

**Forest Management Advisory Committee (FMAC) Meeting
May 6, 2015**

FMAC MEMBERS PRESENT

Mr. Bill Botti, Chair, Michigan Forest Association
Mr. Stephen Shine, Michigan Department of Agriculture and Rural Development (MDARD)
Mr. Scott Robbins, Michigan Forest Products Council
Mr. Bill Manson, Michigan Snowmobile Association
Mr. Gary Melow, Michigan Biomass
Mr. Warren Suchovsky, Suchovsky Logging
Ms. Amy Trotter, Michigan United Conservation Clubs
Mr. Bill O'Neill, Michigan Department of Natural Resources (MDNR)
Ms. Kim Korbecki, Assistant, MDNR
Dr. Terry Sharik, Michigan Technological University (via conference call)

FMAC MEMBERS ABSENT

Mr. Marvin Roberson, Sierra Club

FMAC ADVISORS PRESENT

Mr. Andy Henriksen, United States Department of Agriculture Conservation District

FMAC ADVISORS ABSENT

Ms. Leslie Auriemmo, United States Forest Service, Huron-Manistee

PUBLIC PRESENT

Dr. Richard Kobe, Michigan State University
Mr. Steve Sutton, MDNR
Ms. Kerry Wieber, MDNR
Mr. Dennis Nezich, MDNR (via conference call)
Mr. Peter Gamberg, MDNR

I. **Welcome**

Chair Botti called the May 6, 2015 Forest Management Advisory Committee (FMAC) meeting to order at 1:05 p.m. He asked for introductions all around.

II. **Action Items**

• **Adoption of May 6, 2015 FMAC agenda**

MOTION: **Mr. Manson** moved to adopt the May 6, 2015 FMAC meeting agenda as presented, seconded by **Mr. Robbins**. **Chair Botti** asked for comments; **Dr. Sharik** requested adding an update of the Michigan Forest Biomaterials Initiative under the *FMAC Members Program Updates* section. The May 6, 2015 FMAC meeting agenda passed unanimously, as amended.

• **Adoption of the March 4, 2015 FMAC meeting minutes**

The March 4, 2015 FMAC meeting minutes were adopted per the 7-day rule in the FMAC Bylaws ([attached](#)).

III. **Land Transaction Applications**

Mr. Steve Sutton, MDNR, gave a presentation ([attached](#)) on the land transaction application process. The MDNR reviews hundreds of LTAs a year, initiated both by the MDNR and private

citizens. Each of the MDNR's land management divisions (Wildlife, Forest Resources, Parks and Recreation, Law Enforcement and Real Estate Services) are involved in the transactions. All divisions review the land transaction application, including how it would affect threatened and endangered species. This review takes approximately 6 weeks. After that, the application is moved to a mid-level manager and if he or she concurs with the divisions' recommendations, it moves up to Ms. Kerry Wieber, MDNR's Forest Land Administrator. Ms. Wieber then takes the field review to the Land Exchange Review Committee and it conducts a department-wide review of the proposal. At any time during this process, if needed, MDNR staff will work with the applicant to see if changes to the application can be made that will meet the needs of both the MDNR and the applicant.

Dr. Sharik pointed out that the application had not been revised since 2002 and wondered if it could use some tweaking. **Mr. Sutton** responded it could use some tweaking and that was one of the exercises that were conducted when MDNR staff was writing the *MDNR Managed Public Land Strategy* (Strategy). Part of the recommendations made in the Strategy was to look at the processes to make them more transparent, and to include at least a broad criterion to the LTA. Currently the application is in a holding pattern, but tweaking it has been discussed. **Dr. Sharik** asked who would be involved in revising the LTA. **Mr. Sutton** replied it would follow the process already within the MDNR to revise procedures. At one time, the intent was to work with the Land Strategy Group to determine what procedures need to be changed. Unfortunately the Strategy has taken precedence over updating the LTA. **Mr. O'Neill** added the MDNR also had a complicated transaction (Graymont) come in during this time that encumbered the process of updating policies. **Ms. Wieber** stated a lot of the foundation would remain the same; additional information was added on intentionally with the Graymont application to make it more transparent. **Mr. Robbins** suggested developing both a major and minor LTA process. **Ms. Trotter** asked what funding source is used for staff review of submitted LTAs. **Ms. Wieber** responded the applicant pays an application fee and that helps to fund the staff review. **Mr. Suchovsky** asked if the NRC is involved with the LTA process. **Ms. Wieber** replied the NRC has no authority, but it is a forum for public comment. **Mr. Melow** asked about the Strategy and the land transaction cap. **Mr. Sutton** responded once the process begins a memo is submitted to MDNR's Director that gives details regarding the transaction, and the memo includes where the cap is at the time of the memo and where the cap would end up if the transaction was approved. The MDNR's Real Estate Services division keeps track of the cap.

