You Have a DNR Recreation Grant, Now What?

Presented by Michigan DNR Grants Management Section

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Recreation Grants

Michigan Natural Resources Trust Fund

Land and Water Conservation Fund

Recreation Passport Grant Program

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PART ONE

Project Agreements
<table>
<thead>
<tr>
<th>Timeline</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>Board Recommendation</td>
</tr>
<tr>
<td>Winter</td>
<td>Recommendations introduced to the Legislature</td>
</tr>
<tr>
<td>Spring</td>
<td>Public Act passed by Legislature &amp; signed into law by Governor</td>
</tr>
<tr>
<td>Spring to Summer</td>
<td>Project Agreements Issued to Grantees in MiRecGrants</td>
</tr>
</tbody>
</table>
Land and Water Conservation Fund

Timeline

December  Director Recommendation

Winter  Applicants prepare documents for the State application to the National Park Service

Spring  National Park Service reviews and approves State Applications from Local Units and DNR

Summer  Project Agreements issued in MiRecGrants
Land and Water Conservation

National Park Service Documents for State Application

- Proposal Description & Environmental Screening Form (PDESF)
- Letter of Effect from the Michigan State Historic Preservation Office (SHPO)
- Cost Estimate
- 6 (f) Boundary Map and Legal Description

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Recreation Passport

Timeline

December  Director Recommendation

Winter  Project Agreements issued to Grantees in MiRecGrants
Before Project Agreements are Issued

What can I do now?

1. Prepare the **Boundary Map** and **Legal Description** for approval by your Grant Coordinator BEFORE your Project Agreement is issued
2. Draft the **Resolution** accepting grant for board or council adoption
3. Development
   - Retain a **Prime Professional** for the project
   - **Initiate plans, specifications and bid documents (PSB)**
   - Secure all **permits** and regulatory approvals
4. Acquisition
   - Prepare **40-Year Title History**
   - Prepare **Environmental Due Diligence**
Before Project Agreements are Issued

What *can’t* I do now?

1. Development:
   – Advertise to bid the project
   – Hire contractors
   – Order materials or make any purchases from vendors
   – Do any work on the project

2. Acquisition:
   – Begin your appraisal
   – Enter into negotiations with the land owner
Once Project Agreement Is Issued

Required Documents to submit in MiRecGrants

• Legal Description & Boundary Map for the project

• Resolution to authorize acceptance of the grant and commit to the local match.

• Signed Project Agreement signature page after resolution is passed

• Executed Lease/Easement for the property (if applicable in TF or RP only)

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Legal Description

• Legal Description and Boundary Map must match

• Do not submit the deed

• Include the community name, project name, and grant number on both documents

Legal Description for TF19-0122 Southfield Township, Oakland County

Property situated in the S 1/2 of Section 1a, Township 1 North, Range 10 East, Southfield Township, Oakland County, Michigan, more particularly described as follows: Beginning at a point on the North-South centerline of said Section 18, said point being North 0° 03’ 57” East, 615.0 feet from the South Quarter Corner of said Section 18; thence North 89° 56’ 03” West, 101.20 feet; thence North 44° 56’ 03” West, 437.41 feet; to the point of beginning. 16.23 Acres.
Project Agreement

Boundary Map:

- Label as Boundary Map or 6(f)(3) Boundary Map for LW
- Project boundary in **RED** and easements in **GREEN**
- Dimensions or lot numbers, depending on the legal description
- Drawn to scale
- Signed and dated by Authorized Official
- Label existing and proposed facilities and nearby landmarks
- Include north arrow, project name, grant number, community name, county, total acreage
Additional documents maybe required:

- **Lease, Easement or Use Agreement** (TF or RP only) – Executed agreement providing site control from one eligible applicant to another

- **Road ROW** – Letter from MDOT, road commission, city, or village with ROW control allowing development and perpetual encumbrance in the road ROW

