



2009 - 2010
Fiscal Year

Heart of the Lakes Center for Land Conservation Policy Annual Report



Our March to One Million

As 2010 comes to a close, Heart of the Lakes is proud of our members' many successes including permanently protecting over one-half million acres of Michigan land. Energized by reaching this milestone, we look to the upcoming year and the new challenges and opportunities it brings. Together, we will continue to work toward increasing the pace and quality of Michigan land conservation.

In This Issue

Letter from the President	2
Advancing Conservancy Excellence	2
Land Conservation Policy.....	4
Conservation and Policy Research	5
Financial Report	6
About Heart of the Lakes.....	7
Heart of the Lakes Members	7
Friends of Heart of the Lakes	8

Former Governor William Milliken is often quoted for having said, “the 37 million acres that are Michigan is all the Michigan we will ever have.” Thanks to the work of Heart of the Lakes member land conservancies and their partners, more than one-half million acres of Michigan land are now permanently protected, providing habitat for wildlife, rich soils for agricultural production, and recreational opportunities for Michigan’s citizens and tourists.

With the generous support of foundations, private individuals, and state and federal grants, conservancies work with private land owners, local communities, and the state to permanently protect natural, scenic, agricultural, coastal, and forest lands across the state. This March, at Heart of the Lakes’ upcoming Annual Summit, we will celebrate the milestone of one-half million protected acres and look toward the future as together, we March to One Million (Our Summit theme!).

In 2011, Heart of the Lakes will continue to provide our members with capacity-building services to ensure that they have the tools and knowledge to be part of a high-performing, sustainable, and cohesive conservation community.

Heart of the Lakes will also continue to be the collective voice for Michigan land conservancies during a time of unprecedented change in political leadership. With more than 70% of Michigan legislators new to office, communicating with our elected officials on the value of land conservation to the future of Michigan – both environmentally and economically – is critical.

While much has changed since Governor Milliken spoke about Michigan’s precious acres, Michigan remains a place defined by land, and all that the land provides for us. As we look to the road ahead, Heart of the Lakes is grateful for the incredible work and support of our members, partners, and donors in 2010, and we look forward to an exciting year of opportunity.



Rachel Kuntzsch,
Executive Director

Letter From the President

In my final report as board chair for Heart of the Lakes, I am pleased to advise our members and supporters that Heart of the Lakes continues to do a great job of representing the interests of Michigan's land conservancies, of providing services to help conservancies advance the state of the art in land protection, and that we are one of the most highly respected policy voices in the conservation field in Lansing. I am grateful to my colleagues on the board for their leadership, to our staff for their excellent work, to our funders for their support and trust, and to our members—those conservancies and conservation professionals across our state—whose concern for the conservation cause and support of Heart of the Lakes means so much to our state.

As we enter a new political era in the state with a new governor and legislature, the work of Heart of the Lakes is more important than ever. I urge every one of our members and supporters to dig deep and support our efforts as generously as possible as we help to shape Michigan's conservation policies and conservation future. It is a critical time when critical decisions will be made, and so it is no time to shrink from our tasks.

As I vacate the chair of our board, I thank all of our board, staff, and members for your support over the years. It has been a pleasure and privilege to start this organization and to see it develop so quickly into a key player for providing help and assistance to conservancies, and as a presence on the



conservation policy scene. Thanks to my board colleagues for your work and support, thanks to my good friend and colleague Glen Chown for taking over the chair, and last but by no means least, thanks to all of you for making this wonderful organization and its wonderful work possible.



Thomas C. Bailey
President

Advancing Conservancy Excellence

From the Upper Peninsula to downtown Detroit, Heart of the Lakes members participated in training, networking, and partnership building across the state this year through the Advancing Conservancy Excellence (ACE) program. ACE added new focus areas in 2010 and with them came new learning opportunities for Michigan's land conservancies.

