A YMCA was built on the waterfront and other developments.

Mr. Lyn Johnson, Controller, Emmet County

Mr. Lyn Johnson, Controller, Emmet County, provided a PowerPoint presentation to outline various recreation projects acquired and developed with the assistance of the MNRTF. These include projects in cities, villages and townships in Emmet County.

Mr. Johnson stated that Emmet County was very happy to host the MNRTF Board meeting, and also that the Board and staff were able to visit the recreation sites that the MNRTF has provided funds.

Chairperson Garner wished to thank Mr. Johnson and his staff for their hospitality. He reminded the audience that all were welcome to stay for lunch which Emmet County has prepared.

Chairperson Garner was unable to attend the tour yesterday, but wanted to thank Emmet County and all their staff, and also Mr. Bailey of Little Traverse Conservancy for providing the transportation for yesterday's tour. The trip featured visits hosted by Emmet County (Mr. Johnson), Resort Township (Mr. Bob Wheaton, Supervisor), City of Petoskey (Mr. Al Hansen, Parks and Recreation Director), Little Traverse Conservancy (Mr. Tom Bailey, Executive Director) and Bear Creek Township (Mr. Dennis Keiser, Supervisor). In addition, he wished to thank Bear Creek Township for providing the wonderful picnic last evening at the new Jones Landing Park.

Mr. DeBrabander also expressed his and DNR staff's thanks to Emmet County and their partners' for their hospitality. It was greatly appreciated.

Mr. DeBrabander also stated how impressed he was with Bear Creek Township's park project. He had an opportunity to speak to the former landowner, Mr. Jack Jones, yesterday, and that it was a great honor to have met him.

IV. OLD BUSINESS.

2011 Application Review – Notebooks

Mr. Cummings asked, since this notebook was so large, if possibly next year the Board could receive this information in another format (flash drive or CD). Mr. DeBrabander stated that staff will work with the Board to come up with a more efficient way of providing this information to them next year.

Mr. DeBrabander further stated that grant coordinators have completed their administrative completeness for all 2011 applications received. There were 145 applications received, 27 for acquisition and 118 for development. The total amount requested was over \$74 million. It is anticipated that the amount available for funding will be between \$30-40 million.

Staff is beginning to conduct site visits. These visits will continue for the next couple of months. Preliminary scores for the projects will be provided during the months of August or September. These scores are sent out to the applicants who have an opportunity to review their scores and provide supplemental information that may help improve their project score.

Chairperson Garner stated that competition for funding is very great with the limited amount of funds available.

Mr. DeBrabander further added that in a typical year the approval rate for funding is about 20-25 percent of the applications submitted. Last year was an exception, which ran about 74 percent.

2012 Board Priorities

Mr. DeBrabander stated that this was an agenda item at the last Board meeting. He emailed the Board what their priorities have been over the past five years. Members should review these and decide if they wish to keep the same priorities for next year or go to something else. The decision does not have to be made at this time.

Chairperson Garner feels, in his opinion, there is no drastic need to change the priorities, but if other Board members wish to have changes made, he is open to suggestions. He advised Board members to review them and let staff know.

It was suggested that this be placed on the agenda for the August Board meeting. Mr. Charters would like to devote some time to this issue.

Director Stokes stated he would like staff to go back and do an analysis of the applications that have come in over the last two or three years and see what local units of government have requested in funding. That could give the Board some ideas.

Chairperson Garner stated that Mr. John Cherry, when he worked for Director Stokes, conducted a study as to how the Board sets their priorities.

Mr. Cummings wondered how the Board can be pro-active and what would be the best way to strategically contribute.

Chairperson Garner mentioned the possibility of giving the local units of government more to gain in the process.

Mr. Charters mentioned that more emphasis has been placed on urban priorities and he feels this should be reviewed.

Mr. DeBrabander stated that the Board's priorities for the last three years have been Trails, Wildlife Corridors and Winter Deeryards, and Urban Areas.

Escrow Closing Option for Local Units of Government Acquisition Projects – UPDATE

Mr. DeBrabander updated the Board on the progress made on the escrow closing option for local units of government acquisition projects. This topic has been mentioned at the Board's last couple of meetings. He is pleased to report that an escrow closing option for local acquisition projects is a reality. All project agreements for 2010 have been mailed out (98 agreements).

For the local acquisition project agreements there is an option for the grantee to make the choice between a reimbursement purchase (which is the traditional way in the past), or an escrow closing option. In an escrow closing option, the grant award is deposited into an escrow account, as well as the match from the grantee. There is an escrow closing that occurs through a title company.

In the past, many communities who did not have the financial ability to purchase the property outright have had to go out and obtain a loan, whereby they are paying interest costs. The escrow closing option will eliminate this necessity for them.

There was a workgroup that was made up of local units of government, conservancies, DNR staff, Internal Audit, and Office of Legal Services to put the process together. Staff has received positive feedback on this process. The first few escrow closings will be "pilot" projects.

