



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 18, 2001

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Rib Mountain Stewardship Purchase -- Agenda Item VIII

### REQUEST

The Department of Natural Resources (DNR) requests approval to spend \$807,089 (\$775,000 purchase price plus closing and related costs of \$32,089) from the Warren Knowles-Gaylord Nelson Stewardship 2000 land acquisition subprogram to purchase 257 acres of land from Minnesota Mining and Manufacturing Company, Inc. (3M) for Rib Mountain State Park in Marathon County.

### BACKGROUND

The 1999-01 biennial budget act (1999 Act 9) provided \$460 million in bonding for a ten-year reauthorization of the Warren Knowles-Gaylord Nelson stewardship program beginning in 2000-01 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The annual bonding authority under the program was \$46 million, ending in fiscal year 2009-10. Of the annual authority, \$28.5 million in 2000-01 and \$34.5 million in 2001-02 is allocated to general land acquisition for conservation and recreation purposes. The 2001-03 biennial budget (2001 Act 16) increases the overall bonding authority to \$572 million and the annual bonding allocation from \$46 million to \$60 million beginning in 2002-03 (with \$45 million each year available for the land acquisition subprogram).

Both the Department and nonprofit conservation organizations (NCOs) are eligible to use funding from the land acquisition subprogram. The statutory priorities enumerated for land acquisition funding are: (a) acquisition of land that preserves or enhances the state's water resources (including land along the shores of the Great Lakes); (b) acquisition of land for the stream bank

protection program; (c) acquisition of land for habitat areas and fisheries; (d) acquisition of land for natural areas; and (e) acquisition of land in the Middle Kettle Moraine.

Currently, with the approval of the Natural Resources Board, the Joint Committee on Finance and the Governor, the Department can obligate up to the entire allocation under the land acquisition subprogram for large or uniquely valuable acquisitions. Funding of \$25 million has been utilized from the reauthorized program for the purchase of approximately 32,000 acres from Packaging Corporation of America in northern Wisconsin commonly referred to as the Great Addition. At its May 23, 2001, meeting, the Natural Resources Board approved an allocation plan for stewardship funding for fiscal year 2001-02. Of the \$34.5 million in the land acquisition subprogram this year, the Department will allocate \$27.25 million to DNR land purchases and \$7.25 million for NCO grants. The allocation plan approved by the Board indicates that \$8.3 million of the Great Addition purchase (one-third of the purchase) would be applied against the 2001-02 land acquisition program allocation (leaving \$18.95 million for other DNR land purchases).

Under s. 23.0917(6) of the statutes, the Joint Committee on Finance reviews all stewardship projects of more than \$250,000. DNR must notify the Co-chairpersons of the Committee in writing of the proposed project. If the Co-chairpersons of the Committee do not notify DNR within 14 working days after the Department's notification that a meeting has been scheduled to review the request, then DNR may obligate funding for the project. If an objection to the project is made, then the Co-chairpersons must schedule a meeting to review the request. The Department may then obligate funding for the project only with Committee approval.

DNR notification of the proposed purchase was received by the Co-chairpersons on December 6, 2001. On December 7, 2001, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed purchase.

Rib Mountain and Potawatomi are the only two State Parks with downhill ski runs. While the state owns the ski hill, chalet, and surrounding property, the Rib Mountain ski area (known as Granite Peak) is leased to a private concessionaire who owns the ski lifts and other equipment and operates the ski hill. Use of the main chalet on the property is included in the lease at no additional charge. In March, 2000, DNR entered into a 30 year lease with the Granite Peak Corporation to operate the facility. Lease payments to DNR are 2% of revenues over \$1 million, and 2.5% of revenues over \$3 million. However, the contract also includes the exception that lease payments for the first three seasons of operation would be withheld by the Granite Peak Corporation and used to make permanent improvements to the chalet. In addition, the lease payments for the fourth and fifth seasons (up to a total of \$92,000) may be withheld by the corporation in exchange for transferring the ownership of an existing maintenance building on the site to DNR. The Granite Peak Corporation reported revenues of \$1,905,000 for fiscal year 2000-01. During that same time period, the corporation invested approximately \$72,300 in permanent improvements to the state-owned chalet. Improvements include the rewiring of the food and bar areas, new carpeting, construction of an observation deck, tile flooring, remodeling toilet facilities, and landscaping to correct drainage

issues around the chalet. Under the agreement, the lease payment to the State would have been \$18,100. In addition, under 2001 Act 16, \$1,000,000 was earmarked from the stewardship fund for permanent improvements to the chalet. Funds for this project could be taken from either the land acquisition or the property development and local assistance subprograms.

The lease between DNR and the Granite Peak Corporation includes a land option that would allow the corporation to purchase up to 30 acres of park land for the purpose of commercial development of hill-side accommodations in conjunction with the operation of the ski resort. In return, the corporation would be required to attempt to acquire adjacent land of similar acreage to expand park boundaries. The option would be valid for ten years, and conditions of the option would be subject to the approval of the Natural Resources Board.

### **ANALYSIS**

The 257 acres proposed for purchase from Minnesota Mining and Manufacturing Company, Inc. (3M) consists of a portion of Rib Mountain that grades off to the base of the mountain on the North end. The slope is wooded with a mix of hardwoods (including red oak, sugar maple, and white ash) and scattered conifers (including hemlock and balsam fir). The value of merchantable timber on the property was estimated by DNR and 3M to be approximately \$500,000 or \$600,000, respectively. The property is bordered by Rib Mountain State Park on its southern and eastern borders. Limited development of ski runs may take place on a portion of the property. Other likely public uses would include hunting, hiking, and cross-country skiing. A 22-acre stone quarry on the property (formerly mined for rock and minerals) is being considered for potential use as a rock-climbing site. The Department previously purchased an adjoining 40-acre wooded parcel from 3M in June, 2001, for \$132,000 (or \$3,300 per acre) to accommodate the development of expanded downhill ski runs on Rib Mountain.

The parcel is zoned rural agricultural, which would limit development to a minimum lot size of 35 acres. In addition, bedrock, surface stone, wetness, and the slope of the land would present difficulties for development. The property is assessed at approximately \$177,800, with an equalized value of \$190,500. 3M paid approximately \$3,700 in property taxes for the parcel in 2001. If the transaction is approved, the state would be responsible for the payment of aids in lieu of taxes to the Town of Rib Mountain in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The town would then pay each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu of taxes are made from a sum sufficient GPR appropriation. Payments for this property would be approximately \$16,700 (compared to approximately \$3,700 in property taxes that were paid on the 257 acre parcel in 2001).

Two appraisals were commissioned for the property, the first in September, 2001, and the second in October, 2001. Both appraisals were updated in November, 2001, to account for a change in acreage, and arrived at estimations of value of \$770,000 and \$784,000, respectively. Through negotiations with 3M, a final price of \$775,000 was established.

The first appraisal established the highest and best use of the property to be a combination of residential and recreational, with forestry management. The parcel is zoned rural agricultural, which would limit development to one residence per 35 acres. However, the parcel's terrain would complicate development due to its topography and features. The appraiser noted the quality of the forest cover and tree stands. Trees currently marked for harvest are estimated at a value of approximately \$200,000, and the appraiser opined that such a harvest would most likely improve the quality of the timber stand (the majority of marked trees had defects, were too close together, or past prime). A dilapidated shed borders the gravel road leading to the stone quarry; otherwise, the lot is vacant. The parcel has road access as well. The appraiser estimated the value of the property using the sales comparison approach. This method considers properties recently sold in comparison to the property being appraised, with adjustments made to the sale prices of the comparison properties to reflect differences that may effect per acre value (including size, location, topography, access, etc.). The range of sales considered varied from \$6,650 per acre to \$2,300 per acre in value. When adjusted for comparable attributes to the subject property, a range of \$3,500 to \$3,300 was established. After considering the qualities of the property as well as the growing market for similar properties in the Rib Mountain area, the appraiser estimated the value of the property at approximately \$3,000 per acre, for a total value of \$770,000.

The second appraisal also established a highest and best use of the property to be a combination of residential and recreational, with forestry management, and used the sales comparison approach to value the property. While independently obtained, three of the four land sales used to estimate the value of the property were the same land sales used by the first appraiser. The appraiser estimated a final per-acre value of \$3,050, for a total value of \$784,000.

In addition, the transaction would require \$32,089 for closing and related costs, including survey, title insurance, and transfer costs. Of this amount, \$20,000 would be paid to the forester 3M had previously contracted with to mark and remove selected timber on the property. With the payment of this fee, 3M would forego the timber harvest.

While the quarry was active, 3M maintained a mining permit for the stone quarry. The permit is still in force, even though the site has not been mined for several years. A condition of the permit requires the owner to carry out remediation activities at the quarry site should the mining permit be allowed to expire. The current reclamation plan on file with the county (as proposed by 3M when it first obtained the permit) would require extensive fencing and land terracing of the property in order to satisfy public safety concerns. However, upon purchasing the property, the state may have other options available in order to meet reclamation requirements. During DNR discussions with the Marathon County land reclamation specialist, it was indicated that reclamation requirements would be flexible, based on DNR's intended use of the parcel. For example, if the

property master plan called for use of the quarry as a rock climbing facility, earth terracing and extensive fencing may be determined to be unnecessary. Instead, a more limited "rail" type fence may be permitted at the top of the quarry to protect visitors from an accidental fall. Reclamation costs would vary depending on the final plan agreed upon by DNR and the County. If DNR was required to undertake the full reclamation plan agreed to by 3M under their mining permit application, costs could exceed \$90,000. However, based on discussions with the county reclamation specialist, it appears that a less intensive site reclamation plan may be negotiated.

