

Four Lakes Task Force

2022 Four Lakes Survey Report

July 6, 2022





**PUBLIC SECTOR
CONSULTANTS**

Prepared by

Public Sector Consultants
www.publicsectorconsultants.com

Prepared for

Four Lakes Task Force
www.four-lakes-taskforce-mi.com

Table of Contents

INTRODUCTION	4
Key Takeaways.....	4
Survey Design, Distribution, and Data Analysis	5
REBUILDING THE DAMS	5
Changes in Level of Agreement over Time.....	6
COSTS AND ASSESSMENTS	7
WILLINGNESS TO PAY	8
FOUR LAKES TASK FORCE	10
DEMOGRAPHICS	11
SURVEY COMMENTS	12
APPENDIX A: CROSS TABULATIONS BY LAKE	14
APPENDIX B: CROSS TABULATIONS BY LAKE ACCESS TYPE	19
APPENDIX C: CROSS TABULATIONS BY PRIMARY USE OF PROPERTY	24

Introduction

In 2021, the Four Lakes Task Force (FLTF) hired Public Sector Consultants (PSC) to survey all property owners within the Four Lakes Special Assessment District (SAD) to understand property owners' dam-related preferences and concerns as well as their willingness to pay for an assessment to rebuild the dams and restore the lakes. In 2022, the FLTF asked PSC to conduct a follow-up survey of Four Lakes SAD property owners to determine whether opinions and sentiments had changed. This effort was especially important because the state committed \$200 million toward rebuilding the dams, significantly reducing any potential capital assessment. Since that survey, the FLTF provided additional information to property owners on potential operating assessments and continued a robust communication campaign. The 2022 survey was used to measure the impact of those communications on property owners' understanding of the current situation and future plans to rebuild the community.

Key Takeaways

- Approximately 31 percent of property owners participated in the survey in 2022.
- Of respondents, 90 percent supported rebuilding the dams and restoring the lakes.
- Around half of respondents were confident that the community will recover in five years—up from 38 percent in 2021.
- More than half of respondents understood why a long-term operating assessment is needed to maintain the dams.
- Only one-third of respondents said that the state has provided an appropriate level of funding, with even fewer, 20 percent, agreeing that the federal government has done so.
- One-quarter of respondents said they would not be willing to pay annually for a capital and operational assessment to complete dam repair and restoration and to maintain them in working order for lake preservation. However, nearly one-quarter said they would be willing to pay between \$500 and \$1,000 annually for these efforts.
- Lakefront owners were much more willing to pay for an assessment, with only 17 percent unwilling to pay anything, compared to 48 percent of backlot property owners.
- Lakefront property owners were most likely to say they would be willing to pay either \$500 or between \$500 and \$1,000 annually for an assessment.
- Most of those who said they would be unwilling to pay anything for an annual assessment believe that someone else should pay for the capital improvement and maintenance of the dams.
- More than half of respondents, 56 percent, agreed or strongly agreed that the FLTF is working in their best interest, while 21 percent disagreed or strongly disagreed.
- Of respondents, 61 percent agreed or strongly agreed that the FLTF provides them with adequate information regarding the status of restoration efforts, while 18 percent disagreed or strongly disagreed.

Survey Design, Distribution, and Data Analysis

PSC designed the survey in collaboration with the FLTF. The survey consisted of two sections. The first section aimed to better understand resident concerns and preferences as well as to gauge residents' willingness and ability to pay for repairing and replacing the dams. The second section contained a series of demographic questions. PSC maintained confidentiality of the survey process and ensured all respondents remained anonymous to encourage candid feedback. All results were reported to the FLTF in aggregate, and the raw data were not shared with any organizations outside of PSC.

PSC used data provided by the FLTF in determining the properties located within the SAD. A total of 6,637 surveys were mailed to property owners using the addresses on file with the county assessor's office. The survey was available in paper or online formats and was in the field from March 25 to June 11, 2022. PSC received 2,044 valid responses—a response rate of 31 percent.

PSC numbered each survey with a unique ID to prevent duplicate survey responses. If duplicate responses were received and identical in every way, one response was kept and added to the data. If they differed in any way, both were removed. In total, PSC removed 26 responses—11 due to duplicate unique ID numbers and 15 due to missing unique ID numbers. Removed responses accounted for approximately 1 percent of total responses received.

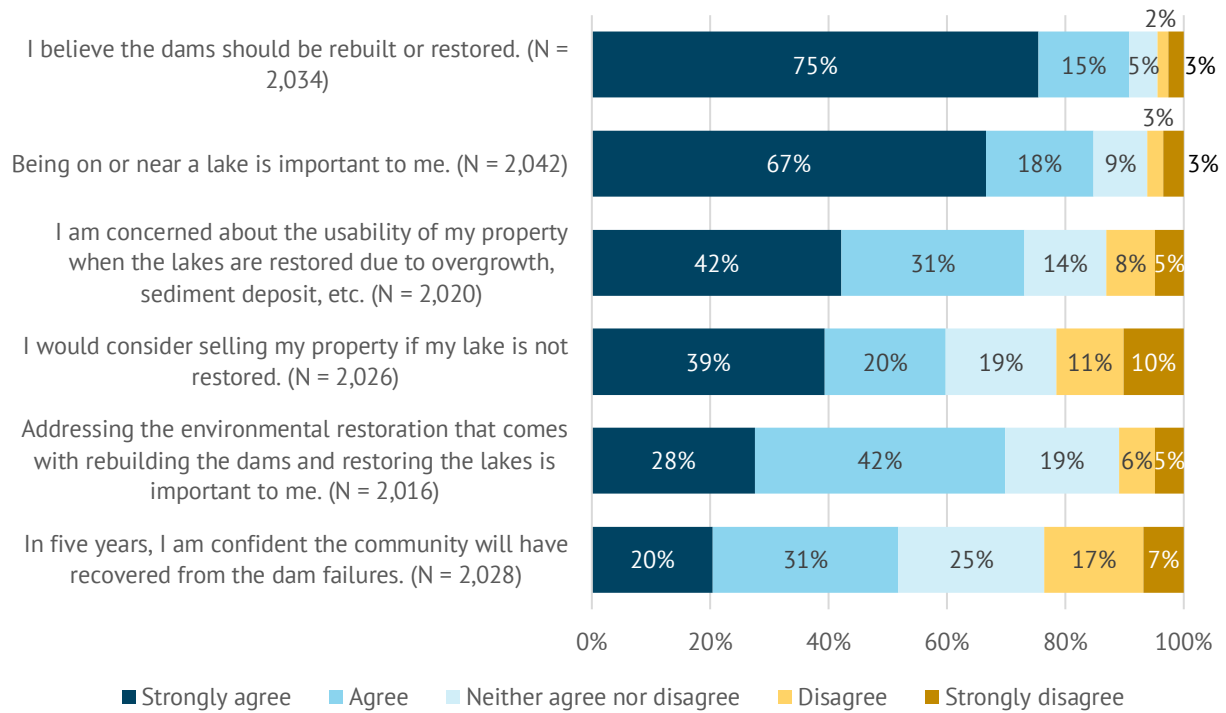
PSC analyzed the survey response data using frequencies and cross tabulations by lake, lake access type, primary use of property, and length of property ownership. Cross-tabulated data are presented in Appendices A, B, and C.

Rebuilding the Dams

The survey contained several statements related to rebuilding or restoring the dams and asked for respondents' level of agreement with each statement. Three-quarters of respondents strongly agreed—and another 15 percent agreed—that the dams should be rebuilt or restored. A few (5 percent) expressed any level of disagreement. Around half strongly agreed or agreed that they were confident that the community will have recovered from the dam failures in five years.

While two-thirds of respondents strongly agreed that being on or near a lake is important to them, fewer (39 percent) said they strongly agreed that they would consider selling their property if the lake was not restored. Nearly three-quarters of respondents either strongly agreed or agreed that they were concerned about the usability of their property after lake restoration due to overgrowth, sediment deposit, or other factors. Just over 25 percent strongly agreed that environmental restoration is important to them, and another 42 percent agreed that this was important (Exhibit 1).

EXHIBIT 1. Level of Agreement with Statements Regarding Dam Rebuilding and Lake Restoration

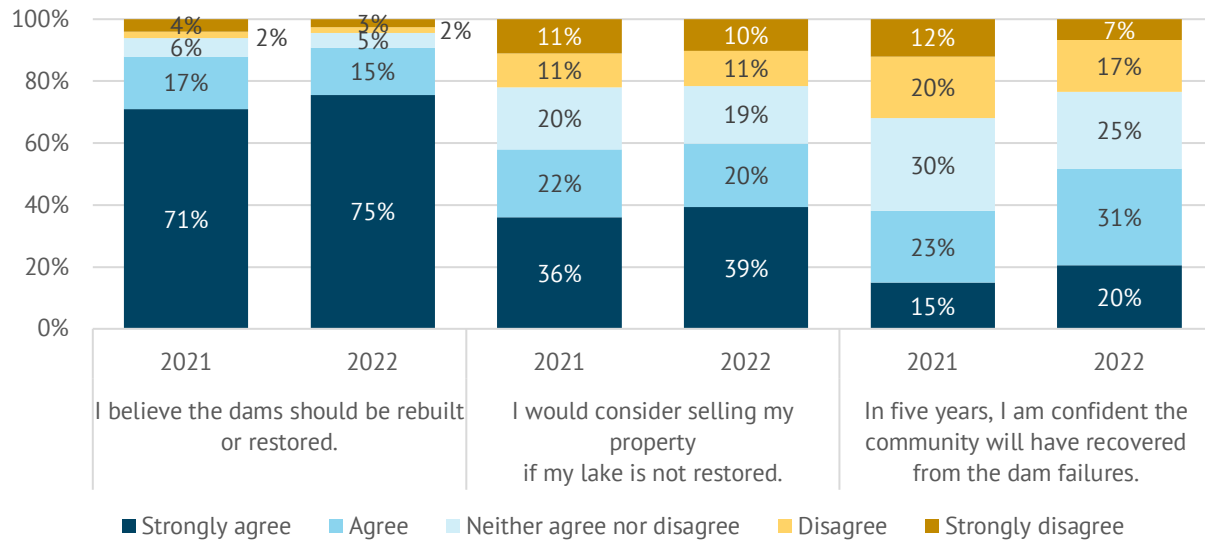


N varied by statement.

Changes in Level of Agreement over Time

Three statements appeared in both the 2021 and 2022 surveys of Four Lakes residents, which enabled comparison in level of agreement over time. In 2022, a slightly larger percentage of respondents strongly agreed that the dams should be rebuilt or restored, that they would consider selling their property if their lake was not restored, and that they were confident the community will have recovered from the dam failures in five years. The largest percentage change in responses related to whether residents were confident in the community’s ability to recover from the dam failures in five years, with 38 percent of respondents strongly agreeing or agreeing to that statement in 2021 and 51 percent strongly agreeing or agreeing in 2022 (Exhibit 2).