The ACE program, a partnership between the Land Trust Alliance and Heart of the Lakes funded by the Carls, Kresge, Frey, Wege and C.S. Mott Foundations, continues to position Michigan's land conservancies to meet national standards for accreditation. ACE, which began its third year in 2010, provides 18 participating land conservancies with now familiar programming: organizational assessments, implementation plans, capacity building grants, training, and mentoring, as well as collaboration and partnership development support.

National Accreditation

A major goal of the ACE program is to help Michigan's land conservancies receive national accreditation. Accreditation is a seal of excellence conveyed to land conservancies that can demonstrate they meet national standards and can uphold the public trust with the organizational strength and ability needed to ensure the permanence of the important lands they work to protect. *Continued on next page*

ACE continued from previous page

ACE participant, the Little Forks Conservancy (Midland), celebrated this major achievement this past summer as one of the first five land conservancies to receive accreditation in the state, joining Leelanau Conservancy, Grand Traverse Regional Land Conservancy, Legacy Land Conservancy, and Chikaming Open Lands.

Collaboration and Partnerships

ACE collaboration and partnership programs took a giant step forward as six conservancies forged a newly named Land Conservancies of Southeast Michigan Collaboration, agreeing to collaborate and increase the pace of conservation in the seven counties in the southeastern Michigan region. The group's first project is the development of a map of priority protection areas. They also connected with potential conservation partners in Detroit to exchange ideas, information, and conservation strategies.

Mentoring and Consultation

ACE mentoring and consultation expanded in 2010 with the addition of *Peer-to-Peer Mentoring* and *Expert Peer* programs. *Peer-to-Peer* reimburses travel expenses so that participating staff and board can visit and learn from other peers with similar responsibilities at different land conservancies. *Expert Peer*, which began in October 2010, contracts experts within Michigan and out of state to provide direct counseling for ACE-participating conservancies in management, finance, land protection and stewardship.

ACE hosted a first-ever *Peer-to-Peer* networking day for conservancy board members in Cadillac. Nearly thirty board members from nine conservancies participated in lively and informative discussions led by a panel of experienced board members. Land protection and stewardship staff gathered in the Houghton area to meet with forest experts from Michigan Technological University and the Michigan Department of Natural Resources and Environment. They toured an experimental forest managed by Michigan Tech to learn more about drafting conservation easements for working forest lands and best practices for ensuring biodiversity, forest health, and proper harvesting. Similarly, five Executive Directors met in Leelanau County to discuss issues of mutual interest. One participant in the latter gathering had this to say about his experience:

“I think the biggest benefit in this type of gathering is the realization that being an Executive Director is a very demanding job. . . There was much useful discussion about, given all these competing demands, how an organization can make the leap to become an effective organization that does high-level conservation work.”

Looking Ahead

As ACE heads into 2011, the hard work of all the participating conservancies will come to fruition as they complete projects funded through the ACE program. Over \$300,000 in ACE advancement grants have been distributed to

participants during the course of the program. The grants help conservancies implement improvements and prepare for accreditation. Several are expected to apply for accreditation in 2011.

Heart of the Lakes and the Land Trust Alliance will examine the success of the first few years of the ACE program as part of a Land Trust Alliance evaluation of the first three statewide Excellence programs nationally. The evaluation results will guide program direction in the last half of 2011 and beyond, ensuring that land conservancies' staff and board can turn to ACE partners, Heart of the Lakes and the Land Trust Alliance, for support in the coming years as they strive for continued excellence, national accreditation, and the chance to learn from peers and partners throughout the state. 🌿



Michigan Land Conservancies Participating in ACE

Cadillac Area Land Conservancy
Chikaming Open Lands
Chippewa Watershed Conservancy
Grand Traverse Regional Land Conservancy
Keweenaw Land Trust
Land Conservancy of West Michigan
Leelanau Conservancy
Legacy Land Conservancy
Little Forks Conservancy
Little Traverse Conservancy
Livingston Land Conservancy
Michigan Nature Association
Mid-Michigan Land Conservancy
North Oakland Headwaters Land Conservancy
Saginaw Basin Land Conservancy
Six Rivers Regional Land Conservancy
Southeast Michigan Land Conservancy
Southwest Michigan Land Conservancy

Bold indicates a nationally accredited conservancy

Land Conservation Policy

In the past year, Heart of the Lakes advanced our policy priorities and finalized our policy outreach strategy for the coming legislative session as Michigan welcomes new leadership to Lansing.