It should be noted that 3M owned a 358-acre parcel on Rib Mountain. The corporation sold DNR 40 acres in June and is retaining a 36-acre parcel outside the park boundary with frontage on a county highway. Further, in conjunction with the current DNR purchase, 3M has agreed to sell a 25-acre parcel of adjoining land to the Granite Peak Corporation (a parcel between the 40 acres DNR purchased in June and the current purchase proposal). The ski hill operator would likely use the property for future development of ski resort accommodations. The property would have access to utilities, and would be sold to the corporation for \$200,000 (or \$8,000 per acre). The ski hill operator has indicated that the sale of this property to the Granite Peak Corporation would satisfy its need for developable property in conjunction with the Granite Peak Ski Hill, and has indicated a willingness to release DNR from the conditions of the land option included in the 30-year state lease upon the close of the transaction. 3M has expressed a strong desire to see the bulk of the property protected from development by the state, and may be reticent to sell the smaller parcel for development if protection of the larger parcel is not guaranteed by state purchase. Should this occur, DNR would still be subject to its agreement with Granite Peak Corporation to allow the corporation to obtain up to 30 acres of park land for the purpose of commercial development of hill-side accommodations in exchange for adjacent land of similar acreage to expand park boundaries.

**ALTERNATIVES**

1. Approve the DNR request to expend up to \$807,089 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 257 acres of land (\$775,000) and related costs (\$32,089) from Minnesota Mining and Manufacturing Company, Inc. for Rib Mountain State Park in Marathon County.
2. Deny the request.

Prepared by: Rebecca Hotynski

MO#	BURKE	DECKER	MOORE	BAUMGART	PLACHE	WIRCH	DARLING	FITZGERALD	GARD	KAUFERT	ALBERS	DUFF	WARD	HUEBSCH	HUBER	COGGS	AYE	NO	ABS
	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A			
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			

*Alt 1*

*160*

**13.10 Meeting  
December 18, 2001  
Agenda Item VI**

**Issue:** DNR – Snowmobile Trail Aids

**Staff Recommendation:**

Alt 1

**Comments:**

More money for the snowmobile guys. Alt 1 is what they want, and it sounds fairly reasonable...

Prepared by: Julie



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December 18, 2001

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Section 13.10 Request Related to Supplemental Snowmobile Trail Aids -- Agenda Item VI

### REQUEST

The Department of Natural Resources (DNR) requests approval to reallocate \$591,000 SEG from the snowmobile account of the conservation fund in 2000-01 within the motor fuel tax transfer appropriation for snowmobile trail aids [s. 20.370(5)(cs)] to be used for supplemental trail aid payments.

### BACKGROUND

DNR administers a snowmobile recreation program to develop and maintain a statewide system of snowmobile trails and administer and enforce snowmobile laws. These activities are funded from various sources, including the snowmobile account, tribal gaming revenue and the general fund. The Snowmobile Recreational Council advises DNR on matters related to snowmobile policy. The Council consists of 15 members appointed by the Governor with the advice and consent of the Senate and serve staggered, three-year terms.

The main sources of revenue to the snowmobile account include: (a) motor fuel tax revenue transferred to the account; (b) snowmobile registration fees; and (c) nonresident trail use sticker fees. The snowmobile fuel tax transfer is an amount equal to the motor fuel tax assessed on 50 gallons of gasoline as of the last day of February of the prior fiscal year multiplied by the number of snowmobiles registered on that same date, with this result increased by an additional 40%. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the formula. In addition, a non-resident snowmobile trail use sticker was created under 1997 Act 27,

effective May 1, 1998. Under 2001 Act 16, the fee for the non-resident trail use sticker was increased from \$13 to \$18, and a portion of revenues from trail use sticker sales is earmarked for trail aids. Under s. 350.12 (4)(bg)2, beginning in fiscal year 2001-02, an amount equal to \$15 for each non-resident trail use sticker sold during the previous fiscal year is credited to a separate supplemental snowmobile trail aids appropriation. Remaining revenues from trail use sticker sales (minus a 50¢ issuing fee) are deposited to the snowmobile account.

The main expenditure from the snowmobile account is for local snowmobile trail and project aids. Under the 2001-03 biennial budget, trail aids are funded at \$8,668,400 in 2001-02 (\$8,543,400 SEG and \$125,000 GPR) and \$8,827,200 in 2002-03 (\$8,702,200 SEG and \$125,000 GPR). The amount provided in 2001-02 represents a 34% increase (\$2.2 million) in funding over the prior year base funding.

DNR distributes aids to participating counties for the maintenance, development and acquisition of snowmobile trails throughout the state. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. Funds are also available for the development and maintenance of trails on state park and forest lands. Expenditures eligible for state aid, listed in priority order under s. 23.09(26) of the statutes, are: (1) maintenance of existing approved trails; (2) club signing programs; (3) bridge rehabilitation; (4) municipal route signing; (5) trail rehabilitation; and (6) development of new trails.

Generally, trail maintenance aids are provided to counties and the DNR at 100% of eligible costs up to a maximum of \$250 per mile per year. In addition to basic aids, a county or DNR is eligible for supplemental trail aid payments if actual eligible costs exceed the maximum of \$250 per mile per year and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year (other eligible costs include insurance and certain lease costs). Total state trail maintenance payments generally may not exceed \$1,000 per mile of snowmobile trail (\$250 per mile for basic maintenance and up to \$750 per mile for supplemental trail aids). Supplemental aid requests for this year averaged \$191 per mile, and varied between \$22 per mile in Douglas County to \$500 per mile in Vilas County.

Under s. 350.12(4)(br) of the statutes, DNR may request that the Joint Committee on Finance take action under s. 13.101 without finding an emergency if the supplemental aid payable to counties exceeds available funding. DNR may also choose to prorate the trail aid payments if total claims are greater than available funds.

## ANALYSIS

As shown in Table 1, since the winter of 1990-91 supplemental funding has fully funded eligible requests in five years and has been prorated in five years. Supplemental payments for a snowmobile season are paid in the following fiscal year.



**TABLE 1**

**Supplemental Snowmobile Trail Aids**

<u>Snowmobile Season</u>	<u>Counties</u>	<u>State Properties</u>	<u>Request</u>	<u>Total Payment</u>	<u>Amount Funded</u>
1990-91	16	1	\$351,800	\$351,800	100 %
1991-92	21	3	923,000	701,500	76
1992-93	21	3	983,900	724,600	74
1993-94	32	3	889,800	838,400	94
1994-95	11	4	477,700	477,700	100
1995-96	34	5	1,925,500	1,116,200 *	58
1996-97	38	6	2,130,000	1,642,300 *	77
1997-98	20	3	731,000	731,000	100
1998-99	20	4	1,202,800	1,202,800 *	100
1999-00	28	3	\$1,514,100	\$1,514,100 *	100

\*Includes a transfer of trail aids funding approved by the Joint Committee on Finance.

The 2001-02 snowmobile motor fuel tax transfer is \$4,497,700, with \$1,285,100 of this amount earmarked for supplemental trail aid payments. In addition, 59,623 non-resident trail use stickers were sold during 2000-01, generating \$894,345 in additional funding for supplemental trail aids. The remaining \$3,212,600 SEG from the gas tax transfer, an additional \$3,151,400 snowmobile SEG and \$125,000 GPR appropriated in 2001-02 (a total of \$6,489,000) are available for 2001-02 basic trail aids.

The application deadline for supplemental requests for the 2000-01 snowmobiling season was August 1, 2001. DNR has reviewed and approved requests from 28 counties and five state properties for \$2,770,200 in supplemental funds. With the \$2,179,400 available from the 40% multiplier and the non-resident trail use sticker, the Department would be able to pay 78.7% of the supplemental funding requested. A breakdown of the amount requested by county and for certain state properties (where DNR contracts with local snowmobile clubs for maintenance) and the amounts that would be paid is shown in the appendix.

The additional \$591,000 requested by DNR comes from funds not recommended for allocation by the Snowmobile Recreational Council on other snowmobile trail project requests under s. 23.09(26). After \$4,091,200 was allocated to satisfy the basic maintenance requests on existing approved trails at the statutory \$250 per mile rate, the Snowmobile Recreational Council had approximately \$2,397,800 available for other snowmobile trail project requests. After reviewing the projects in the priority order specified earlier, the Council recommended approval of \$1,623,200 in projects. This included spending for bridge rehabilitation, trail rehabilitation, and trail relocation projects.

A balance of \$774,600 remains in the snowmobile trail aids program, of which \$591,000 is requested to be utilized for supplemental trail aids. If this request is not approved, the \$591,000 would remain in the balance and be available for trail project costs in subsequent fiscal years. DNR has indicated that the Snowmobile Council intends to direct the balance of funds to develop additional statewide trail system miles.

The Snowmobile Council and DNR argue that the need for funding currently is for supplemental maintenance payments, given their joint commitment to reimburse local funds expended for grooming purposes. If additional funding is not provided for supplemental aids, it could place an undue financial burden on local snowmobile clubs primarily in the northern part of the state. This, in turn, could limit the ability of clubs in the area to groom trails for fiscal year 2001-02. However, the potential proration for supplemental aids for the 2000-01 snowmobile season (78.7 percent) is not as low as the prorations have been for four of the last nine years, including two years when the Joint Committee on Finance acted to increase supplemental trail aid payments. The need for additional supplemental trail funding may be viewed as less urgent than it has been in some past requests.

