

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of November 30 (6:00 PM) and December 1 (9:00 AM), 2010
Lansing Community College West Campus, 5708 Cornerstone, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees evening session commenced at 6:00 PM, November 30, 2010.

The following Board members were present:

Keith Charters
Bob Garner
Rebecca Humphries
Dennis Muchmore
Frank Torre

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

Chairperson Muchmore wished Director Humphries well in her new career at Ducks Unlimited.

Chairperson Muchmore introduced the new Manager of Grants Management, Mr. Steven DeBrabander, to the audience.

Chairperson Muchmore advised the audience that Ms. Deborah Apostol, Unit Manager, Recreation Grants, Grants Management, DNRE, was retiring January 1, 2011, and that she would be greatly missed by the Board and staff.

Chairperson Muchmore also informed the audience that Governor-elect Rick Snyder will be separating the DNRE. Environmental Quality (DEQ) and Natural Resources (DNR) will be separate departments once again and, in addition, the Department of Agriculture will be renamed to become the Department of Agriculture and Rural Development. Directors of these departments will be Mr. Dan Wyant (DEQ), Mr. Rodney Stokes (DNR) and Mr. Keith Creagh (Agriculture and Rural Development). He congratulated Mr. Stokes on his new position.

At this point, Mr. Stokes introduced DNRE staff present.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy, made some comments. He asked the members of the Legislature in attendance for their support and to recognize that the MNRTF appropriation is money from oil, gas and mineral revenues on state land. He urged the Legislature to pass the MNRTF bill as soon as possible. These funds are not tax or bail out dollars.

Mr. Bailey also urged providing the needed staff support to process and administer the grants. In addition, appraisal review staff, whether by hiring additional staff or contracting services out, is needed.

Mr. Bailey expressed his thanks to Director Humphries, congratulated Mr. Stokes, and thanked DNRE staff for all their hard work.

Presentations regarding project scoring and other issues were made by the following communities:

Representative Robert Genetski – 10-067, Casco Township Nature Preserve Expansion, Casco Township

Scored 350. Expressed support for the project. Request is for \$2,250,000. Land for public recreation use is becoming scarce in the area. Great opportunity for township and western Michigan to have public access to the beach.

Representative Michael Lahti

Expressed support for the following projects in Gogebic and Iron Counties:

Scored 360. 10-079, North Agonikak National Recreation Trail Enhancement, Watersmeet Township

Scored 340. 10-094, Little Girl's Point Improvements, Gogebic County

Scored 315. 10-082, Airport Recreation Park Improvements, Ironwood Township

Scored 290. 10-110, Norrie Park Play Structure Improvement, City of Ironwood

Scored 290. 10-111, Patterson Court Upgrade and Expansion, City of Ironwood

Scored 240. 10-080, Eddy Park Improvements, City of Wakefield

Scored 190. 10-005, Bluff Valley Park Project, City of Bessemer

Scored 340. 10-064, Iron County Heritage Trail, Iron County

Representative Steven Lindberg – 10-076, Farquar/Metsa Tourist Park Improvements, Forsyth Township

Scored 330. Expressed support for the project. Located on the east branch of the Escanaba River and has swimming site. Visitors from all over the state use the park. Development would include additional pathways in the park. Request is for \$268,600.

Mr. John W. Gessert, President, American Plastic Toys, Inc. – 10-078, CW2 Airline Railway Acquisition, Commerce, Walled Lake and Wixom Railway Management Council

Scored 410. Expressed opposition to the project. Would significantly hinder the company's ability to support manufacturing activities and would increase cost of doing business. The company would lose storage capacity by not being able to have rail cars staged at the facility, thus increasing the cost to store plastic.

In addition, would increase truck volume in and around the City of Walled Lake, thus having a negative affect on the environment and road conditions.

The company is one of the last domestic manufacturer of toys in the United States and has over 230 employees, 170 of which work out of the Walled Lake facility.

Losing rail service would make the company look more seriously at an alternative location outside of the State of Michigan. The company has been approached by Kentucky, Mississippi and Alabama to relocate to their states.

Mr. Charters asked if it was an active rail line at the present time. Mr. Gessert responded yes, with 50-60 rail cars being brought in annually to the Walled Lake facility.

Mr. Garner asked how much this proposed trail would impinge on the rail cars' location. Mr. Gessert responded that the company is not opposed to walking trails, but are opposed to the hardship it would bring upon the company. CSX stated they did not feel comfortable having any rail service that would be that close to a hiking or walking trail. If the company could get its rail cars there and still have a walking trail, it would be fine.

Mr. David Kurtycz, Business Development Manager, Michigan Economic Development Corporation, DELEG – 10-078, CW2 Airline Trailway Acquisition, Commerce, Walled Lake and Wixom Trailway Management Council

Added additional comments in opposition to project. Has been working with American Plastic Toys, Inc. to retain the company in Michigan. The company has been in Michigan for 50 years and has operations in other states.

