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TESTIMONY OF CHRIS BUNCH, EXECUTIVE DIRECTOR
BEFORE THE
HOUSE NATURAL RESOURCES, TOURISM, AND OUTDOOR RECREATION COMMITTEE
TUESDAY, OCTOBER 11, 2011

COMMITTEE MEMBERS,

THANK YOU FOR THE OPPORTUNITY TO SHARE MY CONCERNS WITH YOU. TO PROVIDE SOME CONTEXT FOR THESE COMMENTS, OUR ORGANIZATION WORKS IN OAKLAND, MACOMB, LAPEER AND GENESEE COUNTIES. WE SERVE A POPULATION BASE OF OVER TWO MILLION PEOPLE, WORKING TO PRESERVE THE NATURAL HERITAGE AND ENHANCE QUALITY OF LIFE AND THE QUALITY OF THE ENVIRONMENT OF THE REGION. WE DO THIS BECAUSE OUR MEMBERS, DONORS, SUPPORTERS AND PARTNERS BELIEVE THE NATURAL RESOURCE BASE THAT SUSTAINS US IS THE FOUNDATION OF OUR WELL BEING— ECONOMICALLY, PHYSICALLY, CULTURALLY.

IMPOSING A CAP ON DNR LAND OWNERSHIP WILL PRESENT SIGNIFICANT CHALLENGES IN OUR EFFORTS TO INCREASE THE AMOUNT OF PUBLIC RECREATION LAND IN THE REGION OF THE STATE WHERE IT IS NEEDED MOST—SOUTHEAST MICHIGAN, WHERE THE MAJORITY OF THE STATE'S RESIDENTS LIVE. BY WAY OF EXAMPLE, WE ARE CURRENTLY WORKING ON A PROJECT THAT WE HOPE WILL CULMINATE IN CREATING A SUBSTANTIAL ORV/ATV FACILITY IN THE REGION. STUDIES HAVE DETERMINED THAT OVER 90,000 VEHICLES WITH ORV/ATV'S IN TOW HEAD "UP NORTH" EACH WEEKEND. PROVIDING A SUBSTANTIAL FACILITY TO SERVE THIS RECREATIONAL NEED IN THE REGION WILL ALLOW US TO RETAIN AT LEAST SOME OF THE DOLLARS SPENT BY THESE USERS IN THE REGION, PROVIDING A MUCH NEEDED ADDITION TO THE LOCAL ECONOMY.

SIMILARLY, WE ARE WORKING WITH SEVERAL ENTITIES TO ENHANCE AND IMPROVE WATER ACCESS, BOTH TO RIVERS AND LAKES, AGAIN TO RECAPTURE SOME OF THE RECREATIONAL REVENUE THAT FLOWS NORTH ON THE FREEWAY EVERY WEEKEND. ONE EXAMPLE IS OUR PARTNERSHIP WITH MACOMB COUNTY IN THEIR BLUEWAY/GREENWAY INITIATIVE, WHICH HAS RECEIVED SIGNIFICANT ATTENTION AND INTEREST FOR ITS EARLY SUCCESSES. ACQUISITION OF ADDITIONAL ACCESS SITES FOR RIVERS AND LAKES IS A PRIORITY OF THIS INITIATIVE, IN ADDITOON TO MAKING CONNECTIONS ON EXISITING TRAIL AND GREENWAY SYSTEMS.

IN ANOTHER EXAMPLE, ONE OF OUR PEER ORGANIZATIONS IS INVESTING SIGNIFICANTLY IN ENHANCING THE DNR'S WATERLOO RECREATION AREA. THIS "HIDDEN JEWEL" OF SOUTHEAST MICHIGAN IS ONE OF THE LARGEST RECREATION AREAS IN THE ENTIRE STATE, PROVIDING RECREATION OPPORTUNITIES FOR A LARGE PORTION OF THE STATE'S POPULATION AND PROTECTING CRITICAL RESOURCES AND HABITATS. THEY ARE WORKING TO PROTECT ADDITONAL RESOURCES, ADD MORE LAND TO THE FACILITY, AND INCREASE ITS VISIBILITY AND USE.

IN ALL OF THE EXAMPLES ABOVE, THE DNR IS CONSIDERED TO BE AN IMPORTANT PARTNER IN THE OUTCOMES, ANTICIPATING THAT THEY WOULD BE A GOOD CANDIDATE TO SERVE AS THE ULTIMATE HOLDER AND OPERATOR OF FACILITIES. A CAP ON PUBLIC OWNERSHIP OF STATE LANDS MANAGED BY THE DNR WILL AT MINIMUM ADD AN ADDITIONAL HURDLE TO THESE EFFORTS—ULTIMATELY IT COULD SCUTTLE THEM.