EXHIBIT 2. Change in Level of Agreement, 2021 to 2022

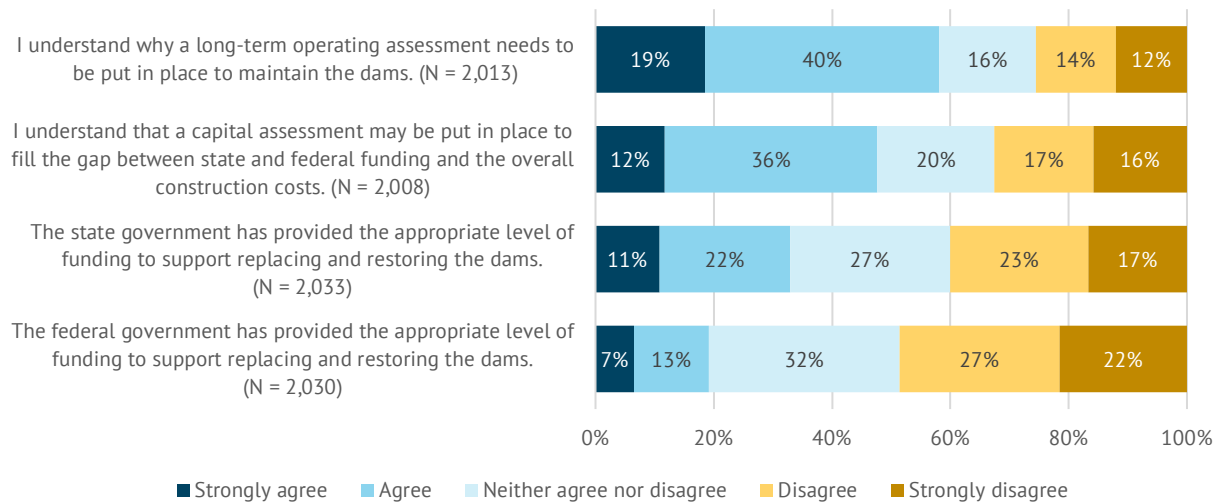


N varied by response and year.

Costs and Assessments

Nearly 60 percent of respondents strongly agreed or agreed that they understood why a long-term operating assessment needs to be put in place to maintain the dams, with just over one-quarter disagreeing or strongly disagreeing. A lower percentage of respondents strongly agreed or agreed that the state (33 percent) and federal government (20 percent) have provided the appropriate level of funding to support replacing and restoring the dams (Exhibit 3).

EXHIBIT 3. Level of Agreement Regarding Dam Repair and Restoration Costs and Assessments

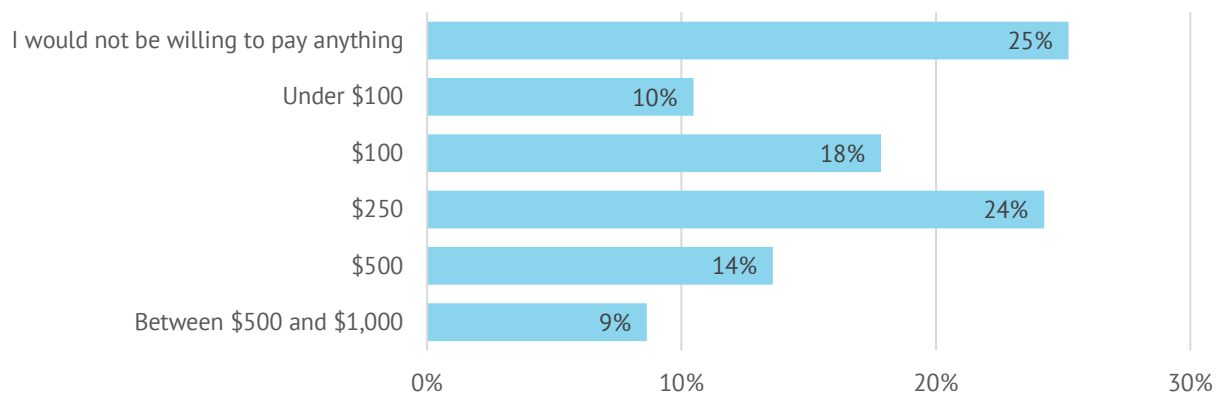


N varied by statement.

Willingness to Pay

One-quarter of respondents said they would not be willing to pay anything annually for a capital and operational assessment to repair and restore the dams and maintain them in working order to preserve the lakes; 10 percent said they would be willing to pay under \$100. Nearly one-quarter said they would be willing to pay \$500 or between \$500 and \$1,000 (Exhibit 4).

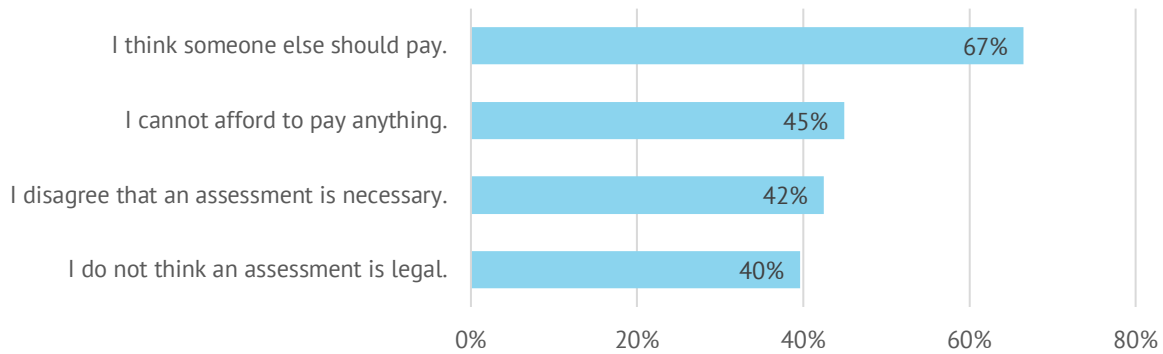
EXHIBIT 4. Percentage of Respondents Willing to Make Annual Assessment Payments



N = 1,979

Of the 25 percent respondents who said they would not be willing to pay anything (as shown in Exhibit 4), 67 percent think someone else should pay, 45 percent said they cannot afford to pay anything, 42 percent did not think an assessment was necessary, and 40 percent did not think an assessment was legal (Exhibit 5).

EXHIBIT 5. Respondents' Reasons for Their Unwillingness to Pay for an Assessment



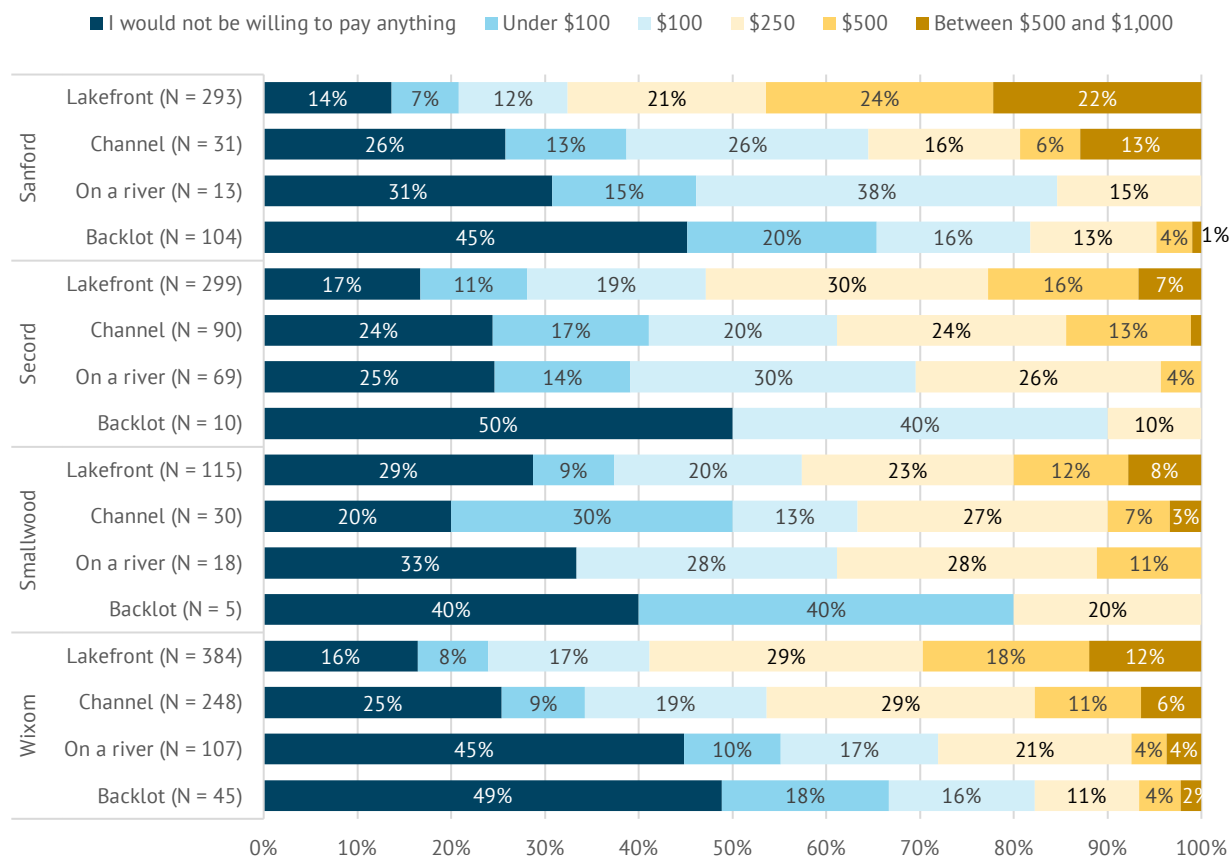
N = 490

Respondents' willingness to pay for an annual assessment varied by lake and lake access type. For example, the percentage of lakefront property owners who said they would not be willing to pay anything was lower for those with access to Sanford (14 percent), Secord (17 percent), and Wixom (16 percent) Lakes than those who have lakefront property on Smallwood Lake (29 percent).

Those with the highest percentage of respondents willing to pay an annual assessment of \$500 up to \$1,000 were all lakefront property owners, with the highest percentage (46 percent) being those who own property on Sanford Lake. This was followed by 30 percent of those who own property on Wixom Lake.

Backlot property owners were the most likely to say they would not be willing to pay anything, with half of those who had property with access to Secord Lake, 49 percent of those near Wixom Lake, 45 percent near Sanford Lake, and 40 percent on Smallwood Lake selecting that option. No respondents who own backlot property on Smallwood Lake said they would be willing to pay more than \$250 per year (Exhibit 6).

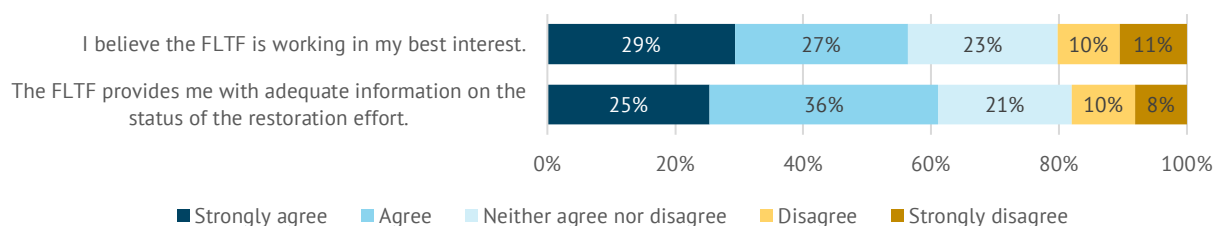
EXHIBIT 6. Percentage of Respondents Willing to Pay for an Assessment by Lake and Lake Access Type



Four Lakes Task Force

More than half of respondents (56 percent) agreed or strongly agreed that the FLTF is working in their best interests, and 61 percent agreed or strongly agreed that the FLTF is providing them with adequate information on the status of restoration efforts (Exhibit 7).

