

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES

Minutes of October 23, 2013 Meeting  
Lansing Community College West Campus  
5708 Cornerstone, Lansing  
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:05 AM.

The following Board members were present:

Brad Canale  
Keith Charters  
Keith Creagh  
Sam Cummings  
Erin McDonough

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

I. ADOPTION OF MINUTES FOR MEETING OF AUGUST 21, 2013.

Chairperson Cummings called for the adoption of the minutes from the August 21, 2013 MNRTF Board meeting.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. CANALE, TO APPROVE THE MINUTES OF THE AUGUST 21, 2013 MNRTF BOARD MEETING. PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF OCTOBER 23, 2013.

Chairperson Cummings called for the adoption of the agenda for the October 23, 2013 MNRTF Board meeting.

**MOVED BY DIRECTOR CREAGH, SUPPORTED BY MR. CHARTERS, TO ADOPT THE AGENDA FOR THE OCTOBER 23, 2013 MNRTF BOARD MEETING. PASSED WITHOUT DISSENTING VOTE.**

### III. INTRODUCTIONS.

Mr. Steve DeBrabander, Manager, Grants Management Section, Finance and Operations Division, DNR, introduced himself and the other Grants Management Section staff in attendance: Mr. Jon Mayes (Unit Manager, MNRTF), Ms. Janet Liesman (MNRTF Financial Analyst), Ms. Linda Harlow (Administrative Assistant, Grants Management and MNRTF Board), Ms. Tamara Jorkasky (Grant Coordinator), Ms. Christie Bayus (Grant Coordinator), and Ms. Jule Stafford (Grant Coordinator).

Mr. DeBrabander stated that Ms. Shamika Askew-Storay (Grant Coordinator) is not in attendance today, as she has accepted a promotional position within the DNR. She will be working as a Legal Policy Analyst in the Legislative Affairs office within the Director's office.

At this point, the Board members introduced themselves to the audience.

### IV. PUBLIC APPEARANCES.

#### Representative Wayne Schmidt – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Representative Wayne Schmidt made comments in support of the Old Mooring Place Acquisition (13-131) application submitted by the DNR, Parks and Recreation Division. He stated he appreciated the efforts the MNRTF Board and program have made in Northern Michigan. This past summer, he provided a tour of recreation sites in the area for Representative LaFontaine (Chairman of the Natural Resources Committee) to showcase successful projects.

Representative Schmidt stated that Representative LaFontaine was really impressed with the Old Mooring Place Acquisition project. This is a beautiful piece of property to allow visitors and local residents to use in perpetuity. This would also include a boat launch area. Providing this additional boat launch area in the area would be a great value.

#### Mr. Tom Bailey, Executive Director, Little Traverse Conservancy

Mr. Tom Bailey, Executive Director of Little Traverse Conservancy, made some comments on the withdrawal of the Storey Lake acquisition project (TF10-156, Forest Resources Division, DNR). Even though this project is being withdrawn, he wanted to compliment DNR staff for their hard work in attempting to complete the acquisition. This was a very complicated situation involving several family members.

Mr. Bailey further stated that as a member of the Michigan State Parks Advisory Committee, the committee has been asked to create a subcommittee to discuss the MNRTF. This subcommittee will come up with a policy statement about the future of the MNRTF.

Mr. Dave Kelley – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. Dave Kelley made comments in support of the Old Mooring Place Acquisition project (13-131). This is a pristine piece of shoreline that is one of the few remaining on the peninsula. The property could be used for skiing in the winter. There is already a road leading into the property and is contiguous to Bars Harbor Park that is undeveloped.

Mr. Kelley believes this is a good purchase for the state and the township.

Mr. Rick Zehner, representing Grand Traverse Area Sport Fishing Association – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. Rick Zehner, representing the Grand Traverse Area Sport Fishing Association, made comments in support of the Old Mooring Place Acquisition project (13-131). The association supports this acquisition as a boat launch site. This property has the best natural conditions for a launch site to a great fishery.

In the months of July and August, there is major competition at Haserot Beach in Old Mission for parking. The beach users have a tendency to occupy all the parking, leaving little or no room for the boaters and fishers. The only time for boaters or fishers is to arrive very early in the morning or late in the day.

The launch site at Haserot Beach has no dock at the ramp and it is unsuitable for the majority of boaters and fishers.

With increased open lake plants of lake trout, there is going to be greater demand for access. Old Mission Bay is an incubator for these fish stocks and access to them is currently available, but unsuitable.

Mr. Mickey King – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. Mickey King, made comments in opposition to the Old Mooring Place Acquisition project (13-131). He stated that there is a dock at the present boat launch and he has been using it for 50 years.

Mr. King represents a group of neighbors in Old Mission. He, and his neighbors, are opposed to the acquisition for use as a boat launch by the DNR. There is a boat launch at the beach area, and he agrees the parking is bad. He would suggest a park that the property can be used as a beach to alleviate a lot of the crowding at Haserot Beach.

Mr. King stated the deep water does not exist. There is about 600 feet of 2 or 3-foot water going out to the deep water. If a boat launch was put in, he does not know how often it would need to be dredged.

Other things that need to be looked at are traffic on the road, on the bay, and pollution that would be caused. Safety is a prime issue.

Mr. King also stated that the land appraisal is far less than what DNR has put forth. Chairperson Cummings responded that whenever property is acquired it has to be appraised. We do not pay more than the appraised value.

