

Graymont Proposal Fact Sheet (March 2015)

Graymont Proposals – Background

The DNR has received a revised proposal from Graymont, Inc.

- Land Transaction:
 - Graymont approached the DNR about a land transaction in April 2012 and submitted a complete land transaction application in November 2013.
 - In October 2014 Graymont submitted a revised application.
 - In January and February 2015 Graymont submitted revisions to its application.
 - In March 2015 Graymont submitted updated revisions to its application.
 - Meetings have been ongoing with Graymont representatives to review DNR concerns with the revised proposals and to better understand various components of the revised proposal.
 - Public comment on the proposal continues to be accepted.
 - **A decision by the DNR Director is anticipated at the March 19 Natural Resources Commission meeting in Roscommon.**
- Mineral Exchange:
 - Graymont approached the DNR with a proposed mineral exchange application in June 2014.
 - In January 2015 Graymont submitted a revised mineral exchange application.
 - **A decision to approve the proposed mineral exchange was made by the DNR Director at the February 2015 Natural Resources Commission meeting.**

Graymont's Revised Applications

Land Transaction:

- In Graymont's March 2015 application the DNR would be compensated for the land that is purchased and limestone as it is mined over the life of the mine through a proposed 30 cents per ton royalty interest (the company will pay a royalty on each ton of limestone that's removed).
- The proposal consists of six areas of state-managed land proposed for acquisition:
 1. Tract A (surface mine) direct purchase of 1,006 acres for a value of \$2,392,332.
 2. Tract B (surface mine) exchange of 671 acres with a value of \$634,275.
 3. Tract C (surface mine) exchange of 159 acres with a value of \$72,822.
 4. Tract D (underground mine) direct purchase of 7,026 acres for minerals only with a value of \$77,293.
 5. Tract E (buffer area) direct purchase of 778 acres for a value of \$1,340,307.
 6. Option for easement land (transportation corridor easement) seeking to acquire a 10-year option on 535 acres for \$20,000 to identify a maximum of a 55-acre easement.
- Graymont would create a regional economic development fund to provide grants for local units of government, schools, and/or small businesses. Graymont will contribute at least \$100,000 annually to the fund for the first five years following conveyance.
- Graymont would pay a minimum annual royalty of \$10,000 for Tracts A, B, and C, collectively, starting in 2020. Graymont would also pay a minimum annual royalty of \$10,000 for Tracts D and E, collectively, starting in 2020.
- The state would retain ownership and continued public access to the surface of underground mine area (7,026 acres). Graymont proposes to use the surface of the underground mine for mine support

infrastructure. Exclusive use of the surface area will not exceed 400 acres. Other nonexclusive areas will remain open to the public.

- In the surface mine areas to be acquired by Graymont, the public would be permitted to continue to use those portions of the areas that are not actively being mined and the DNR would reserve a perpetual easement for existing named recreation trails.
- Prior to any mining operations, Graymont will provide site-specific mining plans, including hydrologic and archeologic reports, consult with the DNR, and provide opportunities for public input.
- Graymont would perform reclamation on surface mine areas and provide financial assurance for reclamation.
- Graymont has included suggested routes for the relocation of recreational trails on Tract E.
- Graymont has proposed to identify and map the existing wetlands on Tract E and will impact no more than 15 acres with mining infrastructure. It will then prepare a restrictive covenant to be held by the state on the remaining wetlands.
- Graymont would grant the state the “Right of First Offer” to purchase back all the affected lands at market value when mining is complete.

Mineral Exchange:

- In February 2015, the Director approved a mineral exchange of approximately 1,700 acres with Graymont.
- The exchange includes mirror royalty commitments for both ownerships.

Proposal Comparisons

Land Transaction:

Compared to the previous application, the revised proposal does the following:

- Land values include timber consideration for Tracts A and E, a 15 percent public access discount, and consideration for non-limestone and dolomite minerals.
- Decreases the acreage in the option land from 575 to 535.
- Due to acreage verification, all Tract acreage has been slightly modified as noted above.
- Increases the exclusive use acreage on Tract D from 360 to 400 acres.

March 2015 application

- Direct sale = 1,781 acres; Exchange = 830 acres; Mineral purchase = 7,026 acres; Option area = 535 acres/10 years/55 acre maximum

January 2015 application

- Direct sale = 1,806 acres; Exchange = 820 acres; Mineral purchase = 7,256 acres; Option area = 575 acres/10 years/55 acre maximum

The DNR Process for Reviewing Graymont’s Revised Application

- For review of the revised application, the DNR will continue to use a review process that considers the following perspectives:
 - Environmental (DNR staff - resource/recreation review)
 - Legal (Attorney General’s office)
 - Social (public comment/input)
- Revised proposal and DNR recommendation made available to the public on March 10, 2015.

- The proposed land transaction will go before the DNR Director for review and a decision at the **March 19, 2015**, Natural Resources Commission meeting. The public will again have an opportunity to provide comments on the proposal at this meeting.
- The DNR Director may make a decision as early as March 19, 2015.

Public Review Process

Comments will be accepted until the DNR Director makes a final decision. Public comment may be submitted as follows:

- Mailed comments can be sent to the Roscommon Customer Service Center Attn: Kerry Wieber, 8717 N. Roscommon Road, Roscommon, MI 48653.
- The DNR will also be accepting public comment via email at the following link: (DNRGraymontProposalComments@michigan.gov) until the DNR Director makes his final decision.