EXHIBIT 7. Level of Agreement that the FLTF is Working in Property Owners' Best Interests and Providing Adequate Information

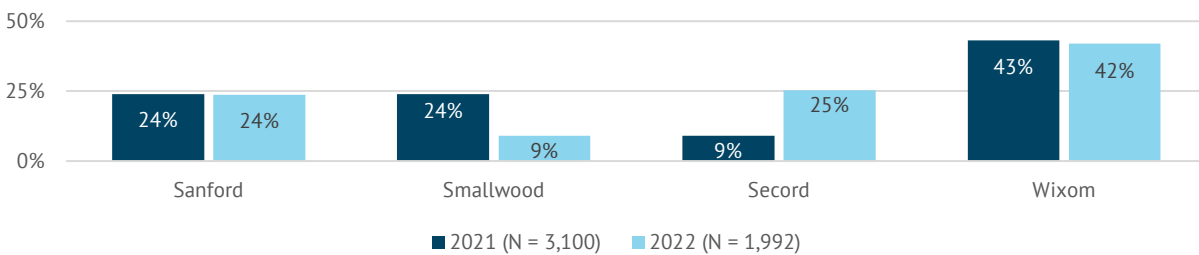


N = 2,020

Demographics

In 2022, 42 percent of respondents had property with access to Wixom Lake, 25 percent had access to Secord Lake, 24 percent had access to Sanford Lake, and 9 percent had access to Smallwood Lake. For those with access to Sanford and Wixom Lakes, the percentages largely remained the same from 2021 to 2022. However, the percentage of those with access to Smallwood Lake decreased from 24 percent in 2021 to 9 percent in 2022, and, conversely, the percentage of respondents with access to Secord Lake increased from 9 percent in 2021 to 25 percent in 2022 (Exhibit 8).

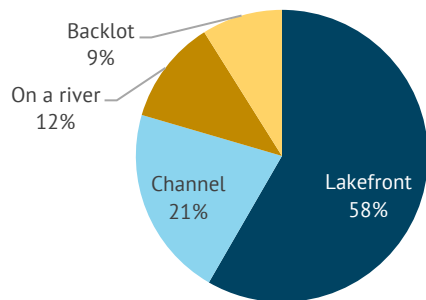
EXHIBIT 8. Percentage of Respondents by Lake and Survey Year



N varied by year.

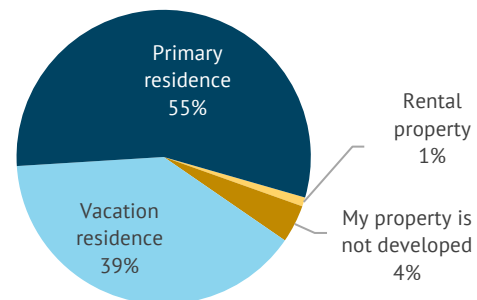
Over half (58 percent) of respondents own lakefront property, 21 percent live on a channel, and 12 percent live on a river upstream or downstream from a lake. Less than 10 percent have property they consider a backlot (Exhibit 9). Additionally, over half (55 percent) of respondents said the property is their primary residence, with nearly 40 percent reporting it is a vacation residence. Few said their property is undeveloped or a rental (Exhibit 10).

EXHIBIT 9. Percentage of Respondents by Lake Access Type, 2022



N = 1,949

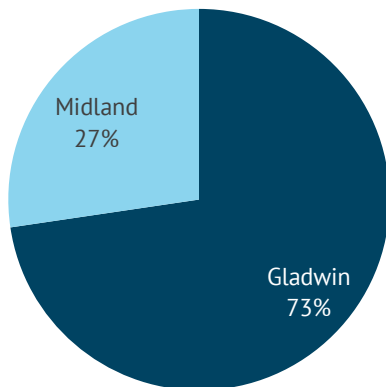
EXHIBIT 10. Percentage of Respondents by Primary Use, 2022



N = 1,999

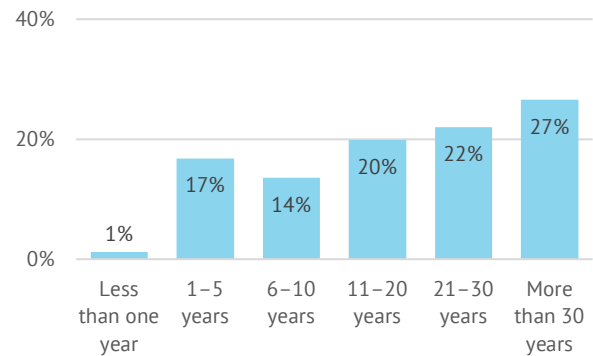
Nearly three-quarters of respondents (73 percent) live in Gladwin County and 27 percent live in Midland County (Exhibit 11). Nearly half of respondents have owned their property for more than 20 years, and 18 percent have owned their property for five or fewer years (Exhibit 12).

EXHIBIT 11. Percentage of Respondents by County, 2022



N = 2,023

EXHIBIT 12. Percentage of Respondents by Length of Property Ownership, 2022



N = 2,022

Survey Comments

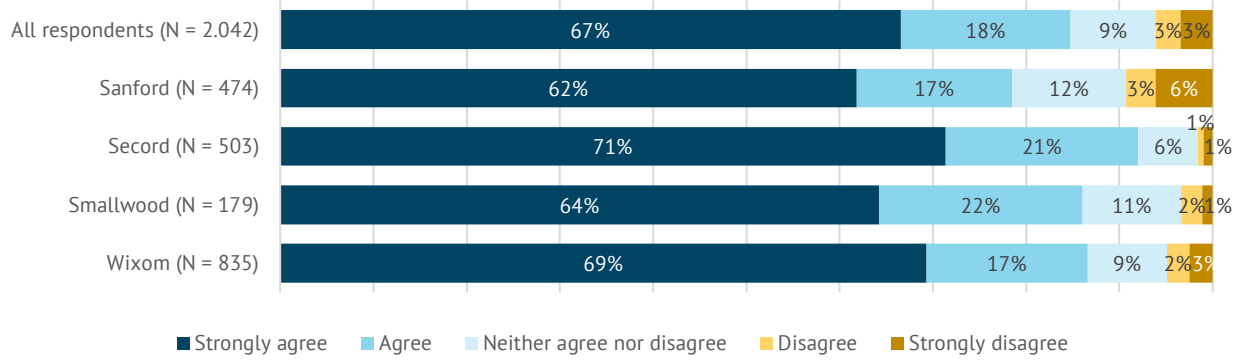
Survey respondents had the opportunity to write in additional comments. The comments were generally around the following themes.

- **Canals.** Respondents expressed concerns with the condition and usability of the canals.
- **Gratitude for the FLTF.** Respondents thanked the FLTF for its work on restoring the lakes.
- **Assessments.** Some expressed a mistrust in the factors used for calculating the operating assessment and the affordability of the assessments.
- **SAD.** There were concerns with the boundaries of the SAD, especially for those upstream of the dams.
- **Secord and Smallwood assessments.** Several questioned the cost of the assessment for Secord and Smallwood Lakes. Additionally, many respondents shared sentiments that Secord Lake property owners are subsidizing the assessments for the rest of the lakes.
- **Timing of raising the lake levels.** There were a few comments regarding the amount of time it will take to raise all of the lake levels, particularly Secord and Smallwood Lakes, given those dams did not fail.
- **Responsible parties for assessment payments.** There were suggestions for other people/entities who should also pay for rebuilding the dams, including other counties, park users, boaters, and all Michigan residents.
- **Bottomland management.** There were a few concerns with bottomland management, including emerging trees and weed management. There were also suggestions to dredge the lake bottoms now before the lakes are refilled.

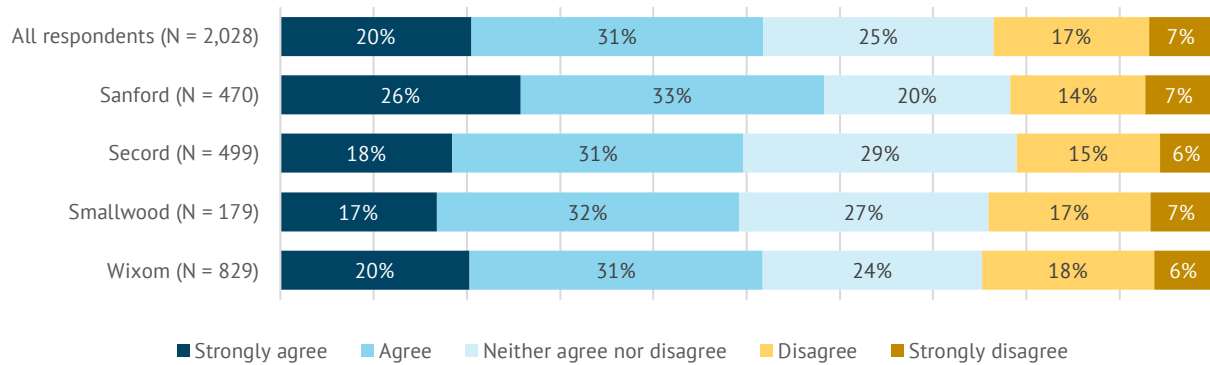
- **State share of the costs.** Some respondents said that the state should cover the whole cost of rebuilding and repairing the dams because they knew of the issues with the former dam owner and failed to act.
- **Hydroelectric generation.** Several respondents expressed that the dams should continue to produce electricity to offset the costs of rebuilding and maintaining the dams.
- **Federal Energy Regulatory Commission (FERC).** There were numerous comments regarding the failure of FERC to properly regulate the former owner.
- **Transparency concerns with the FLTF.** Some respondents expressed a mistrust of the FLTF and the lack of transparency in its processes.

Appendix A: Cross Tabulations by Lake

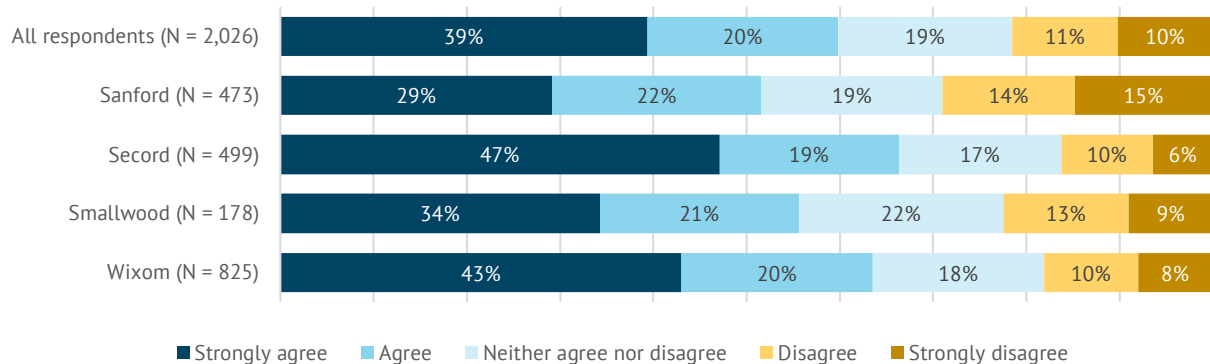
Q1. Being on or near a lake is important to me.