Mr. Matt Myers – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. Matt Myers made comments in support of the Old Mooring Place Acquisition project (13-131). He is representing his son's company – M-22 Store. The company is best known for the M-22 and Love Michigan clothing line. Last year the company was honored to be recognized as one of the top 50 Michigan businesses to watch.

Under the M-22 business umbrella there are retail stores in Traverse City, Glen Arbor and on-line stores. They also organize and manage the M-22 Challenge, which is a multi-sports event. It includes open water kayaking, running and biking.

Mr. Myers had some suggestions for the property if the acquisition is approved. The M-22 Challenge is held on the first weekend in October. It starts and ends at the Old Mooring site. A kayak race would start at Old Mission Harbor, a bike ride on Old Mission Peninsula and a run on the trail at the old Mission State Park.

Of the 900 participants, 67 percent were not from the region; 6.5 percent were from out of state. The economic impact for the region from the M-22 Challenge was approximately \$700,000. Mr. Myers feels these same economic benefits can be realized with the acquisition of the Old Mooring Place property.

Ms. McDonough asked Mr. Myers if they had ever thought of including fishing in their challenges. Mr. Myers said he thought that would be a great idea, and would like to talk to Ms. McDonough on this aspect.

Ms. Patti Rudolph – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Ms. Patti Rudolph read a letter into the record from Mr. Jon Andrus, who was unable to attend the Board meeting, in opposition to the Old Mooring Place Acquisition project (13-131). The letter indicated that no soil studies pertaining to the property had been conducted.

In the mid-1960's a developer, who owned shore frontage just south of the Old Mooring property, wanted to put in a marina. A channel was dug which exposed a silty clay that, once disturbed, floated throughout Old Mission Harbor.

The proposed new boat launch will require dredging out at least 600 feet and possibly as far as 900 feet and will need to be done yearly. Mr. Andrus questioned whether the surrounding waters can be adequately protected.

Mr. Andrus also questioned since no geographical study has been done to determine ongoing costs and environmental effects, how the purchase can be justified. He suggested trying to find a launch site that is less costly.

Ms. McDonough asked if the private waterfront owners dredge their docks. Ms. Rudolph responded the public beach is dredged. There is about 30 feet of dredging. The private owners cannot get a permit to dredge.

At this point, Ms. Rudolph added some comments on her own behalf. The property should not be used as a boat launch because of the dredging issue.

Mr. Michael Lippitt, President; and Mr. Steve Engel, Executive Director, Tamarack Camps – 13-129, Holly Recreation Area Land Initiative, DNR, Wildlife Division

Mr. Michael Lippitt, President; and Mr. Steve Engel, Executive Director, Tamarack Camps made comments in support of the Holly Recreation Area Land Initiative project (13-129). Tamarack Camps is the owner of the proposed acquisition property. The camp is a 112-year old non-profit agency that is involved in camping for kids. The camp is across the street from the proposed acquisition.

The proposed property was acquired in the early 1980s as a buffer for pending encroaching development. The property is connected to Holly Recreation Area. Acquisition of the property would be a win-win situation for everyone.

Mr. Engel added that in the camp's 112-year history, there was a situation at the last camp site where there was encroachment and development. When the camp heard from the DNR that there was interest in annexing the property to the Holly Recreation Area, the camp was told it would remain in a wilderness state. This would serve the purpose of the camp and allow it to concentrate on its mission to provide scholarships for children to attend camp and subsidizing school systems to attend during the year. The proceeds from the sale of the property would go for infrastructures and things that are difficult to get gifts for, such as sewer treatment, upgrading roads and burying utility lines.

Mr. Charters had a question about the cost of the project (\$3 million) and asked what would happen if the appraisal came out to be for \$2 million. Mr. Engel said this may be a problem, but there may be other sources of making up the difference.

Mr. Pete Cornish – 13-128, Porter Township SGA Land Initiative, DNR, Wildlife Division

Mr. Pete Cornish made comments in support of the Porter Township SGA Land Initiative acquisition project (13-128). The property is owned by Sharon Cornish, who is a distant cousin and he has no financial interest in the acquisition. The property is very unique.

This property is under threat of development and it has been a dream of his to see this land preserved.

Mr. Cornish passed around photographs of the property for the Board to view.

Mr. Cornish said now is the time to save Grass Lake.

Mr. Todd Scott, Detroit Greenways Coordinator, Michigan Trails and Greenways Alliance – 13-027, Inner Circle – Conrail Acquisition, City of Detroit

Mr. Todd Scott, Detroit Greenways Coordinator for the Michigan Trails and Greenways Alliance, made comments in support of the Inner Circle – Conrail Acquisition project (13-027). This acquisition of 8.3 linear miles of abandoned rail corridor is a critical component of the 26-mile Inner Circle Greenway loop.

The City of Detroit is making the trail longer, and extending it further north to the Eastern Market. With the proposed acquisition, it will extend from Detroit to Highland Park.

It has been overwhelming how many people use the Dequindre Cut trail and usage has increased in just one year.

Ms. Nancy Krupiarz, Executive Director, Michigan Trails and Greenways Alliance – 13-027, Inner Circle – Conrail Acquisition, City of Detroit

Ms. Nancy Krupiarz, Executive Director for the Michigan Trails and Greenways Alliance, made comments in support of the Inner Circle – Conrail Acquisition project (13-027). There are several gems that have been established in the City of Detroit within the past ten years – the Detroit Riverwalk, Dequindre Cut, Conner Creek Greenway, Mid-Town Greenway, Milliken State Park, and Southwest Detroit Greenway.