It could be argued that since approved expenditures for basic trail maintenance and projects were less than the funding appropriated in 2001-02, the Committee may modify appropriated funding levels in any manner that promotes efficient and effective operation of the snowmobile trail aids program. The Committee could, for example, choose to lapse the \$125,000 GPR provided for snowmobile trail aids in 2001-02. DNR would then utilize \$125,000 of the \$774,600 balance in the snowmobile trail aids appropriations for basic trail aids and could still reallocate \$591,000 to supplemental payments, resulting in a 100% reimbursement rate.

Conversely, it could be argued that the intent of 1999 Act 9 was to provide GPR funding for snowmobile trail aids, and the deletion of that funding may be inconsistent with the intent of the budget act.

## **ALTERNATIVES**

1. Approve DNR's request to reallocate existing expenditure authority of \$591,000 SEG in 2001-02 within the snowmobile gas tax transfer appropriation [s. 20.370(5)(cs)] for supplemental snowmobile trail aids.
2. In addition to Alternative 1, place \$125,000 GPR in 2001-02 for snowmobile trail aids in unallotted reserve to lapse to the general fund.
3. Deny the request.

Prepared by: Rebecca Hotynski  
Attachment

## APPENDIX

### 2000-01 Supplemental Request by County and State Property

<u>County</u>	<u>Trail Miles</u>	<u>Request</u>	<u>78.7% Proration</u>
Ashland	205.4	\$76,704	\$60,345
Barron	250.3	70,595	55,539
Bayfield	363.0	75,253	59,203
Brown	165.4	12,106	9,524
Buffalo	218.4	6,435	5,063
Burnett	234.0	104,234	82,004
Calumet	112.5	3,344	2,631
Chippewa	298.6	57,005	44,847
Clark	301.2	50,746	39,923
Columbia	210.4	5,650	4,445
Dane	274.7	20,625	16,226
Dodge	243.0	12,989	10,219
Door	197.2	24,286	19,106
Douglas	300.0	6,589	5,184
Dunn	248.8	26,380	20,754
Eau Claire	161.3	10,139	7,976
Florence	137.5	55,543	43,698
Fond du Lac	214.5	13,845	10,892
Forest	378.2	155,721	122,510
Green Lake	100.8	13,653	10,741
Iowa	77.1	6,927	5,450
Iron	284.7	136,000	106,995
Jackson	278.0	8,656	6,810
Juneau	219.7	7,666	6,031
Langlade	505.8	68,431	53,837
Lincoln	286.7	44,096	34,691
Manitowoc	168.3	16,594	13,055
Marathon	650.1	277,218	218,095
Marinette	442.6	83,602	65,772
Monroe	269.0	68,569	53,945
Oconto	330.8	\$83,747	\$65,886
Oneida	387.8	138,363	108,854
Outagamie	222.9	38,444	30,245
Pierce	221.6	18,749	14,750
Polk	307.2	61,432	48,330

County	Trail Miles	Request	Proration 78.7%
Portage	247.5	43,685	34,368
Price	365.0	125,801	98,971
Rusk	274.8	83,778	65,911
Sawyer	267.1	98,445	77,449
Shawano	336.6	79,069	62,205
St. Croix	194.6	50,813	39,976
Taylor	290.7	35,514	27,940
Tri County Commission*	61.8	21,969	17,283
Vilas	402.3	201,150	158,250
Washburn	219.0	21,788	17,141
Washington	178.2	5,062	3,983
Waupaca	291.0	41,621	32,744
Waushara	253.2	14,497	11,405
Wood	235.9	31,760	24,986
Subtotal	12,885.2	\$2,715,283	\$2,136,190
<b>State Property</b>			
Bearskin Trail		\$8,868	\$6,977
North Highland-American Legion State Forest		16,704	13,142
Tuscobia Trail		23,708	18,652
Governor Knowles State Trail		2,800	2,203
400 Trail		2,845	2,238
Subtotal		\$54,925	\$43,211
<b>Total</b>		<b>\$2,770,208</b>	<b>\$2,179,401</b>

\*The Tri County and Douglas County

Trail Commission that operates trails in Ashland, Bayfield,

MO# 1111

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
BAUMGART	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
FITZGERALD	Y	N	A
2 GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS

**13.10 Meeting  
December 18, 2001  
Agenda Item VIII**

**Issue:** DNR – Rib Mountain Stewardship Purchase

**Staff Recommendation:**

Alt 1

**Comments:**

This is the 3M land purchase deal. Alt 1 will approve the deal in its entirety.

Prepared by: Julie



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Under s. 23.0917(6) of the statutes, the Joint Committee on Finance reviews all stewardship projects of more than \$250,000. DNR must notify the Co-chairpersons of the Committee in writing of the proposed project. If the Co-chairpersons of the Committee do not notify DNR within 14 working days after the Department's notification that a meeting has been scheduled to review the request, then DNR may obligate funding for the project. If an objection to the project is made, then the Co-chairpersons must schedule a meeting to review the request. The Department may then obligate funding for the project only with Committee approval.

DNR notification of the proposed purchase was received by the Co-chairpersons on December 6, 2001. On December 7, 2001, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed purchase.

Rib Mountain and Potawatomi are the only two State Parks with downhill ski runs. While the state owns the ski hill, chalet, and surrounding property, the Rib Mountain ski area (known as Granite Peak) is leased to a private concessionaire who owns the ski lifts and other equipment and operates the ski hill. Use of the main chalet on the property is included in the lease at no additional charge. In March, 2000, DNR entered into a 30 year lease with the Granite Peak Corporation to operate the facility. Lease payments to DNR are 2% of revenues over \$1 million, and 2.5% of revenues over \$3 million. However, the contract also includes the exception that lease payments for the first three seasons of operation would be withheld by the Granite Peak Corporation and used to make permanent improvements to the chalet. In addition, the lease payments for the fourth and fifth seasons (up to a total of \$92,000) may be withheld by the corporation in exchange for transferring the ownership of an existing maintenance building on the site to DNR. The Granite Peak Corporation reported revenues of \$1,905,000 for fiscal year 2000-01. During that same time period, the corporation invested approximately \$72,300 in permanent improvements to the state-owned chalet. Improvements include the rewiring of the food and bar areas, new carpeting, construction of an observation deck, tile flooring, remodeling toilet facilities, and landscaping to correct drainage

issues around the chalet. Under the agreement, the lease payment to the State would have been \$18,100. In addition, under 2001 Act 16, \$1,000,000 was earmarked from the stewardship fund for permanent improvements to the chalet. Funds for this project could be taken from either the land acquisition or the property development and local assistance subprograms.

The lease between DNR and the Granite Peak Corporation includes a land option that would allow the corporation to purchase up to 30 acres of park land for the purpose of commercial development of hill-side accommodations in conjunction with the operation of the ski resort. In return, the corporation would be required to attempt to acquire adjacent land of similar acreage to expand park boundaries. The option would be valid for ten years, and conditions of the option would be subject to the approval of the Natural Resources Board.

### **ANALYSIS**

The 257 acres proposed for purchase from Minnesota Mining and Manufacturing Company, Inc. (3M) consists of a portion of Rib Mountain that grades off to the base of the mountain on the North end. The slope is wooded with a mix of hardwoods (including red oak, sugar maple, and white ash) and scattered conifers (including hemlock and balsam fir). The value of merchantable timber on the property was estimated by DNR and 3M to be approximately \$500,000 or \$600,000, respectively. The property is bordered by Rib Mountain State Park on its southern and eastern borders. Limited development of ski runs may take place on a portion of the property. Other likely public uses would include hunting, hiking, and cross-country skiing. A 22-acre stone quarry on the property (formerly mined for rock and minerals) is being considered for potential use as a rock-climbing site. The Department previously purchased an adjoining 40-acre wooded parcel from 3M in June, 2001, for \$132,000 (or \$3,300 per acre) to accommodate the development of expanded downhill ski runs on Rib Mountain.

The parcel is zoned rural agricultural, which would limit development to a minimum lot size of 35 acres. In addition, bedrock, surface stone, wetness, and the slope of the land would present difficulties for development. The property is assessed at approximately \$177,800, with an equalized value of \$190,500. 3M paid approximately \$3,700 in property taxes for the parcel in 2001. If the transaction is approved, the state would be responsible for the payment of aids in lieu of taxes to the Town of Rib Mountain in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The town would then pay each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu of taxes are made from a sum sufficient GPR appropriation. Payments for this property would be approximately \$16,700 (compared to approximately \$3,700 in property taxes that were paid on the 257 acre parcel in 2001).



Two appraisals were commissioned for the property, the first in September, 2001, and the second in October, 2001. Both appraisals were updated in November, 2001, to account for a change in acreage, and arrived at estimations of value of \$770,000 and \$784,000, respectively. Through negotiations with 3M, a final price of \$775,000 was established.