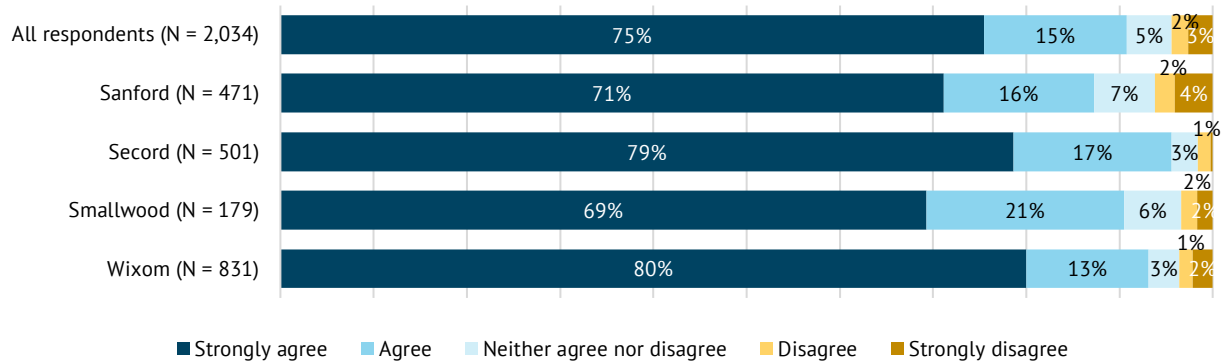
Q2. In five years, I am confident the community will have recovered from the dam failures.



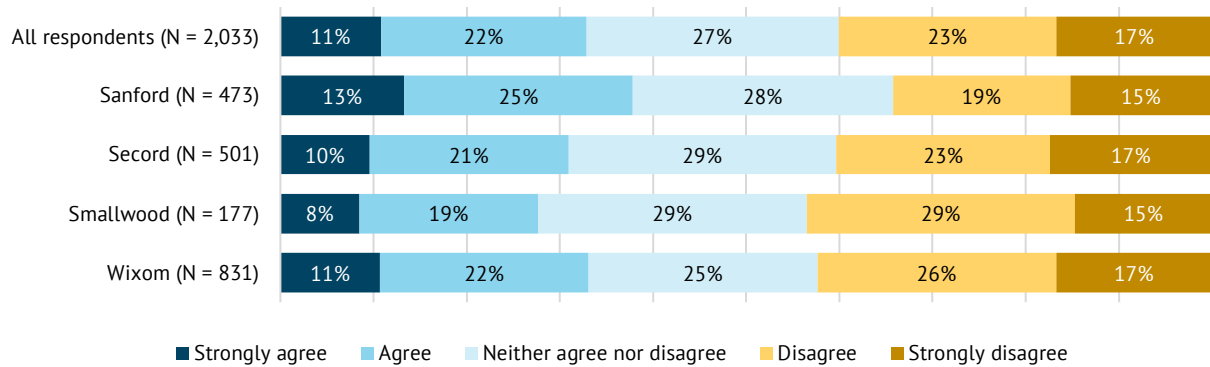
Q3. I would consider selling my property if my lake is not restored.



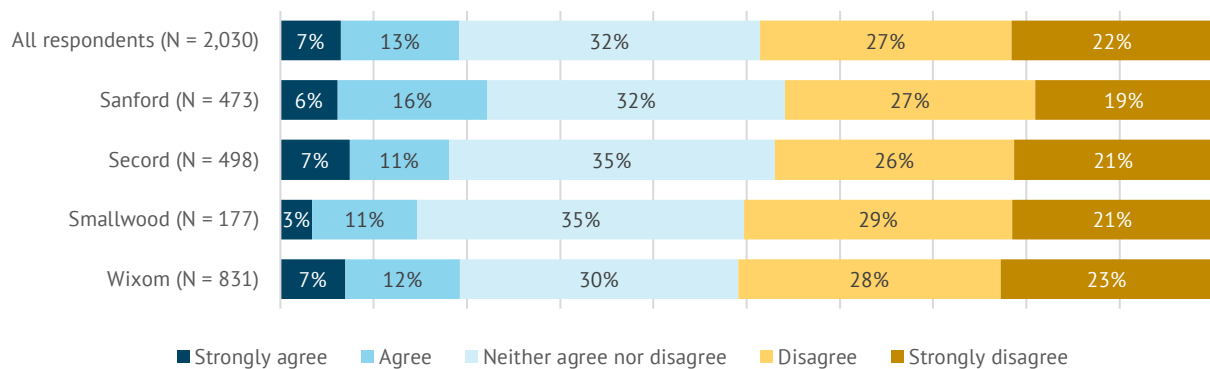
Q4. I believe the dams should be rebuilt or restored.



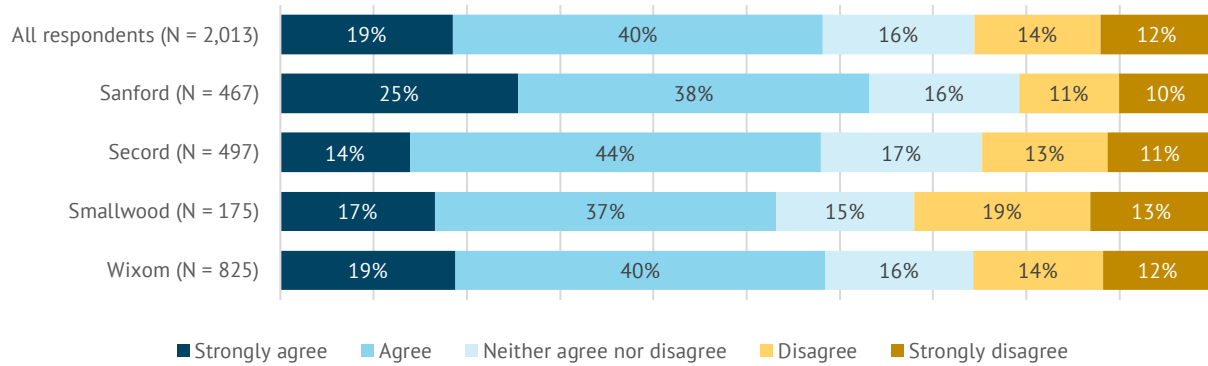
Q5. The state government has provided the appropriate level of funding to support replacing and restoring the dams.



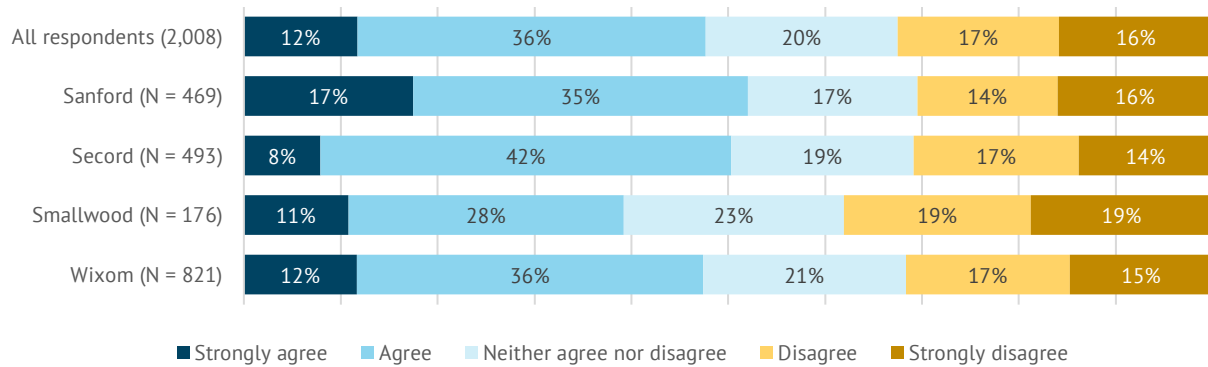
Q6. The federal government has provided the appropriate level of funding to support replacing and restoring the dams.



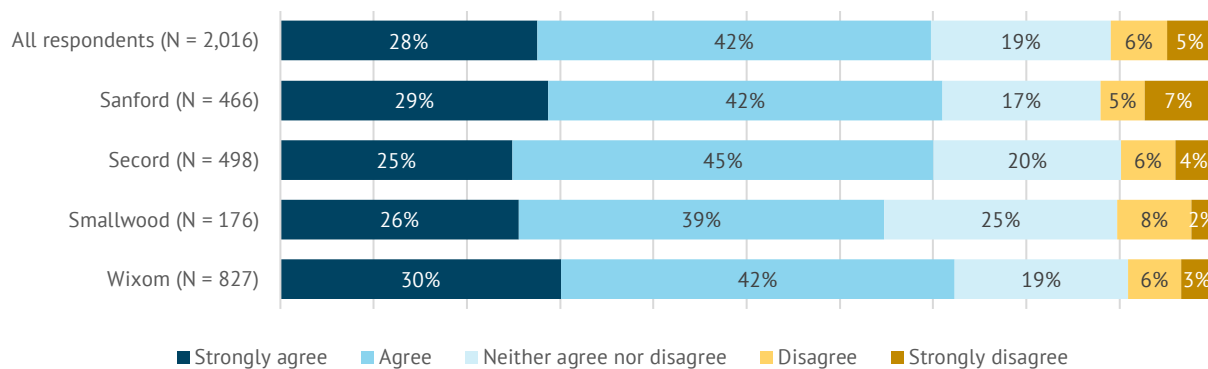
Q7. I understand why a long-term operating assessment needs to be put in place to maintain the dams.



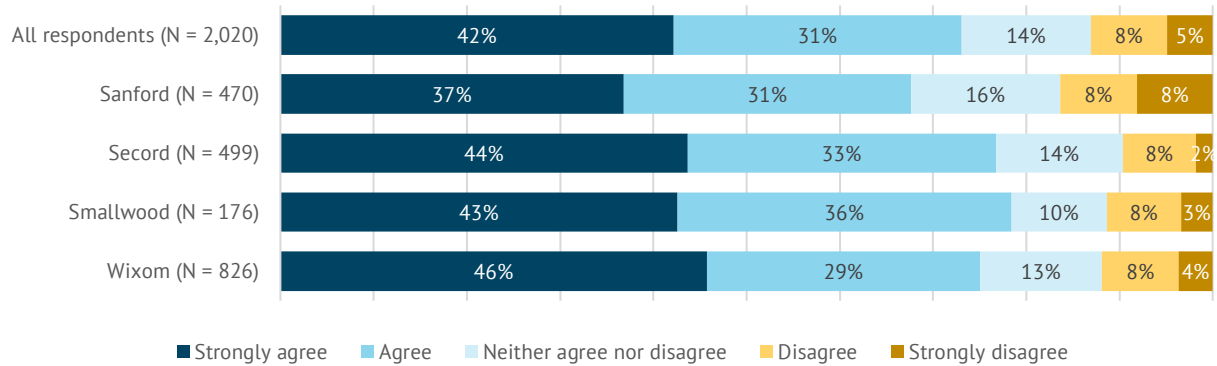
Q8. I understand that a capital assessment may be put in place to fill the gap between state and federal funding and the overall construction costs.