There is a portion of rail line east of Ladd Road that has not been abandoned.

Mr. Charters stated that the Board is supportive of trails, but jobs are very important.

Ms. Nancy Krupiarz, Executive Director, Michigan Trails and Greenways Alliance, made some additional comments. Michigan Department of Transportation (MDOT) has given a conditional commitment for the project. The project has been scaled back. Three of the five miles had not had a rail service for two years and was ready to be abandoned. There is no interference to American Plastic Toys for that portion of the rail corridor.

Mr. Charters asked with the scaled back version, does that put American Plastic Toys out of rail service. Ms. Krupiarz responded no. Mr. Kurtycz is not sure if the company abandons that part where they would put their equipment. The amended trail project would run from east of Ladd Road to West Bloomfield. The switching station is between Ladd Road and Haggerty Road.

Mr. Michael Leon, Transportation Economic Development Fund Manager, Michigan Department of Transportation (MDOT) – 10-078, CW2 Airline Trailway Acquisition, Commerce, Walled Lake and Wixom Trailway Management Council

Added additional comments, and is representing the Transportation Enhancement Program. MDOT is supportive of the completion of the Airline Trail and has given Commerce, Walled Lake and Wixom Trailway Management Council a conditional commitment for the portion of the trail. Two of the conditions are that the Trail Management Council must go through proper abandonment procedures and also that it does not cause a loss of jobs. If those conditions are met, then they have a conditional commitment to be provided funding for the portion of the trail under consideration.

Mr. Charters asked what the revised grant request was. Ms. Apostol responded it is now \$2,551,600. This would cover three miles of the five miles. Three miles are abandoned. The other two would be funded under MDOT. Ms. Krupiarz provided some additional comments on the abandonment.

Mr. Garner stated that his concern is whether MDOT will let the rail be abandoned and if it would cause a loss of jobs.

Chairperson Muchmore responded he feels this proposed trail project has some loose ends that need to be resolved.

Mr. Bruce Tasker, Mayor, City of Carson City – 10-042, Grove/Haridine/West Parks Non-Motorized Trail Development, City of Carson City

Scored 400. There has been some reconfiguration in the school system, with an elementary school being closed. The trail would now be located closer to the new school relocation (within four blocks), and would allow 275 students to use it.

The city and school system has always worked together on projects to benefit the community.

Mr. Harry Larkin, Township Supervisor, Leland Township – 10-155, Clay Cliffs Natural Area Acquisition, Leland Township

Scored 310. Even though the project did not score well, this is a good project. Did not realize there was a 40 point bonus for submitting application by April 1. The township wanted to have as complete application as possible, including providing an appraisal.

Item 11 on the scoring evaluation sheet—“Wildlife Corridors and Natural Area Buffers”—felt had expert documentation with regard to the facility. This could have added 50 points.

Representative Dan Scripps – 10-155, Clay Cliffs Natural Area Acquisition, Leland Township

Added some additional comments in support of the project. How this project scored out does not reflect its uniqueness. This is a once in a generation opportunity to protect one of the great privately-held properties in Leelanau County. He urged the Board to recommend funding the project based on its uniqueness.

Chairperson Muchmore stated that the property is very expensive. Representative Scripps responded that the property is Lake Michigan and Lake Leelanau frontage.

Mr. Garner made the comment that Leelanau County has received a number of MNRTF grants in the past.

Mr. Barry Johnson, Councilman, City of Saugatuck – 10-057, Saugatuck Harbor Natural Area Acquisition-Phase II, City of Saugatuck

Scored 420. Thanked the Board for their support and funding for the project in the last year. Ten to fifteen percent of people have come in to the area to access the beach with no problems. There is total access for emergency situations.

There is a lease agreement with the owner for one year while the acquisition is being completed. All "keep out" signs are gone. There is a management commission to manage the property and all agreements/arrangements are being met.

Mr. Jerry Jaloszynski, Parks and Green Space Coordinator, Clinton County – 10-029, Motz County Park Addition, Clinton County

Scored 350. In 2007 the county received a MNRTF and Kellogg Foundation grant for the development of the park. The project has been completed. In 2010, the park was awarded a daVinci Award for accessibility and universal design.

The current application is for a 260-acre parcel for expansion of the park. It would increase the park to 302 acres.

Mr. Michael Ridley, Supervisor, Tuscarora Township – 10-063, Veterans Pier Development, Tuscarora Township

Scored 330. Plans are to provide total accessibility for fishing from the shore. Thanked the Board for their consideration.

Mr. Tom Garnett, President, Calhoun County Trailway Alliance – 10-031, Calhoun County Trailway, Calhoun County

Scored 400. The county is looking for new recreation opportunities. The trail would traverse through three county parks and provide access to the Battle Creek linear path, eventually connecting to the Kalamazoo River corridor (connecting Battle Creek, Marshall, Albion and Homer). The trail would also become part of the North Country Natural Scenic Trail.

MDOT has provided the county with a conditional commitment for funding.