Great Lakes Restoration Initiative

Heart of the Lakes worked with the Land Trust Alliance and land conservancies in the Great Lakes Basin, including Leelanau Conservancy and Grand Traverse Regional Land Conservancy, to shape a unified strategy for needed changes to support a greater commitment for permanent land acquisition within the EPA-led Great Lakes Restoration Initiative (GLRI). Our engagement broadened the definition of “restoration” within the GLRI Action Plan to include land acquisition. By showcasing successful conservancy projects that target source water protection, Heart of the Lakes and our partners argue that an increased investment in land acquisition (without jeopardizing funds for needed cleanup and other GLRI goals) can leverage the land trust/private landowner constituency and greatly expand permanent protection and restoration results through the GLRI.



Michigan Natural Resources Trust Fund

Heart of the Lakes advocated for swift passage of the Michigan Natural Resources Trust Fund (MNRTF) appropriations bill, which helped to expedite the availability of important funding to support land acquisition and public recreation development projects throughout the state. Heart of the Lakes also worked with our members to make policy recommendations to the MNRTF board to further streamline the application process and refine scoring criteria.

Farmland Preservation Funding

Heart of the Lakes advocated for both state and federal policies to increase funding for farmland preservation. On the federal front, Heart of the Lakes collaborated with the Land Trust Alliance, American Farmland Trust, and our members to submit comments on the certification process for the federal Farm and Ranchlands Protection Program (FRPP) and successfully advocated for additional FRPP funding to be directed toward Michigan projects. Michigan was among the top ten states in the country for FRPP funding in 2010.

At the state level, we supported a bill (HB 4158) that would provide reforms to the Farmland Development Rights Agreement Program (P.A. 116) and direct additional funding into the state’s Agriculture Preservation Fund. Heart of the Lakes intends to make this legislation a priority in the 2011-12 session and is hopeful for its success.

Extension of the Enhanced Conservation Easement Tax Incentive

Heart of the Lakes continued to actively support the policy work of the Land Trust Alliance, the national convener and policy advocate for land conservancies, as they worked to advance federal policy beneficial to the land conservancy community. In particular, we pushed for the successful two year renewal of the enhanced easement incentive, which helps landowners choose conservation by increasing the maximum tax deduction a donor can take for donating a conservation easement and increases the number of years over which a donor can take deductions, among other provisions.

Heart of the Lakes also participated in a number of working groups and committees representing conservancy interests including the DNRE-led Environmental Advisory Council, Habitat Protection and Restoration Work Group, Forest Management Advisory Committee, and Forest Legacy subcommittee.

Looking Ahead

Heart of the Lakes’ 2011-2012 policy agenda includes the exploration of land protection strategies that access greater federal funding for water quality protection, generation of new approaches to state funding for farmland protection, advocacy of federal FRPP funding allocation for Michigan projects, and protection of Michigan land conservancies’ eligibility for real property tax exemption. We will also continue to advocate for protection of the MNRTF and offer recommendations to the MNRTF board and staff as a new strategic approach to improve the efficacy of the Trust Fund is developed. Heart of the Lakes also developed a strategy for reaching out to incoming state policymakers, including a legislative outreach event that will allow our members to engage with legislators that represent their districts. 🌿

Conservation and Policy Research

Envision MI Lands was a project to provide Michigan's land conservancies with tools for strategic conservation planning and a proactive conservation policy platform for advocating and advancing private lands conservation. This project helps conservancies make the case for the vital role they play in protecting our land and water resources.

The goal of Envision MI Lands was to strengthen Michigan land conservancies' strategic conservation planning efforts and position them to better leverage funding opportunities and advocate for smart conservation policy and practice for land conservation. Heart of the Lakes is grateful for the support from the Frey, Carls, Americana and Consumers Energy Foundations, which made the project possible.

