

**Draft Version 2.1, May 17, 2023**  
**Section 1, Context, Impetus and Response**  
**Blueprint for the Keweenaw Heartlands**

*This draft will be incorporated into the final Blueprint. This and other sections completed before publication of the final Blueprint will be subject to at least one additional round of editing to ensure consistency, clarity, accuracy and flow in the final document.*

Interest in the preservation of the environmental, economic, cultural and historical contributions of the Keweenaw Heartlands developed over decades as the people of the area, and others interested in the environment and culture of the area, recognized the unique and valuable benefits provided by these lands. This Blueprint documents the process that ultimately led to the acquisition of these lands for the benefit of the people, environment and economy of the area, and provides the blueprint to guide the governance and management of the land in perpetuity.

**1. The Context and Impetus**

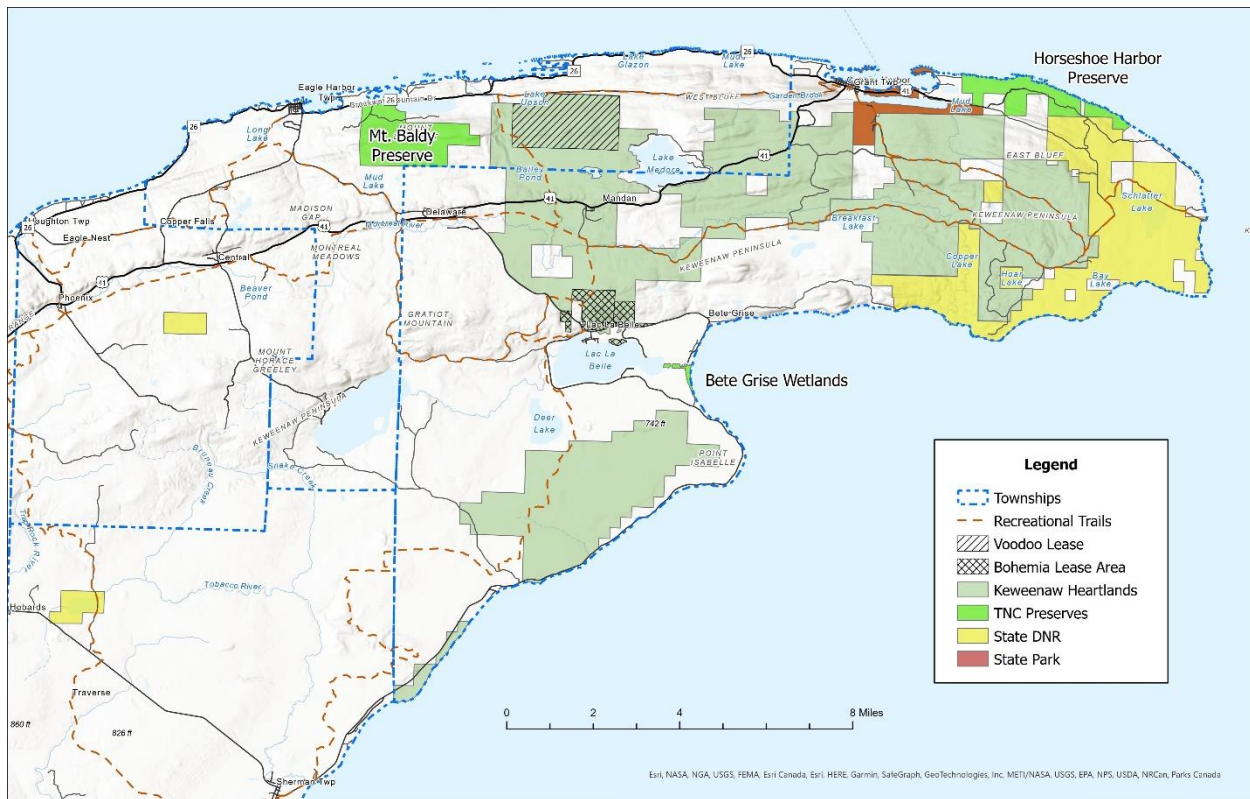
In 2018, The Rohatyn Group (“TRG”), an asset management firm that owned more than 100,000 acres of forest land on the Keweenaw Peninsula of Michigan, initiated discussions with the Michigan Department of Natural Resources (MDNR) regarding acquisition of a large block of TRG owned land, primarily in Grant Township. After several years of dialogue with MDNR, in 2021, TRG announced that it was placing about fifty square miles of Keweenaw timber land on the market. Situated near the tip of the Peninsula and abutting State-owned park and forest lands and several existing conservancies, these lands are environmentally, historically and culturally important, and are a principal attractor for the tourism industry that dominates the area’s economy.

They are also productive forestlands that have historically provided wood products and important environmental services such as carbon sequestration. The lands were also exploited for natural resources for millennia. The peninsula is one of two places in the world that produced native copper in quantities that allowed millennia of trade in the eastern half of North America, as well as sustaining modern industry for another century. These lands may hold untold riches of information, both historical and prehistorical, and their preservation and stewardship may help decipher untold stories of their historical and cultural significance.