Mr. Greg Stewart, Administrator, City of Luna Pier – 10-065, Lake Erie Beach and Pier Access, City of Luna Pier

Scored 300. Received 0 points in "Match" portion. The city is providing 26 percent match. Also, the city is not in the top one-third of income.

On "Entrance Fees" the city received 0. There is free parking within 3/10th of a mile of the pier and park. The two parking lots that are up front are 50 cents an hour. Also issuing a "Courtesy Warning" to visitors/residents in parking areas.

Also, the city is working with the Heritage Trail.

The key to the project is universal access and Michigan State University is interested in working with the city and DNRE to build the criteria that would be a benchmark for future projects in universal access.

Chairperson Muchmore asked Ms. Apostol to look at the scoring issues.

Ms. Melinda Milos-Dale, Parks Planner, Oakland Township – 10-069, Lost Lake Nature Park Development, Oakland Township

Scored 305. Back in 2004, the park was originally purchased with the assistance of the MNRTF. Since then, the park has doubled in size using township millage funds. The park provides access to and protects three lakes within the township. This is the perfect location for a nature center.

Development will include renovating existing structure dedicated to nature center use, accessible dock to provide fishing and kayak/canoe opportunities, improve parking lot and pedestrian routes, interpretive signage and protecting natural areas.

Residents of the township and surrounding communities/school districts are very supportive of the project.

Chairperson Muchmore asked why the project did not score higher. Ms. Apostol responded that under “Financial Need” no points were awarded. Also, under the “Urban Area” no points were awarded.

Mr. Gary Allen, Mayor; and Mr. Ken Kissinger, City Councilman, City of Galesburg – 10-090, Ike Payne Park Improvements; and 10-091, Community Park Improvements, City of Galesburg

10-090 scored 330 and 10-091 scored 370. Both parks were donated to the city. Ike Payne Park provides recreation for Little League teams, football and girls softball. The park provides recreation for four municipalities, two school systems and six townships.

No entry fees at either park.

Community park is 17 acres. The park will eventually be part of the Kalamazoo River Valley Trailways system.

Work that has been done in the parks has been by volunteers. The city pays for the DDW to mow and volunteers take care of everything else.

On 10-090, did not receive points for “Applicant Match” nor “Universal Design.” Information was provided earlier where the project should have received points for these criteria.

Mr. Kissinger made some additional comments in support of both projects. Parks would be made universally accessible so all could enjoy.

Ms. Susan Reagan, Grant Writer, Bridgeton Township – 10-058, Muskegon River Waterways Trail, Bridgeton Township

Scored 340. Supplemental information was submitted after preliminary evaluation was received, but was not reflected in the final score. Criteria in question were “Natural Resource Based Creation Opportunities,” “Applicant Match,” “Universal Design” and “Trails.” Information was provided to support why additional points should be awarded.

Project is water-based recreation. It will also benefit disabled visitors by being universally accessible.

Ms. Apostol stated that Ms. Lisa McTiernan, the grant coordinator who scored the project, assured Ms. Apostol that all supplemental information had been reviewed before she left employment with DNRE.

Mr. Randall Stewart, Township Administrator, Davison Township – 10-010, Irish Road Non-Motorized Trail Development, Davison Township

Scored 290. Application for the project was submitted last year. The township is now providing more match amount.

The trail runs along an area of 1200 apartments. The trail goes under I-69 and keeps parents/children off the road. Provides access to the nature area, park and city area.

The project scored the same as last year, and feels because of universal design (scored 0) should have scored higher.

Mr. Stewart asked that the project be considered again and points be increased.

Chairperson Muchmore asked staff to review the score issue.

Ms. Kim Akin, Zoning Administrator, Denton Township – 10-019, Trestle Park Development Project, Denton Township

Scored 390. Made comments in support of project. The park will be the only universally accessible park in Roscommon County.

Ms. Connie Vorenkamp, Burt Lake Trail Committee Member, Burt Lake – 10-047, Burt Lake Non-Motorized Trail Development, Burt Township

Scored 305. Although rural based, there is an urban cluster of residents along the trail. Will provide non-motorized access to many state and preservation lands, including the Little Traverse Conservancy Nature Preserve, state forest lands, etc.

Received 0 points for “Universal Design.” It is the intent to make every effort to ensure the trail complies with universal design guidelines. Many residents in the area are senior citizens and use walking devices.

Mr. Chris Bzdok, Mayor, City of Traverse City – 10-062, Clinch Park Bayfront Revitalization, City of Traverse City

Scored 405. Provided a letter of support for the project from Senator-elect Howard Walker. Also, project is part of a three-year citizen-driven process dealing with two miles of shoreline.

Ms. Kathy Huscke, Executive Director, Oleson Foundation; and Ms. Becky Ewing, Program Officer, Rotary Charties, have formed a collaborative process to provide funding for the project.