The transformation of trails in Detroit is amazing. The Detroit Greenways Coalition has been working on cross jurisdiction connections – to Warren, Hamtramck, Dearborn, Downriver Area and points beyond. The Inner Circle Greenway will go right through the interior neighborhoods. It also will provide a chance for our automotive national heritage interpretive to be recognized, as a lot of the old sites have historic significance.

The Detroit Greenways Coalition has been going through a strategic planning process during the past year and will be there to help improve the greenway, along with all of the other groups that are part of the coalition.

Mr. Charters asked about security on the trail. Ms. Krupiarz responded that they have not yet received a master plan on this, but security is important. There is security on Dequindre Cut and the Conservancy pays for this.

Ms. McDonough asked if there have been any problems with high power voltage lines on the trails. Ms. Krupiarz responded that there are some along the utility corridors down river and they have not been a problem that she is aware of.

Mr. Jose Abraham, Deputy Director, Department of Public Works, City of Detroit – 13-027, Inner Circle – Conrail Acquisition, City of Detroit

Mr. Jose Abraham, Deputy Director of the Department of Public Works, City of Detroit, made a PowerPoint presentation in support of the Inner Circle – Conrail Acquisition project (13-027). Also in attendance with Mr. Abraham were Mr. Jim Edwards, Mr. Tom Woiwode and others.

This trail is the “Mother of all Non-Motorized Projects” as it links together all of the major trails in Detroit. On the trail there are five schools in Detroit, five schools in Highland Park, and four parks. There are plans to have a Welcome Center along the trail.

The Detroit Inner Circle Greenway trail is 26 miles long. It provides connections to surrounding neighborhoods and points of interest, including the cities of Hamtramck, Highland Park and Dearborn. It also connects communities to the Detroit River and links other existing and planned non-motorized facilities. The southern half will be completed in 2014.

The trail will connect to the Detroit Riverwalk, which is a \$117 million investment. The trail connects with the Milliken State Park and the DNR Outdoor Adventure and Discovery Center and has spurred \$1 billion in other riverfront investment. It also connects to the Dequindre Cut trail, which is a \$6 million investment. There were 10,000 Dequindre Cut trail users last year. There are security cameras along the trail.

The midtown non-motorized trail connects Wayne State University, Detroit Medical Center and Eastern Market. This is an investment of \$8.2 million.

The Link Detroit project includes a \$20 million investment, including \$10 million TIGER grant and is Phase II of the Dequindre Cut trail. It includes the Hamtramck connector and will be completed in November of 2014.

Conner Creek Greenway is part of the Governor’s showcase trail from Belle Isle to Wisconsin. It includes multiple connections to the Inner Circle Greenway and is a \$2.2 million investment. The Southwest Detroit Greenlink trail is a \$1.6 million investment.

The Inner Circle – Conrail Acquisition consists of 8.3 miles of railroad right-of-way. It was abandoned in 1984. The acquisition cost is \$4,575,000, with \$1,143,700 from Federal TAP funds (which are secured) and a request of \$3,431,300 from the MNRTF.

Ms. McDonough asked if the city would be willing to waive PILT (Payments in-lieu of Taxes) if this is acquired. The response from an attendee was he does not believe that PILT payments have been required for any of the other pieces of the trail.

Mr. Stanley W. Kurzman – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. Stanley W. Kurzman made comments in opposition to the Old Mooring Place Acquisition project (13-131). He has been a property owner in Old Mission Peninsula since 1975. Since 1981, he has owned the property immediately adjacent to Haserot Beach. There are four houses between his property and the Old Mooring site.

Mr. Kurzman's opposition is not based on the fact of having a boat access, but that it should not be at the Old Mooring site as it is inappropriate. He does not feel the township or DNR has done appropriate due diligence on this matter. In the application, there is no mention that there are gasoline storage tanks on the property. The application further stated that there were no gasoline sales on the property and that is not true, as he used to fill up his boat there.

Another aspect of the application is that it said no pesticides were used on the property. There was an orchard at one time. There has been no investigation of this and no environmental study that he is aware of. This was not included with the application.

The worse thing about the site is to put in a boat launch, as it would have to be dredged approximately 600 feet to get a boat in. Once it is dredged, you are moving sand and silt. He feels this location is not appropriate, as a thousand yards away is Haserot Beach which has an acceptable boat launch.

Across the street from Mr. Kurzman's property is the overflow parking area for Haserot Beach. This area is rarely used.

Mr. Kurzman feels it is a terrible idea to spend this amount of money on this acquisition because of the dredging issue, constant disruption of the bay and all other aspects not being established. There are better locations for a boat launch site on the Old Mission Peninsula if additional ones are needed.

In addition, the township has not signed the letter of understanding with the DNR. The DNR will be maintaining the boat launch, but the money for the development of the launch site will come from some other source.

Mr. Charters said he has a problem with the emphasis on dredging and asked how many times a year this will need to be dredged. Mr. Kurzman responded that at the current boat launch it is dredged once or twice a year. Mr. Charters stated that at East Bay Harbor, it gets dredged every three to five years. He feels Mr. Kurzman is over-emphasizing the dredging aspect.

Mr. Charters asked who will be doing the dredging. Mr. Paul Yauk, Parks and Recreation Division, stated that this will be done by the DNR.

Mr. John Jacobs – 13-131, Old Mooring Place Acquisition, DNR, Parks and Recreation Division

Mr. John Jacobs made comments and a PowerPoint presentation in opposition to the Old Mooring Place Acquisition project (13-131). He would like to see the property kept out of the hands of developers; however, he would not like to see a boat launch put on the site.

