

XIII. Wisconsin Housing and Economic Development Authority – Fritz Ruf, Executive Director

The authority, pursuant to s. 234.93(3), requests an increase in the total outstanding guaranteed principal amount of loans that it may guarantee through the Small Business Guarantee Program under s. 234.83 from \$9,900,000 to \$14,270,000.

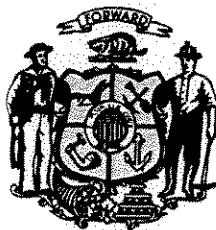
Governor's Recommendation

Modify the request. Increase the Small Business Loan Guarantee Program maximum to \$14,270,000. Reduce the CROP loan maximum by \$3,700,000 to \$26,300,000 and the Agribusiness loan guarantee maximum by \$670,000 to \$4,330,000.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
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Date: July 10, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Wisconsin Housing and Economic Development Authority for an Increase in Loan Guarantee Authority under the Small Business Loan Guarantee Program.

Request

The authority, pursuant to s. 234.93(3), requests an increase in the total outstanding guaranteed principal amount of loans that it may guarantee through the Small Business Guarantee Program under s. 234.83 from \$9,900,000 to \$14,270,000.

Background

The Wisconsin Development Reserve Fund (WDRF) was established in 1991 for the purpose of providing funds for guaranteeing loans made by private lenders for agricultural and small business development. The fund has been capitalized through appropriations from the Legislature, origination fees collected on certain loan guarantees and investment income. The fund currently supports seven loan guarantee programs: agricultural development ("agribusiness"), agricultural production ("CROP"), agricultural production drought assistance, farm assets reinvestment management (FARM), recycling, small business development, Taliesin, target area and tourism. The target area and tourism loan guarantee programs were incorporated into the small business development loan guarantee program in the 1999-2001 biennial budget (1999 Act 9). The Taliesin loan guarantee was reduced in the 1999-2001 budget through use of unused balances transferred from WHEDA's housing rehabilitation loan program administration fund to the Wisconsin Development Reserve Fund.

Each loan guarantee program operates by assuring a lending institution that a certain percentage of the principal (usually 80% to 90%) of loans made to eligible borrowers will be repaid in the event of a default. The statutes assign to each program a total amount of principal that can be guaranteed. The WDRF supports the cumulative amount of maximum loan guarantees under most of the programs at a rate of \$1 of funding to \$4.50 of loan guarantee (the WDRF calculation for

Taliesin is \$1 to \$4). By providing this level of funding, the Legislature is assuming that less than 23 percent of the principal of loans guaranteed under the various programs will default.

The table below demonstrates the amount of funding needed in the WDRF to support loan guarantees.

Agribusiness	\$5,000,000
CROP/FARM	30,000,000
Drought	0
Recycling	117,263
Small Business	9,900,000
Taliesin	1,088,887
Target Area	5,159,648
<u>Tourism</u>	<u>2,734,611</u>
TOTAL	\$54,000,409.00
Adjustment for Maximum Guarantee for Individual Loans (i.e., 80% to 90%)	(\$5,980,000)
Principal and Outstanding Guarantees	\$48,020,409
Minimum WDRF Balance (\$4.50 to \$1 or \$4 to \$1)	\$10,701,449
Estimated WDRF Balance on June 30, 2000	\$11,965,352

Under s. 234.93(4), WHEDA must transfer any uncommitted balance in the WDRF to the general fund on June 30 of each year. An uncommitted balance is determined by deducting amounts necessary to pay outstanding claims (loan defaults) and fund maximum allowable loan guarantees at either the \$1 to \$4.50 or \$1 to \$4 ratio. WHEDA estimates that \$771,101 could be transferred to the general fund on June 30, 2000, and an additional \$200,075 on June 30, 2001.

Under s. 234.93(3), WHEDA may request the Joint Committee on Finance for permission to increase or decrease the maximum loan guarantee level in any of the programs supported by the WDRF. An increase in the authorized guarantee level would reduce or eliminate any balance that would be transferred to the state general fund, while any decreases could increase the amount transferred.