The first appraisal established the highest and best use of the property to be a combination of residential and recreational, with forestry management. The parcel is zoned rural agricultural, which would limit development to one residence per 35 acres. However, the parcel's terrain would complicate development due to its topography and features. The appraiser noted the quality of the forest cover and tree stands. Trees currently marked for harvest are estimated at a value of approximately \$200,000, and the appraiser opined that such a harvest would most likely improve the quality of the timber stand (the majority of marked trees had defects, were too close together, or past prime). A dilapidated shed borders the gravel road leading to the stone quarry; otherwise, the lot is vacant. The parcel has road access as well. The appraiser estimated the value of the property using the sales comparison approach. This method considers properties recently sold in comparison to the property being appraised, with adjustments made to the sale prices of the comparison properties to reflect differences that may effect per acre value (including size, location, topography, access, etc.). The range of sales considered varied from \$6,650 per acre to \$2,300 per acre in value. When adjusted for comparable attributes to the subject property, a range of \$3,500 to \$3,300 was established. After considering the qualities of the property as well as the growing market for similar properties in the Rib Mountain area, the appraiser estimated the value of the property at approximately \$3,000 per acre, for a total value of \$770,000.

The second appraisal also established a highest and best use of the property to be a combination of residential and recreational, with forestry management, and used the sales comparison approach to value the property. While independently obtained, three of the four land sales used to estimate the value of the property were the same land sales used by the first appraiser. The appraiser estimated a final per-acre value of \$3,050, for a total value of \$784,000.

In addition, the transaction would require \$32,089 for closing and related costs, including survey, title insurance, and transfer costs. Of this amount, \$20,000 would be paid to the forester 3M had previously contracted with to mark and remove selected timber on the property. With the payment of this fee, 3M would forego the timber harvest.

While the quarry was active, 3M maintained a mining permit for the stone quarry. The permit is still in force, even though the site has not been mined for several years. A condition of the permit requires the owner to carry out remediation activities at the quarry site should the mining permit be allowed to expire. The current reclamation plan on file with the county (as proposed by 3M when it first obtained the permit) would require extensive fencing and land terracing of the property in order to satisfy public safety concerns. However, upon purchasing the property, the state may have other options available in order to meet reclamation requirements. During DNR discussions with the Marathon County land reclamation specialist, it was indicated that reclamation requirements would be flexible, based on DNR's intended use of the parcel. For example, if the

property master plan called for use of the quarry as a rock climbing facility, earth terracing and extensive fencing may be determined to be unnecessary. Instead, a more limited "rail" type fence may be permitted at the top of the quarry to protect visitors from an accidental fall. Reclamation costs would vary depending on the final plan agreed upon by DNR and the County. If DNR was required to undertake the full reclamation plan agreed to by 3M under their mining permit application, costs could exceed \$90,000. However, based on discussions with the county reclamation specialist, it appears that a less intensive site reclamation plan may be negotiated.

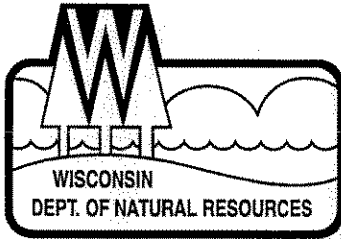
It should be noted that 3M owned a 358-acre parcel on Rib Mountain. The corporation sold DNR 40 acres in June and is retaining a 36-acre parcel outside the park boundary with frontage on a county highway. Further, in conjunction with the current DNR purchase, 3M has agreed to sell a 25-acre parcel of adjoining land to the Granite Peak Corporation (a parcel between the 40 acres DNR purchased in June and the current purchase proposal). The ski hill operator would likely use the property for future development of ski resort accommodations. The property would have access to utilities, and would be sold to the corporation for \$200,000 (or \$8,000 per acre). The ski hill operator has indicated that the sale of this property to the Granite Peak Corporation would satisfy its need for developable property in conjunction with the Granite Peak Ski Hill, and has indicated a willingness to release DNR from the conditions of the land option included in the 30-year state lease upon the close of the transaction. 3M has expressed a strong desire to see the bulk of the property protected from development by the state, and may be reticent to sell the smaller parcel for development if protection of the larger parcel is not guaranteed by state purchase. Should this occur, DNR would still be subject to its agreement with Granite Peak Corporation to allow the corporation to obtain up to 30 acres of park land for the purpose of commercial development of hill-side accommodations in exchange for adjacent land of similar acreage to expand park boundaries.

## ALTERNATIVES

1. Approve the DNR request to expend up to \$807,089 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 257 acres of land (\$775,000) and related costs (\$32,089) from Minnesota Mining and Manufacturing Company, Inc. for Rib Mountain State Park in Marathon County.
2. Deny the request.

Prepared by: Rebecca Hotynski

Senape Burke



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott McCallum, Governor  
Darrell Bazzell, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
FAX 608-267-3579  
TTY 608-267-6897

## Staffing for Peshtigo River State Forest

**Subject:** Background for 13.10 Request

**Issue:** If the Joint Finance Committee approves the purchase and designation of the Peshtigo River State Forest, the DNR needs staff to manage the property.

**Request:** The DNR is requesting 2 FTE and supporting capital and operations funding to continue both forest and recreation management, and to initiate master planning. For reference, the WPC currently employs 5 people equating to 3.5 FTE to manage these lands.

### **Property Description:**

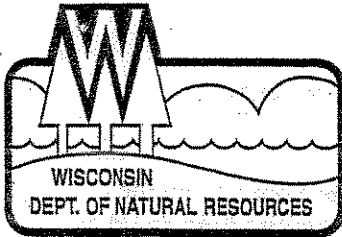
- The property requires integrated resource management for soil and water, forest products, wildlife, hunting, fishing and other recreation.
- 9,329 acres in fee, 383 acres in easement
- 95% of the property is forested, with 70 miles of river frontage and numerous aquatic features
- Long linear boundary requiring survey, posting, trespass resolution and law enforcement
- Multiple existing recreation activities/facilities with high levels of use including; snowmobile trails, hunting, fishing, hiking, boat landings, and cross country ski trails.
- Active forest management with numerous issues including; active and future timber sales, Gypsy moth suppression needs, forest monitoring and productivity projects.

### **Existing Department Forestry Workload:**

- Marinette County has the third highest private forestry assistance workload (350,801 acres), the second largest County Forest (235,000 acres) and a very active forest fire program. Existing staff are not sufficient to meet the current workload let alone handle a new property of this size and complexity.
- The new positions approved in the budget by the legislature and governor are to address the growing backlog in required private forestry activities. They are not sufficient to meet that workload and are, therefore, not a potential source for reallocation to meet this new workload.

### **Health and Safety Issues:**

- There is a public expectation that existing public recreation will continue – these include snowmobile trails, cross country ski trails, boat landings, hunting and fishing.
- Department has statutory obligations under s.23.115 Wis. Stats. and NR 45 to protect public health in safety regarding public use of state properties. The State is scheduled to obtain title to 5,700 acres yet this month



## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott McCallum, Governor  
Darrell Bazzell, Secretary

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The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 317 East  
State Capitol

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 308 East  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

  
Dear Senator Burke and Representative Gard:

### REQUEST

The Department of Natural Resources requests \$185,950 SEG and 2.0 FTE in FY 02 and \$424,900 and 2.0 FTE in FY 03 for management and operation of the newly acquired Peshtigo River State Forest in Marinette and Oconto Counties purchased from Wisconsin Public Service Corporation, pending final approval. The supplemental spending authority is needed in appropriation 20.370 (1) (mu) for the Forestry subprogram and would come from the Forestry account of the Conservation Fund. The funding is requested to provide a property manager and assistant property manager, and operations funding for the new property. The funding would provide for a Forester/Natural Resource Property Supervisor at an annual salary and fringe benefit cost of \$61,600, a Ranger - Assistant Property Manager with an annual salary and fringe benefit cost of \$44,900, an annual LTE budget of \$32,400, and an annual operations budget for the personnel and the property of \$60,000. The request includes \$108,000 for permanent equipment, and \$204,500 for developing a Master Plan for the property. The position costs, LTE funding, and supplies and services identified in the request are prorated for 6-months for FY 02.

### BACKGROUND

On November 16, 2001 the Natural Resources Board approved the purchase of 9,329 acres of land in fee title and easement rights on 383 acres in the northeastern Wisconsin Counties of Marinette and Oconto from Wisconsin Public Service Corporation for \$25,000,000 for the creation of the Peshtigo River State Forest. Approximately 95% of the property is forested. The land includes 70 miles of Peshtigo River frontage surrounding Caldron Falls, High Falls, Johnson and Potato Rapids. The eventual project acreage goal was established at 12,890 acres.

This property has been designated as a state forest, which recognizes the substantial acreage and integrated resource management needs. As a state forest, its purpose as defined by statute s.28.04 will be to assure the practice of sustainable forestry through which a full range of benefits will be provided, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics. As noted in the acquisition proceedings of the Peshtigo River State Forest, this property provides many

public benefits, including public hunting; wildlife, fish and non-game habitat; forest products; snowmobile, hiking and cross country ski trails; and boating and fishing.

Under the ownership of Wisconsin Public Service Corp., this land has historically been open to public recreation under the company's hydroelectric project but had fewer recreation opportunities than could be offered under state forest management. The Department intends to continue to promote public recreation on the project land, and protect natural features. Wisconsin Public Service had an active forest management program on the property with a number of active timber sales and a number of planned sales for the future. The WPSC had 5 different staff positions working on land, recreation and flowage management on this property for a total of approximately 3.5 FTE. The long, linear nature of the property results in an extraordinary amount of boundary that will require maintenance, posting, and trespass resolutions as they occur. The high recreational use will require a law enforcement presence on the property as soon as possible. A specific management plan for the property will be developed through the master planning process. Public input into the management of these lands will be key to the plan's development. The master plan will be based on an integrated approach to management that will include sustainable forestry (i.e. wildlife, fish, non-game management, forest products, as well as the development of a range of recreational activities).