Mr. Jacobs stated that the township public meeting to approve the application was held in March 2013. The majority of the residents within a couple miles of the property are seasonal residents and were not aware of this public meeting. The meeting was posted on the township's website.

The application states that there are only two boat launches within a 40-mile radius around East Bay. There are actually six. In addition, plans are being made to expand the capacity of the Sayler launch in Acme.

The application narrative further stated that the site would require minimal dredging and upkeep. Via a photograph of a "Google Earth" map, it shows that dredging will have to extend over 600 feet. Haserot Beach's launch is a much more hospitable location for a launch, both in terms of dredging distance and wave action.

The application also asks about fuel and agricultural chemicals, as well as storage tanks on the property. The application stated "no" in each case, when there are, in fact, two storage tanks located on the property. In addition, information from the Department of Environmental Quality's Storage Tank Database indicates that both tanks are gasoline tanks. Also, in the 1940s to 1960s there was an apple orchard on the property. Back in that era, lead arsenate was almost universally used as a pesticide in orchards of this type, so it is reasonable to believe it was used on this property.

The application further discussed the lack of parking as a contributing need for an additional boat launch. The satellite parking for Haserot Beach (for 30-35 cars) is seldom used. Some users do not even know that that area is available for parking. This problem is really the need for enforcement and signage rather than additional parking.

The township's value of the property is \$2.1 million which is far lower than the price the Board is being asked to approve (\$2.5 million). There are suitable properties elsewhere that are considerably lower in price. The cost for the Old Mooring property per shoreline foot is more than double for other properties on the market. In addition, the DNR already owns a much

larger area with better and easier access to East Bay only a few miles away (Lighthouse Park). Elk Rapids Harbor is four miles away (by water).

The Old Mooring property has significant archaeological features (as pointed out in the "Pure Michigan" website) that would be damaged or destroyed by this project. The archaeology is protected as part of the Michigan Underwater Preserve. The crib stones of the original Dougherty Pier lie immediately in the path of dredging that would be necessary. These artifacts are one of the most significant remaining pieces of history of the settlement of the area in the mid-1800s. On the side where dredging would occur is an archaeological feature known as the "Junk Yard". Dredging would almost certainly damage this area. This is a popular area with scuba divers and snorkelers.

Weather conditions on the Bay change dramatically. The west end of Old Mission Bay (where the launch would be) is very well protected in wind conditions, except for east winds. Where boaters would launch is not at all indicative of actual wind and sea conditions. When boating near Leffingwell Point, conditions can become treacherous within a distance of a few feet. Winds are no longer blocked by high bluffs on the north side of the Bay. Waves form in a direction of 90 degrees from the wind and add to the danger to boaters.

Mr. Charters stated that when the DNR gets the appraisal, it generally varies from the asking price of the property. Mr. Charters also asked who now owns the Haserot area. Mr. Jacobs responded that the township owns the property. Also, it appears that there is no objection to the DNR buying the property, but only to putting in a launch. Mr. Jacobs responded that is correct.

Chairperson Cummings mentioned that for those who are opposed to the acquisition, he would welcome alternative solutions for the property.

At this point, the MNRTF Board welcomed Mr. Bob Garner, a former Board member. Chairperson Cummings expressed the fact that Mr. Garner is an extremely dedicated individual to the State of Michigan, conservation in Michigan, the DNR and all things having to do with the outdoors. Mr. Garner was welcoming and helpful to Chairperson Cummings when he was first appointed to the Board.

Chairperson Cummings presented a plaque to Mr. Garner for his loyal service on the MNRTF Board from April 2003 to August 2013.

Mr. Charters added that after working for Oakland County, Mr. Garner worked for Senator Kerry Kammer and was instrumental in drafting the original Michigan Natural Resources Trust Fund bill (originally called the Kammer Land Trust Fund). Mr. Garner then worked for the Michigan United Conservation Clubs, and then as the host of "Michigan Out-of-Doors".

Mr. Charters further stated that even though Mr. Garner was "retired" he continued to do volunteer work for public television, Michigan United Conservation Clubs, and anyone who asked. "No" was not in his vocabulary.

Mr. Garner served on the Natural Resources Commission with Mr. Charters for eight years, and then ten years on the MNRTF Board. Mr. Charters and Mr. Garner have shared many trips to Lansing together. Mr. Charters could always rely on Mr. Garner as an “anchor” and served as the Chair of the Wildlife Subcommittee on the Natural Resources Commission for eight years.

Mr. Charters and Mr. Garner also have shared many personal trips together over the years.

Mr. Charters concluded by saying that the plaque that has been presented to Mr. Garner today is just ending one era of his service to environmental and natural resources work.

Mr. Garner expressed his appreciation. Without Mr. Charters, Mr. Garner would never have served on the Natural Resources Commission. When Mr. Garner expressed his interest in serving on the MNRTF Board, Mr. Charters gave up his seat on the Board to allow Mr. Garner to serve as a member. He is most grateful for this.

Mr. Garner also stated that most people know him for his television work, but the most satisfying way he would like to be remembered is his work on the MNRTF Board. He wanted to express to everyone that the Michigan Natural Resources Trust Fund is in existence for a very specific purpose—to protect natural resources and land that makes natural resources more valuable. There were always attempts to convert the MNRTF into something else. The people of the State of Michigan have twice voted to constitutional protect the MNRTF. It is up to everyone to be reminded of what this fund is for.

