



THE GRAND BARGAIN:

A compromise that's returned \$1.3 billion to Michigan's people

As a recently appointed member to the Michigan Natural Resources Trust Fund (MNRTF) Board, I wanted to better understand the story behind it.

How did it come to be? How does it work? And why is it important?

It began 47 years ago with passage of the Kammer Recreational Land Trust Fund Act of 1976 (P.A. 204), the result of a grand bargain – a compromise crafted by people dedicated to serving the common good, and, in this case, resolving a raging controversy.

It was a novel idea that funneled royalties from the sale and lease of non-renewable underground minerals (gas and oil, which are owned by the people of Michigan) into a fund restricted to buying another non-renewable resource – land.

With this money, local communities and the state could purchase land and develop outdoor recreational amenities for public use in perpetuity.

This bi-partisan proposal was signed into law by Gov. William Milliken. It also established a five-person board to recommend projects to the state legislature for final approval.

A leader in crafting this legislation was Bill Rustem, the then-environment advisor to Gov. Milliken.

Of its creation, Rustem said, “There was a huge controversy over the idea of permitting oil and gas development in the Pigeon River area – resources owned by the people of Michigan.”

Rustem, in collaboration with Department of Natural Resources (DNR) staff, the Michigan United Conservation Clubs and members of the Legislature, sought a solution that would enable gas and oil

development while doing something for future generations.

Don Inman, the DNR deputy director at the time, asked, “Could this controversy be reduced if we give back public lands to the public as a result of this development?”

Bob Garner (a legislative aide to Senator Kammer) who served on the drafting team and eventually was the host of the TV programs “Michigan Out-of-Doors” & “Destination Michigan,” described creation of the Trust Fund as “a great idea that comes about maybe every generation or two...enabling development to occur and, at the same time, doing something for future generations.”

Almost 50 years later, the results of the Grand Bargain – borne out of controversy and built on collaboration – has survived the test of time.

Since its inception, all 83 counties and most cities in Michigan have benefited from more than \$1.3 billion dollars invested in 2,878 Trust Fund-assisted projects, acquiring local and state recreation land and developing places for outdoor recreation.

Annually, more than 100 grant applications are received and scored by the DNR. The top scoring 30-50 applications, depending on fund availability, are sent to the legislature for final approval.

These grants, often leveraged with public and private funds, can be a catalyst for communities to change their destinies. A stunning example is the transformation of Detroit's riverfront district from a place of blight to one now recognized as the number one river walk in the U.S.!

Another example close to my home

(and heart) is Railroad Point Natural Area in Benzie County, which has been preserved as a 220-acre park on the shores of Crystal Lake and adjacent to the Betsie Valley Trail.

Michigan residents have overwhelmingly supported the MNRTF. Since 1984 voters have passed multiple constitutional amendments to ensure that mineral lease and royalty payments are directed only to the Fund and prohibited from diversion.

They also voted that funds could be used for payments-in-lieu-of-taxes to local governments; increased the maximum that could be accumulated in the Fund to \$500 million, and established the State Park Endowment Fund (SPEF) to help support Michigan's State Parks.

In 2011, when the Trust Fund balance reached \$500 million, grant-making and program operations could be funded entirely by the interest and earnings of the invested funds, with new revenues from mineral royalties directed to the SPEF.

How has our region benefited from this Grand Bargain?

“Big time ... and it didn't cost taxpayers a nickel,” said Keith J. Charters, the Trust Fund board's longest-serving member and after whom Traverse City State Park is named.

“Our five-county region has received more than \$60 million in grants including 30 in Benzie, 23 in Leelanau, 68 in Grand Traverse, 16 in Kalkaska and 22 in Manistee,” he said.

Glen Chown, executive director of the Grand Traverse Regional Land Conservancy, reports that since 1991, the Trust Fund has supported 58 critical Conservancy acquisition projects across Grand

Traverse, Benzie, Manistee, Antrim and Kalkaska counties, protecting 11,000 acres in perpetuity.

For example, a recent Trust Fund grant supported a partnership between the Conservancy, Traverse City and Garfield Township to acquire the 76-acre Hickory Forest property. This enables the protection of forest lands in an urban setting and expands public access to nearby trails and natural areas.

Another lens for considering the value of accessible natural areas and outdoor recreation is its impact on our physical and mental health and quality of life.

A recent Youth Wellness Study of 530 students from 20 northern Michigan high schools, supported by a grant from the Michigan Health Endowment Fund to the Grand Traverse Regional Community Foundation, provides strong evidence.

It found that that 40% of the students are experiencing moderate or severe anxiety and 24% are experiencing moderate or severe depression. When the students were asked: “What make you feel less stressed?” their most frequent response, at 55%, was “being outside in nature;” while 46% said, “being with my friends.”

The Grand Bargain, crafted 47 years ago to help conserve and preserve our natural world and develop outdoor recreation assets, is a precious gift to Michigan people that contributes to our wellness and quality of life, now and in perpetuity.

Chris MacInnes is president of Crystal Mountain. In 1985, she and her husband Jim moved from California to join the business and together have led its evolution. She is also active in state, local and industry organizations.

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