### **ANALYSIS OF NEED**

At this time, the Department is requesting 2.0 FTE permanent positions for managing the property:

Forester/Natural Resource Property Supervisor – The property supports over 9,000 acres of forested lands in this initial acquisition. These lands have been well managed by Wisconsin Public Service Corp. forestry staff, and will benefit from continued professional management to provide forest products and game habitat. In addition, this professional forester will work with other disciplines such as endangered resources, fisheries, and wildlife to ensure the forest is managed in a sustainable manner, as is done on existing state forests. The professional position will be responsible for supervision of permanent and temporary staff, coordination with local governments and interest groups, and budget and financial oversight.

Ranger – Assistant Property Manager – This property will require a variety of basic property management needs such as road repair and maintenance, facility development, boundary determination and control, access management, and boat landing repair and maintenance. This position will direct contractors, volunteers or Wisconsin Conservation Corps crews in a variety of projects. A mix of extensive and intensive recreation such as snowmobile trails, hunting, fishing, boating, hiking, rustic or remote camping, and cross country skiing are typical of large state forest properties such as this. This position will also be responsible for management of recreation facilities such as trail signing and grooming, campsite permits/maintenance and cooperative agreements with groups such as snowmobile clubs. The position will also be responsible for public safety and protection on the property and will require Natural Resource Officer Law Enforcement Credentials.

Operations Funding - In addition to the 2.0 FTE permanent positions, the Department is requesting LTE and supplies and services funding to support operations on the property. LTE funding is required to provide services such as forest productivity, forest inventory, winter and summer recreation maintenance, visitor contact and facility development and repair. Supplies and services funding is necessary to pay for routine property management costs such as maintenance supplies, vehicle mileage, equipment fuel, training, office supplies, tools and replacement parts.

Permanent Property/Capital Equipment – This request includes funding for permanent property associated with new positions, including field equipment, office equipment, law enforcement equipment and

computers, and authorization to expand the DNR fleet inventory by two trucks, and capital costs associated with property management activities, including a snowmobile and trailer; an ATV and trailer; a mower, attachments and trailer; and a boat with a motor and trailer. This equipment is typical of what is utilized by the other state forests.

**Master Planning Process** – The Department is required by state statute 28.04 (3) to develop a Master Plan for each state forest. It is anticipated that the Master Planning process for the Peshtigo River State Forest will be on an accelerated time frame, and require additional resources to complete. The process would begin presently and continue into the 2004 fiscal year. This request includes funding for the development of the Master Plan, including resource inventories, social surveys, GPS and GIS mapping and map production, public meetings, document production and printing, brochures, newsletters, display materials, and LTE support for the planning process. There are several required components to the Master Planning process:

**Preplanning surveys and inventory** - In Wis Stats. 28.04 state forest master plans are required to be based on "best available information" acquired through "inventories, evaluations, monitoring and research. In evaluating such information, the department shall consider both regional and local scales, including the impact on local economies." State forests are large multiple use properties with a variety of economic, recreational and ecological benefits. In order to plan for the Peshtigo River State Forest assessments on topics such as regional socio-economics, recreational supply and demand, public use attitudes and regional ecology as well as property specific information such as biotic inventories and GIS mapping will be needed. These projects can be conducted through external contracts with Department staff oversight.

**Public Involvement - Planning Process** - The wide range of potential benefits provided by state forest management such as forest products, hunting, rare species habitat, various trail recreation, rustic camping, fishing and soil/water protection result in a wide range of interested stakeholders. Current state forest master planning processes involve planning participant lists of close to 1000 people. The process necessary to provide adequate public involvement in the Peshtigo River State Forest planning process will require a series of public meetings, several mailings, document production and a variety of public information efforts (press releases, web sites etc). An LTE and supplies/services money is requested to cover the workload associated with this planning effort and is based on similar needs of ongoing state forest plans.

**Cost Summary**


	<u>2002fy</u>	<u>2003fy</u>
Two FTE's (salary and fringe)	\$53,250	\$106,500
Supplies & services for the FTE's	10,000	20,000
Permanent equipment for the FTE's	20,000	
3000 hours/yr. of LTE time	16,200	32,400
Supplies & services for property maintenance	20,000	40,000
Permanent equip. for maintenance of property	44,000	44,000
Master planning process	<u>22,500</u>	<u>182,000</u>
	<u>\$185,950</u>	<u>\$424,900</u>

**Conclusion**

This request will provide the Department with the staffing and operational funding necessary to begin the sustainable management of the newly acquired Peshtigo River State Forest. The Department does not have sufficient existing resources to allocate to the management and operation of this new and important

property. If you have any questions concerning this request, please contact Eric Thompson, Bureau of Management & Budget, 266-8251, or Paul DeLong, Division of Forestry, 264-9224. Thank you for your consideration of this request.

Sincerely,



Darrell Bazzell  
Secretary

- C: Franc Fennessy - AD/5
- Joe Polasek - MB/5
- Karen VanSchoonhoven - FN/1
- Gene Francisco - AD/5
- Paul DeLong - FR/4
- Chariti Gent - DOA
- Susan Felker-Donsing - MB/5
- Eric Thompson - MB/5

VIII. Department of Natural Resources – Darrell Bazzell, Secretary

The department requests approval of the purchase of 257 acres in Marathon County from Minnesota Mining and Manufacturing for Rib Mountain State Park under the 14-day passive review of s. 23.0915(4).

Due to an objection from a Committee member, this request is now before the Committee under s. 13.10.

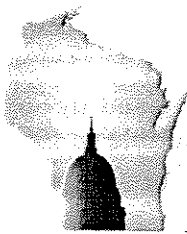


VII. Department of Natural Resources – Darrell Bazzell, Secretary

The department requests a supplement of \$386,500 SEG in fiscal year 2001-02 and \$464,800 SEG in fiscal year 2002-03 from the Committee's appropriation under s. 20.865(4)(u) to the department's Bureau of Law Enforcement appropriations under s. 20.370(3)(as), (aw) and (mu) for warden recruitment and training associated with a higher than normal retirement rates. The supplement amounts would be divided among the appropriations in the following manner: s. 20.370(3)(as) would receive \$58,000 in fiscal year 2001-02 and \$69,800 in fiscal year 2002-03; s. 20.370(3)(aw) would receive \$58,000 in fiscal year 2001-02 and \$69,700 in 2002-03; and s. 20.370(3)(mu) would receive \$270,500 in fiscal year 2001-02 and \$325,300 in fiscal year 2002-03.

Governor's Recommendation

Approve the request for a supplement of \$386,500 SEG in fiscal year 2001-02 and \$464,800 SEG in fiscal year 2002-03 on a one-time basis.



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
SECRETARY

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842  
TTY (608) 267-9629

**Date:** December 7, 2001

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Secretary  
Department of Administration

**Subject:** Section 13.10 Request from the Department of Natural Resources for  
Warden Recruitment and Training

**Request**

The department requests a supplement of \$386,500 SEG in fiscal year 2001-02 and \$464,800 SEG in fiscal year 2002-03 from the Committee's appropriation under s. 20.865(4)(u) to the department's Bureau of Law Enforcement appropriations under s. 20.370(3)(as), (aw) and (mu) for warden recruitment and training associated with a higher than normal retirement rates. The supplement amounts would be divided among the appropriations in the following manner: s. 20.370(3)(as) would receive \$58,000 in fiscal year 2001-02 and \$69,800 in fiscal year 2002-03; s. 20.370(3)(aw) would receive \$58,000 in fiscal year 2001-02 and \$69,700 in 2002-03; and s. 20.370(3)(mu) would receive \$270,500 in fiscal year 2001-02 and \$325,300 in fiscal year 2002-03.

**Background**

The department anticipates that by the end of this biennium, twenty percent of the warden force will retire. This larger than normal retirement rate is due to a three-year contract settlement that awarded a substantial pay increase to wardens, providing incentive for those who would have otherwise retired to stay three years longer. The three-year period is over at the end of this biennium. In order to fill a majority of these potential vacancies and avoid wide-scale gaps in warden coverage, the department plans to aggressively hire and train new recruits.

**Analysis**

Each year, the department hires a new class of recruits to keep the warden force fully staffed. These recruits receive in-depth classroom and field training to help prepare them for the duties associated with being a conservation warden. As this training

December 7, 2001

program can take a full year to complete, it is necessary to hire recruits based upon anticipated retirements and promotions so that trained wardens are available to fill vacancies when they occur.

Currently, the bureau internally reallocates funding for training the recruits or providing training to existing staff who train recruits. However, given recent budget reductions in various GPR and environmental fund SEG appropriations, the department's ability to absorb training costs is impaired. In the past, when the department faced funding reductions in law enforcement, it elected to reduce warden class sizes or suspend warden recruitment. Due to the higher than average number of retirements anticipated over the next couple of years, the department is concerned that reducing the size of or eliminating the 2002 warden class may result in warden shortages. Therefore, the department is requesting additional funding for training the class of 2002 wardens to ensure that any vacancies due to retirements can be filled quickly.