Mr. Garner has been very proud and grateful to have been involved with the MNRTF and make so many friends.

Mr. Garner also added that with Mr. DeBrabander coming on board to Grants Management Section, it has made the MNRTF far better and more efficient.

#### Presentation of DNR Applications – DNR Staff

Ms. Kerry Wieber, Forest Resources Division; Mr. Earl Flegler, Wildlife Division; Mr. Paul Yauk, Parks and Recreation Division; Mr. Steve Sutton, Manager, Real Estate Services Section, Finance and Operations Division (for Fisheries Division); and Mr. Matt Lincoln, Parks and Recreation Division, DNR, outlined the applications submitted by the DNR via a PowerPoint presentation.

Ms. Wieber outlined the following Forest Resources Division acquisition applications:

- 13-124, Dair Creek Property – Acquisition of 240 acres nearly surrounded by State land in Benzie County that includes deeryard. The property includes 3/4ths of a mile of Dair Creek corridor, a designated Natural River and trout stream and tributary to the Betsie River. In addition, there are self-sustaining populations of brown and brook trout, steelhead and coho and Chinook salmon. It also has habitat for white-tailed deer, ruffed grouse, black bear, waterfowl and furbearing species. There is also a snowmobile trail along the northern end of the property. Request is \$700,000.
- 13-124, Pigeon River Property – Acquisition of 161 acres in Otsego County within the Pigeon River Country State Forest. The property contains 1.2 miles of Pigeon River frontage, a designated Natural River and trout stream, and provides important public access for brown and brook trout fishing opportunities. The property also includes habitat for elk, white-tailed deer, bear, bobcat, ruffed grouse and furbearing species. Request is \$500,000.
- 13-126, Little Manistee River Property – Acquisition of 15 acres in Lake County adjacent to State Forest land on three sides. The property contains 1,200 feet of Little Manistee River frontage, which is a designated trout stream. The property also has native and wild populations of brook and brown trout, migratory steelhead and coho salmon; in addition, there is habitat for deer, bear, bobcat, wild turkey and furbearing species. Request is \$100,000.
- 13-125, Strombolis Lake Property – Acquisition of 160 acres in Grand Traverse County completely surrounded by State Forest land. The property contains four ice depression kettle lakes, the largest of which is 22 acres. The property will allow the potential to expand or reroute some of the VASA Trail onto the property. The property also includes habitat for deer, bear, bobcat, woodcock, ruffed grouse and wild turkey. Request is \$1,000,000.

At this point, Mr. Earl Flegler outlined the following Wildlife Division acquisition applications:

- 13-128, Porter Township SGA Land Initiative – Acquisition of 400 acres with Grass Lake frontage in Van Buren County. The property is a highly valued waterfowl habitat area. This property was also identified as a “cold spot” area in the DNR’s strategic plan for a shortage of public lands in the southern portion of the state. In addition, the Kinney Waterfowl Production Area (partnership property with U.S. Fish and Wildlife Service, Ducks Unlimited and Pheasants Forever), which was bought with U.S. Fish and Wildlife Service (Federal Duck Stamp Funds), is adjacent to the proposed Cornish property. Wildlife Division is the land manager of this property. Request is \$1,800,000.

- 13-129, Holly Recreation Area Land Initiative – Acquisition of 291 acres of Tamarack Camp property adjacent to the Holly State Recreation Area, with frontage on Young Lake in Oakland County. The property would provide the potential for deer, turkey, waterfowl and small game hunting. This property is a partnership property, and would be co-managed with Parks and Recreation Division. The acquisition would preserve 102 acres of hunting land from loss to safety zones. Request is \$3,030,000.

At this point, Mr. Paul Yauk outlined the following Parks and Recreation Division acquisition applications:

- 13-133, Kuhn Property Acquisition-Cheboygan State Park – Acquisition of 36.97 acres of inholding within Cheboygan State Park. The property will protect natural habitat, including threatened and endangered plants and animals. This property has been on the DNR’s “wish list” for a number of years, and the landowners were now willing to sell. The Little Traverse Conservancy has optioned the parcel. The DNR’s acquisition would be with the Conservancy. Request is \$40,000.
- 13-132, Fenher Property Acquisition-Lime Island Recreation Area – Acquisition of a seven-acre parcel located on mainland. This is a new recreation area and would improve the access. The acquisition will provide a mooring site for a park safety vessel and will provide parking space for Lime Island visitors. Request is \$180,000.
- 13-131, Old Mooring Place Acquisition-Old Mission Peninsula – Acquisition of 8.17-acre parcel on the East Bay of Lake Michigan. The property would be used to develop a boat access site, and would be developed and managed in partnership with Peninsula Township. The DNR has a letter of support from the township. There would be the need for dredging and it would be handled under the DNR’s dredging policy with Bowers Harbor and other sites on Lake Michigan. Request is \$2,225,000.

Mr. Rob Manigold, Supervisor for Peninsula Township, added that there is a marina already pre-approved by the township with 10 slips of 24 feet long (approved on site plan). This is one of the few remaining parcels left on the shoreline. He also stated that there are no storage tanks on the property. The developer did a Phase I and Phase II Environmental Assessment in 1988. The site is clean.

Mr. Manigold provided the Board with various documentation of support, letter of understanding, maps and the Phase I and Phase II Environmental Assessments.