Analysis

Under the Small Business Development Guarantee Program, WHEDA may use funding from the WDRF to guarantee loans made to businesses with 50 or fewer full-time employees. Loan proceeds may be used to expand or acquire a business,

or the start-up, expansion or acquisition of a day care business. The total amount of loans to a borrower under this program is limited to \$750,000, and proceeds may not be used to refinance existing debt, pay for entertainment expenses, support production of an agricultural commodity or pay for expenses of a community-based residential facility.

WHEDA estimates that at current loan volumes, the Small Business Loan Guarantee program will reach the loan guarantee maximum of \$9,900,000 by September 1, 2000. At that time, WHEDA will be unable to provide any further guarantees to lenders for these loans. Without loan guarantees, lenders may be unwilling to extend financing to small businesses and day care establishments for start-up or expansion purposes.

To address this situation, WHEDA has requested an increase of \$4,370,292 in the maximum guarantee level for the program. WHEDA estimates that this increase to \$14,270,292 will be sufficient to support the probable volume of loan guarantees through June 30, 2001. However, this increase uses funding in the WDRF that would otherwise be transferred to the state general fund.

In addition to permitting increases in loan guarantee maximums, the Joint Committee on Finance is also authorized to decrease the maximum loan guarantee amount in any of the programs supported by the WDRF. According to WHEDA, the CROP, FARM and Agribusiness loan guarantee programs are all well below the respective maximum guarantee levels. As such, the maximum guarantee amounts for these programs could be reduced to offset any increase in the Small Business Guarantee Program. Furthermore, additional reductions in these programs would result in a larger transfer from the WDRF to the state general fund.

Assuming an average of WHEDA's high and low loan volume estimates through the end of the biennium, the anticipated shortfall in the Small Business Guarantee Program could be met without negatively affecting other loan guarantee programs in this biennium. In addition, adjusting the maximum loan guarantees for these programs would increase the amount of funding transferred from the WDRF to the state general fund (see table below). However, funds would probably have to be returned to the WDRF in the 2001-03 biennium to ensure that actual loan volumes can be met.

Average Loan Volume Estimate

<u>Program</u>	<u>Maximum Guarantee</u>	<u>6/30/01 Estimate</u>	<u>Difference</u>	<u>Transfer to General Fund</u>
CROP/FARM	27,000,000	20,355,000	6,645,000	1,476,700
Agribusiness	5,000,000	2,100,000	2,900,000	644,400
Small Business	9,900,000	13,916,700	(4,016,700)	(892,600)
TOTALS	41,900,000	36,371,700	5,528,300	1,228,500

Members, Joint Committee on Finance
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July 10, 2000

Alternatively, WHEDA's request to increase the Small Business Loan Guarantee Program and a proportional reduction in the CROP/FARM and Agribusiness programs to offset that increase could be approved. This approach would preserve the estimated transfer of \$971,200 from the WDRF to the state general fund by June 30, 2001.

Recommendation

Modify the request. Increase the Small Business Loan Guarantee Program maximum to \$14,270,000. Reduce the CROP loan maximum by \$3,700,000 to \$26,300,000 and the Agribusiness loan guarantee maximum by \$670,000 to \$4,330,000.

Prepared by: David P. Schmiedicke
266-1040

June 21, 2000

Direct Telephone: (608) 266-3529
Electronic Mail: James.Langdon@wheda.com

Honorable Brian Burke
316 South State, State Capitol
Madison 53707-7882

Honorable John Gard
Room 315 North, State Capitol
Madison 53708-8952

Re: 13.10 Request to Increase Small Business Guarantee Authority

Dear Senator Burke and Representative Gard:

Summary and Statutory Authority of Request

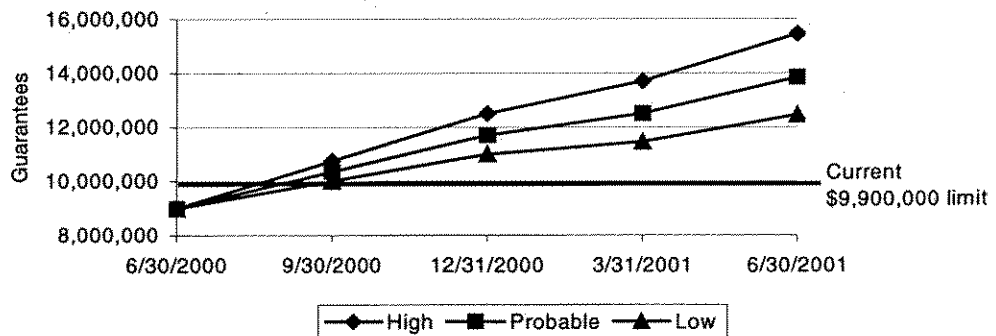
Due to projected demand, additional loan guarantee authority is needed to extend the WHEDA Small Business Guarantee (WSBG) program through the 1999-01 biennium. WHEDA respectfully requests that the Joint Committee on Finance approve under s. 13.10 and s. 234.93(3) an increase in the total outstanding guaranteed principal amount of loans that it may guarantee under s. 234.83 from \$9,900,000 to \$14,270,000.

Background and Justification of Request

The WSBG Program was created in 1997 to guarantee loans used to expand small businesses. WSBG is supported by the Wisconsin Development Reserve Fund (WDRF) and has a statutory aggregate loan guarantee limit of \$9,900,000.

Volume in the WSBG Program is expected to be \$9,000,000 on June 30, 2000. WHEDA projects the statutory limit of \$9,900,000 will be reached by August 2000 (at which time the program must be discontinued). High, probable and low volume projections are demonstrated in the following chart and detailed in Appendix 1.

**WSBG VOLUME PROJECTIONS
AND CURRENT GUARANTEE LIMIT**



The following table indicates projected WDRF balances on June 30, 2000 and June 30, 2001, the amounts required to pay outstanding claims and to fund guarantees, and the excess reserves available to be returned to the General Fund or used to support additional WSBG guarantees:



**WISCONSIN
HOUSING AND
ECONOMIC
DEVELOPMENT
AUTHORITY**

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Governor

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Chairman

Fritz Ruf
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WHEDA supports equal
housing opportunities for
all persons

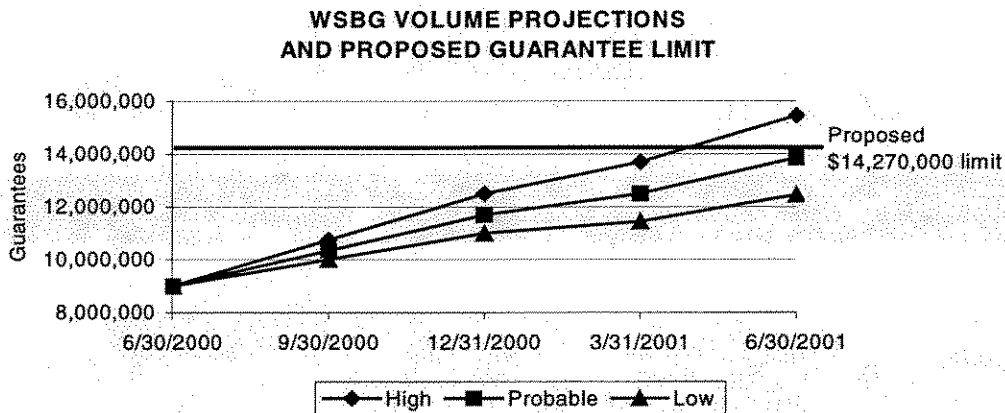


	<u>June 30, 2000</u>	<u>June 30, 2001</u>
Projected WDRF Balance	\$11,965,352	\$11,859,206
Projected Claims and Guarantees	<u>(11,194,251)</u>	<u>(10,888,030)</u>
Excess Reserves	\$771,101	\$971,176

WHEDA proposes that no excess reserves be returned from the WDRF to the State General Fund in 2000 or 2001. Rather, it is requested that all excess reserves remain in the WDRF and be used to support an increased WSBG guarantee limit as follows:

Current WSBG Guarantee Authority	\$9,900,000
Additional Guarantee Authority (\$971,176 leveraged at 4.5:1)	<u>4,370,292</u>
New WSBG Guarantee Authority	\$14,270,292

A new limit of \$14,270,000 would likely extend the life of the program through June 30, 2001, as shown in the following chart:



This request meets public policy and fiscal objectives for several reasons:

- The request uses existing funds in the WDRF. No additional General Purpose Revenue is required or sought to support expanded WSBG guarantee authority.
- The request maintains existing WDRF leveraging ratios (4.5:1 generally, 4.0:1 for Taliesin). The financial structure of the WDRF would not be altered.
- Based on probable activity levels, the WSBG program would remain active through the 1999-01 biennium. The program, small businesses and the lending community would not suffer disruption.

Letter to Senator Brian Burke and Representative John Gard
June 21, 2000
Page Three

Should you have any questions or concerns, please feel free to contact me or Fritz Ruf, WHEDA Executive Director. Mr. Ruf and I will represent WHEDA at the 13.10 hearing.

Thank you for your consideration.

Sincerely,



James M. Langdon
Executive Assistant

cc: Mr. Dan Caucutt, Department of Administration

Appendix 1
Guarantee Authority Scenarios for the WHEDA Small Business Guarantee (WSBG) Program

Current Guarantee Authority Limit: \$9,900,000
Proposed Guarantee Authority Limit: \$14,270,000

Aggregate Guarantees	<u>06/30/2000</u>	<u>09/30/2000</u>	<u>12/31/2000</u>	<u>03/31/2001</u>	<u>06/30/2001</u>
High Volume (\$1,750,000 per quarter)	\$9,000,000	\$10,750,000	\$12,500,000	\$13,700,000	\$15,450,000
Probable Volume (\$1,350,000 avg. last 4 quarters)	\$9,000,000	\$10,350,000	\$11,700,000	\$12,500,000	\$13,850,000
Low Volume (\$1,000,000 avg. last 9 quarters)	\$9,000,000	\$10,000,000	\$11,000,000	\$11,450,000	\$12,450,000

Each scenario assumes payoffs and paydowns of \$550,000 on 3/31/01

July 11, 2000

13.10 Mtg. - Agenda Item XIV
Re: Zone T Deer Hunting Permits & Reimbursement

Summary:

DNR requests approval to spend \$244,600 to increase reimbursement rates for people who sell certain deer hunting licenses (25 cent upper), and for people who run deer-kill registration stations (10 cent upper).

Analysis:

See what Sen. Decker wants to do.

FB raises several statutory problems with what DNR wants to do under part A (i.e. the 25 cent increase). So, you could legitimately tube the whole idea. But, if you want to give the people who sell hunting licenses in "zone T" areas (i.e. where you can kill more deer this year), then I would go with alt. A-2(a), which makes the money available on a one-time basis and takes it from the wildlife damage component of the fish & wildlife account.

For part B, I recommend alt. 2 because FB says this is a more appropriate account to take the funds from.

Recommendations:

Part A: Alternative 2(a)

Part B: Alternative 2



Legislative Fiscal Bureau

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

July 12, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Expenditure Authority of \$244,600 SEG in 2000-01 for Zone T
Deer Hunting Permit Issuance and Registration Reimbursement -- Agenda Item XIV

REQUEST

The Department of Natural Resources (DNR) requests \$244,600 from the wildlife damage component of the fish and wildlife account of the conservation fund. Funding would be used to reimburse issuing agents \$0.25 per transaction for issuing zone T free bonus permits (\$168,900) and to increase the reimbursement for deer registration stations by \$0.10 per registration (\$75,700).

BACKGROUND

Licensing agents generally retain a \$0.50 issuing fee for each license sold and \$0.15 for each stamp. For license year 1999 (ending in March 2000) over 4.2 million hunting and fishing approvals (licenses, stamps and permits) were issued to over 1.6 million customers.