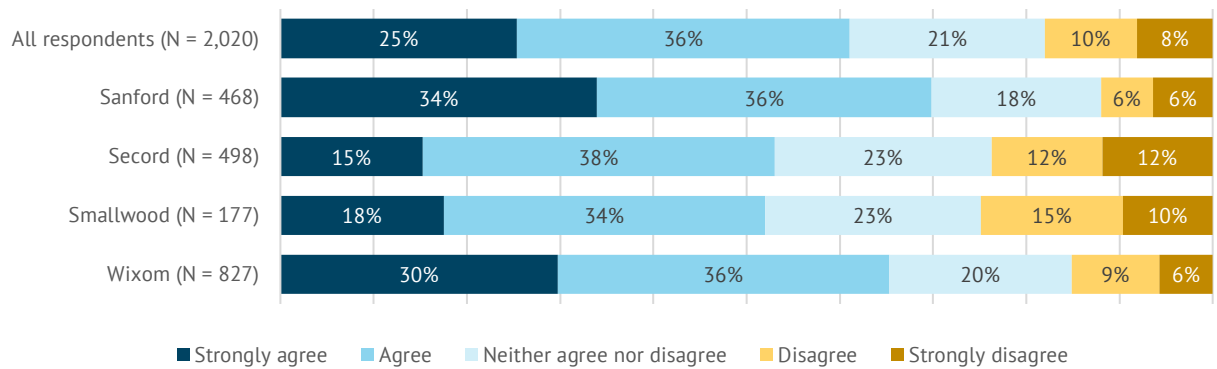
Q9. Addressing the environmental restoration that comes with rebuilding the dams and restoring the lakes is important to me.



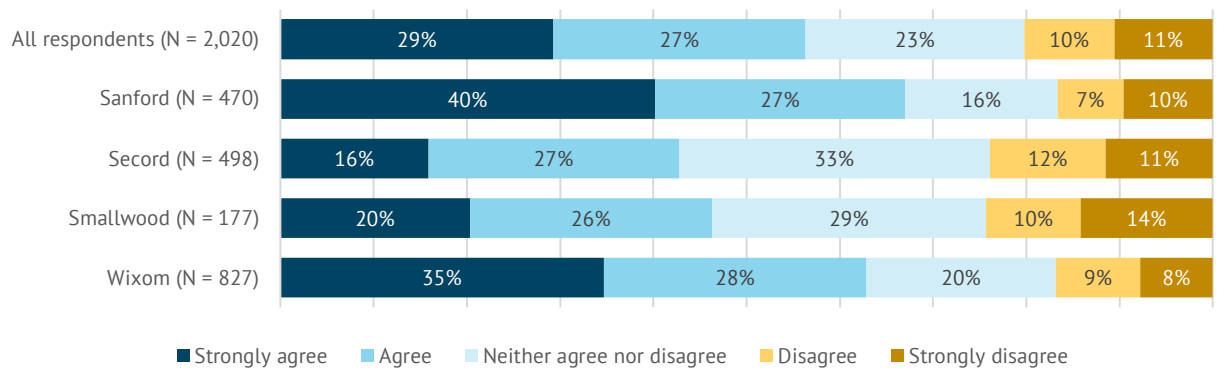
Q10. I am concerned about the usability of my property when the lakes are restored due to overgrowth, sediment deposit, etc.



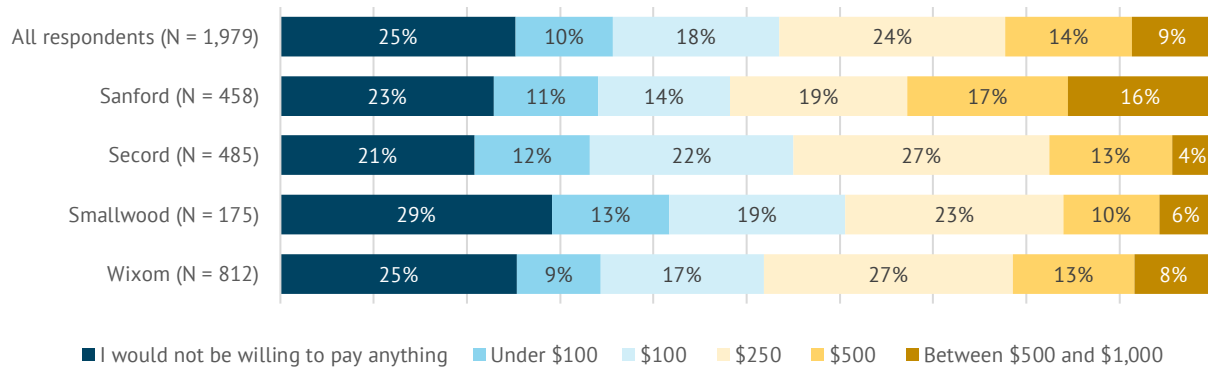
Q11. The FLTF provides me with adequate information on the status of the restoration effort.



Q12. I believe the FLTF is working in my best interest.

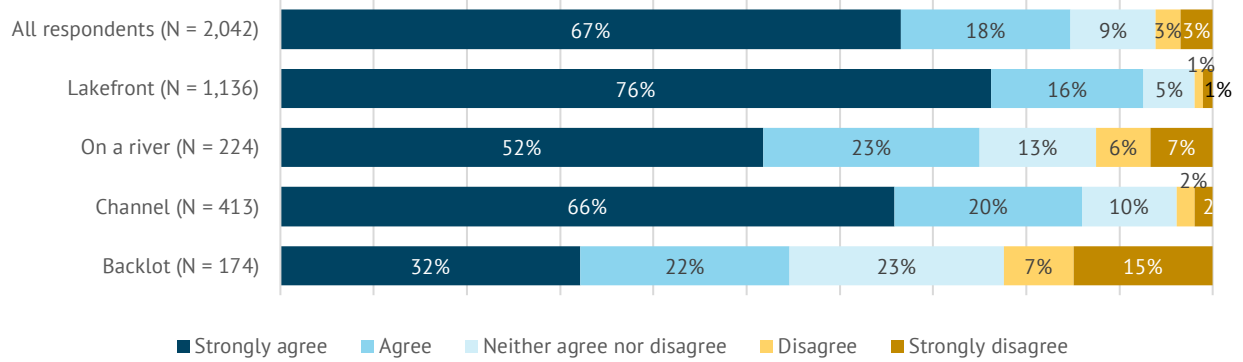


Q13. How much would you be willing to pay annually in total for a capital and operational assessment to complete the repairs and restorations of the dams and to maintain them in working order to preserve the lakes?

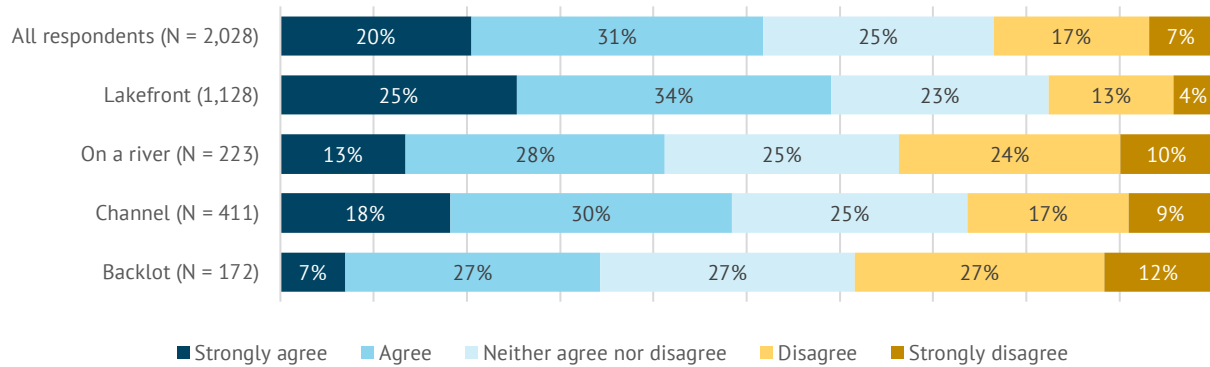


Appendix B: Cross Tabulations by Lake Access Type

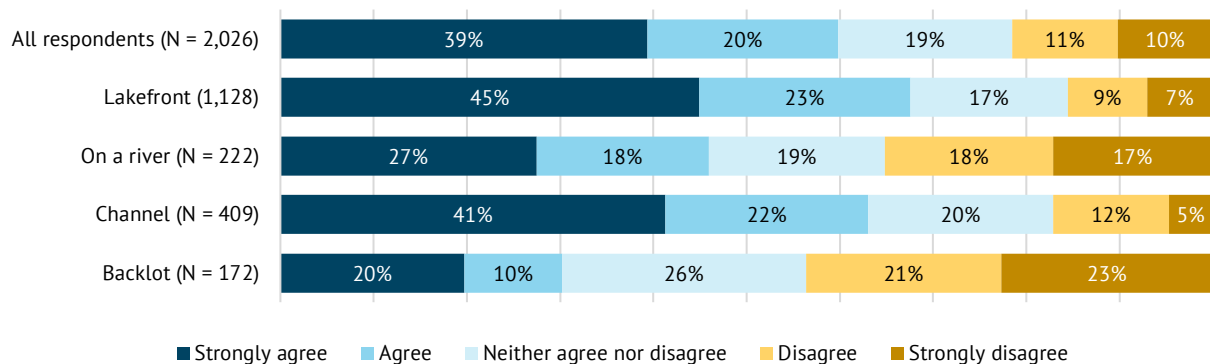
Q1. Being on or near a lake is important to me.



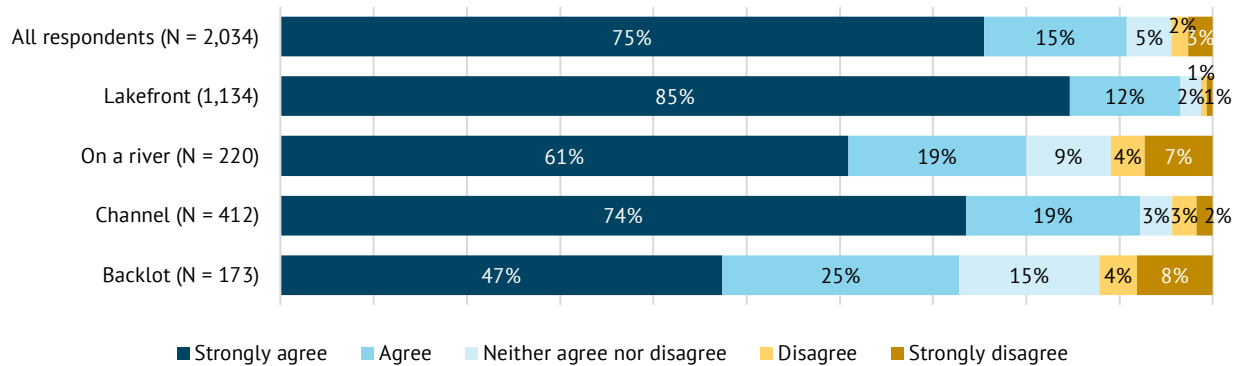
Q2. In five years, I am confident the community will have recovered from the dam failures.



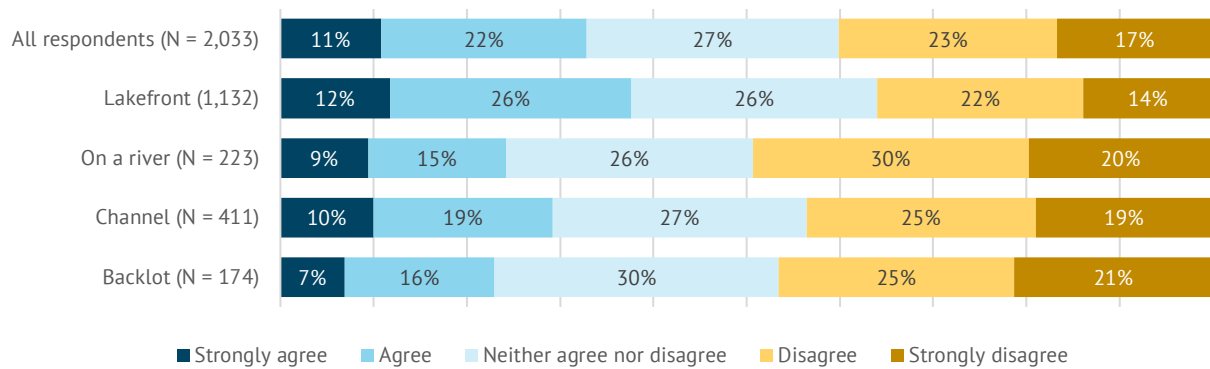
Q3. I would consider selling my property if my lake is not restored.