Ms. McDonough asked if the township would forego its PILT payments. Mr. Manigold responded that this question was posed, and the township and DNR have a letter of understanding. The majority of the township board is in agreement to forego the PILT payments, but is waiting to see if this acquisition is funded.

Discussion ensued on the surrounding properties in the area, uses on properties, and if there would be a better location for the proposed access site.

At this point, Mr. Steve Sutton, Manager, Real Estate Services Section, Finance and Operations Division, outlined the following Fisheries Division development application:

- 13-127, Wolf Lake State Fish Hatchery Development Project – Development would include improved fishing and wildlife viewing access and interpretive opportunities using underused DNR resources. The development would provide new fishing pier, interpretive trail and boardwalk and wildlife viewing platform on each of two unused earthen ponds. Request is \$295,000.

At this point, Mr. Matt Lincoln outlined the following Parks and Recreation Division development applications:

- 13-139, Fred Meijer White Pine Trail Development – Development would include improving the surfacing to crushed limestone for 40.8 miles of the 92-mile long trail. This is the last section of the trail to be developed. The trail is part of Route 2 of the Great Lakes-to-Lake Trail System. Request from the MNRTF is \$300,000, with \$1,384,200 MDOT (TAP) grant (conditional commitment) and \$245,000 RIF/RTP grant, as well as some local funds. The total project will be \$2.8 million.
- 13-138, North Western State Trail Surfacing-Alanson to Mackinaw City – Development would include improving the surfacing to crushed limestone for 23.2 miles of the 32.1-mile long North Western State Trail. The Petoskey to Alanson portion of the trail was completed this year. The trail is potentially part of the conceptual Statewide Showcase Trail and is part of Route 3 of the Great Lakes-to-Lake Trail System. Request from the MNRTF is \$282,000, with \$846,000 MDOT (TAP) grant and a \$250,000 local MDOT TSC grant. The total project will be \$1.4 million.
- 13-137, William Field Memorial Hart-Montague Trail State Park Reconstruction-Segment A – Development would include reconstruction of Segment A (northern) portion of the trail (11.3 miles) to meet current safety standards. Request from MNRTF is \$300,000, with \$2,172,800 MDOT (TAP) grant (conditional commitment), and \$325,000 RIF/RTP grant, as well as local funds (Oceana County Community Foundation). The total project will be \$4.4 million.
- 13-136, Statewide Showcase Trail Initiative – Development would be trails and trail-related amenities on state land associated with the Belle Isle to Wisconsin Trail to include surfacing, signage, toilets, parking, tables, benches, bridges and site drainage. This is outlined in the August 2013 criteria for implementation. Request is for \$300,000.

- 13-140, Statewide Equestrian Initiative – Development would be equestrian trails and trail-related amenities on state land to include signs, campsites, toilets, parking, hitching posts, mounting blocks, water wells, tables and benches. The division is looking at projects in the Clear Lake area for trails and campground, as well as wells at nine locations. Request is for \$300,000.
- 13-135, Arcadia Dunes Universally Accessible Trail and Overlook – Development would include .45 miles of paved asphalt trail over dunes and a scenic overlook to Lake Michigan. The trail would be universally accessible. It would connect to other hiking trails on the property. The property is owned by the DNR and the easement is held by the Grand Traverse Regional Land Conservancy. Request is for \$292,100 MNRTF, with donated labor and materials from the Grand Traverse Regional Land Conservancy in the amount of \$15,900.

This completed the outline of 2013 Department applications submitted for possible funding.

At this point, Ms. Wieber highlighted aspects of select completed Forest Resources Division projects.

- Sturgeon River Corridor Acquisition – This was a grant awarded in 2010 for \$1,750,000 for an 813-acre inholding, with two miles of Sturgeon River frontage in Dickinson County. The property contains an abundant amount of critical grouse and woodcock habitat.
- Pigeon River Acquisition – This was a grant awarded in 2010 for \$1,000,000 for a 480-acre inholding, with over one mile of Pigeon River frontage. The acquisition was completed with the assistance of the Little Traverse Conservancy.
- Big Trout Lake Property – This was a grant awarded in 2010 for \$2,500,000 for a 540-acre inholding, with Big Trout Lake and Ziegler Lake frontage in Chippewa County. The acquisition also includes frontage on Albany Creek, which is a designated trout stream. The acquisition is adjacent to a preserve owned by The Nature Conservancy and acquired with the assistance of Little Traverse Conservancy.

At this point, Mr. Flegler highlighted aspects of a special project completed by Wildlife Division.

- Gregory State Game Area Initiative – This was a grant awarded in 2010 for \$875,000 for a 200-acre parcel, including 2,850 feet of frontage on McConachie and Sharp Lakes in Livingston County. The acquisition is a mixture of upland cropland, wide fence rows, lowland shrub and oak hardwoods, and provides hunting for deer, turkey and waterfowl.

At this point, Mr. Lincoln highlighted aspects of select completed Parks and Recreation Division projects. All are trails projects.

- Grand River Valley Trail – This is the portion of the trail that runs from Saranac to Ionia. Finishing touches are being put on the trail today.
- North Western State Trail – This is the portion that runs from Petoskey to Alanson. It has just recently been completed.
- Milliken State Park East Riverwalk – This trail is expected to be completed this fall. This section will connect to the Dequindre Cut Trail and Inner Circle Trail.
- Statewide Trailway Acquisitions – The division is continuing to acquire the rights from the Coopersville Marne Railroad of 1.58 miles.

