



Opportunities for Land Protection in the Lake Huron Basin

Great Lakes Restoration Initiative¹

Introduction

Michigan has a legacy honoring and managing its abundant natural resources for recreational, environmental and economic purposes. In the Lake Huron areas of the State -- the east side of the Upper Peninsula, the Northeast and upper thumb regions -- economic, geographic, and cultural dimensions are factors the status and potential for land protection in the region. In addition, the capacity for enhancing land protection going forward is understood in context of prevailing political and socio-economic influences. Informed by these dimensions and dynamics, this assessment explores opportunities for enhancing land protection on the U.S. side of Lake Huron and describes two broad considerations: i) capitalize on existing natural resources to envision a larger value of the resources in the community and catalyze collaborative efforts toward that vision, and ii) consider ways to mobilize collective capacity to maximize utilization of tools available consistent with landowner interests to protect land.

About Keystone Policy Center

Keystone Policy Center brings together crucial teams of stakeholders who have diverse individual perspectives but recognize a common need to address urgent issues with lasting solutions. For more than 40 years, Keystone has helped leaders move beyond fixed positions toward collaborative, action-oriented approaches to problem-solving. In an age of polarized debate on nearly every major topic in public policy, Keystone Policy Center offers a refreshing yet proven blueprint for progress. In more than four decades of designing effective conflict management strategies for complex, contentious issues, Keystone has built a portfolio of substantive work in energy, environment, education, health, and agriculture.

Keystone's GLRI work

Keystone Policy Center was awarded a grant from the U.S. Environmental Protection Agency, under the Great Lakes Restoration Initiative with the broad scope of engaging stakeholders on the U.S. side of Lake Huron. In coordination with the EPA and Michigan Department of Environmental Quality, Keystone held four, 1-day regional meetings in Michigan during spring 2015 to discuss restoration progress in the Lake Huron basin and to present plans for developing the Lake Huron Lakewide Action and Management Plan (LAMP) under the newly updated U.S.-Canadian Great Lakes Water

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Quality Agreement. The meetings were an opportunity for Lake Huron restoration stakeholders to report on their organization's restoration activities over the last five years, share successes and lessons learned, discuss challenges, and help inform the development of the binational Lake Huron LAMP. Keystone's report of the meetings, issued in fall 2015, is available here <https://www.keystone.org/wp-content/uploads/2015/10/Keystone-GLRI-Report.pdf>.

Purpose and Approach

Keystone's GLRI grant has a broad scope of engaging stakeholders on the U.S. side of Lake Huron. In the course of conversations with stakeholders during the grant period, the idea of exploring the potential for enhancing land protection opportunities in the Lake Huron Basin emerged as a topic of interest and relevancy. Keystone pursued this inquiry, held a series of phone conversations with a cross-section of individuals, conducted supplemental research, and is issuing this report as a Keystone product under the grant.

The overall focus of this report is on land protection of various types, whether in the public or private realm and across various mechanisms. While our interest at the outset was largely on opportunities to enhance *large-scale* land protection in the region – in order to maximize ecological benefits – we came to understand that a rich set of factors and dynamics underlie and inform opportunities to enhance land protection, including ecologic, economic, cultural, relational and recreational. This broad set of factors inform land and resource protection independent of parcel size. Therefore, we eased the emphasis on *large-scale* and sought to understand the rich array of dynamics that comprise opportunities for land and resource protection more generally.

Based on preliminary research and conversations, Keystone contacted individuals in public agencies at federal, state and local levels, universities, conservation organizations, land conservancies and consultants to request a time to meet by phone to discuss their perspectives on the status and potential for enhancing large land protection in the Lake Huron basin.

While we were not able to speak with everyone we reached out to, we spoke with 17 individuals in leadership, director, or project implementation positions with knowledge and experience on the topic of land protection and the region. We are grateful to these individuals for sharing their time and thoughtful and candid perspectives with us. Insights gained from these conversations is incorporated into the report in the aggregate and without individual attribution. Any errors of mischaracterization are Keystone's alone. A list of organizational affiliations of individuals Keystone spoke with is located in the Appendix.

Limitations of the report

As with other topics of interest and currency, the more people we spoke with, the more additional questions and topics of inquiry emerged. While this assessment reflects a cross-section of conversations with individuals with informed thoughts and opinions, certainly there are others with important perspectives we were not able to speak with. If meaningful conversations are sparked in connection with this stand-alone report, we hope there is a common forum to engage in a fuller

conversation and that all voices and perspectives that are interested and impacted are engaged and heard.