Conservation Plan Matrix

Heart of the Lakes developed a summary matrix of existing strategic conservation plans from across the state of Michigan. This one-stop-shop, created for five geographic regions, enables conservancies to view existing strategic conservation plans, master plans, watershed management plans, and comprehensive plans undertaken by state and local government agencies and nonprofit organizations. Conservancies can use these as a starting place for developing or updating their own strategic plans. The matrix was described by one conservancy member as:

"perhaps the most significant and ready-to-go thing to come into our business in a long time."

In addition to documenting the hundreds of conservation plans that exist in the state, Envision MI Lands mapped some of the similarities and differences in land protection priorities described in those plans to identify collaboration opportunities, essentially a visual representation of the conservation planning matrix.

"Envision Michigan's Future," A Case Making Document

Another Envision MI Lands product is a document entitled "Envision Michigan's Future: The Value of Protecting Michigan's Natural Resources." This case-making document was crafted to provide the background on three key policy issues within Heart of the Lakes' 2011-2012 policy agenda, the agenda itself a third product of the Envision MI Lands program.

"Envision Michigan's Future" addresses topics including the role of Michigan land conservancies, Michigan's water resources, Michigan farmland, and Michigan's natural infrastructure. Summary fact sheets highlighting key points were also developed and will be used as Heart of the Lakes launches our proactive outreach efforts to educate new state legislators in 2011 about the work of land conservancies and the importance of land conservation to the state's economic and environmental prosperity (see page 4).



Envision MI Lands Fact Sheets

Mapping Conservation Success

Promoting the value of Michigan's natural assets and encouraging policies that showcase and support conservation of our land-based resources is an essential outcome of Envision MI Lands. These products underpin Heart of the Lakes' continued effort to communicate the private lands perspective to statewide conservation stakeholders interested in developing a long-term conservation vision for Michigan. As such, Heart of the Lakes has begun looking at different scenarios to determine what "conservation success" will look like given available data.

For example, Heart of the Lakes worked with Michigan State University Institute of Water Research utilizing data from their High Impact Targeting (HIT) model. This kind of information can help conservancies map what successful land protection looks like to reduce nonpoint pollution (sediments and contaminants) loadings from agriculture lands.

Looking Ahead

Heart of the Lakes is sharing the work of Envision MI Lands with policymakers and other stakeholders through our website, factsheets, and in-person meetings to build support and understanding of Michigan land conservation priorities. To view the Envision MI Lands products, please visit the Heart of the Lakes website at www.heartofthelakes.org.

Financial Report

October 2009 through September 2010

Through effective budget management, Heart of the Lakes ended the year with a positive balance. General operations were supported through foundations, member dues, conservancy leadership donations, event sponsorships, individuals, and corporations.

Program expenses, including the Advancing Conservancy Excellence (ACE) program and the Envision MI Lands Program (EML), accounted for 71% of Heart of the Lakes' expense budget. 39% of the ACE program spending was distributed to ACE-participating conservancies in the form of capacity building re-grants to support their efforts to

gain national accreditation. General operations expenses accounted for the remaining 29% of spending. Programs continue to be supported primarily through our valued foundation partners. Heart of the Lakes board and staff worked to diversify our funding sources during the 2009-10 fiscal year and were successful in gaining increased support from individuals, corporations, family foundations, event sponsorships, and member gifts. This diversification reduced the proportionate amount of foundation support for general operations from 80% in the prior fiscal year to 68%. Our goal for the 2010-2011 fiscal year is to raise \$50,000 to establish an operating reserve for General Operations.