## V. OLD BUSINESS.

### TF05-136, Hermansville to Escanaba Trail Corridor – American Transmission Company – CONVERSION REQUEST FOR UTILITY EASEMENT ALONG GRANT-ASSISTED DNR RECREATION CORRIDOR

Mr. DeBrabander outlined the conversion request for a utility easement along a MNRTF grant-assisted DNR recreation corridor (Hermansville to Escanaba Trail Corridor). This was first presented to the Board at their June meeting.

A utility easement is considered a conversion as it is not a recreational use. This conversion request is being brought before the Board today for their discussion and possible action and approval for a waiver of mitigation which is allowed for in Board Policy 94.1.

The American Transmission Company (ATC) has agreed to construct a recreational trail along the corridor. The trail is currently undeveloped, so the result would be a trail would get constructed on the corridor. The cost of the construction of the trail would not be the mitigation or conversion. What it would be is to offset the cost of the easement. That is why staff is asking the Board for a waiver of mitigation on the project. Under Board Policy, the Board does have the ability to agree to the waiver if the end result of the project is of benefit to the public for outdoor recreation.

With approval of this exemption of mitigation, the end result would be construction of a recreation trail to the DNR's specifications paid by ATC.

Chairperson Cummings stated that the Board has talked about a lot of issues over the last year or two. It is worthwhile to consider creative alternatives to meeting the Board's objectives.

Mr. Charters stated that for economic reasons it is imperative. The problem is how we set this up so that in the future, if another company wants a waiver of mitigation, the Board will have set a precedent policy. It seems like this is a win-win situation, and a recreation win as it will be developed. Mr. Charters thinks we should put out a minimum monetary value on the

development. He wondered if ATC would have a problem with this. Mr. Brett French, External Relations Manager for ATC, responded that it would depend on the costs that would be established. When ATC first began to develop the project and consider its interest in the corridor, the cost was estimated at around \$2 million.

Mr. French further stated that nothing has been done to this trail—it is just a corridor. ATC has also committed to other development on the trail, such as river crossings, in addition to construction of a limestone trail.

Ms. McDonough asked what is meant by this? Would it be offsetting the cost of the easement, not mitigation? Mr. DeBrabander responded that the proposal is to look at the cost of developing the trail that ATC would incur, and if it would offset what they would have to pay for the easement. Normally for a conversion we require land for land. In this case, because there is a public benefit of getting the trail developed, the Board could waive that request for the additional mitigation. Ms. McDonough asked about other power lines that cross state land and how they pay. Mr. DeBrabander responded it is based on an easement fee schedule and there is a payment to MNRTF.

Mr. DeBrabander also stated that the cost of limestone is actually \$65,000 per mile. The cost of developing this trail is greater than what we would charge for an easement.

Director Creagh stated that transmission companies are looking to become more engaged in providing a connector function among trails. Both ATC and ITC have sent letters asking how they can be helpful as trail connectors.

Chairperson Cummings asked what the transmission corridor would look like on the trail. Mr. French responded that the trail itself will be constructed where the former railroad was. The transmission pole line will be set up in the center. ATC is looking at a design that will accommodate a return to rail, if necessary. The pole line generally will be running parallel with the center of the rail corridor. When the process was started, the goal was to find a way to utilize the corridor while minimizing the impact on adjoining landowners and the environment state.

Mr. French continued by stating that they have been working on this project for 2-1/2 years and have submitted the easement proposal to the Michigan Public Service Commission for their review. ATC has held 13 different public meetings in the townships and municipalities involved. This was in addition to a number of open houses that were held. ATC has been very transparent. Director Creagh asked what the outcome of the public meetings were. Mr. French responded that generally there was strong support; however, some landowners were not very supportive of a recreational trail and transmission line running along their property. This is quite a common occurrence.

Ms. McDonough asked what kind of trail this would be. Mr. Yauk responded it would be a full seasonal trail for ORVs, snowmobiles, bicycling and walking. Development will be for the entire

25.5-mile corridor. The DNR held public hearings and there was general support of the project, but there were the adjoining landowners who had a problem with the utility lines.

Chairperson Cummings asked about the maintenance of the trail. Mr. DeBrabander responded that there is a Memorandum of Understanding between ATC, DNR and the Michigan Department of Transportation (MDOT) which outlines the maintenance responsibilities. Mr. Yauk added that the DNR has six other trails where it shares partnerships.

Ms. McDonough stated that if the Board is going to see more of these utility easements, it seems like it would make more sense to update the Board's policy versus making a vote on an exemption. If the Board is doing an exemption, it is setting a precedent for other projects. Director Creagh agrees with updating the policy. He asked Mr. French if there was an urgency in having a decision made. Mr. French responded that the application has been filed with the Michigan Public Service Commission (October 14, 2013) and they have one year to review it. Director Creagh added that there has been due diligence and conversations, and staff has brought forward a thoughtful recommendation.

**MOVED BY MR. CANALE, SUPPORTED BY MR. CHARTERS, TO PROCEED WITH THE STAFF RECOMMENDATION AT THE DECEMBER 4, 2013 MEETING. AT THE DECEMBER MEETING, THE BOARD WILL ACT ON THE METHOD OF IMPLEMENTATION. MOTION PASSED WITHOUT DISSENTING VOTE.**

Staff will come up with a Board recommendation for their December 4, 2013 meeting. Mr. DeBrabander will take care of this.

## VI. NEW BUSINESS.

### Update on MNRTF Staff Activities

Mr. DeBrabander outlined various MNRTF staff activities that have occurred since the Board's last meeting.