I WOULD LIKE TO TAKE A MINUTE NOW TO SPEAK TO SOME LARGER ISSUES. SB 248 IS A SOLUTION LOOKING FOR A PROBLEM—IT IS NOT GOOD PUBLIC POLICY. THE ARGUMENTS IN FAVOR OF THE BILL ARE THAT IT WILL REDUCE COSTS TO THE DNR AND IMPROVE TAX REVENUE FOR LOCAL UNITS OF GOVERNMENT, YET THE ANALYSIS OF THE LEGISLATION CONCLUDES "THE BILL WOULD HAVE AN INDETERMINATE IMPACT ON STATE AND LOCAL FINANCES."

MEANWHILE, THE LEGISLATION PLACES RECORD KEEPING REQUIREMENTS—SPECIFICALLY, DESCRIBING METHODOLOGY TO BE ADOPTED—ON THE DNR. IN MY BUSINESS THIS IS KNOWN AS "MICRO-MANAGING". UNDOUBTEDLY IT IS IMPORTANT THAT THE DNR BE ABLE TO ACCURATELY REPORT ON ITS LAND ACQUISITION AND MANAGEMENT EFFORTS. ITS LEADERS SHOULD BE THE ONES DETERMINING THE MOST EFFICIENT AND EFFECTIVE MEANS TO DO SO, AND THEY SHOULD BE ABLE TO ADJUST AS NECESSARY FOR VARIED ANALYSIS REQUIREMENTS. THE ADMINISTRATIVE PROCESS REQUIREMENTS OF THIS LEGISLATION ARE NOT INSIGNIFICANT TASKS—I CAN ONLY ASSUME THAT YOU ARE INTENDING TO RESTORE GENERAL FUND SUPPORT TO THE DNR SO THAT THEY CAN COMPLY WITH THEM.

AND THEN THERE IS A REQUIREMENT THAT TAX REVERTED LANDS NOT SOLD WITHIN SIX MONTHS BE OFFERED FOR PUBLIC AUCTION AT NO MINIMUM BID. THERE ARE A NUMBER OF PROBLEMS PRESENTED BY THIS, INCLUDING THAT BY IMPOSING THIS TIME FRAME YOU MAY COMPLETLEY UNDERCUT A PROJECT UNDERTAKEN BY US OR PARTNER ENTITIES, INCLUDING LOCAL UNITS OF GOVERNMENT. THESE TYPES OF ACQUISITIONS OFTEN TIMES OF NECESSITY TAKE SIGNIFICANT TIME TO COMPLETE BECAUSE WE MUST COMPLY WITH THE MULTIPLE REGULATORY CONTROLS OF VARIOUS UNITS OF GOVERNMENT, AND BECAUSE

DEVELOPING FUNDING TAKES TIME. EVEN THOUGH THE PARTIES MAY BE FULLY COMMITTED TO MAKING THE ACQUISITION, UNDER THIS LEGISLATION, A PROPERTY COULD GO TO AUCTION AND BE LOST BEFORE THE NECESSARY PIECES OF THE ACQUISITION ARE IN PLACE.

FURTHER, THE REAL ESTATE MARKET IS FLOODED, AND WILL BE FOR A LONG TIME, WITH FORECLOSED PROPERTIES—BOTH TAX AND BANK FORECLOSED. OFFERING ADDITIONAL PROPERTY WILL FURTHER DEPRESS PRICES, AND VIRTUALLY ENSURE THE STATE WILL NOT RECEIVE HIGHEST VALUE FOR THE LAND.

LET ME NOW ADDRESS THIS LAST POINT FROM THE PERSPECTIVE OF RELATED EXPERIENCE IN LOCAL GOVERNMENT. I HAVE SERVED ON A LOCAL BROWNFIELD AUTHORITY BOARD AND AS THAT BOARD'S LIASON TO THE COUNTY LAND BANK. IN MY EXPERIENCE THERE AND THROUGH INTERACTIONS WITH THE GENESEE COUNTY LAND BANK, LOCAL UNITS OF GOVERNMENT THAT ARE MAKING PROGRESS IN ADDRESSING SIGNIFICANT LEVELS OF TAX REVERTED LAND ARE ELIMINATING NO-MINIMUM-BID AND REMOTE PURCHASING OF PROPERTIES. THIS IS TO BREAK THE CYCLE OF UNINFORMED, OUT OF AREA SPECULATORS BUYING PROPERTY AT FIRE SALE PRICES, AND THEN SIMPLY PERPETUATING THE TAX REVERSION PROCESS FOR THOSE THAT HAVE NO VALUE FOR THEM. THE WISDOM AT THE LOCAL LEVEL IS THAT THIS DOES NOT PROVIDE TAX REVENUE—IT COSTS IN SERVICES TO DEAL WITH THE CONTINUING CYCLE. IN FACT, BREAKING THIS CYCLE IS THE REASON FOR THE CREATION OF LAND BANKS, AND LOOKING FURTHER BACK IS A PART OF THE REASON LAND ULTIMATLEY WENT TO THE DNR—TO RELIEVE THAT BURDEN ON LOCAL GOVERNMENT.