- **Deed** – If fee simple site control was not already obtained in the application period (ex – TF Acquisition grant from previous year)
Certified Resolution:

• Your highest governing body MUST pass a resolution to:
  – Accept the terms of the agreement
  – Commit to matching funds
  – Maintain the site as a public outdoor recreation facility

• Resolution must be signed, dated, and certified

• Include park / project name and grant number

• Use template provided

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Project Agreement

Long-term Obligations:

• Must keep entire park or project area for trail is encumbered for *public outdoor recreation use in perpetuity. (Forever!)*
• Must remain open & accessible for public use at all appropriate times
• Preferential membership is prohibited
• Must receive DNR, NPS, or MNRTF Board approval before transferring ownership or control to another government entity
• Must maintain the project area and facilities so they are attractive, inviting, and safe
• Must receive DNR approval to make any significant changes to the type of recreation provided
Submit all documents within **90 days** of issue

- **In MiRecGrants**
- 3-Steps - **Upload, Save, Submit!**
- Only the **Authorized Official** may change the status to submit documents
- Project Agreement is **fully executed** when DNR approves and signs the agreement
- 2 Years to complete your project
PART ONE

Project Agreement Questions?
PART TWO
Development Grants
Secure Services of a Prime Professional

• Michigan Licensed Engineer, Landscape Architect or Architect
• Firm registers on MiRecGrants, then add to your membership
• May initiate design and engineering after January 1st and receiving award recommendation in MiRecGrants

Secure all permits and regulatory approvals

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Development Projects

Prime Professional

- Prepare Plans, Specifications & Bid Documents
- Itemized Construction Estimate including all scope items
- Construction Schedule
- Seals Plans and Specifications
- Certifies documents in MiRecGrants

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Development Projects

Prime Professional

• Oversees bidding and construction
• Certifies final construction was completed according to approved construction documents
• Provides “as-builts” drawings
• Certifies Reimbursement Request

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Pre-Construction DNR Approval Requirements

- **PSB review and approval required prior to advertisement**
  - Allow 30-60 day approximate review time
  - Multiple contractors/vendors each require separate PSB document

- **Contractor or Vendor approval prior to award**
  - Submit bid tabulation and recommended award
  - Must award to the lowest responsible bidder
  - Minimum 3 bids or quotes
  - Reimbursements are tied to approved awards
Development Projects

Requirements for Direct Purchase, Quote and Bids

- **Under $5,000** – Submit vendor name and manufacturer’s specification sheet for DNR-approval via email
- **$5,000 to $10,000** – Obtain quotes from at least 3 different companies – Submit as PSB document
- **Over $10,000** – Must conduct open, advertised, competitive bidding – Submit as PSB document

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Development Projects

Non-Contracted Construction

- **Volunteer Labor**
  - Valued at minimum wage
  - Skilled trades labor or professional fees at standard rates

- **Donated Materials**
  - Value must be pre-approved and documented

- **Force Account (Staff)**
  - Hourly rates documented with timesheets – labor only

- **Equipment**
  - MDOT Schedule

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Development Projects

High Bids

- Re-Bid
  - Redesign
  - Bid at a better season
- Reduce Award Using Unit Pricing
- Issue Post Bid Addendum to All Bidders
  - Reduce Quantities
  - Modify Materials or Quality

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Development Projects

Post Award DNR Approval Requirements

• Changes to the design or construction plans or costs
• Time Extensions
• Changes to Scope
• Boundary

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Development Projects

Change Orders and Amendments

• Report delays, requests for Changes Order, changes in cost and requests for amendments
  – Contact your Grant Coordinator for approval of significant changes to the project which result in a change in contract value.
  – Contact your Grant Coordinator for approval to DNR for extensions to the project period for cause.
  – Must be submitted as an Amendment Request in MiRecGrants
  – Must still be approved by Grant Coordinator, Program & Section Managers
  – No extensions for Land and Water grants.

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Development Project

Reimbursement Requests

All Reimbursement Requests submitted via MiRecGrants.