- For the 2013 grant cycle, preliminary scores have been sent out to all applicants (142 applications received); supplemental information was received back from some to potentially improve their score.
- Grants Management staff is in the process of final scoring 2013 applications. Final scores will be published in mid-November. Applicants are notified and the prioritized proposed list is made available via the DNR's website.
- Grants Management database is coming along. It has been a massive undertaking. The plan is to go paperless in 2014. 2014 applications will be submitted electronically.

- Staff is in the initial stage of scheduling 2014 recreation grant workshops. These are conducted in January and the middle of February statewide. These workshops will be very important in 2014, as staff will be outlining the new electronic grant application submittal process.
- Post-completion inspections are going well, with 23 counties being completed so far.
- Staff has been attending numerous ribbon-cutting ceremonies for grant projects completed.
- Grants Management received an award for excellence in universal design from the Marquette Access Group. Through our scoring system, we have encouraged a higher standard than the Americans With Disabilities Act (ADA) by using universal design. All development projects must meet ADA.
- There are now ten different grant programs within Grants Management. There are three new grant programs which are Habitat Improvement programs.

TF08-111 and TF09-163, Academy Preserve Acquisition, Monroe County – **PROJECT WITHDRAWALS**

TF11-093, Prindle Property Acquisition, Bay County – **PROJECT WITHDRAWAL**

TF10-156, Storey Lake Acquisition, Forest Resources Division, DNR – **PROJECT WITHDRAWAL**

Mr. Mayes briefly outlined the MNRTF projects that are requesting withdrawals. He is seeking Board support to accept these withdrawals.

**MOVED BY MS. McDONOUGH, SUPPORTED BY MR. CANALE, TO APPROVE THE WITHDRAWALS OF TF08-111 AND TF09-163, ACADEMY PRESERVE ACQUISITION, MONROE COUNTY, IN THE AMOUNTS OF \$1,192,000 AND \$1,000,000, RESPECTIVELY; TF09-093, PRINDLE PROPERTY ACQUISITION, BAY COUNTY, IN THE AMOUNT OF \$259,000; AND TF10-156, STOREY LAKE ACQUISITION, FOREST RESOURCES DIVISION, DNR, IN THE AMOUNT OF \$5,500,000. MOTION PASSED WITHOUT DISSENTING VOTE.**

Mr. Mayes also outlined TF09-083, Diamond Park Acquisition, City of Durand. Grant funds for this project are being lapsed due to inactivity of the project. No action needs to be taken by the Board.

## VII. STATUS REPORTS.

### DNR Real Estate Report – State Acquisitions

Mr. Steve Sutton, Manager, Real Estate Services Section, Finance and Operations Division, stated that there are several acquisitions that have been completed since the last Board meeting, and these are outlined in the DNR Real Estate Report provided to the Board.

At this point, Mr. Sutton introduced several Real Estate Services Section staff who are responsible for completion of the acquisitions: Ms. Claire Stevens, Mr. Roger Storm, and Mr. Paul Johnson. Mr. Rob Corbett (not in attendance) also works with acquisitions.

### Completed MNRTF Projects Report

No discussion.

### MNRTF Financial Report

Mr. Joe Frick, Assistant Chief, Finance and Operations Division, DNR, outlined the MNRTF Financial Report. He provided the Board with an updated report, which includes the \$8 million in withdrawn acquisition projects funds.

There will now be \$22 million in acquisition funds. In addition, we are expecting to have another \$2.5 million in lapsed funds by the time the books are closed.

At this moment, it is projected that \$30 million will be available for 2013 grants -- \$25 million for acquisition and \$4.8 million for development projects. These amounts are derived under the new formula adopted by the Board (using 2.5 percent of investment income and other income, including interest on operating cash).

The Board can also use funds from the Stabilization Reserve above the minimum target for FY 13, FY 14 and FY15, but not beyond a total of the ending permanent investment reserves for these fiscal years. The FY13 transition amount will not be known until the books are closed for the fiscal year. At this point is estimated there will be \$51.8 in the Reserve.

At this point, Mr. Frick outlined the estimated investment balances for 2013.

Mr. Charters stated he agrees with the formula that the Board came up with, but he feels this year because we started out under the old formula, we need to make sure we spend at least what it would have been to be fair to all the applicants. Chairperson Cummings respectfully disagreed. With all the withdrawn/lapsed money, this could be used.

MNRTF Land Consolidation and Line Item Department Projects

No discussion.

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

None.

IX. ANNOUNCEMENTS.

The **evening meeting** of the Michigan Natural Resources Trust Fund is scheduled for 6:00 PM, Tuesday, December 3, 2013, Lansing Community College West Campus, 5708 Cornerstone, Lansing [**PLEASE NOTE: THE EVENING MEETING HAS BEEN CANCELLED; A MNRTF STRATEGY MEETING WILL BE HELD DECEMBER 3, 2013 FROM 2:30-4:30 PM AT THE SAME MEETING LOCATION**]. The **regular meeting** of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, December 4, 2013 (same location as December 3 meeting).

X. ADJOURNMENT.

**MOVED BY MR. CHARTERS, SUPPORTED BY MS. McDONOUGH, TO  
ADJOURN THE MEETING. PASSED WITHOUT DISSENTING VOTE.**

The meeting was adjourned at 12:25 PM.

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Sam Cummings, Chairperson  
Michigan Natural Resources Trust Fund  
Board of Trustees

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Steven J. DeBrabander, Manager  
Grants Management

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DATE