There have been 156,000 people counted walking on the trail going through abandoned zoo property that is the center of the project. In 2005, 1.9 million people visited the Traverse City area. The project would provide visitors a location to go to in downtown Traverse City.

Mr. Jim Stormont, Supervisor, Grass Lake Township – 10-034, Grass Lake Community Sports and Trails Recreation Park Development, Grass Lake Township

Scored 285. The park restrooms and trail (.6 mile) will be universally accessible. There will be access to Grass Lake. In phases two or three, a fishing pier will be built that will be accessible to the trail. Leoni Township has a park that they are developing and a trail will be developed in that township. To the south of Grass Lake Township, there is a 230-acre nature preserve with a trail that intersects with a trail that the high school is developing. It has been a collaborative effort between the Village and Township of Grass Lake and school system, as well as working with other communities.

Obesity is a big problem in Grass Lake and the trail is a way to inspire people to use the trail as a form of exercise.

Ms. Nancy Krupiarz, Executive Director, Michigan Trails and Greenways Alliance

Outlined the Great Lakes Lake Trail (formerly known as the Michigan Airline Trail, which goes from one Great Lake to the other).

Also, the Alliance has been working with MDOT, DNRE and Alliance field representatives on the Cross State Trail (running from South Haven to Port Huron), which is approximately 240 miles and consisting of 11 trails. There are six gaps in the trail that need to be completed. Gaps are included in applications before the Board—10-031, Calhoun County Trailway, Calhoun County; 10-038, West Bloomfield Trail Development, West Bloomfield Township; and portion between Wixom.

Another application for the Cross State Trail is the further development of the Lakelands Trail in Putnam Township (10-001).

The Great Lakes Lake Trail will be a draw for residents and visitors, as well as to use the other 125 Michigan trails.

Ms. Krupiarz felt the concerns expressed earlier regarding 10-078, Commerce, Walled Lake and Wixom Trailway Management Council's CW2 Airline Trailway Acquisition can still be worked out. Many projects have been funded by the MNRTF with conditional commitments from MDOT. The railroad company is going to work things out and agreements will be reached with all parties.

Mr. Debra Buehner, Village President, Village of Barryton – 10-052, Barryton Park Improvements, Village of Barryton

Scored 360. In 2007, the State of Michigan deeded the park property to the Village of Barryton (contained over a million tires). This is a 12-acre parcel located along the

Chippewa River and it sits next to a park leased from Chippewa School District for a dollar a year. It is the only park that has playground equipment.

The project is being planned as a multi-phased project.

Mr. Ryan Cotton, Village Manager, Village of Spring Lake – 10-154, Grand River Greenway Non-Motorized Trail, Village of Spring Lake

Scored 340. Provided comments in support of the project. Thanked the Board for their support of last year's project. The current project involves 35 acres and 2600 feet of frontage to connect with another trail.

Ms. Apostol stated that on the list of projects before the Board, the village's grant request should be \$330,000 and not \$110,000.

Mr. Chelsey Foster, City Manager, City of Ithaca – 10-028, McNabb Park Site Development, City of Ithaca

Scored 310. McNabb has been under the ownership of the city since the 1920s. This includes soccer fields, fairgrounds, associated buildings, bike trail and horse racing track.

There are about 430 children from the mid-Michigan region that use the park for soccer practice and tournaments. The area gets very crowded at times with both soccer and horse racing events happening at the same time.

The American Youth Soccer Organization (AYSO) would like to expand their program for disabled children, physically and mentally handicapped. The city received an acquisition grant a few years ago (10 acres) next to the park. The city has committed \$70,000 toward the match.

Mr. Mike Lapchick, Resident of Casco Township – 10-067, Casco Township Nature Preserve Expansion, Casco Township

Scored 350. Made comments in opposition to the project. Some residents in the township question whether the property can afford to acquire the proposed project. Land was acquired from the state just south of the property (1100 feet of beachfront) for \$27,000. Residents on Blue Star Highway feel this takes care of the need for public access.

Expressed concerns about land for parking.

As there were no more public appearances, Chairperson Muchmore entertained a motion for adjournment.

**MOVED BY MR. GARNER, SUPPORTED BY DIRECTOR HUMPHRIES,
TO ADJOURN THE EVENING SESSION OF THE MNRTF BOARD MEETING.
PASSED WITHOUT DISSENTING VOTE.**

The November 30, 2010 evening session was adjourned at 8:25 PM.

The regular meeting of the MNRTF Board of Trustees commenced at 9:05 AM, December 1, 2010.

The following Board members were present:

Keith Charters
Bob Garner
Rebecca Humphries
Dennis Muchmore
Frank Torre

Also in attendance were various staff members of the DNRE and other interested parties.

Chairperson Muchmore asked DNRE staff to stand and introduce themselves to the audience.

I. ADOPTION OF MINUTES FOR THE MEETING OF OCTOBER 6, 2010.

MOVED BY DIRECTOR HUMPHRIES, SUPPORTED BY MR. CHARTERS, TO APPROVE THE MINUTES OF THE OCTOBER 6, 2010 MNRTF BOARD MEETING. PASSED WITHOUT DISSENTING VOTE.