Background and Context – Land Protection in Lake Huron Basin

A snapshot of managed and protected land

According to the 2013 Managed Public Land Strategy, Michigan Department of Natural Resources manages 4.6 million acres of public land with a three-fold purpose: provide for quality outdoor public recreation opportunities, protect natural and cultural resources, and foster regional economic prosperity. Of those lands, 2.4 million acres (52%) were acquired by tax reversion and are primarily located in the northern Lower Peninsula and the Upper Peninsula. Twenty-six percent, or 1.2 million acres, were purchased utilizing game funds and the Michigan Natural Resources Trust Fund. The remaining 22% was acquired through gifts, court settlements or from the federal government (MDNR, 2013).

Land conservancies are also significant actors in this space. According to the Heart of the Lakes, as of 2014, member conservancies protected 597,516 acres via various mechanisms, including assists or transfers of land to local governments or the state (~384,000), acquisition of nature preserves (~96,000) and conservation easements (~112,000), and management of lands held by others (~6,000). (Heart of the Lakes 2014).

While this snapshot pertains to the entire state and not broken down by region, a bird's-eye view of a state map reveals in the northeast region many swaths of green areas managed by state and federal governments for natural, recreational and economic use. In addition the region contains many privately held parcels of various sizes for hunting, fishing and recreation.

Like other regions in the State, the northeast portion of the Lower Peninsula is blessed with natural resources. Abundant timber contributes to a robust forest industry. Soil and climate conditions surrounding Saginaw Bay enable food and fiber production for Michigan and beyond. Coursing through the region is the legendary Au Sable River as well as a conservation ethic that spawned Trout Unlimited along its banks more than a half century ago. And decades earlier saw the beginning of a long tradition of private clubs comprising legions of urban dwellers seeking hunting, fishing and recreational retreats. In addition, the region is characterized as having a unique and welcoming feel and a diverse range of natural and cultural resources. These, but a few glimpses of a region rich in resources that deliver ecologic, economic, and quality-of-life value.

Protecting land often involves managing it for more than one purpose. For instance wetland restoration and enhancement supports improved water quality and wildlife habitat as well as provides wildlife-based recreational activities. Park land provides ecosystem benefits such as habitat and air pollution reduction while also providing recreational benefits. This multiple-use approach is a hallmark of Michigan Department of Natural Resources (DNR) public land strategy (MDNR, 2013) and is characteristic as well of how land conservancies operate in their communities in response to local interests (such as allowing hunting and fishing on preserves and establishing a preserve on small but culturally significant parcels).

Indeed, local land conservancies have a long history in the northern Lower Peninsula and are held in high esteem by collaborators at local, state, and federal levels for the crucial role they play in connecting and reflecting community and landowner interests in land protection.

Local land conservancies vary in range of experience, resources, and philosophies, all reflective of the local communities in which they operate and from which they derive their support. A review of the varied utilization of land protection tools in Heart of the Lakes' Annual Land Protection Survey (Heart of Lakes 2014) is an indicator of varying capacities among member conservancies. This variation suggests there may be opportunities to enhance land conservancy capacity in the region.

Perspectives, trends and dynamics regarding public/private land

Several individuals we spoke with referenced a common perception that a surfeit of public land exists in the northeast portion of the state – a viewpoint that is not unfounded. Approximately 22 percent of land in Michigan is publicly owned or managed, ranking the state 15th in the nation and among the top of those east of the Mississippi on this measure (NRCM)².

This perspective gained sufficient traction in the political realm to yield in 2014 land cap legislation (Public Act 240) establishing a 4.6 million acre limit on the amount of land the State of Michigan could own and manage (Michigan 2012). Although the Legislature indicated an intention to remove the cap upon eventual approval of the above-mentioned DNR public lands strategy (Michigan 2012), it remains in place in areas north of the Mason-Arenac line, resulting in realistic constraints on the use of public dollars for strategic investment of land.

Another dimension of the too-much-public-land viewpoint is associated with the complex PILT (payment in lieu of taxes) system. A DNR staff member who regularly engages with communities mentioned that surprise was frequently registered by local residents upon hearing that DNR does indeed pay taxes on land it manages (in the form of PILT). Additionally, we heard that while tax-reversion payments have doubled in recent years, appropriation by the legislature of the full amount has not been forthcoming, with local residents' wrath often directed at the public entity that manages the land rather than the one that controls the purse.