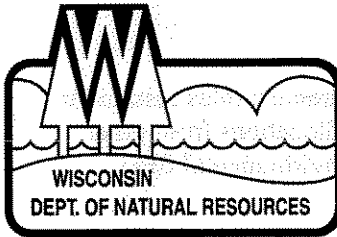
The department's Bureau of Law Enforcement is planning to hire a class of twelve recruits for fiscal year 2001-02. The cost to train twelve recruits for one full year is \$772,900. Training for recruits begins in January and continues through the end of the calendar year; however funding for those recruits is split between two fiscal years. The \$386,500 SEG for fiscal year 2001-02 would cover the first six months of costs for training the twelve new warden recruits. The \$464,800 SEG for fiscal year 2002-03 would pay a portion of warden recruitment and training costs for the last six months. In fiscal year 2001-02, the department's request reflects one-half the supplies and services and six months of the recruit salary and fringe. In fiscal year 2002-03, the department's request reflects the supplies and services and one-half the recruit salary and fringe.

User groups responsible for generating conservation segregated dollars have shown strong support for the funding of law enforcement activities. There are sufficient balances within the fish and wildlife, all terrain vehicle, and boating registration accounts in the conservation fund to cover the request in this biennium. In the future, as wardens continue to retire, savings from those retirements will be available for funding warden training classes in 2003 and beyond. To ensure that these funds are available for training, the department should place the savings in unallotted reserve as retirements occur.

**Recommendation**

Approve the request for a supplement of \$386,500 SEG in fiscal year 2001-02 and \$464,800 SEG in fiscal year 2002-03 on a one-time basis.

Prepared by: Chariti Gent  
266-7329



## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott McCallum, Governor  
Darrell Bazzell, Secretary

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November 29, 2001

Honorable Brian Burke, Senate Chair  
Joint Committee on Finance  
Room 317 East  
State Capitol

Honorable John Gard, Assembly Chair  
Joint Committee on Finance  
Room 308 East  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 East Wilson Street

Dear Senator Burke and Representative Gard:

### Request

The Department of Natural Resources requests additional expenditure authority of \$386,500 for FY02 and \$464,800 in FY03 from various accounts in the Conservation Fund for the Bureau of Law Enforcement to partially offset the costs of recruit warden training associated with higher than normal warden retirement rates. If approved, this request will allow the Department to train 12 recruit wardens in each year of the biennium. This request is being made under the emergency authority of s. 13.10. due to public safety concerns associated with a diminishing warden force.

### Background

The Department is predicting a larger than normal number of wardens retiring within this biennium based on the last contract settlements. Given the pay increases in these settlements, there was an incentive for wardens to stay with the Department for an additional three years as a way of increasing their final retirement pension payments. That three-year period ends this biennium. With anticipated retirements of 30 wardens, representing almost 20% of the warden force, during this biennium, the Department must act aggressively to fill a majority of the vacancies and avoid wide-scale gaps in warden coverage. If the retiring wardens are not replaced with new recruits in this more aggressive fashion, it will take an additional 1 to 2 more years to return to full staffing levels.

In order to keep the warden force fully staffed, it is necessary to hire a class of warden recruits each year. These recruits receive in-depth classroom and field training to prepare them for the duties associated with being a Conservation Warden for the State of Wisconsin. As this training program is quite extensive and can take a full year to complete, it is necessary to hire recruits based upon anticipated retirements and promotions. To hire based upon actual vacancies would result in a position remaining unfilled for that same period of time and would seriously diminish the Department's ability to respond. This means that at any given time during this biennium, there may be up to 12 recruits on unfunded temporary or surplus positions. As vacancies occur within the warden force, fully trained recruits are placed onto those funded vacancies.

Currently, the Bureau of Law Enforcement is planning to hire a class of 12 recruits for the FY02 year. The Bureau of Law Enforcement receives no funding for the purposes of training the recruits, paying

salary to the recruits, or providing training to existing staff. In the past, lower retirement rates resulted in smaller training classes. Funding for the training program came from internal reallocations from other actual enforcement duties. The 2001-03 budget also includes various GPR and Environmental SEG reductions which further impair the Department's ability to absorb these costs.

The \$386,500 for FY02 and \$464,800 in FY03 would provide a portion of the funding to hire and train 12 new warden recruits per year. The cost to train 12 recruits for one full year is \$772,900. The Department will reallocate for the balance of the costs, by reducing warden mileage budgets and other support funds. In FY02 the Department's request reflects one-half the supplies and services, and six months of the recruit salary and fringe. In FY03, the Department's request reflects the supplies and services and one-half the recruit salary and fringe. The FY03 reduction in salary and fringe is based on a predicted increase in vacancies.

The following table details the request:

	Full Year - 12 recruits	FY02 Request	FY03 Request
Salary	\$399,400	\$199,700	\$199,700
Fringe	\$217,000	\$108,500	\$108,500
Supplies and Services	\$156,600	\$78,300	\$156,600
Total	\$772,900	\$386,500	\$464,800

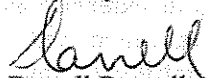
The user groups responsible for generating conservation segregated dollars have shown strong support for the funding of law enforcement activities, and 3 accounts have sufficient balances. Each account is a viable source of funding. The following percentages and amounts from each fund source would reflect the current workload demand:

Appropriation Title	Fund & Appropriation	Percentage	Request FY02	Request FY03
Fish and Wildlife	212 - 361	70%	\$270,550	\$325,360
ATV Enforcement	212 - 362	15%	\$57,975	\$69,720
State Boating Registration	212 - 373	15%	\$57,975	\$69,720
Total Request			\$386,500	\$464,800

Conclusion

The unusually high number of warden retirements will make it impossible to keep warden stations staffed without an adequate recruit training program. This request is necessary to achieve that goal. The Department is funding a portion of the recruit costs by reducing warden support budgets, but given this reallocation and other GPR and Environmental SEG reductions, the Department cannot reallocate the entire amount without adversely impacting warden operations. Thank you for your consideration of this funding request.

Sincerely,

  
Darrell Bazzell  
Secretary

- c: David Meier - AD/5
- Joe Polasek - MB/5
- Ron Halvorson - FN/1
- Tom Harelson - LE/5

VI. Department of Natural Resources – Darrell Bazzell, Secretary

The department requests that the Committee take action under s. 350.12(4)(br) to increase the fiscal year 2001-02 expenditure amount for supplemental trail aids within the snowmobile trail recreation aids appropriations under s. 20.370(5)(cs) by an additional \$591,000 SEG.

Governor's Recommendation

Approve the request.



WISCONSIN DEPARTMENT OF  
ADMINISTRATION

SCOTT McCALLUM  
GOVERNOR

GEORGE LIGHTBOURN  
SECRETARY

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842  
TTY (608) 267-9629

**Date:** December 7, 2001

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Secretary  
Department of Administration

**Subject:** Section 13.10 Request from the Department of Natural Resources for Increased Expenditure Amount for Supplemental Trail Aids

**Request**

The department requests that the Committee take action under s. 350.12(4)(br) to increase the fiscal year 2001-02 expenditure amount for supplemental trail aids within the snowmobile trail recreation aids appropriations under s. 20.370(5)(cs) by an additional \$591,000 SEG.

**Background**

The snowmobile account within the conservation fund receives funding from user fees and state motor fuel tax as specified under s. 25.29(1)(d). The account funds a variety of snowmobile projects, including supplemental trail aids for costs in the previous fiscal year that exceeded the statutory \$250 per mile maximum for trail maintenance.

**Snowmobile Gas Tax Multiplier**

The motor fuel tax revenues transferred from the transportation fund equal 140 percent of the product of the number of snowmobiles registered in Wisconsin at the end of February of the previous fiscal year and the amount of motor fuel tax in February of the previous fiscal year assessed on 50 gallons of gasoline. For fiscal year 2001-02, \$4,497,698 was transferred to the snowmobile account (243,382 registered snowmobiles x [26.4 cents per gallon x 50 gallons] x 1.4).

The majority of the snowmobile gas tax revenue is used to reimburse trail maintenance costs. Under s. 350.12(4)(b)1, trail maintenance costs are reimbursed up to a \$250 maximum per mile per year. Trail maintenance costs exceeding the maximum are reimbursed through supplemental trail aids, as provided for under s. 350.12(4)(bg). Those funds generated by the 40-percent portion of the 140 percent motor fuel tax transfer calculation (i.e., "40-percent multiplier") are earmarked for supplemental trail aids.

Members, Joint Committee on Finance

Page 2

December 7, 2001

### *Supplemental Trail Aids*

Within appropriation s. 20.370(5)(cw), created in the 2001-03 biennial budget, an amount is set aside for the supplemental trail aids based on the number of trail use stickers sold the previous year multiplied by \$15. The amount for fiscal year 2001-02 is \$894,345. This calculation is specified in s. 350.12(4)(bg).

The 1995-97 biennial budget removed the need for separate legislation to increase funds available for supplemental trail aids. Section 350.12(4)(br) allows the department to either prorate supplemental trail aids payments or submit a request for additional expenditures to the Committee under s. 13.101. Unlike typical s. 13.101 requests, requests under s. 350.14(4)(br) do not require a finding of an emergency for Committee consideration.

### **Analysis**

The application deadline for counties for supplemental requests was August 1, 2001, and the total request for eligible costs is \$2,770,208 for the 2000-01 snowmobiling season. This would result in a 78.7 percent prorated payment based on the \$2,179,401 available for supplementary payments. Since the creation of the 40 percent multiplier, supplemental trail aids payments have generally reimbursed at least 70 percent of county and state trail maintenance costs exceeding the \$250 maximum mile per year.