Types of requests:
• Partial Reimbursement
• Final Reimbursement
• Final Payment
Development Project

Partial Reimbursement Requests

• Only after actual construction costs have been incurred
  – 1st reimbursement must consist of more than just engineering costs
  – 1st reimbursement can be submitted once 25% of the grant has been earned

• May submit multiple requests

• Final Audit Withheld
  • 10% of grant award amount

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Development Project

Partial Reimbursement Requests

• Reimbursement request
  – Must be certified by both Authorized Official and the Prime Professional

• Payment Documentation
  – Copies of invoices for costs eligible scope items
  – Proof of Payment - Canceled checks or EFT records
  – All expenses must be related to a scope item

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Development Project

Final Reimbursement or Final Payment

- Additional payment documents (Final Reimbursement only)
- Final Compliance Onsite Inspection Form
- Photograph of installed plaque
- Photographs of all scope items
- Certificate of Final Building Inspections and Certificate of Occupancy, if applicable
- “As Built” Plans
- Copy of Recorded Declaration and Notice
  - MNRTF & LWCF Grants Only

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Development Project

Reimbursement Request Payments

• Payments for eligible expenditures will be released within 45 days of receipt after **ALL** required documentation

• Electronic Fund Transfer (EFT) - Only payment method
  
  — Grantee must have a SIGMA account set up for payments

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Development Project

Program Recognition:

• Recognition Plaque
  – Provided for RP
  – Purchase for LW & TF

• Public Dedication Ceremony
PART TWO
Development Project Questions?
PART THREE
Acquisition Projects
MNRTF Acquisition Project

Requirements

• Exclusive use of the property for public, outdoor recreation purposes, *in perpetuity (Forever!)*

• Willing Seller

• Clear Title

• Mineral Rights

• Environmental Safety

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MNRTF Acquisition Project

Grantee Closing Options

• Escrow closing
  – Grantee provides 100% of match amount
  – Plus 10% of eligible grant amount, withheld until final audit approval after closing

• Reimbursement closing
  – Grantee provides 100% of cost

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MNRTF Acquisition Project

Environmental Due Diligence

Step One
- Discuss history with owner
- Walk the site
- Review historical records
- Consider professional review

Step Two, if necessary
- Phase I Assessment

Step Three, if necessary
- Phase II Assessment

Environmental review costs, up to 5% of the site’s market value, are eligible for reimbursement. Environmental cleanup costs are not eligible.

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MNRTF Acquisition Project

Title History Search

• Fee Simple Title required or easement in some cases.
• Copies of all deeds for 40-year period

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MNRTF Acquisition Project

Appraisal

- Do not begin appraisal until authorized by your Grant Coordinator
- The Project Agreement must be fully executed AND Environmental Due Diligence & Title Search are approved
- Appraisals are submitted in MiRecGrants
- DNR reviews and approves the market value prior to offer to purchase

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### MNRTF Acquisition Project

**Purchasing the Property:**

<table>
<thead>
<tr>
<th><strong>STEP 1</strong></th>
<th><strong>FORMS NEEDED</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Informing the Landowner of the Market Value</td>
<td>Statement of Just Compensation (PR1908-1)</td>
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</table>

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<tr>
<th><strong>STEP 2</strong></th>
<th><strong>FORMS NEEDED:</strong></th>
</tr>
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<tbody>
<tr>
<td>Making an Offer to Purchase</td>
<td>Offer to Purchase (PR 1908-8) OR Offer to Purchase (With Land Donation)/Waiver of Just Compensation (PR 1908-2)</td>
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</table>
# MNRTF Acquisition Project