Demographic trends

Another trend often mentioned is that of changing demographics and its implications for conservation and protection. One aspect of this is the growth of millennials who are on the verge of surpassing baby-boomers in spending power and who exercise different outdoor spending preferences than their predecessors (Gracey 2015). Equally drawn to the outdoors, millennials engage via an array of recreational and adventure activities, and as a group, tend not to be significant purchasers of hunting and fishing licenses.

Concomitant to millennials' preference trends is the potential impact on hunting and fishing clubs. These private clubs are numerous in the northeast region and comprise many swaths of various sized parcels that support wildlife and wildlife-based recreation. Current generations are not displaying the same levels of interest in hunting (NYT 2010) and several interviewees expressed concern whether sufficient interest and resources exist to sustain this tradition and maintain the historical use of these properties. Hunt clubs contribute to conservation and stewardship of the region's natural resources, and there is a concern about the potential ecological degradation (e.g. habitat fragmentation, declining habitat) if the above-mentioned trends eventually result in hunt clubs being sold or parceled for other uses.

² While the source documentation is somewhat dated (and more recent similar information not readily found), it is consistent with remarks made during our conversations.

Policy shifts and demographics notwithstanding, the northeast region's appreciation of its natural resources rivals that of any other, and there is untapped potential to build in innovative ways upon the existing commitment to public lands as well as to engage collaboratively with private landowners and others who share a common interest in conserving, managing, and protecting land and other natural resources for current and future generations.

Potential for Enhancing Land Protection in Lake Huron Basin

A Trust for Public Lands economic impact study found that in New York every \$1 invested in public ownership of lands provided \$7 in economic value in natural goods and services (MDNR 2013). Michigan Department of Natural Resources notes that a similar return should be expected of managed public lands in Michigan (MDNR 2013).

Nature is Good Business

Michigan enjoys a \$17 billion tourism industry, and a \$14 billion timber industry. Hunting and fishing generate \$1.3 billion and \$2 billion respectively. In sum, natural resources are inherently connected to economic prosperity.

Nature-is-good-business is an approach that resonates in the region. This approach takes the long view toward natural assets and the community's connection to them. Public land in the form of parks and recreation areas, game and wildlife areas, and private land held as a preserve serves both nature and humans. Examples in the region include four Lake Huron water trails, part of the extensive Michigan coastal water trails system; the US 23 Heritage Route, a collaborative effort including 16 communities promoting a 200 mile stretch as a regional destination with nature, adventure, culture, scenic, and gastronomic offerings. The Thunder Bay Marine Sanctuary, and in connection, Alpena's rebranding as Sanctuary of the Great Lakes, is an example of connecting cultural and natural resources and raising awareness and engagement with the Great Lakes. In addition the region is home to numerous wildlife-based activities that fuel local businesses.

A significant dynamic playing out in the public sphere regarding the 'value' of public land goes to the financial impact of public lands on local governments. One perspective holds that local governments are hampered financially as a result of the amount of publicly owned land (Rose 2015). While Payment in Lieu of Taxes (PILT) is provided by the state to counties and in turn townships, the adequacy of PILT payments and the sustainability of PILT as a reimbursement model is a topic of public discourse.

Another perspective on the value of public land to a locality holds that were the equivalent in state land privately owned in the form of rural residences, the revenue gain to the tax rolls would be offset by the cost of delivery of public services. Rose indicates the inventory of private property for sale in the region is high, suggesting that even if the publicly held land became available for private development/purchase, the tax coffers would not quickly be bolstered (Rose 2015).

That said, the State reviews its holdings on regular basis for potential disposal or exchange under a new strategic framework to focus ownership on priority areas (MDNR 2013). Private landowners also approach DNR with proposals for land exchanges. In both instances, consolidation is a key

consideration. DNR is interested in the ecological benefits that contiguous parcels provide and private land owners are able to expand land available for purposes already in use.

Collaborations and Partnerships

As discussed above, several factors - the amount of land already publicly held, the degree to which the northern Lower Peninsula is approaching its land cap limit - suggest that it may be worthwhile bolstering the full range of tools available for protecting and conserving land. A promising avenue for pursuing this is community engagement that can generate appreciation for the larger value of resources in the community and can, in turn, fuel greater public will to protect and steward resources.

DNR recognizes in its strategic plan for managing public lands that collaboration and partnership are essential to meeting its multi-pronged mission (MDNR 2013) - a sound philosophy for other stakeholders who have shared interests in economic prosperity, natural resource protection and, recreational opportunities.