II. ADOPTION OF AGENDA FOR MEETING OF DECEMBER 1, 2010.

MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO ADOPT THE AGENDA OF THE DECEMBER 1, 2010 MNRTF BOARD MEETING. PASSED WITHOUT DISSENTING VOTE.

III. OLD BUSINESS.

Stabilization Reserve Information

Mr. Joseph Frick, Assistant Chief, Administration Division, provided the Board with Stabilization Reserve information. At the present time the stock market holdings are at \$139.5 million and the equity market is doing well. There is about \$190 million in the operating cash flow.

Staff discussed the accounting changes with the State Budget office and they stated that these funds may be used for allocation of grants.

There are four negative implications to spending down the reserves:

1. Money spent this year will not be available to spend in the future – currently using 75 percent bonds and 25 percent equities.
2. May need to be more conservative in investment allocation (less stocks and more conservative bonds), which may decrease future investment income.
3. Less in the reserve to invest and, therefore, will earn less income in the future.

4. Will have a greater risk that interest rate increases (causing bond market value losses) and/or stock market losses could result in little or no money to spend in some future years.

The corpus is at \$487 million so this is very close to reaching the \$500 million cap. It is expected by April 2011 the cap will be reached. At that point, the oil and gas revenues will go to the Park Endowment Fund.

The amount in the Stabilization Reserve currently is \$47,512,500. The total for acquisition would be \$37.8 million and development \$9.7 million.

Overview of Phased Projects

Ms. Apostol outlined the phased projects. There are three that have been submitted via 2010 applications – 10-057, Saugatuck Harbor-Phase II, City of Saugatuck (\$3,500,000—Phase III (\$3,500,000) is scheduled for 2011); 10-139, AuTrain Basin, DNRE, Wildlife Division (\$1,250,000); and 10-140, Linear Park, Northville Township (\$3,053,700).

In addition, the Board approved Acme Township for a three-phased project in 2008 (TF08-095 (Phase I and TF09-171 (Phase II); however the township did not submit an application for Phase III in 2010. They plan to submit an application in 2011.

At this time, Mr. Charters advised the audience that this will be Chairperson Muchmore's last meeting as he has been appointed as Governor-elect Snyder's Chief of Staff. In addition, this will also be Director Humphries' last meeting, as she has accepted a position with Ducks Unlimited in Ann Arbor. Mr. Rodney Stokes has been appointed as the newly formed DNR's Director, effective January 1, 2011.

Ineligible and Withdrawn Applications

Ms. Apostol briefly outlined the ineligible and withdrawn applications. There is one project included on the list which has now been deemed eligible—10-151, North Drake Road Park Acquisition, Oshtemo Township. The application scored 210.

Small Acquisition Grants Initiative (SAGI) Applications

Ms. Apostol briefly outlined the Small Acquisition Grants Initiative (SAGI) applications. These are applications that the request amount was \$100,000 or less. All these are included on the staff recommendations main list for acquisition projects.

Small Development Grants Initiative (SDGI) Applications

Ms. Apostol briefly outlined the Small Development Grants Initiative (SDGI) applications. These are applications that the request amount was \$50,000 or less. All these are included on the staff recommendations main list for development projects.

At this time, Mr. Garner informed the audience that the DNR does not award these grants. The MNRTF is a stand-alone organization. Funding comes from a restricted fund established in 1976 and has been constitutionally protected three times by voters. Once the cap of \$500 million is reached, the MNRTF will not be receiving revenues from

oil and gas. Revenues will go to the Park Endowment Fund. What the MNRTF will have left to allocate for recreation projects will be the earnings off the interest of the \$500 million.

Acquisition Applications

MOVED BY MR. CHARTERS, SUPPORTED BY DIRECTOR HUMPHRIES, TO APPROVE FUNDING FOR 10-159, MILLIKEN STATE PARK ACQUISITION, DNRE, RECREATION DIVISION, IN THE AMOUNT OF \$20,000,000; 10-130, DETROIT RIVERFRONT EASEMENTS AND ACQUISITIONS, DNRE, RECREATION DIVISION, IN THE AMOUNT OF \$5,000,000; 10-128, GLOBE BUILDING ADVENTURE AND DISCOVERY CENTER ACQUISITION, DNRE, RECREATION DIVISION, IN THE AMOUNT OF \$9,000,000; AND 10-142, DEQUINDRE CUT NORTH ACQUISITION, CITY OF DETROIT, IN THE AMOUNT OF \$375,000. FUNDING FOR THESE PROJECTS WILL BE TAKEN FROM THE STABILIZATION RESERVE FUND (\$34,375,000). MOTION PASSED WITHOUT DISSENTING VOTE.

