Michigan Natural Resources Trust Fund 2023 Annual Report

### Message from DNR Director Scott Bowen



The numbers have spoken, and they are significant! In late 2023, the U.S. Bureau of Economic Analysis released its statistics measuring the outdoor recreation economy for the nation, showing that the value added by this segment of the economy accounted for 2.2% – a whopping \$563.7 billion – of current-dollar gross domestic product in 2022.

In Michigan, value added for outdoor recreation as a share of state GDP hit 2%, a significant milestone highlighting the importance of outdoor recreation as an economic driver. But this isn't the only benefit – far from it! This result also reflects the many health benefits that access to the outdoors affords Michigan residents and visitors. Whether enjoying a crisp, fall day while on a leisurely neighborhood stroll, experiencing a summer afternoon in your kayak, or venturing on a winter evening snowshoe hike on a state park trail, the physical and mental health benefits abound.

The Michigan Natural Resources Trust Fund is a driving force in making this all happen. Trust Fund grants, coupled with fundraising for critical match dollars, help recreation authorities and local governments acquire land and develop recreation amenities, such as accessible playgrounds, scenic overlook platforms in natural areas, basketball courts at city parks, and extensive multi-use trail systems.

Congratulations to this year's Trust Fund grant awardees and thank you for continuing this legacy – a significant benefit for all who live and visit here.

#### Message from MNRTF Chair Steve Hamp



No one else has this!

For those who follow the Trust Fund closely, you may have heard this already, but it still bears repeating: No one else has this.

Only Michigan has a constitutionally protected acquisition fund to purchase land in partnership with municipal entities and rural communities for public recreational purposes. Only the Great Lakes State has the same fund for the development and improvement of existing recreational facilities, creating and improving beaches, parks, marinas, hunting preserves, kayak launches, stretches of prime fishing rivers and lakes, trail systems and much more.

The Michigan Natural Resources Trust Fund, originally called the Kammer Recreational Land Trust Fund, incorporated in 1976, has invested over \$1.3 billion in nearly 3,000 public land projects across all 83 Michigan counties.

Gov. William Milliken signed the bipartisan bill establishing the Kammer Fund, which invested the royalties from the sale and lease of nonrenewable underground minerals, such as oil and gas, into a new fund to buy and improve public lands for recreational and conservation purposes – all for the residents of Michigan. The law also established a gubernatorial appointed 5-member board to review the projects vetted by Michigan Department of Natural Resources staff.

In a delightful return of serendipity, long time Trust Fund board member, Bill Rustem, will chair the board again in 2024, almost 50 years after he, as Gov. Milliken's environmental advisor, was the key voice in crafting the legislation that created the Kammer Fund.

As expected, we have a lot of very compelling projects in the pipeline this year, just as we have had in years past and will have in the future. After all, the Trust Fund, I am happy to report, goes on in perpetuity!

### **Trust Fund history**

The Michigan Natural Resources Trust Fund was established under the Kammer Recreational Land Trust Fund Act of 1976 to provide a permanent funding source for the public acquisition of land for resource protection and public outdoor recreation. Funding was provided by revenue derived from royalties on the sale and lease of state-owned oil, gas and mineral rights.

In 1984, the Trust Fund was expanded to allow funding of development of public land. Per the state constitution, the maximum amount of the accumulation of nonrenewable mineral royalties in the Trust Fund is \$500 million. This level was reached in 2011 and represents the permanent investment corpus. Today, the Trust Fund functions as a permanent endowment which funds grants, administration and payments in lieu of taxes (PILT).

With the passage of Proposal 1 in 2020, the Trust Fund board is now able to exercise greater flexibility in balancing funding between acquisition and development projects. This allows the board to respond to the state's changing recreation needs by acting more nimbly in its annual project selections. That's because acquisition and development grants each receive a minimum of 25% of total funding, allowing the remaining 50% to go toward either acquisition or development projects based on the greatest needs and benefits rather than a stipulated amount.