Grants Management Website Update

Mr. DeBrabander advised the Board that by this Friday the Grants Management website will be completely revised and much more user-friendly.

Mr. DeBrabander encouraged communities to review the website and email any comments or suggestions to him (debrabanders@michigan.gov).

MNRTF Recognition Sign Update

Mr. DeBrabander has had some meetings in the last few weeks regarding the MNRTF recognition sign. We are currently in the process of having a new sign designed for the MNRTF.

Mr. DeBrabander was concerned not only with the initial cost of the MNRTF sign (\$1,655.00), but the replacement cost if it is damaged or stolen. He believes we can achieve recognition with a less expensive sign. The language that the Board originally approved will remain on the new sign.

Director Stokes urged the communities to place their signs in a location on the site where they are easily seen and recognized. Mr. DeBrabander added that he feels with a lower cost, there are options to placing signs in more than one location on the site.

Mr. Charters asked about state acquisitions signing. Mr. DeBrabander responded that DNR divisions are required to place recognition signs at their projects. He has spoken to divisions to make sure they are putting signs up. Director Stokes added if Mr. DeBrabander has problems with the divisions complying, to let him know.

Chairperson Garner wished to emphasize that MNRTF funds are not “DNR money.” It is housed in the DNR, but it is public money.

Director Stokes also added that the DNR needs to do a better job of signing its MNRTF projects, and it will be done.

V. NEW BUSINESS.

2011 MNRTF Applicants – Invitations to Make Presentations at August Board Meeting in Lansing (Southern Lower Peninsula)

Mr. Mayes outlined the list of 2011 applicants located in the southern Lower Peninsula who will be invited to make a presentation at the Board’s August 17, 2011 meeting in Lansing. The Board had received this list in their meeting package.

Mr. Mayes added that in addition to the ones on the list, Clay Township (Harsens Island Conservation Area Acquisition) will be invited to make a presentation.

Chairperson Garner also added if the Board has any additional applicants they wish to add, to let staff know.

TF08-143, Emmet County/Maple River Acquisition, Emmet County – **PROJECT WITHDRAWAL**

TF10-003, Eagle Ottawa Riverfront Acquisition, City of Grand Haven – **PROJECT WITHDRAWAL**

Mr. Mayes outlined a request from Emmet County to withdraw the Emmet County/Maple River Acquisition project (TF08-143), and a request from the City of Grand Haven to withdraw the Eagle Ottawa Riverfront Acquisition project (TF10-003).

MOVED BY MR. CUMMINGS, SUPPORTED BY MR. CHARTERS, TO ACCEPT THE WITHDRAWALS OF TF08-143, EMMET COUNTY/MAPLE RIVER ACQUISITION, EMMET COUNTY; AND TF10-003, EAGLE OTTAWA RIVERFRONT ACQUISITION, CITY OF GRAND HAVEN. MOTION PASSED WITHOUT DISSENTING VOTE.

Mr. Mayes further stated that the City of Stephenson is withdrawing their acquisition application submitted for possible funding this year (11-015, Erickson Park Expansion).

Chairperson Garner asked about Houghton County’s application (11-118, Pilgrim River Recreation and Conservation Area Acquisition) and noticed the grant request had not

been changed. Mr. Mayes responded that the request should be \$1,240,000 and it will be changed in the database; however, this application was determined to be ineligible for this year.

Resolution to Board Member Charters – Renaming of Traverse City State Park to Keith J. Charters Traverse City State Park

Chairperson Garner read the following resolution from the MNRTF Board, honoring Mr. Keith J. Charters on the renaming of the Traverse City State Park to the Keith J. Charters Traverse City State Park:

RESOLUTION OF THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD OF TRUSTEES TO SUPPORT THE NATURAL RESOURCES COMMISSION IN THE RENAMING OF THE TRAVERSE CITY STATE PARK TO THE KEITH J. CHARTERS TRAVERSE CITY STATE PARK

WHEREAS, Keith J. Charters served on the Michigan Natural Resources Trust Fund Board of Trustees from 1992 to 2003, and 2006 to the present, serving as Chairperson in 1995; and

WHEREAS, Keith J. Charters played a significant role in supporting the state’s recreation outreach programs that have helped generate interest in outdoor recreation throughout the State of Michigan; and

WHEREAS, Keith J. Charters advocated expansion of public access to Michigan’s woods and water resources, and investment of recreation resources into the state’s urban areas; and

WHEREAS, Keith J. Charters’ leadership was noted for his work on the Michigan Natural Resources Trust Fund Board of Trustees and lands consolidation process leading to greater support of land acquisitions and overall infrastructure support in the state park system overall; and

WHEREAS, Keith J. Charters received the prestigious “Traverse City Chamber of Commerce 2003 Distinguished Service Award” for his work in the local community; and

WHEREAS, Keith J. Charters added to his service to the citizens of the State of Michigan by participating as the Natural Resources Commission representative to the Citizen’s Committee for Michigan State Parks and the development of the Recreation Passport program, providing the opportunity for long-term funding of the state park system; and

WHEREAS, Keith J. Charters’ service to the citizens of the State of Michigan should be recognized in perpetuity and be known to all who enjoy recreation in the state.