MOVED BY MR. CHARTERS, SUPPORTED BY MR. GARNER, TO APPROVE THE FOLLOWING ACQUISITION PROJECTS:

- 10-048, CITY OF BELDING, \$226,700
- 10-124, DNRE, FOREST MANAGEMENT DIVISION, \$2,200,000
- 10-117, DNRE, FISHERIES DIVISION, \$900,000
- 10-003, CITY OF GRAND HAVEN, \$181,000
- 10-057, CITY OF SAUGATUCK-PHASE II AND III, \$7,000,000
- 10-139, DNRE, WILDLIFE DIVISION, \$1,250,000
- 10-131, DNRE, STEWARDSHIP OFFICE, \$1,500,000 (REDUCED FROM \$2,500,000)
- 10-075, POWELL TOWNSHIP, \$404,500
- 10-123, DNRE, FOREST MANAGEMENT DIVISION, \$1,000,000
- 10-149, NORTHVILLE TOWNSHIP, \$3,053,700
- 10-129, DNRE, RECREATION DIVISION, \$2,400,000
- 10-137, DNRE, STEWARDSHIP OFFICE, \$1,000,000 (REDUCED FROM \$2,000,000)
- 10-095, GOLDEN TOWNSHIP, \$400,600
- 10-156, DNRE, FOREST MANAGEMENT DIVISION, \$5,500,000
- 10-125, DNRE, FOREST MANAGEMENT DIVISION, \$1,500,000
- 10-122, DNRE, FOREST MANAGEMENT DIVISION, \$1,750,000
- 10-136, DNRE, STEWARDSHIP OFFICE, \$1,250,000
- 10-120, DNRE, FOREST MANAGEMENT DIVISION, \$1,500,000
- 10-012, LAKETOWN TOWNSHIP, \$100,000
- 10-157, DNRE, FOREST MANAGEMENT, \$1,000,000
- 10-121, DNRE, STEWARDSHIP OFFICE, \$1,000,000 (REDUCED FROM \$2,500,000)
- 10-022, HAMLIN TOWNSHIP, \$99,400
- 10-081, MARQUETTE TOWNSHIP, \$156,900
- 10-165, SPRING LAKE TOWNSHIP, \$61,200
- 10-146, VILLAGE OF CONSTANTINE, \$36,000
- 10-150, BROOKS TOWNSHIP, \$188,700

10-162, DNRE, WILDLIFE DIVISION, \$875,000
10-164, BENZIE COUNTY, \$1,387,100
10-067, CASCO TOWNSHIP, \$2,250,000
10-029, CLINTON COUNTY, \$1,886,300
10-161, DNRE, WILDLIFE DIVISION, \$1,300,000
10-116, DNRE, STEWARDSHIP OFFICE, \$1,000,000
10-154, VILLAGE OF SPRING LAKE, \$330,000
10-060, GRATAN TOWNSHIP, \$48,100
10-144, DELTA COUNTY, \$90,000
10-158, DNRE, RECREATION DIVISION, \$1,280,000
10-145, EAST BAY TOWNSHIP, \$487,500

MOTION PASSED WITHOUT DISSENTING VOTE.

MOVED BY MR. GARNER, SUPPORTED BY DIRECTOR HUMPHRIES, TO AMEND MR. CHARTERS' MOTION TO APPROVE THE FOLLOWING SMALL ACQUISITION GRANTS INITIATIVE (SAGI) PROJECTS:

10-051, VILLAGE OF LEONARD, \$22,500
10-163, CITY OF MARINE CITY, \$37,500
10-093, VILLAGE OF PORT AUSTIN, \$60,000
10-147, RICHFIELD TOWNSHIP, \$21,600
10-149, EVELINE TOWNSHIP, \$46,500

MOTION PASSED WITHOUT DISSENTING VOTE.

Development Applications

MOVED BY MR. CHARTERS, SUPPORTED BY MR. GARNER, TO APPROVE THE FOLLOWING DEVELOPMENT AND SMALL DEVELOPMENT GRANTS INITIATIVE (SDGI) PROJECTS:

10-039, CITY OF KALAMAZOO, \$363,200
10-074, IRON ORE HERITAGE RECREATION AUTHORITY, \$400,000
10-033, CITY OF COLDWATER, \$15,000
10-050, CITY OF LANSING, \$500,000
10-103, CITY OF MUSKEGON HEIGHTS, \$500,000
10-073, VILLAGE OF BEULAH, \$227,500
10-055, YPSILANTI TOWNSHIP, \$500,000
10-062, CITY OF TRAVERSE CITY, \$450,800
10-031, CALHOUN COUNTY, \$500,000
10-042, CITY OF CARSON CITY, \$90,000
10-045, CITY OF DETROIT, \$500,000
10-002, CITY OF FLAT ROCK, \$447,900
10-027, CITY OF INKSTER, \$408,000
10-030, VILLAGE OF COLUMBIAVILLE, \$121,500
10-097, CITY OF SOUTH HAVEN, \$250,000
10-019, DENTON TOWNSHIP, \$372,700
10-077, EGELSTON TOWNSHIP, \$82,100
10-089, CITY OF WEST BRANCH, \$171,600
10-054, GEORGETOWN TOWNSHIP, \$333,300