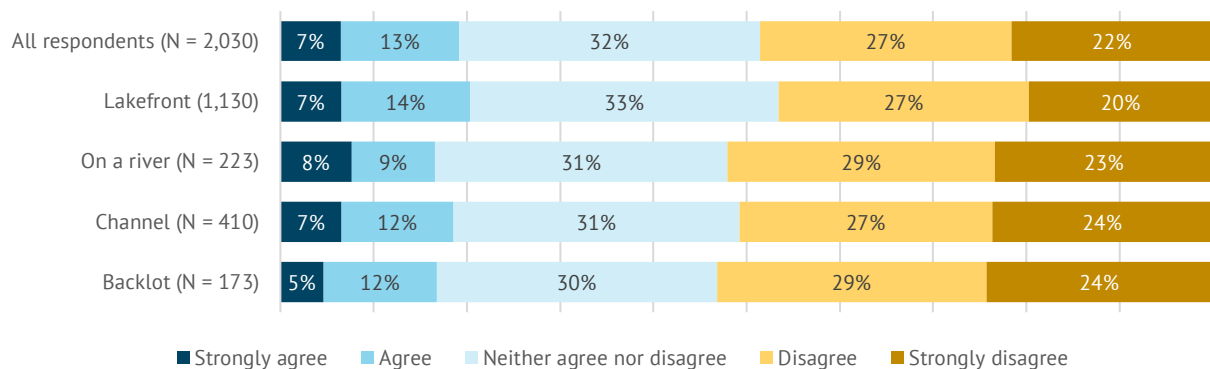
Q4. I believe the dams should be rebuilt or restored.



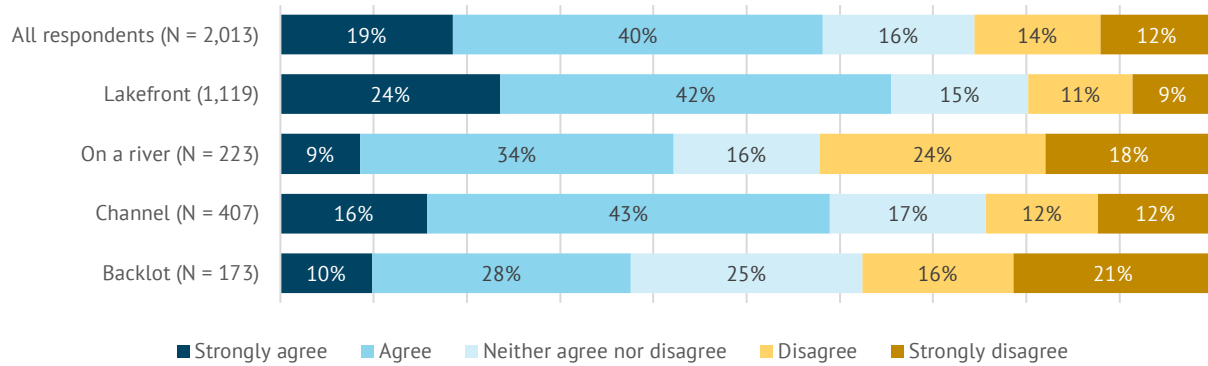
Q5. The state government has provided the appropriate level of funding to support replacing and restoring the dams.



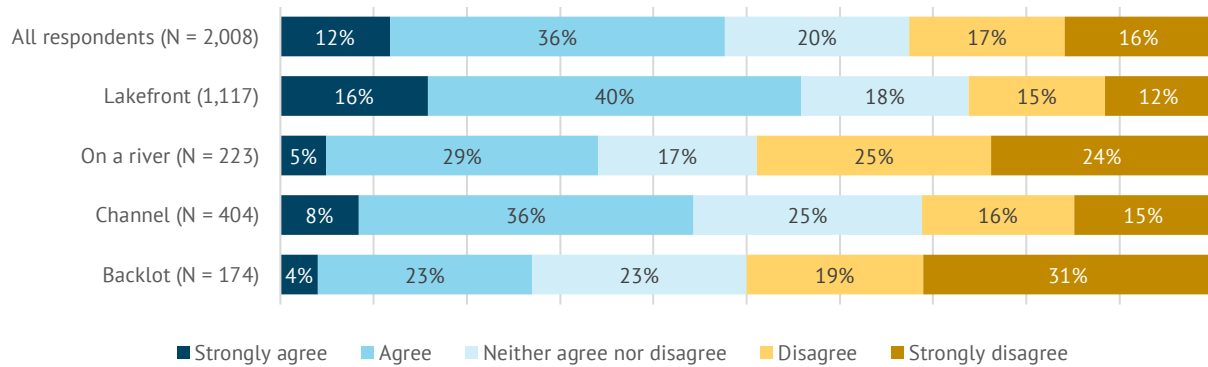
Q6. The federal government has provided the appropriate level of funding to support replacing and restoring the dams.



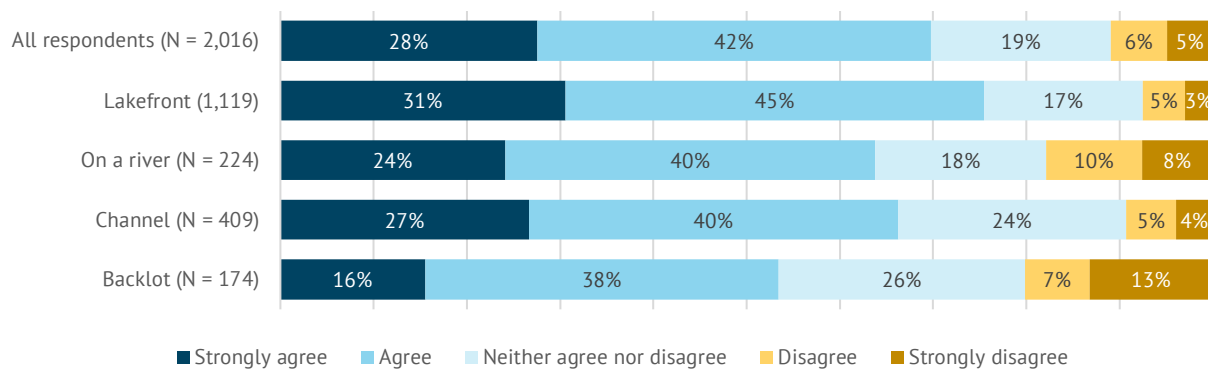
Q7. I understand why a long-term operating assessment needs to be put in place to maintain the dams.



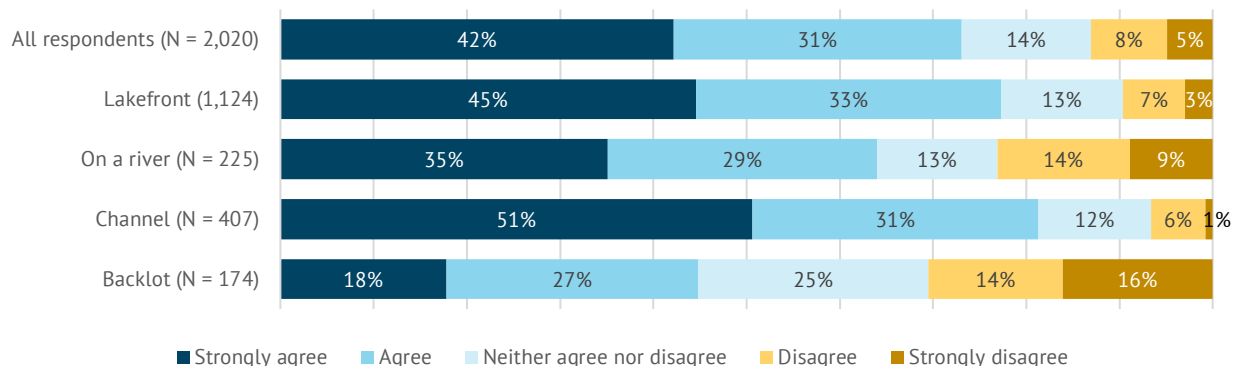
Q8. I understand that a capital assessment may be put in place to fill the gap between state and federal funding and the overall construction costs.



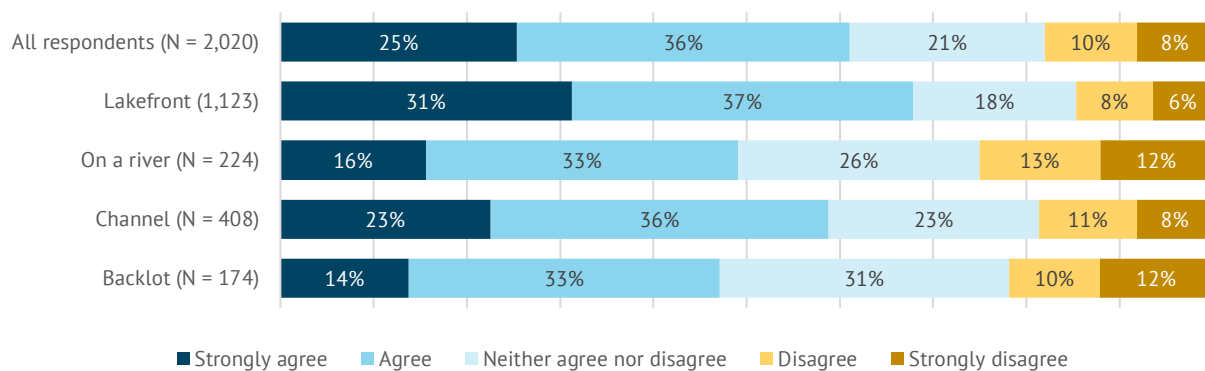
Q9. Addressing the environmental restoration that comes with rebuilding the dams and restoring the lakes is important to me.



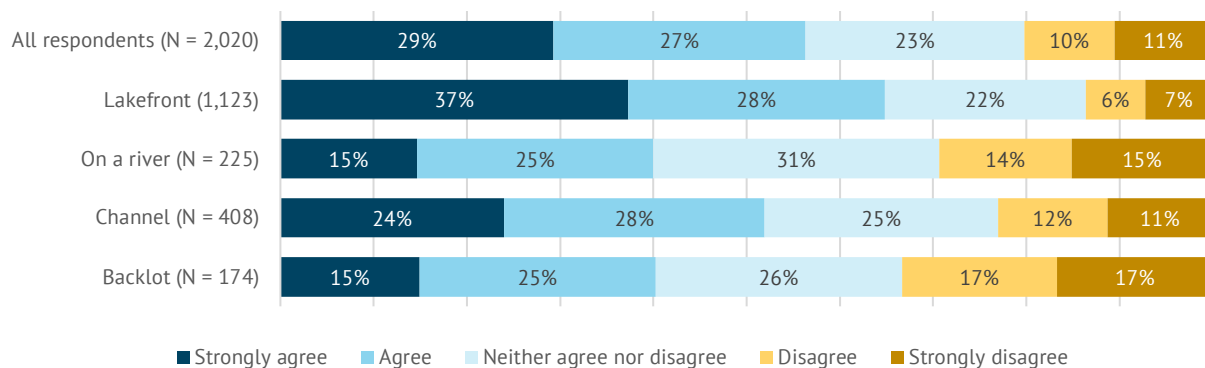
Q10. I am concerned about the usability of my property when the lakes are restored due to overgrowth, sediment deposit, etc.