The Trust Fund has awarded over \$1.3 billion in grants to local units of government and state agencies for projects throughout all 83 Michigan counties. Of this total, \$284 million has been invested in trails. In excess of 1,000 public parks have been acquired, developed or both. Other projects funded include ball fields, boat launches, trailheads, restrooms and other amenities, for a total of 2,877 Trust Fund-assisted projects since 1976. To learn more about the Trust Fund visit **Michigan.gov/MNRTF.** 

## 10-year grant history

Grant awards (dollars)			and stand of the	Number of grants		
<b>Application Year</b>	Acquisition	Development	Total	Acquisition	Development	Total
2013	19,033,200	8,644,600	27,677,800	32	44	76
2014	18,249,900	6,479,600	24,729,500	25	44	69
2015	19,926,000	8,031,200	27,957,200	26	44	70
2016	27,670,800	19,940,100	47,610,900	27	87	114
2017	28,852,900	21,014,000	49,866,900	34	97	131
2018	18,650,600	7,393,400	26,044,000	30	34	64
2019	17,199,800	11,500,000	28,699,800	18	60	78
2020	27,289,600	10,500,000	37,789,600	30	46	76
2021	22,299,700	23,292,500	45,592,200	22	95	117
2022	15,003,500	8,302,700	23,306,200	15	30	45
Total	214,176,000	125,098,100	339,274,100	259	581	840

### Local and state acquisition and development projects, 1976-2022



Total acquisitions and developments: 2,877 for \$1,328,915,623

### **Trust Fund Board**

The Michigan Natural Resources Trust Fund Board of Trustees, authorized by Public Act 451 of 1994, is composed of five members, including the director of the Michigan Department of Natural Resources or a member of the Natural Resources Commission, and four state residents appointed by the governor. The resident members serving in 2023 were Christina MacInnes of Beulah, Dr. Brandy Brown of Comstock, Bill Rustem of Mason and Steven Hamp of Ann Arbor. Throughout the course of 2023, Scott Bowen represented the DNR as director, and Shannon Lott as acting director. Board priorities for 2023 included land and water trails, regionally significant projects and acquisition of wildlife habitat, hunting access and lake and river public access.

### 2023 MNRTF Board recommendations - development projects

County	Grantee		Project	Award
Allegan	Saugatuck Township		Blue Star Trail - Maple Street to Beeline Trail	\$300,000
Baraga	Baraga County		Point Abbaye Natural Area Campsite & Trail Expansion Project	\$300,000
Вау	City of Bay City	*	Niagara Woods Nature Area Development	\$300,000
Berrien	Berrien County		Development of the M-63 Lakeview Trail	\$300,000
Berrien	City of Buchanan		Development of Riverfront Park	\$229,400
Chippewa	City of Sault Ste Marie		Rotary Park Pavilion Project	\$275,400
Emmet	Bear Creek Township		Spring Lake Park - Restroom and Fishing Platform Renovation	\$300,000
Genesee	Genesee County	*	Flint River Access at the Confluence of Swartz Creek	\$300,000
Genesee	Genesee County	*	Historic Pedestrian Bridge Renovation	\$300,000
Genesee	Grand Blanc Township		Cook Road/Dort Hwy Shared Use Path	\$300,000
Grand Traverse	Garfield Charter Township		Grand Traverse Commons Natural Area Accessible Trail	\$300,000
Ingham	Ingham County		Burchfield Park - Riverbend Natural Area Access Improvements	\$300,000
Jackson	City of Jackson	*	Renovation of the Martin Luther King Jr. Equality Trail	\$300,000
Kalamazoo	Oshtemo Township		Development of Fruit Belt Rail Trail - Center Segment	\$300,000
Kalamazoo	Oshtemo Township		Development of Fruit Belt Rail Trail - East Segment	\$148,000
Kalamazoo	Oshtemo Township		Development of Fruit Belt Rail Trail - West Segment	\$263,000
Kent	City of Cedar Springs	*	Heart of Cedar Springs Playground Development	\$300,000
Kent	City of Kentwood		Paul Henry - Thornapple Trail Improvements	\$300,000
Macomb	Shelby Township		River Bends Accessible Kayak Launch Park Improvements	\$164,500
Manistee	City of Manistee		Veterans Memorial Park - Boardwalk Renovation	\$300,000
Mecosta	Mecosta County		Davis Bridge Park Water Access Renovation	\$299,800
Oakland	Paint Creek Trailways Commission	*	Paint Creek Trail - Bridge Renovation	\$300,000
Ontonagon	Ontonagon Township		Abby - Radtke Lake Superior Beach Access	\$206,800
Ottawa	Holland Charter Township		Middle Macatawa - Trailhead and Connector	\$300,000