WITH THAT IN MIND, MUCH OF THE LAND THE DNR OWNS HAS COME TO IT AS A RESULT OF PROCESSES IT RESPONDS TO RATHER THAN AS A RESULT OF ITS OWN INITIATIVE. THE BUDGET CHALLENGES IT FACES ARE THE RESULT OF THE SYSTEMATIC AND SUCCESSFUL EFFORTS TO ELIMINATE GENERAL FUND SUPPORT SINCE THE 1990'S. THAT THE DNR DOES NOT HAVE THE WHEREWITHAL TO ADEQUATELY MAINTAIN FACILITIES IT IS CHARGED WITH OPERATING FOR THE PUBLIC BENEFIT IS NOT BECAUSE THEY HAVE BEEN ACQUIRING LAND WILLY NILLY; RATHER, IT IS BECAUSE LEGISLATIVE PRIORITIES HAVE DETERMINED THAT IT IS MORE IMPORTANT TO FUND THE PURE MICHIGAN MARKETING CAMPAIGN, WHICH, WHILE BRILLIANT AND BEAUTIFUL, ULTIMATELY INVITES PEOPLE TO COME EXPERIENCE WONDERFUL NATURAL RESOURCES THAT ARE TOO OFTEN NEGLECTED IN FAVOR OF SLICK MARKETING.

I WANT TO CONCLUDE MY COMMENTS WITH THESE THOUGHTS. BACK IN THE 1990'S I SERVED AS A VICE-PRESIDENT IN THE MUCC AND WAS INVOLVED WITH THE EFFORTS TO CONSOLIDATE STATE LAND

OWNERSHIP AND TO UNIFY TITLE FOR SEVERED MINERAL RIGHTS HELD BY THE STATE. I SERVED AS A PANELIST FOR SEN. GEORGE MCMANUS DURING THE HEARINGS OF HIS SENATE SELECT COMMITTEE ON STATE LAND OWNERSHIP. THE SOLUTION THAT CAME FROM THAT EFFORT WAS A COST DRIVEN MANAGEMENT ANALYSIS OF STATE LAND OWNERSHIP PATTERNS WITH AN OBJECTIVE OF CONSOLIDATING OWNERSHIP AND DISPOSING OF ISOLATED PARCELS TO REDUCE COSTS. THAT PROCESS STILL GUIDES THE DNR TODAY.

THE NEXT LOGICAL STEP IN THAT PROCESS IS TO INCORPORATE A STRATEGIC ANALYSIS OF THE STATE LAND MANAGED BY THE DNR BASED UPON FACTORS LIKE RECREATIONAL NEED, NATURAL RESOURCE PROTECTION AND MANAGEMENT, WATER QUALITY PRESERVATION, AND OTHER RELEVANT FACTORS. OUR ORGANIZATION IS JUST NOW COMPLETING THIS TYPE OF LANDSCAPE SCALE ANALYSIS TO DRIVE OUR ACQUISITION AND STEWARDSHIP PROGRAMS. THIS WAS A LARGE PROJECT FOR US, WHICH TOOK SIGNIFICANT INVESTMENT AND ENGAGED MULTIPLE PARTNERS. THE DNR WOULD BENEFIT FROM THE SAME SORT OF EFFORT, AND IT WOULD BE PROPORTIONATELY LARGER. THIS IS EXACTLY THE KIND OF UNDERTAKING THE LEGISLATURE COULD AND SHOULD SUPPORT BY PROVIDING THE GENERAL FUND RESOURCES NECESSARY FOR THE DNR TO PRO-ACTIVELY ASSESS THE RESOURCES IT IS CHARGED WITH MANAGING ON BEHALF OF THE PUBLIC.

COMMITTEE MEMBERS, IF YOU TRULY FEEL SB 248 WILL HAVE A MEANINGFUL, DEMONSTRABLE IMPACT, THEN I ASK THAT AS YOU MOVE FORWARD YOU INCLUDE AMENDMENTS TO EXCLUDE THE FOLLOWING FROM BEING COUNTED TOWARD THE CAP:

- CONSERVATION EASEMENTS HELD BY THE DNR,
- TRAILS AND ASSOCIATED LANDS,
- LANDS ENROLLED IN THE COMMERCIAL FOREST ACT,
- LANDS THAT PROVIDE PUBLIC ACCESS TO WATER
- INHOLDINGS WHERE IT CAN BE DEMONSTRATED THAT ACQUISITION WILL DECREASE MANAGEMENT COSTS
- ANALYSIS OF STATE HOLDINGS AS DESCRIBED ABOVE.

THANK YOU FOR THE OPPORTUNITY TO PROVIDE COMMENT. I TRULY APPRECIATE YOUR EFFORTS TO PRESERVE OUR NATURAL AND OUTDOOR HERITAGE AND TO SUPPORT THE PUBLIC TRUST FOR PROTECTION OF THE QUALITY OF OUR ENVIRONMENT.