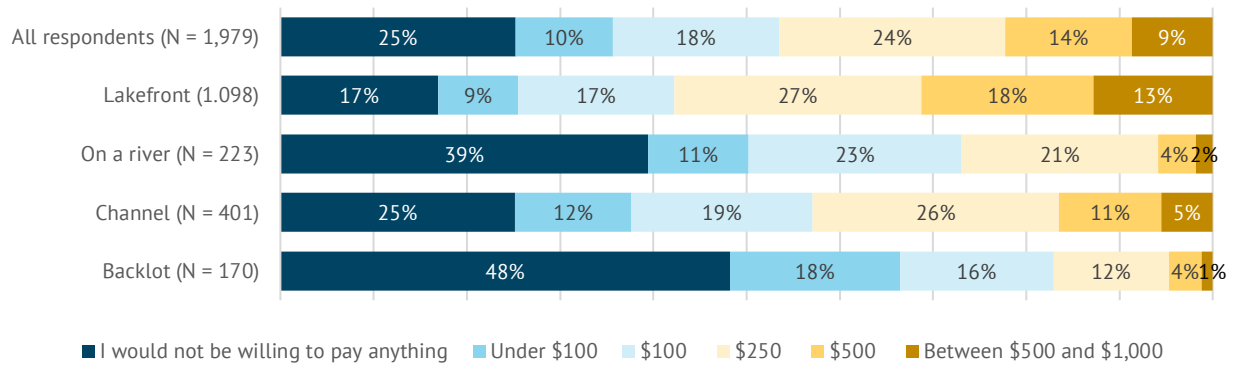
Q11. The FLTF provides me with adequate information on the status of the restoration effort.



Q12. I believe the FLTF is working in my best interest.

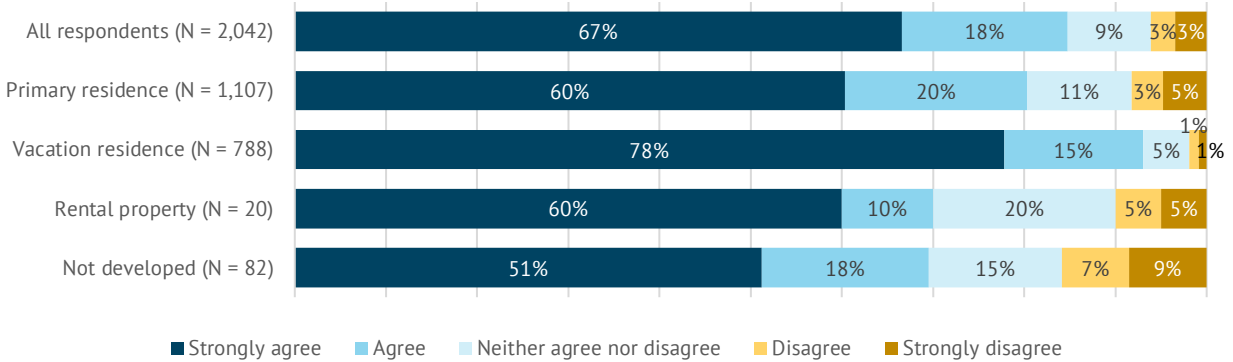


Q13. How much would you be willing to pay annually in total for a capital and operational assessment to complete the repairs and restorations of the dams and to maintain them in working order to preserve the lakes?

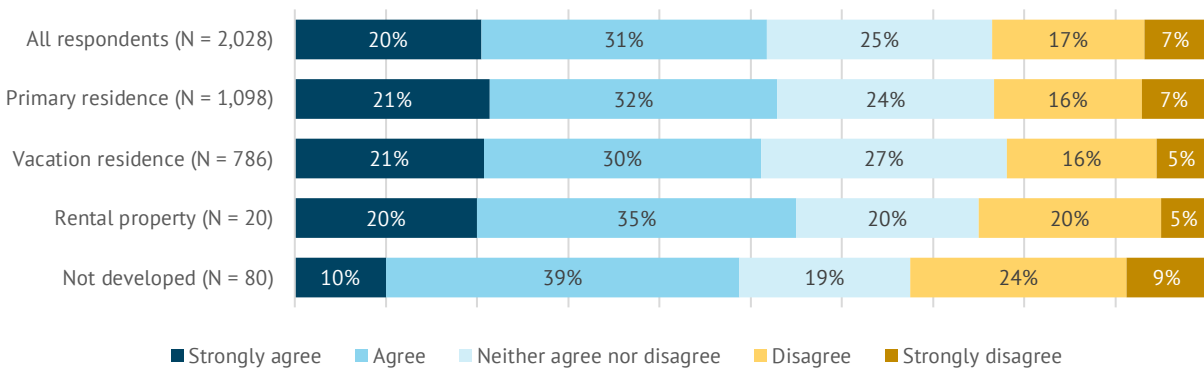


Appendix C: Cross Tabulations by Primary Use of Property

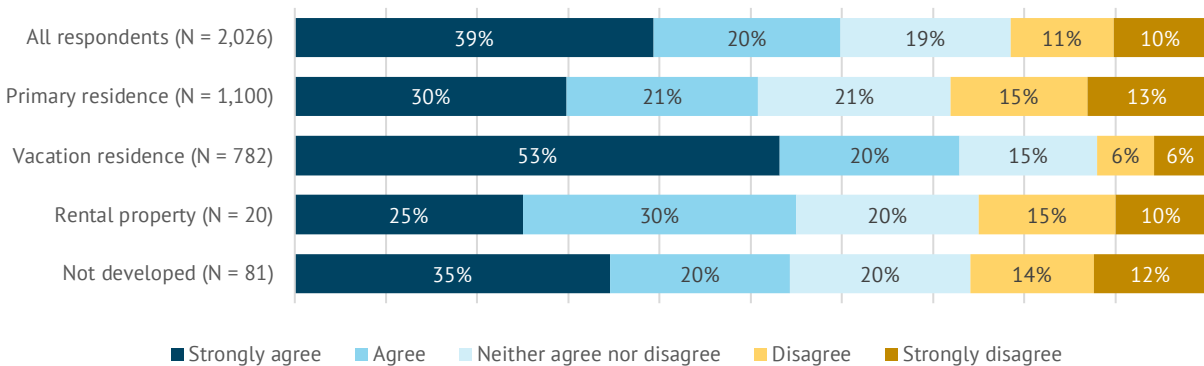
Q1. Being on or near a lake is important to me.



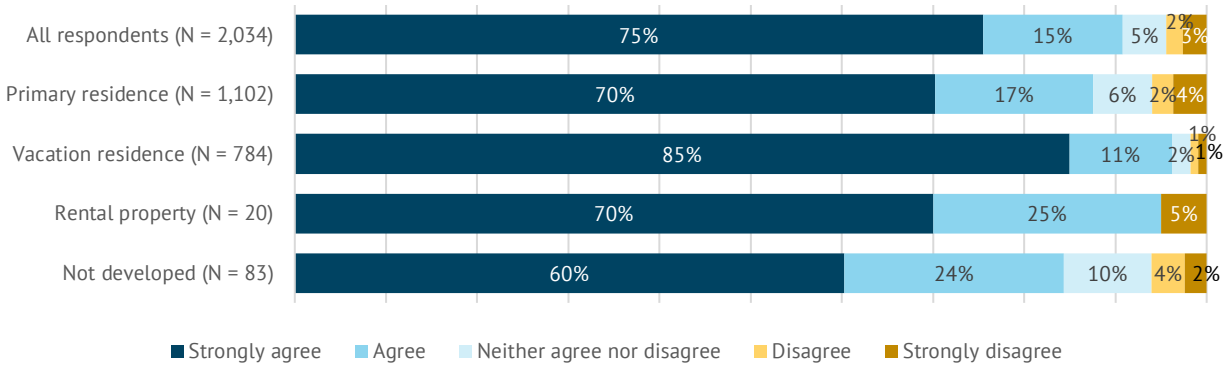
Q2. In five years, I am confident the community will have recovered from the dam failures.



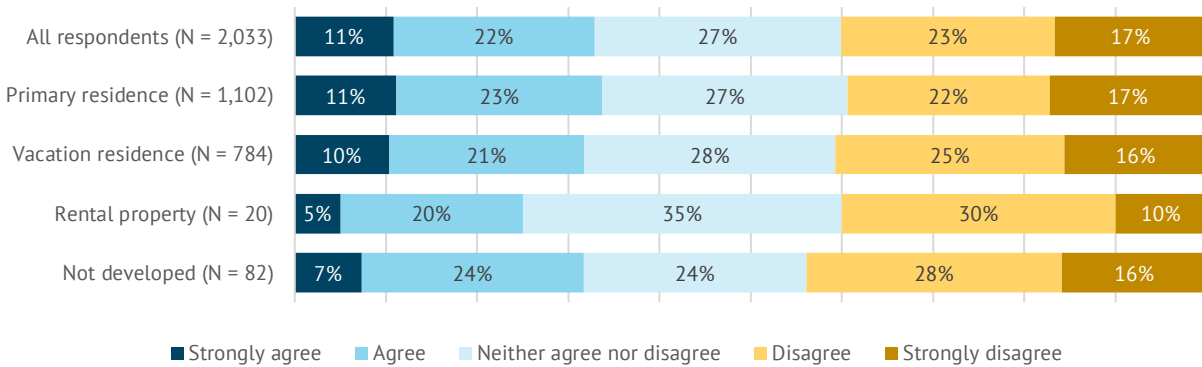
Q3. I would consider selling my property if my lake is not restored.



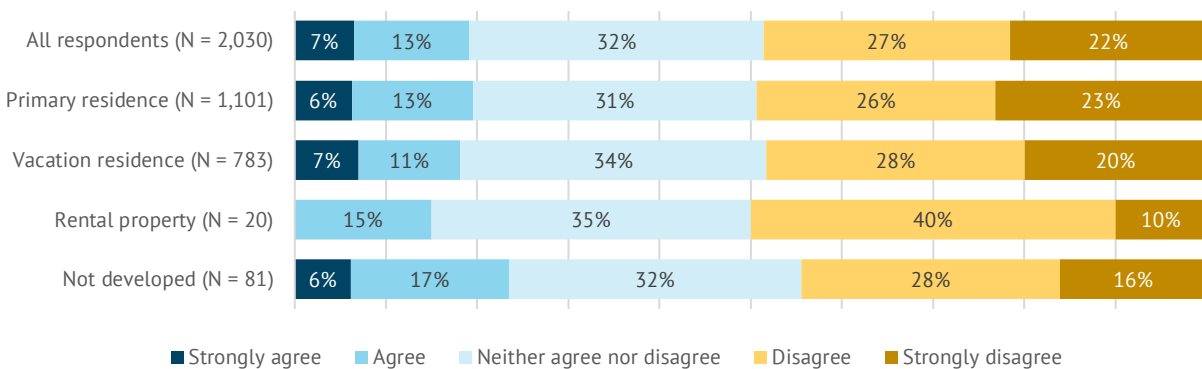
Q4. I believe the dams should be rebuilt or restored.