IN FIRE FOR

\*Iron Belle Trail projects

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# **Development projects continued**

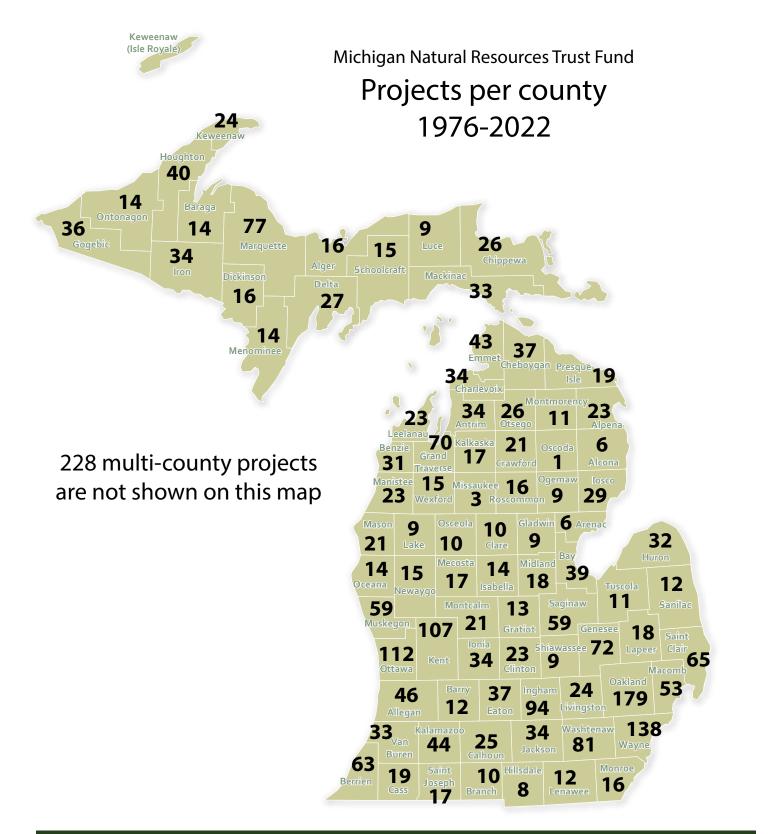
Saginaw	Bridgeport Charter Township	Cass River Trail Development	\$300,000
Saginaw	Saginaw County	Saginaw Valley Rail Trail Renovation	\$300,000
Shiawassee	City of Laingsburg	Looking Glass River Access Site Development	\$200,000
St. Clair	City of Port Huron	Sanborn Park Development	\$250,000
St. Clair	St. Clair County	North Channel County Park Waterfront Trail Access	\$300,000
Van Buren	Covert Township	Development of Covert Park Beach	\$300,000
Van Buren	South Haven Area Recreation Authority	Porter Legacy Dunes Park Development	\$300,000
Van Buren	Van Buren County	Development of Paw Paw River Water Trail Access	\$283,700
Wayne	City of Detroit	Eliza Howell Park - Nature Exploration and Playground Project	\$300,000
Wayne	Huron-Clinton Metropolitan Authority	Willow Metropark - Big Bend Fishing Area Renovation	\$300,000
Wayne	Northville Charter Township	Seven Mile Road Regional Pathway	\$300,000