Dr. Sharik asked what lessons were learned from the Graymont transaction. **Ms. Wieber** stated the MDNR did an *After Action Review* (AAR) and they talked about having a procedure that was appropriate for a larger transaction. The MDNR has started working on a way to implement that. **Mr. O'Neill** added the MDNR will be meeting with a few people that have suggestions on ways it can be more transparent and have ideas on how to make it so. They are looking into having a more targeted AAR as well. **Ms. Trotter** commented that the Conservation Coalition has submitted suggestions to the MDNR as well. House bill 5210 from last session was sort of a cleaned up version of the land cap bill that died last session. There has been no other bill introduced this session.

Chair Botti asked if the FMAC could be of assistance with the LTA process. **Ms. Wieber** responded to just spread the word to support the Strategy. **Mr. O'Neill** stated the FMAC could review the Strategy ([attached](#)) and make a recommendation on whether it should move forward.

Chair Botti thanked Mr. Sutton for his presentation.

IV. **Payment in Lieu of Taxes (PILT) Information and Payments**

Ms. Wieber provided a handout ([attached](#)) to the FMAC and discussed the PILT program.

PILT stands for payment in lieu of taxes. PILT are statutorily required to be made by the State of Michigan to local units of government for land owned by the state and managed by the MDNR, and privately owned land retained for long-term timber production under the Commercial Forest Act. PILT are made for several types of land:

1. Swamp and tax reverted lands;
 2. Purchased lands; and
 3. Commercial Forest Act lands.
- Swamp and tax reverted lands: Beginning in 2015, the tax will be \$4.00 per acre, and beginning in January 2016 and annually thereafter, the tax will increase by 5% or the inflation rate, whichever is less. The inflation rate to be used for the purpose of this calculation is the inflation rate defined by The General Property Tax Act, 1893 PA 206, MCL 211.34D.
 - Purchased lands: Land owned by the state, controlled by the MDNR, and acquired on or after January 1, 1933, shall be assessed. (See [attached](#) for how this payment formula is determined).
 - Commercial Forest Act (CFA) lands: Private lands enrolled in the CFA program are not subject to ad valorem taxes. Through 2011, private land owners are subject to an annual specific tax of \$1.20 per acre. However, the amount paid by private land owners and the state increased by \$0.05 per acre beginning January 1, 2012, and is scheduled to increase another \$0.05 per acre every five years thereafter.

Two points that Ms. Wieber made regarding PILT is that it must be paid through an appropriation from the Legislature, and payment comes from the Department of Treasury. The MDNR does not make the payments. Recent legislation has been enacted that requires the Legislature to appropriate PILT payments in full and on time.

The MDNR does pay nearly full taxes on land it acquires through purchase. The State of Michigan pays full taxes except for statewide education tax, which is 6 mills statewide. It is a misconception that when the MDNR purchases land, it pays less than the citizens of the state.

Tax reverted land taxes are paid by the state's general fund. Purchased land taxes are paid by 50% general fund and 50% restricted funds, i.e. Game and Fish Protection Fund and Waterways Fund. Lands purchased with the Michigan Natural Resources Trust fund (MNRTF) taxes are paid 100% by MNRTF.

Chair Botti thanked Ms. Wieber for her presentation.

V. **Demonstration of MDNR's Open Data Portal**

Mr. Gamberg gave a demonstration of the new MDNR's [open data portal](#). The MDNR's Resource Assessment Section supports the MDNR as a whole in terms of spatial data, i.e. campgrounds, fishing sites, boating access sites, etc. This portal will be the go-to spot for anyone interested in MDNR data. Data also included are things such as forest cover types, individual stands, undergrowth, real estate where the MDNR owns land with minerals, etc. This is a web page for public and private consumption.

Mr. Gamberg stated the website will provide multiple formats for data. It is maintained on a daily basis so the information is accurate. The public can now get to the data they are looking for without having to submit a formal request. **Mr. Robbins** asked if timber sale data is included on the website. **Mr. Gamberg** responded not yet, but that information will be incorporated shortly. Staff is still trying to determine how often timber sale data information should be updated. **Mr. Suchovsky** asked if this is where trail users that want to know where the timber sales are would go to get that information. **Mr. Gamberg** responded yes, but it would be up to the user to gather the data. The goal is to provide the data the public needs to answer that, or other questions they may have.