NOW, THEREFORE, BE IT RESOLVED, that the Michigan Natural Resources Trust Fund Board of Trustees hereby recognizes Keith J. Charters for enhancing the quality of life of all Michigan residents and for his lifelong dedication to Michigan’s natural resources.

BE IT FURTHER RESOLVED, that the Michigan Natural Resources Trust Fund Board of Trustees wholeheartedly supports the Natural Resources Commission in their tribute to Keith J. Charters by renaming Traverse City State Park in his honor.

MOVED BY DIRECTOR STOKES, SUPPORTED BY MR. CUMMINGS, TO ADOPT THE RESOLUTION TO MR. KEITH J. CHARTERS, HONORING THE RENAMING OF THE TRAVERSE CITY STATE PARK TO THE KEITH J. CHARTERS TRAVERSE CITY STATE PARK. MR. CHARTERS ABSTAINED FROM VOTING. MOTION PASSED UNANIMOUSLY.

VI. STATUS REPORTS.

DNR Real Estate Report – State Acquisitions

Mr. Frick outlined the DNR Real Estate Report for State Acquisitions, prepared by Mr. Ed Meadows, Manager, Real Estate Section.

Since the last report, there were five options totaling 524 acres and investment of \$698,970 from the MNRTF.

A staff member has been added to Real Estate Section. Ms. Valerie Lafferty has been hired as a Review Appraiser for Department projects and the MNRTF grant program local community projects.

The new options include:

- 66 acres in the Waterloo Recreation Area – National Livestock Producers Association Tract, Jackson County.
- 320 acres in the Plum Creek Tract, Delta County.
- 40 acres in the Plum Creek Tract, Delta County.
- 2.41 miles of corridor for the State Forest Trail Transportation Corridor Easement Acquisition – Marquette West Connector Extension, Marquette County.
- 95 acres in the Pigeon River Country Management Unit – Visconti Tract, Cheboygan County.

MNRTF Financial Report

Mr. Frick advised the Board that the MNRTF Financial Report is unchanged from the previous meeting's report. It is anticipated that the normal 5 percent target for spending from investment funds will be reached. In addition, the MNRTF cap (\$500 million) will be reached this year. Next year, the MNRTF will not see the one-third revenue income.

Chairperson Garner stated, for the benefit of the audience, once the MNRTF cap of \$500 million is reached, the MNRTF cannot use one-third of the revenue. There still is a significant amount of money from the MNRTF, but it will be greatly diminished over what it has been in the past.

Mr. Frick added that it is estimated that for 2011 applications, there will be approximately \$40 million to allocate for both acquisition and development. This is assuming the MNRTF cap is reached and that there are enough interest earnings and investment revenues to be able to spend 5 percent. It would be the Board's prerogative that 5 percent is something that the Board adopted in a resolution as a spending plan to sort of smooth the market between good and bad years. This is a topic of discussion staff should have with the Board to see if this is how they wish to proceed in the future.

Mr. Brochu asked where the MNRTF revenues would go once the cap is reached. Director Stokes responded it will go to the State Park Endowment Fund. Mr. Brochu asked will the State Parks still be eligible for applying for MNRTF grants. Director Stokes responded in theory they still can submit applications for MNRTF funding.

Mr. Frick added that once the cap is reached and the revenues go to the State Park Endowment Fund, some administrative costs and other expenses related to the cost associated with oil and gas revenues will be switched over from the MNRTF to the State Park Endowment Fund. If the current proposed Legislative Bills regarding PILT become law, this would be the largest non-grant expense item for the MNRTF.

Mr. Charters asked if this would involve retroactive lands. Director Stokes responded it would be on DNR lands that have been purchased with MNRTF funding.

Mr. Frick added that the amount for PILT reflected in the financial report is the amount appropriated, but not necessarily the amount that the DNR would pay if the Legislature was providing full appropriations. Because of the way the law is written, the Department of Treasury can only pay what is appropriated.

Mr. Charters asked about the oil and gas audits. Mr. Frick responded the 2011 numbers are all appropriated amounts. The 2010 amount is what was actually spent. Mr. Charters also asked about the cost allocation charges (administration and rent) and wondered why this amount went up for 2011. Mr. Frick will get back to the Board with the details on this amount. He did say this figure will go down because there are parts of it related to the oil and gas revenue.

Mr. Frick wanted to commend Mr. Steve DeBrabander for how well he has stepped in to his new role as Manager of Grants Management, and also to the new Grant Coordinators. Staff is doing a great job. Chairperson Garner agreed Mr. DeBrabander has made a big difference in Grants Management.

MNRTF Land Consolidation and Line Item Department Projects

No discussion.

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

None.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, August 17, 2011, Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

ADJOURNMENT.

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

The meeting was adjourned at 11:32 AM.

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

Steven J. DeBrabander, Manager
Grants Management

DATE