The good snowmobiling conditions and accompanying high use during the 2000-01 snowmobiling season required frequent maintenance of trails. As a result, costs eligible for reimbursement have exceeded available funds. After reviewing the projects in the priority order specified under s. 23.09(26), the Snowmobile Recreation Council recommended approval of \$1,623,223 for bridge rehabilitation, trail rehabilitation and trail relocation projects. In addition, the amount necessary for maintenance of existing trails is \$4,091,175. This brings the total amount of money committed by the council to \$5,714,398. Of the remaining \$774,644, the council requested that the department seek approval to use \$591,000 for supplemental trail aids in addition to the \$2,179,401 generated by the 40 percent multiplier and the trail use stickers to bring the payments to 100 percent of the total request. It is the intent of the council to direct the balance of the funds to the development and/or maintenance of additional new miles in the statewide system.

The requested increase in funds available for supplemental trail aids does not require additional expenditure authority. The current fiscal year 2001-02 expenditure authority under s. 20.370(5)(cs) is adequate because no increase in total funds is involved.

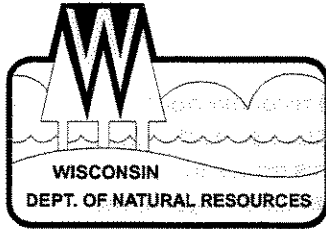


Members, Joint Committee on Finance  
Page 3  
December 7, 2001

**Recommendation**

Approve the request.

Prepared by: Chariti Gent  
266-7329



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott McCallum, Governor  
Darrell Bazell, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
FAX 608-267-3579  
TTY 608-267-6897

November 27, 2001

Honorable Brian Burke, Senate Chair  
Joint Committee on Finance  
Room 317 East  
State Capitol

Honorable John Gard, Assembly Chair  
Joint Committee on Finance  
Room 308 East  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 East Wilson Street

Dear Senator Burke and Representative Gard:

Request

The Department of Natural Resources requests approval to supplement the expenditure of the gas tax multiplier specified in s. 350.12 (4) (bg), and the trail pass income specified in s. 350.12 (4) (bg) (2) Stats. by \$591,000 from within appropriations s. 20.370 (5) (cr), (cb), and (cs). No additional spending authority is needed; the Department would utilize the remaining existing spending authority within these same appropriations after other purposes specified for the appropriations have been funded. If approved, this request will allow the Department to provide an additional \$591,000 for supplemental trail aid payments to the \$2,179,401 already available for that purpose for the winter of 2000-2001. This request is being made under the authority of s. 350.12 (4) (br) Stats. (Supplemental trail aid payments; insufficient funding), which allows the Department to request the Joint Committee on Finance to take action under s. 13.101 without the requirement of finding of an emergency under s. 13.101 (3) (a) 1.

Background

Within appropriation 20.370 (5) (cs), an amount is set aside specifically for supplemental trail aid payments to the Department or to a county for trail maintenance costs incurred in the previous fiscal year that exceed the maximum of \$250 per mile. This amount is equal to the amount generated by the gas tax multiplier of 40% (s.25.29 (d) 2), and for FY 01 is \$1,285,056. This funding calculation is specified in s. 350.12 (4) (bg), Stats.

In addition, within appropriation 20.370 (5) (cw), created in Act 16, an amount is set aside for the supplemental trail aids based on the number of trail use stickers sold the previous year multiplied by \$15. This amount for FY01 is \$894,345. This calculation is specified in s. 350.12 (4) (bg) 2, Stats.

The application deadline for counties for supplemental requests was August 1, 2001, and the total request for eligible costs is \$2,770,208 for the 2000-2001 snowmobiling season. This would result in a 78.7% prorated payment based on the \$2,179,401 available for supplementary payments.

The total available balance from appropriations 20.370 (5) (cr), (cb), and (cs) not statutorily directed to use for supplemental payment purposes is \$6,489,042. After reviewing the projects in the priority order



IV  
DEPARTMENT OF TRANSPORTATION  
specified under s. 23.09 (26), Stats., the Snowmobile Recreation Council (Council) recommended approval of \$1,623,223 for bridge rehabilitation, trail rehabilitation, and trail relocation projects. In addition, the amount necessary for maintenance of existing trails is \$4,091,175. This brings the total amount of money committed by the Council to \$5,714,398. Of the remaining amount of \$774,644, the Council requested that the Department seek approval to use \$591,000 for supplemental trail aids in addition to the \$2,179,401 generated by the 40% multiplier and the trail use stickers to bring the payments to 100% of the total request. It is the intent of the Council to direct the balance of funds to the development and/or maintenance of additional new miles to the statewide system

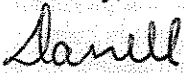
Approval of this request will provide an additional \$591,000 for supplemental trail aids to help offset costs incurred by counties for snowmobile trail maintenance. Approval will not result in exceeding the overall expenditure authority for appropriations 20.370 (5) (cb), (cr) and (cs) but will allow the Department to spend more on the specific purpose of supplemental trail aids, currently specified in s. 350.12 (4) (bg) and s.350.12 (4) (bg) 2. Denial of this request will mean that the \$591,000 will not lapse, but will continue to be available only for trail project costs in subsequent fiscal years.

#### Conclusion

The Department and the Council recognize the importance of the snowmobile trail system to the tourism revenue generated by snowmobiling recreation, and recommend supplementing the amount available for supplemental trail aids by \$591,000. A provision was included in the 1995-97 biennial budget, 1995 Wisconsin Act 27, to allow the Department to request the Joint Committee on Finance to take action to address supplemental trail aid payments under s. 350.12 (4) (br) under s. 13.101 without the requirement of a finding of an emergency. This request is consistent with that provision.

Thank you for your consideration of this request.

Sincerely,

  
Darrell Bazzell  
Secretary

Cc: Franc Fennessy, AD/5  
Joe Polasek, MB/5  
Karen VanSchoonhoven, FN/1  
Craig Karr, AD/5  
Kathy Curtner, CF/8  
Larry Freidig, CF/8

IX. Department of Natural Resources – Darrell Bazzell, Secretary

- A. The department requested approval of the purchase of 9,239 acres in fee title and 383 acres in easement in Marinette and Oconto counties from Wisconsin Public Service Corporation for the Peshtigo River Shoreline Project under the 14-day passive review of s. 23.0915(4). Due to an objection from a Committee member, this request is now before the Committee under s. 13.10.
- B. The department requests a supplement of \$185,600 SEG and 2.0 FTE SEG positions in fiscal year 2001-02 and \$424,900 SEG and 2.0 FTE SEG positions in fiscal year 2002-03 from the Committee's appropriation under s. 20.865(4)(u) to the department's general program operations – state funds appropriation under s. 20.370(1)(mu) for management and operation of the Peshtigo River State Forest.

Governor's Recommendation

- B. Approve the request.



WISCONSIN DEPARTMENT OF  
ADMINISTRATION

SCOTT McCALLUM  
GOVERNOR

GEORGE LIGHTBOURN  
SECRETARY

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842  
TTY (608) 267-9629

**Date:** December 7, 2001

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Secretary  
Department of Administration

**Subject:** Section 13.10 Request from the Department of Natural Resources for the  
Peshtigo River State Forest

**Request**

The department requests a supplement of \$185,600 SEG and 2.0 FTE SEG positions in fiscal year 2001-02 and \$424,900 SEG and 2.0 FTE SEG positions in fiscal year 2002-03 from the Committee's appropriation under s. 20.865(4)(u) to the department's general program operations—state funds appropriation under s. 20.370(1)(mu) for management and operation of the Peshtigo River State Forest.

**Background**

In November 2001, the Natural Resources Board approved the purchase of approximately 9,300 acres of land in fee title and easement rights on 383 acres in the northeastern counties of Marinette and Oconto. If approved by the Committee and the Governor, the land and easement rights would be purchased from the Wisconsin Public Service Commission for \$25,000,000 for the creation of the Peshtigo River State Forest. The land is 95 percent forested and includes 70 miles of river frontage along the Peshtigo River. Under the ownership of the Wisconsin Public Service Commission, this parcel of land was used for various purposes, including forest management and recreation. In order to manage, sustain and protect the property, the department wants to hire both a Forester/Property Supervisor and a Ranger/Assistant Property Manager as soon as possible. In addition, the department intends for these two positions to be responsible for the development of a master plan for the property.

**Analysis**

The Forester/Natural Resource Property Supervisor is requested because professional management of the property is necessary to continue managing the land to provide forest products, game habitat and recreational opportunities. In addition, the Forester

Members, Joint Committee on Finance

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December 7, 2001

position will work to manage the property in a sustainable way, as is done in existing state forests. This position will be primarily responsible for supervision of staff, coordination with local governments and interest groups, and budget and financial oversight.

The Ranger/Assistant Property Manager position is requested in order to oversee general maintenance of the property, as well as enforce public safety laws associated with recreational activities like hunting, fishing, boating, camping and snowmobiling. In addition, this position will be responsible for the management of trails, permits and cooperative agreements with local recreational clubs.

The department is also requesting additional funding for LTE staff and supplies and services to support operations on the property (e.g., forest inventory, winter and summer recreation maintenance, visitor contact, etc.). Supplies and services funding will be necessary to pay for routine property management costs associated with support operations, such as maintenance supplies, fuel, training, etc. In addition, the department requires funding for permanent property associated with the new positions, including computer and law enforcement equipment, two trucks, a snowmobile and trailer, an all-terrain vehicle and trailer, a mower, and a boat with a motor and trailer, all of which are typical equipment utilized by state foresters throughout the state.