Mr. Gamberg reported the information on the page is downloadable so businesses and organizations can grab the data they need and make an application themselves if they'd like to. He added this information will always be free to access. **Mr. Robbins** asked if MNFI data is also available on this site. **Mr. Gamberg** replied no, and that to put their information on this site MDNR staff would have to have discussions with MNFI because they tend to have sensitive information.

Dr. Sharik asked if this is just basic inventory data or does it include diameters and stand levels. **Mr. Gamberg** responded that all of MDNR's stands are out there for a total of 200,000+ records, broken down by year of entry (YOE). **Dr. Sharik** asked about analysis, and if people have to contact the MDNR to get that information. **Mr. Gamberg** responded that the information is public information, and that people can do an analyses of the information they obtain if they so choose. The data will have "terms of use" verbiage, but the public will not have to get clearance from the MDNR to use it in that way. Users will be able to use this information in whatever manner they choose. **Dr. Sharik** commented that this is a great step forward for the MDNR.

Mr. Gamberg stated people could use the website now, but it's not technically live at this time. **Mr. Suchovsky** asked if this was a presentation that could be given to the U.P. Citizen's Council. **Mr. Gamberg** responded he would be happy to present at one of their meetings. **Mr. O'Neill** added that presenting to groups such as the U.P. Citizen's Council is one of the ways the MDNR plans to use to get the word out about the portal.

Mr. Melow asked about layers. **Mr. Gamberg** responded that people can grab all the layers they like but it will be up to the user to spatially lay it out and to do the analyses. He added that the MDNR is providing the public access raw data. The MDNR is, as a whole, starting to develop similar interactive applications.

Dr. Sharik commented the MDNR might want to think about reverse of the process for those that have accumulated a lot of data on state land. **Mr. Gamberg** responded that sounds very reasonable and that MDNR staff have talked about this idea and the data that is out there that the MDNR has not yet collected. He added MDNR staff would like to have discussions with people on what standards data is coming to the MDNR from (different formats, fields, tables, etc.) but thinks it would be some time in the future before the MDNR would be able to support collecting that type of information from the public. It could be accomplished though. **Mr. Suchovsky** asked if this ties into information on soil surveys. **Mr. Gamberg** responded the MDNR has copies on the GIS database, but there are hundreds of other portals of this type so the information is available through other sources. At this time the MDNR is not considering including this information, but the data.gov website is the federal version of an open data warehouse.

Mr. Henriksen asked if CFA lands are included in the data portal. **Mr. Gamberg** replied that MDNR is working on getting out information on CFA lands that isn't considered sensitive. The MDNR staff would have to talk with the landowners about this. Forest Stewardship boundaries are up and running though. **Mr. Melow** commented he could see this growing to incorporate more and more information as time goes on. He likes the thought of being able to query different layers and have all the information show up at once. **Mr. Gamberg** responded that this is something that may be coming down the road.

Chair Botti thanked Mr. Gamberg for his presentation.

VI. **Deer Management Habitat**

Mr. Nezich gave a presentation ([attached](#)) to the FMAC regarding the deer winter habitat and the Deer Winter Range Management Workgroup (workgroup). He explained to the FMAC why the workgroup was formed, what its charge is and what approach it is taking.

The U.P. Habitat Workgroup was re-formed in 2014 and renamed the Deer Winter Range Management Workgroup. It has representatives from the Michigan Natural Resources Commission, MDNR, Ottawa and Hiawatha National Forests, Natural Resources Conservation Service, private and corporate foresters and consultants, and Michigan sportsman groups. A number of MDNR staff attend the workgroup meetings as well.

The deer winter habitat is a critical component of a healthy, sustainable herd of deer in the Upper Peninsula. The winter severity index has been high and the numbers low, and the Upper Peninsula state has been losing many deer. As an example, in an Iron County study, there were 25 fawns radio collared last year and all but two were lost. (This information was provided by Mr. Terry Minzey, MDNR Wildlife Division, and the data are based on the Predator/prey study in Iron County.)

Multiple MDNR Divisions have worked together to survey areas to accurately map the situation at this time. Twenty to twenty-two percent of deer winter complexes (DWC) are located on state forest land. Since eighty percent of DWCs are not located on state land, the workgroup was formed with members from all different areas of expertise to try to determine how to deal with this issue on all land ownerships.

The MDNR selected 3 DWCs to study; one in Lake Gogebic, one in Northern Perkins and one in Les Cheneaux. The MDNR wants to develop land management strategies in each of these areas to share with landowners.

The mission of the workgroup is to develop comprehensive management strategies so the workgroup decided to focus on the 80% of DWCs not on state land. Now that the DWCs have been identified, the workgroup can determine what the best management practices will be. People can then find the correct management strategy for their area on the MDNR website.