One avenue of potential exploration in the northeast, are the large tracts private land (hunt clubs) with a long-standing stewardship ethic. Because of shifting demographic trends there may be opportunities to explore whether and where common interests may lie to maintain a legacy for future generations and ensure long-term preservation. Effective exploration of this opportunity would benefit from a combination of expertise, relationships and ample resources.

Collaborative elements are well-established in the region. Many we interviewed spoke of a strong tradition of partnership. Whether based in a frontier spirit or born of necessity, it appears to be characteristic, as evidenced in NEMCOG's deep role in the community, partnering with local governments on a broad range of functions. Also mentioned was townships drawing upon the organizational capacities of non-governmental organizations to help achieve objectives and advance initiatives. Moreover, we heard of the tendency among conservation organizations to recognize and defer to the organization that seems to be the natural lead in a given area and keep each other apprised of opportunities.

By virtue of the crucial function land conservancies provide in working with landowners in their service areas, conservancies are well-positioned to participate and spearhead collaborative efforts and partnerships. Indeed conservancies were held in high regard by our interlocutors for skillfully managing relationships, interests, and mechanics of complex real estate transactions.

A former Director of Michigan Office of the Great Lakes lauded the role of land conservancies in Great Lakes restoration, noting that they represent "the collaboration of private citizens, sometimes in partnership with government, utilizing voluntary, market-based means to achieve socially beneficial goals of land and water conservation," and adding that conservancies "engage, educate and motivate private landowners and local communities ... and build trust through patience, solidarity, sound information and a bit of cash." (Mehan 2009)

Describing various models of collaboration among land protection entities, Bates (2005) notes that collaborating with those with shared priorities enables land conservancies to expand their capacities and leverage resources more broadly. Bates enumerates the benefits of collaborating in the service of land protection, including: tapping into a greater reservoir of transaction expertise, increasing organizational capacity to accomplish work or streamline procedures, increasing funding

opportunities, creating opportunities for long-term partnerships, maintaining credibility by working through local conservancy's existing connections with landowners, positive publicity for all partners, and ultimately, more land being protected as a result of partners using their resources effectively, playing to their strengths, and accomplishing strategic land conservation (Bates).

Essential elements of effective and meaningful collaboration around land protection are present in the region. And where there may be opportunities to further utilize the full array of available land protection tools, there appears to be the collective capacity to mobilize expertise and resources to enhance land protection opportunities.

While engaging a broader set of partners can tap additional human and financial resources to accomplish shared objectives, it can also bring with it a broader set of performance measures associated with funding, potentially diluting the emphasis on ecological metrics and outcomes. In light of the multiple priorities that are associated with collaborative partnerships around natural resource use, good stewardship is essential to allow resources to replenish and continue to provide economic, natural and cultural benefits over time.

Information Needs

During the course of our conversations, we asked informants to reflect on what they would want to know more of in connection with the broad topic of land protection in the Lake Huron basin. Several items were mentioned that if done by credible independent rigorous or academic study and results of which were delivered in accessible and meaningful way, could inform collective discussions and possible future activities, including:

- Data and analysis of the cost-benefit analysis of public land and private land in rural areas.
- Studies on the economic impact of conservation at local levels.
- Research on outdoor recreation as an economic data cluster and its contribution in Michigan's demand-based approach to workforce development.
- Long-term resource management goals for the region.

Conclusion

Michigan has a wealth of natural resources that contribute to Michigan's quality of life and economic opportunities. Conversations with a range of individuals in government, conservation, land conservancy and private capacities familiar with the topic of land protection and the region revealed a rich tapestry of factors that exert both constraining and enabling influences on the potential for land protection in the Lake Huron basin. The following two broad observations are offered as considerations for harnessing those factors in service of land protection: i) capitalize on existing natural resources to envision a larger value of the resources in the community and catalyze collaborative efforts toward that vision, and ii) consider ways to mobilize collective capacity to maximize utilization of tools available consistent with landowner interests to protect land.

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Appendix - Organizational Affiliations of Individuals Interviewed*

Clark Township
Grand Traverse Regional Land Conservancy
Headwaters Land Conservancy
Heart of the Lakes
Huron Pines
Jeffress-Dyer, Inc.
Little Traverse Conservancy
Michigan Department of Natural Resources (3 separate components)
Michigan Environmental Council
Michigan State University
Northeast Michigan Council of Governments
Parallel Solutions, LLC
Thunder Bay Marine Sanctuary

* Some phone conversations were with more than one person.