This Blueprint refers to these lands as the “Keweenaw Heartlands” (or simply as the Heartlands). Figure 1. Shows the physical location of the parcels offered for sale, and their relationship to Nature Conservancy and state-owned lands in the area.

Over several decades, structural changes in the forest products industry gradually made the Keweenaw Heartlands less desirable to timber investors. In addition, heavy harvesting of the forests substantially reduced the stock of mature timber, likely requiring years of rest and regeneration before the area could regain its profitability as a working forest. In 2018, TRG offered to sell these lands to the State or swap them for other lands the State owns which would be a better investment for forest products production. After MDNR declined, TRG offered four large tracts totaling 32,661 acres for sale on the public market.

Figure 1: Keweenaw Heartlands Map



For generations, copper mining companies that originally owned these vast tracts of land, and forest products companies that later acquired them, provided access for hunting, fishing, gathering and public recreation. The State incentivized this by offering significant property tax breaks for providing limited public access and managing the property as a working forest.

The public access, recreational uses and forest products jobs the Heartlands provide are vital to the interests of residents and visitors, and to the future economic health of the area. The current economy of the area is supported by the recreational and tourism value created by the outstanding natural beauty, coupled with an unusual degree of public access. When the possibility of a private sale became known, residents became concerned that the property might be bought by developers who would have little incentive to maintain current access or manage the lands to sustain and grow local prosperity.

Based on experiences of other regions that have seen the sell-off of forest lands to developers, the potential effects of such a sale were a matter of grave concern. In other high-amenity areas, similar sales are often followed by developers parcellating the land and selling prime locations along ridgetops and waterways for high-end vacation home development. Remaining tracts are typically sold to individuals and families for private hunting parcels or their getaway cabins or campsites in the woods. When this happens, gates, fences and “No Trespassing” signs generally go up, restricting public access and diminishing the land’s public and environmental benefits.

Public and private interests in preserving the existing characteristics and benefits of the Heartlands are manifold and diverse. Communities rely on the taxes paid by tourist-dependent businesses and, to a lesser extent, by the investment companies on the forest property itself. Businesses that lease land or

purchase timber from the timber companies need to retain rights to their current uses of the land to secure their long-term future. Tourism-dependent businesses want to ensure the continued access that is critical to their ongoing viability.

Individuals and organizations have long recognized that these tracts on the Keweenaw Peninsula are environmentally and culturally important and should be preserved for the benefit of the environment, its archaeological importance and enjoyment of future generations. Preserving much of the area as forest provides protection for rare, threatened and endangered plant and animal species. Surrounded by Lake Superior, the Keweenaw Heartlands sit within one of the most climate-resilient areas in the central U.S., where plant and animal species have the best chance to move and thrive in the face of threats from a changing climate. The Heartlands were also the site of 7,000 years of human activity surrounding the extraction of copper, and potentially hold sites of world significance related to those activities.

Managing the land as a working forest also provides carbon sequestration benefits and can facilitate access to carbon credits, while maximizing the economic potential for area tourism. In addition, maintaining much of the land as a managed working forest provides a source of timber to support forest products industry jobs and preserves (or replaces) tax revenue that local governments rely upon.

The Nature Conservancy (TNC), a global conservation organization with a team of staff in Michigan and all fifty states and 79 countries, has long viewed this portion of the Keweenaw Peninsula as an outstanding environmental asset in critical need of protection. TNC has previously led successful efforts to conserve portions of the area and brokered the transaction in 2004 that conserved approximately 8,000 acres and many miles of coastline which were transferred to the Michigan Department of Natural Resources (MDNR). In addition, TNC retains ownership of and manages almost 3,000 acres on the peninsula in three parcels. These include:

- The Mary Macdonald Preserve at Horseshoe Harbor
- The Helmut and Candis Stern Preserve at Mount Baldy
- The Bete Grise Wetlands Preserve

In addition to the 8,000 acres of State Forest and State Park lands that the MDNR currently holds, the State of Michigan has interests in protecting the long-term environmental benefits and the economic and tourism value of the Heartlands. With the recent creation of the Michigan Office of Rural Development, the State has demonstrated an expanded commitment to supporting and building the economies of the rural portions of the state.

The prospect of private sale and potential parcellation of the land led a group of residents to form the Keweenaw Outdoor Recreation Coalition (KORC),<sup>1</sup> to bring stakeholders together and determine what steps could be taken to acquire the land for the benefit of the area. The KORC process helped develop a local sense of urgency and an understanding that preserving the benefits flowing from the land would require cooperation and balancing interests among diverse stakeholder groups. This sense of urgency led to a letter writing campaign to MDNR in early 2021, asking them to step in and purchase all the proffered land.

