



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



KEITH CREAGH
DIRECTOR

October 6, 2015

TO: Keith Creagh, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of State-owned Land
Grayling Management Unit – Crawford County
Land Transaction Case #20150153

Sale: 600 acres

Sale Price: \$840,000.00

Description: Crawford County, Grayling Township, T26N, R03W, Section 33:
Excluding the S 1/2 of the SW 1/4 of the NW 1/4 and the N 1/2 of the
NE 1/4 of the NW 1/4.

Applicant(s): Arauco North America, Atlanta, Georgia

Authority: Natural Resources and Environmental Protection Act, 1994 PA 451, as
amended.

Notice: This item will appear on the Department of Natural Resources
(Department) October 6, 2015 calendar, and is eligible for approval on
November 6, 2015.

Acquired: By tax reversion.

Minerals: To be retained.

Comments: The desired tract lies approximately four miles south of the city of
Grayling and is located near the northeast intersection of I-75 and Four
Mile Road. The 600 acres of land are bounded by Department-
managed land on three sides with some private lands to the west. Four
Mile Road is immediately to the south.

This land is located within an area identified under the 2012 Growth
Management Proposal memorandum of understanding (MOU). Partners
in the MOU are the Crawford County Economic Development
Partnership, Grayling Township and the DNR. This MOU was first
signed in 2000, and was reauthorized in 2012. The MOU identified
public lands that could be used for commercial and industrial
development in an effort to focus growth and create regional prosperity
where existing infrastructure could support development.

Arauco North America has worked with the Growth Management Proposal partners and intends to use the site to build their new particleboard mill. The new mill will produce particleboard panels along with additional lamination capabilities in support of other Arauco panel products. This investment will generate approximately 250 direct, permanent jobs, as well as associated economic and community benefits to the region. Promotion of the Grayling Industrial Park partnership was discussed with the DNR during local engagement meetings between the Director and the ten counties with the most public ownership within their jurisdictions, and was identified as a priority for Crawford County and Grayling Township.

The recently completed Department of Natural Resources Managed Public Lands Strategy (Strategy) provides goals and objectives regarding local engagement, integrated local and regional planning and prioritization, and criteria to accomplish land acquisition and disposal. Conveyance of the desired property will help achieve the Strategy goals and objectives by fostering and supporting local and regional economic prosperity in the area.

Proceeds from the sale will be deposited into the Land Exchange Facilitation Fund (LEFF). The LEFF allows the Department to sell rights in land and deposit the proceeds in a fund which can then be used to acquire replacement property.

- Recommendation:
- (1) That the land be sold to the applicant for \$840,000.00.
 - (2) That the proceeds of the sale be deposited in the LEFF.
 - (3) That a temporary snowmobile trail reservation along the existing trail route be retained until April 1, 2016.
 - (4) That the state retain mineral rights and aboriginal antiquities.

October 6, 2015

Russ Mason, Ph.D., Chief
Wildlife Division

William O'Neill, Chief
Forest Resources Division

James L. Dexter, Chief
Fisheries Division

Ronald A. Olson, Chief
Parks and Recreation Division

William E. Moritz, Ph.D.
Natural Resources Deputy

Mark H. Hoffman
Chief Administrative Officer

I approve the staff recommendations

Keith Creagh
Director

Date Approved