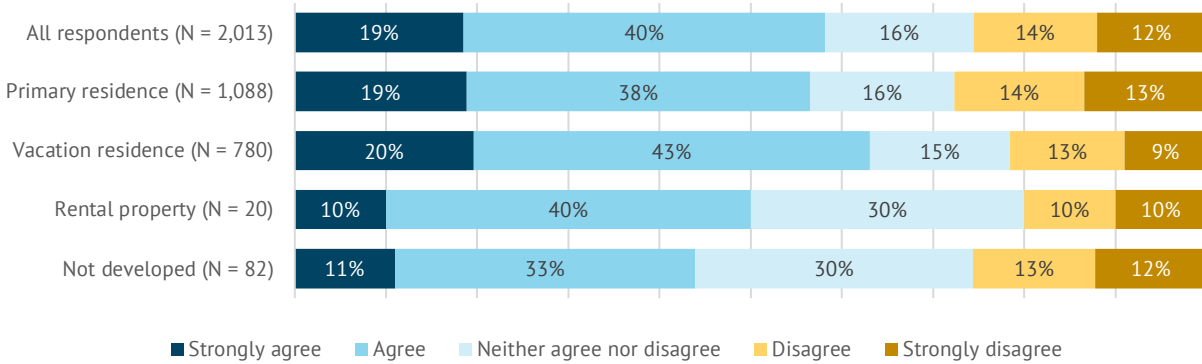
Q5. The state government has provided the appropriate level of funding to support replacing and restoring the dams.



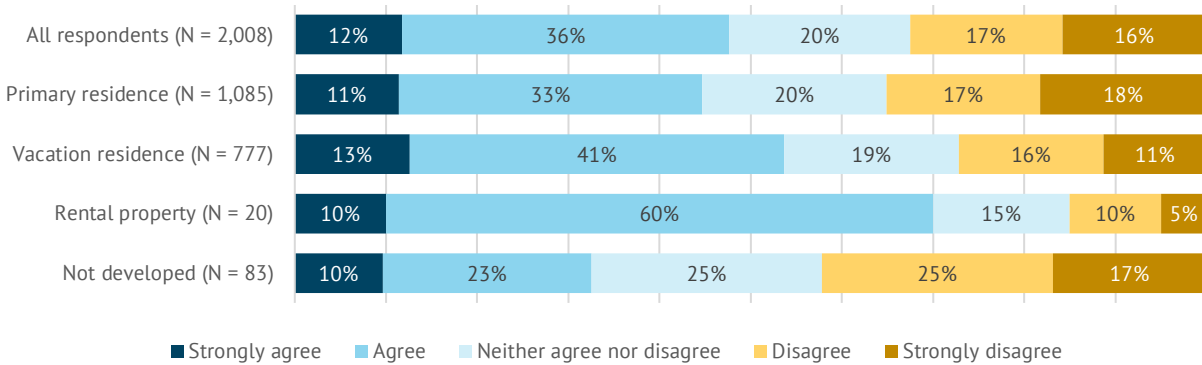
Q6. The federal government has provided the appropriate level of funding to support replacing and restoring the dams.



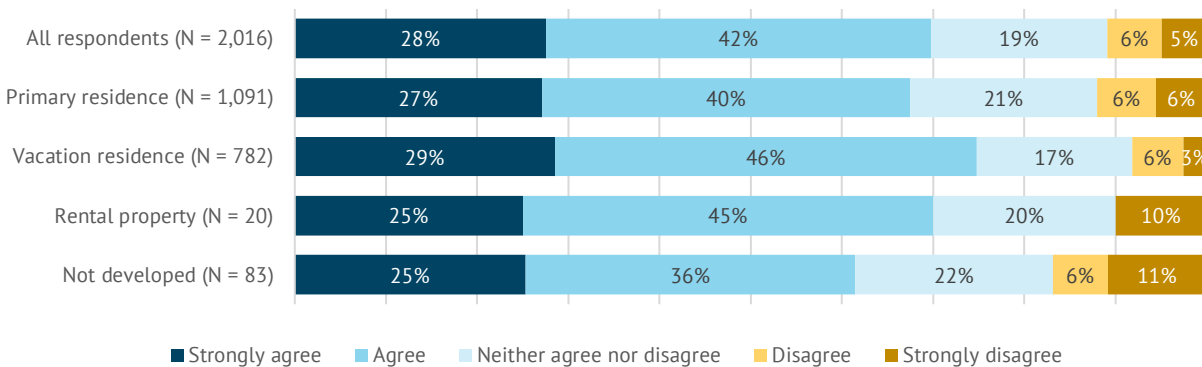
Q7. I understand why a long-term operating assessment needs to be put in place to maintain the dams.



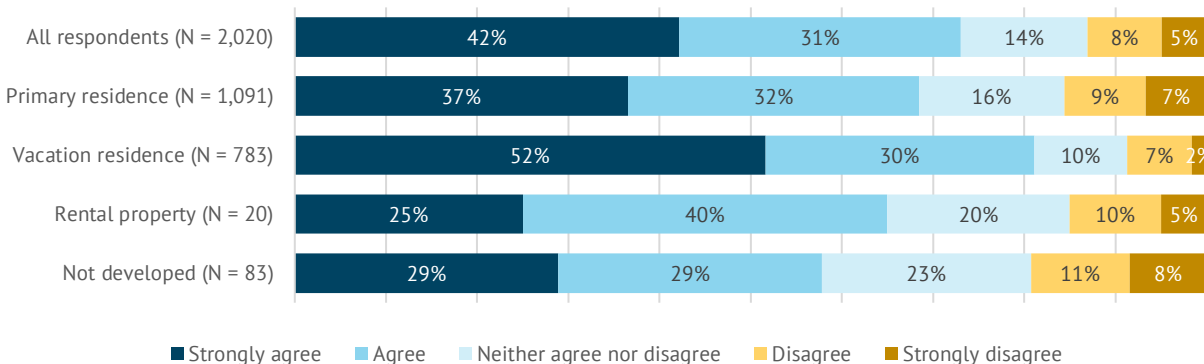
Q8. I understand that a capital assessment may be put in place to fill the gap between state and federal funding and the overall construction costs.



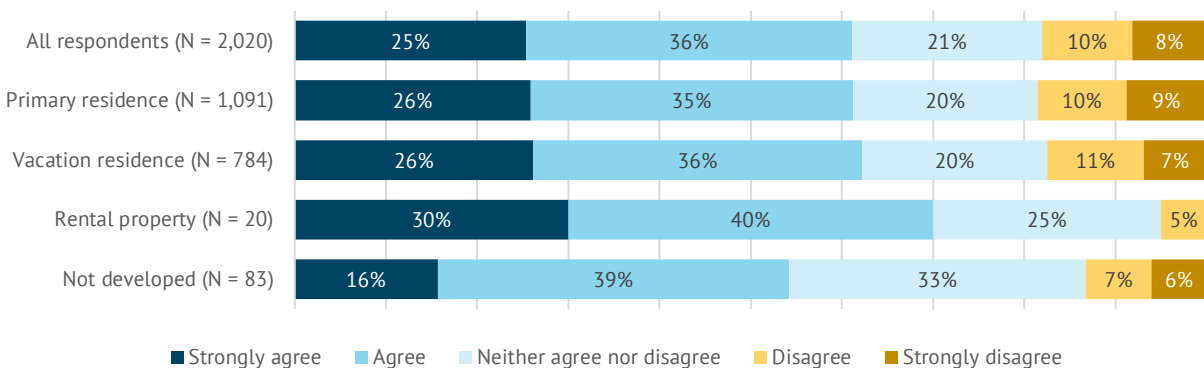
Q9. Addressing the environmental restoration that comes with rebuilding the dams and restoring the lakes is important to me.



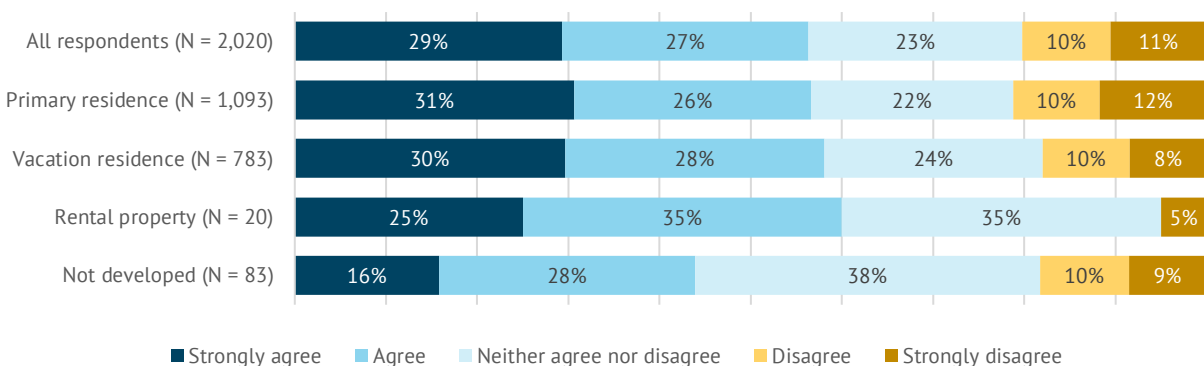
Q10. I am concerned about the usability of my property when the lakes are restored due to overgrowth, sediment deposit, etc.



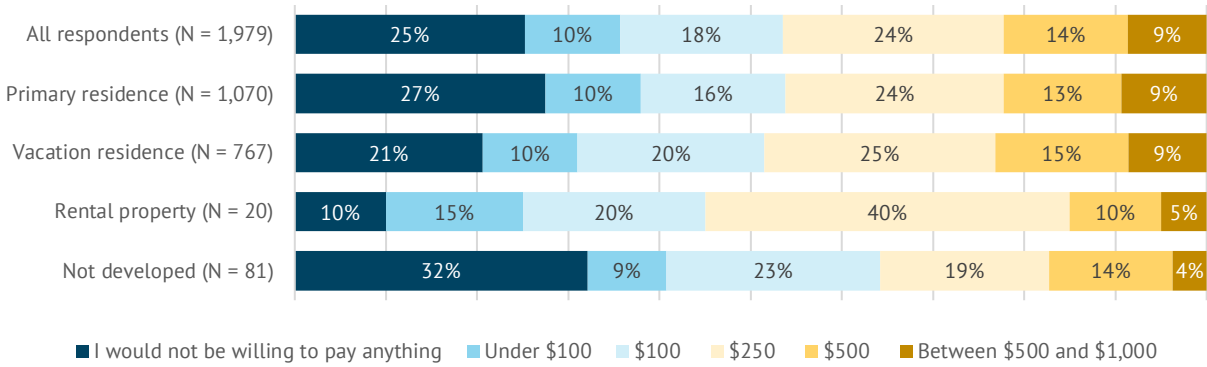
Q11. The FLTF provides me with adequate information on the status of the restoration effort.



Q12. I believe the FLTF is working in my best interest.



Q13. How much would you be willing to pay annually in total for a capital and operational assessment to complete the repairs and restorations of the dams and to maintain them in working order to preserve the lakes?





**PUBLIC SECTOR
CONSULTANTS**

230 N. Washington Square
Suite 300
Lansing, MI 48933