10-105, COLDWATER TOWNSHIP, \$266,300
10-035, PRESQUE ISLE COUNTY, \$492,100
10-084, WAYNE COUNTY, \$500,000
10-091, CITY OF GALESBURG, \$266,600
10-024, CITY OF HARTFORD, \$29,600
10-040, HURON-CLINTON METROPOLITAN AUTHORITY, \$500,000
10-001, PUTNAM TOWNSHIP, \$500,000
10-038, WEST BLOOMFIELD TOWNSHIP, \$500,000
10-043, CITY OF NOVI, \$437,500
10-011, BERRIEN COUNTY, \$500,000
10-096, CITY OF ALLEGAN, \$45,000
10-044, CITY OF DETROIT, \$500,000
10-114, CITY OF FREMONT, \$180,300
10-049, DELHI TOWNSHIP, \$283,100
10-127, DNRE, MACKINAC ISLAND STATE PARK, \$50,000
10-061, MASON COUNTY, \$320,000
10-101, OTTAWA COUNTY, \$365,000
10-052, VILLAGE OF BARRYTON, \$92,900
10-079, WATERSMEET TOWNSHIP, \$500,000
10-059, CITY OF ROCKFORD, \$86,500
10-026, OCEANA COUNTY, \$54,000
10-025, TEXAS TOWNSHIP, \$287,800
10-041, VILLAGE OF FOWLerville, \$159,300
10-113, OSHTEMO TOWNSHIP, \$489,000
10-058, BRIDGETON TOWNSHIP, \$146,500
10-066, CASCO TOWNSHIP, \$154,900
10-056, CITY OF IRON MOUNTAIN, \$500,000
10-017, DEWITT TOWNSHIP, \$394,200
10-094, GOGEBIC COUNTY, \$235,500
10-064, IRON COUNTY, \$500,000
10-085, MACOMB COUNTY, \$205,000
10-072, VILLAGE OF PORT SANILAC, \$166,200
10-090, CITY OF GALESBURG, \$162,200
10-076, FORSYTH TOWNSHIP, \$268,600
10-014, FRUITPORT TOWNSHIP, \$213,900
10-063, TUSCARORA TOWNSHIP, \$384,900
10-109, VILLAGE OF BERRIEN SPRINGS, \$306,800
10-071, BARODA TOWNSHIP, \$256,000
10-087, THOMAS TOWNSHIP, \$262,900
10-119, DNRE, FOREST MANAGEMENT DIVISION, \$50,000
10-053, VILLAGE OF NORTHPORT, \$500,000
10-082, IRONWOOD TOWNSHIP, \$291,400
10-102, LENAWEЕ COUNTY, \$69,000
10-006, CITY OF BROWN CITY, \$35,000
10-028, CITY OF ITHACA, \$183,700
10-020, VILLAGE OF CONSTANTINE, \$91,000
10-046, VILLAGE OF MACKINAW CITY, \$74,900
10-047, BURT TOWNSHIP, \$398,500
10-098, OAKLAND COUNTY, \$308,000
10-069, OAKLAND TOWNSHIP, \$154,900
10-065, CITY OF LUNA PIER, \$490,000 (REDUCED FROM \$500,000)

MOTION PASSED WITHOUT DISSENTING VOTE.

Mr. Charters stated the reason that no DNRE, Recreation Division development grants were recommended was due to the fact that next year the division will be receiving, due to the MNRTF reaching its cap in 2011, funding that will go into the Park Endowment Fund. In addition, they will be accumulating revenue from the Recreation Passport Program.

MOVED BY DIRECTOR HUMPHRIES, SUPPORTED BY MR. TORRE, TO APPROVE 10-099, ALGOMA RSC ARCHERY CENTER DEVELOPMENT, ALGOMA TOWNSHIP, IN THE AMOUNT OF \$500,000. FUNDING FOR THIS PROJECT WILL BE TAKEN OUT OF THE STABILIZATION RESERVE. MOTION PASSED WITHOUT DISSENTING VOTE.

Chairperson Muchmore encouraged all communities who did not receive funding this year to work with Grants Management staff and reapply in the 2011 grant cycle.

At this point, Director Humphries presented a plaque to Chairperson Muchmore in appreciation of his serving on the MNRTF Board.

Mr. Charters stated that at the last meeting, questions were raised regarding acquisition project closings and adding additional staff versus contracting out services for appraisals and inquired on any progress. Director Humphries responded that staffing reviews are being conducted at this time. In addition, boilerplate language for acquisitions are being worked on that will provide more flexibility (escrows).

Chairperson Muchmore advised the audience that the projects approved today are "economic development projects" and urged grantees to express to their legislators to pass the MNRTF bill quickly.