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<sup>1</sup> Formed under the auspices of Keweenaw Community Forest Corporation, a local nonprofit active in conserving lands in the area.

While State purchase of the lands appeared to many to be an easy solution, local and State experience from the earlier transfer of 8,000 acres to the Department of Natural Resources suggested that the State is not well positioned to manage all of the Keweenaw Heartlands to meet local objectives. While the 2004 transfer process was followed by a robust local planning process which established goals and priorities for use of the land to support the area's economy and culture, MDNR leadership was clear from the outset that the agency likely would not be able to deliver on all of the plans the community developed. While DNR's acquisition resulted in the property being heavily used for recreation, there was no mechanism provided by the statutes governing MDNR operations to address the other goals of the plan developed at that time, and those elements of the plan have languished.

By early 2021, the situation was nearing an inflection point, requiring concerted action or risking parcellation of the Heartlands and loss of its many environmental, economic, historic and cultural benefits. The Nature Conservancy was aware of the announced sale of the Keweenaw Heartlands and residents and other concerned individuals contacted the organization asking if it might consider getting involved in conserving the lands. TNC began to engage in informal conversations with MDNR leadership about the future of the Heartlands. In July of 2021, TNC staff traveled to Keweenaw County, met with local leaders and decided to see if the organization could enter into a partnership with the MDNR and the community to secure the Heartlands.

## **2. The Response**

With TNC's history and understanding of the Keweenaw Peninsula, deep experience acquiring and preserving critical environmental assets and ability to access capital to engage in large-scale conservation impact around the world, MDNR understood that the Michigan Chapter of TNC was uniquely positioned to lead an effort to acquire the Heartlands and preserve its benefits for the people, environment and economy of the area. So, in August 2021, after almost a year of assessment and due diligence, the Michigan Chapter of TNC determined that it was critical to step up and help and formed a partnership with MDNR to do so.

TNC possessed the capacity and expertise to secure loans to broker and finance the purchase, and hold the land until a final governance, management and ownership structure could be developed and funding could be identified for the ultimate owner(s) to acquire the land from TNC. MDNR was highly interested in acquiring a portion of the land nearest the tip of the peninsula, to connect its existing state forest and state park lands and secure access to some of the peninsula's most desirable and frequented features. It was also interested in acquiring easements protecting existing trails through other portions of the land.

However, TNC and MDNR both recognized that they could not go it alone in this process. Both organizations believed that it was critical to involve the people whose lives, livelihoods and lifestyles depend on the lands in determining how the lands would be managed and governed for now and for untold generations to come. Furthermore, the substantial public engagement KORC has facilitated demonstrated that the people of the area were highly invested in the future of the Keweenaw Heartlands.

Globally, The Nature Conservancy's commitment to recognizing and incorporating the rights of Indigenous and local communities is at the core of its conservation work. Its Human Rights Guide and curriculum guide this work and can serve as a model for how this work can and should be done in

diverse places across the planet. While this Guide had been extensively used abroad, historically it had seen less application to projects in the United States.

TNC recognizes the principles embedded in the Human Rights Guide are equally important in developed countries such as the United States, especially in places like the Keweenaw where both the culture and the economy are deeply connected to the land and its resident population. Furthermore, from a practical perspective, all successful social compacts rely on voluntary compliance. If externally established rules about use of the land conflict with local values or foreclose the contributions the land makes to sustaining the lives and livelihoods of the people, then those rules will be ignored.

Therefore, both TNC and MDNR determined that a necessary part of that process would be to convene community stakeholders to build a shared vision and forge a plan (Blueprint) for decision making (governance), management, conservation and use of the land. That vision and plan would be created by the local community, led by an experienced, neutral facilitator, and ultimately inform the appropriate final, long term ownership of the Heartlands.

The process envisioned would be highly participatory and build on the work of existing efforts and entities, such as KORC, to surface issues and resolve remaining differences. Such a plan would recognize and optimize the balance of recreational, civic, economic, environmental, public service and safety, tribal and other interests. It would also lead to vesting ownership of the bulk of the property in entities that have the trust of all stakeholders and are structured to maintain public accountability for decades, and even centuries, to come.

TNC solicited and received a foundation grant to support the desired planning project and to document the process used for the benefit of future projects. Following a national search to identify consultants with the capacity and experience to conduct such a process, in March 2022, TNC engaged RES Associates, LLC, and its principal John Molinaro for the visioning, planning and documentation aspects of this project.<sup>2</sup>

Acquisition of the Keweenaw Heartlands was ultimately completed by TNC in late, 2022. This Blueprint details principles and values for the management and governance of the Keweenaw Heartlands, developed through an extensive stakeholder participation process described in following sections. The goal of this Blueprint is to inform the creation of the ultimate governing structure for the land and to provide the basis for its ongoing decision making.

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<sup>2</sup> RES is an abbreviation of Rural Economic Success. See Appendix X for information about RES Associates, LLC, and its principal John Molinaro.