Net Income, P/L, Fund Balances

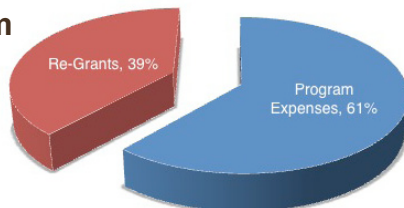
Cash based reporting

	Programs		General	Total
	ACE	EML		
Begin Cash on hand (10/01/2009)	\$ 129,829	\$ ---	\$ (27,209)	\$ 102,620
Income	\$ 110,220	\$ 135,000	\$ 176,053	\$ 421,273
Expenses	\$ 226,008	\$ 132,320	\$ 148,730	\$ 507,058
Net Income (loss YTD)	\$ (115,788)	\$ 2,680	\$ 27,323	\$ (85,785)
Ending Cash on hand	\$ 14,041	\$ 2,680	\$ 114	\$ 16,835

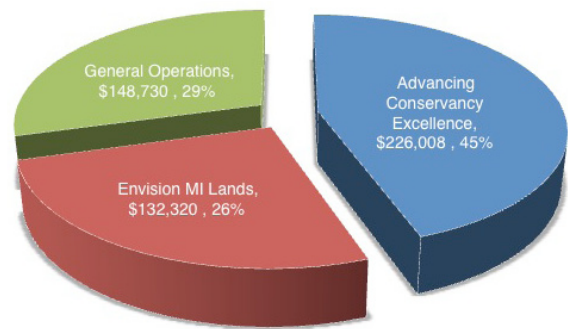
ACE Program

Program Expenses	\$ 138,608
Re-Grants	\$ 87,400

ACE Program



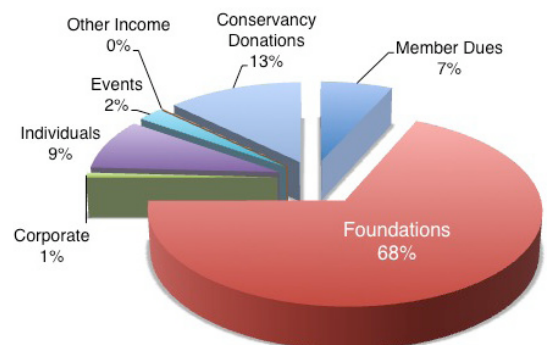
Heart of the Lakes Expenses



General Fund Income

Member Dues	\$ 11,925
Foundations	\$ 120,000
Corporate	\$ 1,600
Individuals	\$ 15,665
Events	\$ 4,226
Other Income	\$ 137
Conservancy Donations	\$ 22,500
Total General Fund Income	\$ 176,053

General Fund Income



About Heart of the Lakes Center for Land Conservation Policy

Heart of the Lakes is comprised of knowledgeable and enthusiastic staff overseen by a board of directors. Together, we work to unite our member conservancies under a common goal - protecting Michigan land.

2009 - 2010 Board of Directors

Tom Bailey, President
Little Traverse Conservancy

Glen Chown, Vice President
Grand Traverse Regional Land Conservancy

Jeremy Emmi, Treasurer/Secretary
Michigan Nature Association

Brian Price
Leelanau Conservancy

Erin Heskett
Land Trust Alliance

Helen Taylor
The Nature Conservancy

Susan Lackey
Legacy Land Conservancy

Pete Ter Louw
Southwest Michigan Land Conservancy

2009 – 2010 Heart of the Lakes Staff

Rachel Kuntzsch, Executive Director

Julie Stoneman, Director of Conservancy Services

Katherine Kahl, Ph. D, Director of Conservation and Policy Research

David Kuntzsch, Director of Finance & Operations

Abby Brengle, Communications Coordinator

Meredith Johnson, Program and Policy Assistant



Board and Staff Changes for Fiscal Year 2010 – 2011

Heart of the Lakes is grateful for the leadership and dedication of Tom Bailey, who has served as board chair since he led the founding of the organization in 2004 and will remain on the board as a Director. We also express our sincere appreciation to our outgoing board members Susan Lackey of Legacy Land Conservancy and Jeremy Emmi of Michigan Nature Association.

We also thank and recognize Katie Kahl, the staff lead and visionary for the Envision MI Lands project, for her commitment to Heart of the Lakes. We wish Katie great success in her new role as Climate Change Ecologist at The Nature Conservancy in Michigan.

Heart of the Lakes is pleased to welcome three new board members for Fiscal year 2010 - 2011: Frank Aiello, Thomas Cooley Law School; Dan Cline, Cline, Close, Dyer, PC; and Tim Ervin, Manistee County Community Foundation.