The workgroup is also trying to identify communication strategies. There will be a lot of outreach to private landowners via training of consulting foresters, information posted on the web, etc. The MDNR will be providing guidance to DWCs on state, federal, corporate and private lands, and will provide access to the public to view guidelines and information as to how the guidelines might apply to their property. This tool will be available on the MDNR's website shortly.

Chair Botti thanked Mr. Nezich for his presentation and commented he is happy to see the MDNR is taking on this challenge. He asked Mr. Nezich if he would continue to be the contact on this issue and Mr. Nezich responded he would be happy to present on this topic whenever asked. The workgroup is currently working on CFA lands to corporate lands, having the requirement of the CFA in place to encourage timber production, and ideas on how to meld CFA with the needs of deer management. They are also looking at how to maintain a sustainable number of deer. The MDNR may need more active management in obligate yards and it may then be able to enhance timber output in those areas.

Mr. O'Neill stated the goal of this conversation is to determine what affect the number of deer has on Michigan Forests, and suggested the FMAC consider itself as advocates to start the conversation again between sportsmen and foresters. **Chair Botti** asked in what way the FMAC could help. **Mr. O'Neill** responded by bringing both perspectives together to discuss and to assist with what will be a difficult conversation. It could also consider arranging a meeting down the road, perhaps a symposium or an all-day meeting. **Dr. Sharik** stated that academic institutions should be included in the conversation. **Mr. Suchovsky** suggested scheduling an FMAC meeting up north to visit a deer wintering area.

VII. **Discuss how the FMAC can be More Proactive in Making Advisory Recommendations**

This discussion did not take place as Mr. Roberson, who was to be lead on the discussion, was absent from this meeting.

VIII. **Standing Discussion Items**

- **Michigan Forest Biomaterials Initiative (MIFBI) – Dr. Sharik**

Dr. Sharik reported on the Michigan Forest Biomaterials Initiative (MIFBI). He commented they had added the word “forest” to the title so as to distinguish themselves from agriculture. A lot of effort was put into MIFBI, and as a result an advisory board has been formed as well as a project named “Reforge” which will cover bio or green economy. This is modeled after Project Green and they have presented their ideas to the legislature. **Dr. Kobe** added that Project Green is generating research and extension for meeting economic needs, and is a commodity group-led effort to get funding from the state. They have provided \$3 to \$5 million a year for projects to identify obstacles, such as what needs to be done to get something moving, and to cover anything in the realm of research and extension. Projects are reviewed by a joint panel of people from government and academia. Project Green has leveraged a lot of research funding for MSU.

There will be a meeting held May 28-29, 2015 to focus on a strategic plan for the MIFBI, at the University Center in Gaylord.

- **TAC Update – Mr. Melow**

The TAC met last month and the major topic of discussion was the Governor’s 2015 Forest Products Summit. The summit will be held sometime in October and will bring the industry together. Growing from \$14 to \$20 billion a year was a goal from the 2013 summit and we have accomplished increasing to \$16.4 billion.

The TAC drafted a letter to the Fish and Wildlife Service in terms of the threatened status of the northern long-eared bat. They are recommending it be pared down to a section vs. township basis; the TAC is asking for one square mile.

There are seats available to be filled on the TAC. The TAC is looking for membership recommendations to give to the Governor.

Ms. Donna LaCourt gave an update on things happening in various market places, and activities in the state of the forest products market. **Mr. O'Neill** added the MDNR is working with a couple of forest products companies that have shown interest in coming to Michigan.

- **Legislative Update**

The March legislative update was included with the FMAC meeting packet. **Mr. O'Neill** reported the MDNR is against senate bills 39 and 40, and there are a few funding bills the MDNR has come out opposed to as well. He indicated that anytime anyone has a question as to where the MDNR stands on a specific bill, he will get them in touch with Mr. Trevor VanDyke, Legislative and Legal Affairs, MDNR.

- **FMAC Member Program Update**

National Bioenergy day is October 21. Last year it was a great event. The location has yet to be determined but they hope to hold a chipping operation or something else in the field.

IX. **Agenda Items**

1. Review land strategy – FMAC members are asked to review the [MDNR's Michigan Public Land Strategy](#) prior to the July meeting and be prepared to vote on its support or lack thereof.
2. How forest service pays PILT taxes – USFS staff
3. Discuss how the FMAC can be More Proactive in Making Advisory Recommendations – Mr. Roberson

X. **Adjournment**

Chair Botti adjourned the May 6, 2015 FMAC meeting at 4:05 p.m.