# 2023 MNRTF Board recommendations - acquisition projects

County	Grantee	Project	Award
Barry	DNR - Wildlife Division	Middleville State Game Area Land Acquisition	\$1,200,000
Benzie	DNR - Forest Resources Division	Betsie River Springs	\$620,000
Cheboygan	DNR - Forest Resources Division	Black River Ranch Acquisition	\$3,000,000
Cheboygan	DNR - Forest Resources Division	Doe Lake	\$1,100,000
Grand Traverse	City of Traverse City	Brown Bridge Quiet Area - Spring Lake Expansion	\$2,352,200
Ingham	City of Lansing	Sycamore Creek Land Acquisition - Cavanaugh Road	\$300,000
Ingham	City of Lansing	Waverly Road Acquisition	\$500,000
losco	Oscoda Charter Township	AuSable River Scenic Preserve Acquisition	\$270,000
Kent	DNR - Wildlife Division	Rogue River State Game Area Land Acquisition	\$1,200,000
Mackinac	Clark Township	Hessel Marina Expansion Project	\$737,000
Macomb	City of Sterling Heights	Rotary Park Expansion Along the Clinton River	\$195,600
Macomb	Macomb Township	North Branch Land Acquisition	\$742,500
Midland	Edenville Township	Gransden Park Expansion	\$121,200
Oakland	Bloomfield Hills Schools	Johnson Nature Center Preserve Expansion	\$890,000
Oakland	City of Rochester Hills	Cloverport Park - Clinton River Buffer Acquisition	\$1,328,000
Ottawa	Ottawa County	Rosy Mound Acquisition - Phase 2	\$1,642,000
Sanilac	Village of Lexington	Village of Lexington's Harbor Acquisition	\$300,000
Washtenaw	Superior Charter Township	Superior Greenway Nature Preserve Acquisition	\$1,020,000

\*Iron Belle Trail projects

A list of all MNRTF projects, 1976 to present, is available online at Michigan.gov/MNRTF.



## Enhancing communities, helping citizens

The Michigan Natural Resources Trust Fund was created to provide perpetual outdoor recreation benefits for the people of Michigan for current and future generations. The positive effects of the Trust Fund help Michigan's economy by:

- Leveraging other public and private funding.
- Providing a sense of place for local communities to support tourism.
- Connecting communities locally and regionally through trails.

### Understanding how the Trust Fund works

In May 2011, the corpus of the Michigan Natural Resources Trust Fund reached \$500 million and, in accordance with the Michigan Constitution, the funding formula of the Trust Fund changed significantly. New revenue from state-owned oil, gas and other mineral production stopped being deposited into the Trust Fund and started to be deposited in the State Park Endowment Fund. Funds available for grants from the Trust Fund, as well as payments in lieu of taxes and administrative costs, now come from interest and earnings on these invested funds.

The Michigan Department of Treasury manages the investment of the corpus to ensure grants will continue to be available for current and future generations. Adequate fund reserves are present to withstand variations in the market and to allow for continued stability in the fund. This strategy will maintain a vital Trust Fund for years to come. The estimated fiscal year 2023 ending investment balance of the Trust Fund is \$618.2 million.



Fishing pier at Lake Lansing Park, Haslett, Ingham County.

### **Financial summary**

Interest earnings and income:	\$57.9 million
Development project recommendations:	\$9.8 million
Acquisition project recommendations:	\$17.5 million
Property taxes paid on state land purchased:	\$2.5 million
Operating expenditures:	\$2.3 million



Michigan's "Dragon," a 42-mile trail route, located in Mecosta County and Newaygo County.

## About the cover photos

**Front:** Accessible playground at Gratiot Park, Port Huron, St. Clair County. **Back:** Trail at Kimball Pines County Park, Calhoun County.



Learn more about the Michigan Natural Resources Trust Fund at Michigan.gov/MNRTF.

Stay current on the latest Trust Fund news and other DNR information by subscribing to email updates. Visit Michigan.gov/DNREmail to sign up.

Questions: 517-28 GRANT (517-284-7268) or DNR-Grants@Michigan.gov.