Finally, we recognize Glen Chown, Grand Traverse Regional Land Conservancy as the incoming Board President, and Erin Heskett, Land Trust Alliance as the incoming Vice President. We look forward to their leadership and continued dedication to Heart of the Lakes Center for Land Conservation Policy.

Heart of the Lakes Members:

Blue Water Land Conservancy
Cadillac Area Land Conservancy
Chikaming Open Lands
Chippewa Watershed Conservancy
The Conservation Fund
Dahlem Conservancy
Grand Traverse Regional Land Conservancy
Grosse Ile Nature & Land Conservancy
HeadWaters Land Conservancy
Keweenaw Land Trust
Land Conservancy of West Michigan

Lapeer Land Conservancy
Leelanau Conservancy
Legacy Land Conservancy
Little Forks Conservancy
Little Traverse Conservancy
Livingston Land Conservancy
Michigan Karst Conservancy
Michigan Nature Association
Mid-Michigan Land Conservancy
The Nature Conservancy in Michigan
North Oakland Headwaters Land Conservancy

Raisin Valley Land Trust
Saginaw Basin Land Conservancy
Six Rivers Regional Land Conservancy
Southeast Michigan Land Conservancy
Southwest Michigan Land Conservancy
Upper Peninsula Land Conservancy

Associate Members:

Land Trust Alliance-Midwest



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www.heartofthelakes.org

Front cover photo: Michigan Nature Association

Friends of Heart of the Lakes

Heart of the Lakes deeply appreciates the individual, foundation, and corporate support we received in 2010. This support allows us to continue to concentrate and strengthen the efforts of Michigan's land conservancy community and effectively increase the pace and quality of land conservation in Michigan. Together, we all can permanently protect critical Michigan land for the benefit of our communities, and for generations to come. Please consider supporting Heart of the Lakes, to help protect the Michigan land we love.

Peninsula Society

(Gifts of \$10,000 or more)

Jim Offield, Offield Family
Foundation

Sustainer's Circle

(Gifts of \$5,000 - \$9,999)

Marief Foundation
Michael Dow
Grand Traverse Regional
Land Conservancy
Leelanau Conservancy
Little Traverse Conservancy
The Nature Conservancy
John Woollam, J.A. Woollam
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Friends of Heart of the Lakes

(\$1,000 - \$4,999)

Land Trust Alliance
John Hoagland

(\$500 - \$999)

Tom Bailey
Stan and Betsy Dole
Gail Danto and Art Roffey
Rachel and David Kuntzsch
Susan Lackey

(\$250 - \$499)

John Erb
Tim Ervin
Brian and Susan Price
Dick and Posie Shuster

(\$100 - \$249)

Dan Cline
Dave and Maggie Coleman
Marcia Curran
Jeremy Emmi
Ellen Fred
Jim and Linda Gregart
Robert Grover
Erin Heskett
Phyllis Higman
Charles and Sara Homeyer
Peter Homeyer
Elizabeth Hugel
Debbie Igleheart
Stephen Kelley
Margaret Kohring
G. Tracy Mehan
Michigan Farm Bureau
Mark and Ruth Paddock

Todd Parker
Virginia Pierce and Donald
Inman
Pete Ter Louw
Ken Visser
Walloon Lake Trust and
Conservancy
Mark Williams
David Yankee

(Up to \$100)
Katie Anderson
Donald and Mary Brown
Larry Copley
William Davis
Thomas Dunfee
James Fitzpatrick
Lloyd and Vicki Good
Gordon Guyer
Heather Huffstutler
Peggy Johnson
Bruce Jones
Steven Kin
Margaret Kohring
Jim Lloyd
Lorna McEwen
Paul Miller
Dori Noble Turner
Sharon Oriel
April Scholtz
Charity Steere
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Patricia Van Pelt
David Wendling
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In-Kind Contributors

Frank Aiello
Dan Cline
Ellen Fred
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*Friends List updated as of 12/22/2010
We apologize for any omissions*