V. NEW BUSINESS.

Ms. Suzanne Schultz and Mr. Steve Faber, Grand Rapids

Ms. Suzanne Schultz provided a presentation on the City of Grand Rapids and progress the city has made in recent years. The city has not received a recreation grant in a number of years. Parks have taken a huge hit in the city, due to budget restraints.

Ms. Schultz outlined using a green infrastructure in rebuilt parks in neighborhoods. The city updated their recreation master plan in 2007. Parks maintenance was one of the key focuses of the plan. The public school facilities have been shared for recreation purposes and have been included in inventories (makes up 25 percent of park land).

The City of Grand Rapids does not have large areas of property to purchase for park purposes. The school board is a separate entity and has fiduciary responsibility for its own lands and cannot donate it (a quarter of the land is school district).

Ms. Schultz outlined park areas and deficiency areas via a map provided to the Board.

Ms. Schultz also mentioned urban park development and the costs involved (approximately a quarter million dollars for a park). She was concerned about the

development cap for the MNRTF program being reduced to \$300,000 for development projects.

Mr. Steve Faber, Friends of Grand Rapids Park, made comments. He reiterated Ms. Schultz' comments about how costly urban park development is. This could hinder some efforts for development. Ms. Schultz also added comments on how it is difficult to come up with match money with the decrease of the development cap and then come up with an endowment for maintenance.

Election of Chairperson and Vice-Chairperson for 2011

MOVED BY MR. CHARTERS, SUPPORTED BY DIRECTOR HUMPHRIES, TO APPOINT MR. GARNER AS CHAIRPERSON AND MR. TORRE AS VICE-CHAIRPERSON. MOTION PASSED WITHOUT DISSENTING VOTE.

2011 Board Meeting Dates

The Board approved the 2011 meeting dates (no official motion). The dates will be as follows:

- February 16
- April 13
- June 15
- August 17
- October 19
- December 6 (evening meeting)
- December 7

Mr. Garner advised the Board that he had received an invitation by the Michigan Oil and Gas Association to hold the October 19th meeting in Mt. Pleasant, through Central Michigan University. The Board could spend some time looking at some oil and gas artifacts as this is the "heart" of the oil and gas industry in Michigan.

Mr. Garner also suggested that the Board meet in Emmet County for the June meeting.

Chairperson Muchmore stated that with budget cuts, he felt economically it would not be feasible to hold a meeting in the Upper Peninsula for 2011.

TF07-164, Waterfront Property Acquisition, Village of DeTour Village – **PROJECT WITHDRAWAL**

MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE, TO APPROVE THE WITHDRAWAL OF TF07-164, WATERFRONT PROPERTY ACQUISITION, VILLAGE OF DeTOUR VILLAGE. PASSED WITHOUT DISSENTING VOTE.

VI. STATUS REPORTS.

DNRE Real Estate Report – State Acquisitions

Mr. Ed Meadows, Section Manager, Real Estate Services, Administration Division, DNRE, outlined the DNRE Real Estate report. Since the last report, 10 options covering 394 acres, representing an investment of \$2,377,765 have been secured.

Mr. Meadows outlined a rail-trail acquisition along the Grand River in downtown Grand Rapids—the Grand River Edges project. This is to acquire one mile of corridor along the riverfront in downtown Grand Rapids. It connects to city parks, provides waterfront from the redeveloping industrial neighborhoods in the vicinity and connects to a major trail network in western Michigan. It provides public access for fishing, urban green space and contributes to the economic development efforts of the City of Grand Rapids. This project is a great example of the partnerships between the MNRTF, DNRE, MDOT, City of Grand Rapids and the railroad company. The asking price of the property was over \$6 million and the purchase price was \$2.3 million. The MNRTF portion is \$850,000.

Mr. Meadows advised the Board that Mr. Bill Schmidt, who has served the Department of Natural Resources for 36 years, will be retiring. Mr. Schmidt has acquired over 700 properties with MNRTF funds over the years. He has also provided many other services to the Real Estate Section over the years.

Mr. Meadows outlined other acquisitions that were included in the Real Estate report.

Mr. Meadows briefly outlined the MNRTF Lump Sum and Line Item projects report. All of the 2007 projects identified have been committed to projects, as well as the 2008 and 2009 land consolidation projects (either pending, acceptance of an offer, have been approved by the Director or in closing).

Completed Projects Report

Ms. Apostol advised the Board that three local acquisitions and three local development projects have been completed.

Financial Report

The financial information was discussed earlier; however, Mr. Frick advised the Board that the MNRTF investment income last year was \$43 million.

Chairperson Muchmore asked what the corpus balance is at the present time. Mr. Frick responded that at the year end closing it was \$487 million.

MNRTF Lump Sum and Line Item Department Projects

These reports were previously discussed by Mr. Meadows.

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

None.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund is scheduled for 9:00 AM, Wednesday, February 16, 2011, Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

ADJOURNMENT.

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

The meeting was adjourned at 11:20 AM.

Dennis Muchmore, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

Steven J. DeBrabander, Manager
Grants Management

DATE