Because the department is required by state statute to develop a master plan for each state forest, funding is requested to aid in this effort. Specifically, the department is requesting funding for resource inventories, social surveys, GPS and GIS mapping and map production, public meetings, document production and printing, brochures, newsletters, display materials, and LTE support staff for the planning process. These materials will aid the department in acquiring information through actual inventories, evaluations, monitoring and research. In addition, funding for these efforts will also be expended on gathering and analyzing public opinion so as to maximize public involvement and ensure that a wide range of interested stakeholders are represented in the planning process.

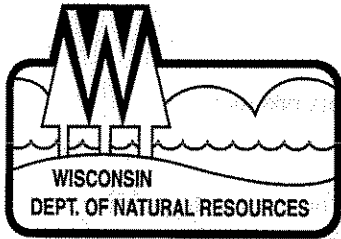
**Recommendation**

Approve the request.

Prepared by: Chariti Gent  
266-7329

608-785-7000

IB



**State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES**

Scott McCallum, Governor  
Darrell Bazzell, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
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The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 317 East  
State Capitol

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 308 East  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

*Brian*      *John*

Dear Senator Burke and Representative Gard:

**REQUEST**

The Department of Natural Resources requests \$185,950 SEG and 2.0 FTE in FY 02 and \$424,900 and 2.0 FTE in FY 03 for management and operation of the newly acquired Peshtigo River State Forest in Marinette and Oconto Counties purchased from Wisconsin Public Service Corporation, pending final approval. The supplemental spending authority is needed in appropriation 20.370 (1) (mu) for the Forestry subprogram and would come from the Forestry account of the Conservation Fund. The funding is requested to provide a property manager and assistant property manager, and operations funding for the new property. The funding would provide for a Forester/Natural Resource Property Supervisor at an annual salary and fringe benefit cost of \$61,600, a Ranger – Assistant Property Manager with an annual salary and fringe benefit cost of \$44,900, an annual LTE budget of \$32,400, and an annual operations budget for the personnel and the property of \$60,000. The request includes \$108,000 for permanent equipment, and \$204,500 for developing a Master Plan for the property. The position costs, LTE funding, and supplies and services identified in the request are prorated for 6-months for FY 02.

**BACKGROUND**

On November 16, 2001 the Natural Resources Board approved the purchase of 9,329 acres of land in fee title and easement rights on 383 acres in the northeastern Wisconsin Counties of Marinette and Oconto from Wisconsin Public Service Corporation for \$25,000,000 for the creation of the Peshtigo River State Forest. Approximately 95% of the property is forested. The land includes 70 miles of Peshtigo River frontage surrounding Caldron Falls, High Falls, Johnson and Potato Rapids. The eventual project acreage goal was established at 12,890 acres.

This property has been designated as a state forest, which recognizes the substantial acreage and integrated resource management needs. As a state forest, its purpose as defined by statute s.28.04 will be to assure the practice of sustainable forestry through which a full range of benefits will be provided, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics. As noted in the acquisition proceedings of the Peshtigo River State Forest, this property provides many



public benefits, including public hunting; wildlife, fish and non-game habitat; forest products; snowmobile, hiking and cross country ski trails; and boating and fishing.

Under the ownership of Wisconsin Public Service Corp., this land has historically been open to public recreation under the company's hydroelectric project but had fewer recreation opportunities than could be offered under state forest management. The Department intends to continue to promote public recreation on the project land, and protect natural features. Wisconsin Public Service had an active forest management program on the property with a number of active timber sales and a number of planned sales for the future. The WPSC had 5 different staff positions working on land, recreation and flowage management on this property for a total of approximately 3.5 FTE. The long, linear nature of the property results in an extraordinary amount of boundary that will require maintenance, posting, and trespass resolutions as they occur. The high recreational use will require a law enforcement presence on the property as soon as possible. A specific management plan for the property will be developed through the master planning process. Public input into the management of these lands will be key to the plan's development. The master plan will be based on an integrated approach to management that will include sustainable forestry (i.e. wildlife, fish, non-game management, forest products, as well as the development of a range of recreational activities).

### **ANALYSIS OF NEED**

At this time, the Department is requesting 2.0 FTE permanent positions for managing the property:

Forester/Natural Resource Property Supervisor – The property supports over 9,000 acres of forested lands in this initial acquisition. These lands have been well managed by Wisconsin Public Service Corp. forestry staff, and will benefit from continued professional management to provide forest products and game habitat. In addition, this professional forester will work with other disciplines such as endangered resources, fisheries, and wildlife to ensure the forest is managed in a sustainable manner, as is done on existing state forests. The professional position will be responsible for supervision of permanent and temporary staff, coordination with local governments and interest groups, and budget and financial oversight.

Ranger – Assistant Property Manager – This property will require a variety of basic property management needs such as road repair and maintenance, facility development, boundary determination and control, access management, and boat landing repair and maintenance. This position will direct contractors, volunteers or Wisconsin Conservation Corps crews in a variety of projects. A mix of extensive and intensive recreation such as snowmobile trails, hunting, fishing, boating, hiking, rustic or remote camping, and cross country skiing are typical of large state forest properties such as this. This position will also be responsible for management of recreation facilities such as trail signing and grooming, campsite permits/maintenance and cooperative agreements with groups such as snowmobile clubs. The position will also be responsible for public safety and protection on the property and will require Natural Resource Officer Law Enforcement Credentials.

Operations Funding - In addition to the 2.0 FTE permanent positions, the Department is requesting LTE and supplies and services funding to support operations on the property. LTE funding is required to provide services such as forest productivity, forest inventory, winter and summer recreation maintenance, visitor contact and facility development and repair. Supplies and services funding is necessary to pay for routine property management costs such as maintenance supplies, vehicle mileage, equipment fuel, training, office supplies, tools and replacement parts.

Permanent Property/Capital Equipment – This request includes funding for permanent property associated with new positions, including field equipment, office equipment, law enforcement equipment and



computers, and authorization to expand the DNR fleet inventory by two trucks, and capital costs associated with property management activities, including a snowmobile and trailer; an ATV and trailer; a mower, attachments and trailer; and a boat with a motor and trailer. This equipment is typical of what is utilized by the other state forests.

**Master Planning Process** – The Department is required by state statute 28.04 (3) to develop a Master Plan for each state forest. It is anticipated that the Master Planning process for the Peshtigo River State Forest will be on an accelerated time frame, and require additional resources to complete. The process would begin presently and continue into the 2004 fiscal year. This request includes funding for the development of the Master Plan, including resource inventories, social surveys, GPS and GIS mapping and map production, public meetings, document production and printing, brochures, newsletters, display materials, and LTE support for the planning process. There are several required components to the Master Planning process:

**Preplanning surveys and inventory** - In Wis Stats. 28.04 state forest master plans are required to be based on "best available information" acquired through "inventories, evaluations, monitoring and research. In evaluating such information, the department shall consider both regional and local scales, including the impact on local economies." State forests are large multiple use properties with a variety of economic, recreational and ecological benefits. In order to plan for the Peshtigo River State Forest assessments on topics such as regional socio-economics, recreational supply and demand, public use attitudes and regional ecology as well as property specific information such as biotic inventories and GIS mapping will be needed. These projects can be conducted through external contracts with Department staff oversight.

**Public Involvement - Planning Process** - The wide range of potential benefits provided by state forest management such as forest products, hunting, rare species habitat, various trail recreation, rustic camping, fishing and soil/water protection result in a wide range of interested stakeholders. Current state forest master planning processes involve planning participant lists of close to 1000 people. The process necessary to provide adequate public involvement in the Peshtigo River State Forest planning process will require a series of public meetings, several mailings, document production and a variety of public information efforts (press releases, web sites etc). An LTE and supplies/services money is requested to cover the workload associated with this planning effort and is based on similar needs of ongoing state forest plans.

**Cost Summary**

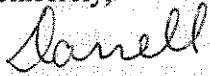
	<u>2002fy</u>	<u>2003fy</u>
Two FTE's (salary and fringe)	\$53,250	\$106,500
Supplies & services for the FTE's	10,000	20,000
Permanent equipment for the FTE's	20,000	
3000 hours/yr. of LTE time	16,200	32,400
Supplies & services for property maintenance	20,000	40,000
Permanent equip. for maintenance of property	44,000	44,000
Master planning process	<u>22,500</u>	<u>182,000</u>
	<u>\$185,950</u>	<u>\$424,900</u>

**Conclusion**

This request will provide the Department with the staffing and operational funding necessary to begin the sustainable management of the newly acquired Peshtigo River State Forest. The Department does not have sufficient existing resources to allocate to the management and operation of this new and important

property. If you have any questions concerning this request, please contact Eric Thompson, Bureau of Management & Budget, 266-8251, or Paul DeLong, Division of Forestry, 264-9224. Thank you for your consideration of this request.

Sincerely,



**Darrell Bazzell**  
Secretary

**C: Franc Fennessy – AD/5**  
**Joe Polasek – MB/5**  
**Karen VanSchoonhoven – FN/1**  
**Gene Francisco – AD/5**  
**Paul DeLong – FR/4**  
**Chariti Gent – DOA**  
**Susan Felker-Donsing – MB/5**  
**Eric Thompson – MB/5**