## Purchasing the Property:

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<td><strong>Step 3</strong></td>
<td><strong>Determining Incidental Costs and Informing the Landowner of His/Her Rights</strong></td>
</tr>
<tr>
<td>![Money Symbol]</td>
<td>![Form Symbol] Seller’s Waiver of Reimbursement of Incidental Expenses (PR 1908-3)</td>
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<td><strong>Step 4</strong></td>
<td><strong>Closing; Recording of Deeds</strong></td>
</tr>
<tr>
<td>![Money Symbol]</td>
<td>![Form Symbols] Closing Statement (PR 1908-9), Warranty Deed, Declaration and Notice, Mineral Royalty Interest Deed</td>
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MNRTF Acquisition Project

Reimbursement Package

• Escrow closing – submit documents 60 days prior to desired closing date (required)

• Reimbursement closing – submit documents 30 days prior to scheduled closing date (optional)

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MNRTF Acquisition Project

**List of Items to be Included in a Reimbursement Package**
- Original Acquisition Reimbursement Request
  - Signed by you
- Original Statement of Just Compensation
  - Includes your original signature and those of each of the sellers of the parcel
  - Legal description must be attached
- Copy of Offer to Purchase or Copy of Offer to Purchase (With Land Donation) Waiver of Just Compensation
  - Signed by you and each of the sellers, dated after the Statement of Just Compensation is signed
  - Legal description must be attached
- Copy of Seller’s Waiver of Reimbursement of Incidental Expenses
  - Completed by you, if required, and signed by each of the sellers
- Copy of Recorded Warranty Deed to the Property
  - Must be a warranty deed
  - Must not include restrictions or other conditions except those preapproved by DNR
- Copy of Recorded Declaration and Notice
- Boundary Map of the Acquired Area
- Original Recorded Mineral Royalty Interest Deed
  - Must be a warranty deed
  - A boundary area map needs to be included with the deed
- Copy of Title Insurance Policy (possible exception, railroad corridor)
- Copy of Closing Statement
  - Signed by you and each seller
- Documentation of All Costs Incurred
  - Copies of invoices
  - Documentation of all other costs incurred
- Photo of the installed MNRTF plaque
- Tax Abatement Schedule and Copy of Paid Property Tax Bills
  - Calculation of tax abatement must be made using MNRTF method

**List of Items to be Included in a Land Acquisition Escrow Closing Package**
- Original Acquisition Reimbursement Request
  - Signed by you
- Original Statement of Just Compensation
  - Includes your original signature and those of each of the sellers of the parcel
  - Legal description must be attached
- Copy of Offer to Purchase or Copy of Offer to Purchase (With Land Donation) Waiver of Just Compensation
  - Signed by you and each of the sellers, dated after the Statement of Just Compensation is signed
  - Legal description must be attached
- Copy of Seller’s Waiver of Reimbursement of Incidental Expenses
  - Completed by you, if required, and signed by each of the sellers
- Draft Warranty Deed to the Property
  - Must be a warranty deed
  - Must not include restrictions or other conditions except those preapproved by DNR
- Draft Declaration and Notice
- Boundary Map of the Acquired Area
- Mineral Royalty Interest Deed
  - Must be a warranty deed
- Copy of Title Insurance Commitment (possible exception for railroad corridor acquisitions)
- Closing Statement
  - Signed by you and each seller
- Documentation of All Costs Incurred
  - Copies of invoices
  - Documentation of all other costs incurred
- Tax Abatement Schedule and Copy of Paid Property Tax Bills
  - Calculation of tax abatement must be made using MNRTF method
- Original Escrow closing agreement signed by buyer, seller and closing agent

Escrow closing and reimbursement packages must include a schedule that explains how the property taxes were prorated, as well as copies of all the past tax bills. The following example will assist you in prorating taxes. The example is for real estate tax proration when the annual taxes have been prepaid (as specified in the tax assessor’s office).
MNRTF Acquisition Project

Program Recognition

- Recognition Plaque
- Public Recognition Ceremony

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Thank you!

Questions?
Contact Information:
Phone: (517) 28-GRANT or (517-284-7268)
Program Information and Forms: www.michigan.gov/dnr-grants
Sign up for e-mail updates: www.michigan.gov/dnr