Most hunting licenses include a \$1 wildlife damage surcharge. This revenue, along with the departmental revenues from bonus deer permits, is used to fund the wildlife damage claims and abatement program. Annual revenues of \$3.5 to \$4.0 million have been generated for wildlife damage in recent years. The Legislature restructured the program in 1998 (in the 1997-99 biennial budget and budget adjustment acts). The changes included (a) increasing the maximum reimbursable claim from \$5,000 to \$15,000, (b) increasing the state cost-share of abatement from 50% to 75%, (c) redefining the hunter access requirement and (d) adding turkeys to the animals for which damage is covered (in addition to deer, bear and geese). The following table shows the expenditures for the program since 1991. In addition, the Department is authorized \$170,400 annually from wildlife damage revenues in a continuing appropriation for control of wild animals to

facilitate removal activities. The appropriation supports two staff (an urban wildlife specialist and a wildlife damage assistant), LTEs, supplies and a contract with USDA for wildlife damage support.

Wildlife Damage Claims and Abatement Programs, 1991-1999

<u>Year</u>	<u>No. of Counties</u>	<u>Total Costs</u>	<u>Administration</u>	<u>Abatement</u>	<u>Claims</u>
1999 (est)	68	\$2,500,000	\$500,000	\$770,000	\$1,230,000
1998	67	2,410,100	426,400	763,500	1,220,200
1997	67	3,369,400	666,700	379,700	2,323,000
1996	67	3,257,200	660,900	292,000	2,304,300
1995	67	2,371,000	560,500	286,500	1,524,000
1994	66	1,945,700	522,700	229,100	1,193,900
1993	65	1,760,300	506,900	173,400	1,080,000
1992	62	1,933,700	427,500	234,800	1,271,400
1991	62	1,721,500	327,200	321,300	1,073,000

ANALYSIS

Permit Issuing Fee. This year 97 of 125 deer management units (78%) will be subject to special "zone T" hunting regulations designed to reduce overpopulation in the state's whitetail deer herd. The Natural Resources Board established a 4-day October, regular 9-day November and a 4-day December firearms deer season for zone T units. Only antlerless deer may be taken during the October and December seasons. Each license holder is issued two free special deer permits which allow the hunter to take two antlerless deer in any zone T unit in addition to the deer allowed under their license (a buck or hunters choice in non-zone T units or either sex in zone T). Therefore, a hunter may register up to three deer (at least two must be antlerless) for their \$20 resident firearms license. The aim of the program is to bring management units that are estimated to be 24% to 202% over population goals closer to the target. Overpopulation of whitetail deer is associated with increased crop damage on farms, overbrowsing of forests (including a preference for some rare or desirable plant types) and increased vehicle-deer collisions. Further, the high deer populations may pose an increased risk for the spread of infectious disease.

The 1999-01 biennial budget created a fee of \$0.50 for bonus deer permits that is retained by the issuing agent. This issuance fee is included in the \$12 cost (\$20 for nonresidents) of the bonus permit. A bonus deer permit allows a hunter to take one antlerless deer in a specified management unit during the season (bow or firearms) in addition to the one deer allowed under the hunting license (\$20 resident and \$135 nonresident). However, the provision does not apply to "special deer hunting permits" where DNR obtains authority for the zone T permits. Prior to Act 9, bonus permits had only been available from DNR offices, however the automated license issuing system made vendor issuance of bonus permits possible.

Currently, approximately 1,500 sales agents issue DNR hunting and fishing licenses through the automated license issuance system (ALIS). There is no charge for the special zone T permits; therefore, any issuing fee paid to the issuing agent would have to come from other revenues to the fish and wildlife account of the conservation fund or from some other source. DNR states the 25-cent issuing fee is necessary to compensate vendors for their costs of issuing the permits and to ensure agent participation in the program. Some sales agents have complained that current issuing fees are inadequate to cover their costs of participating in ALIS. However, since issuing fees are statutorily designated, the absence of an issuance fee designation for the special zone T permits could be viewed as precluding DNR from reimbursing sales agents for issuing the free permits. DNR argues that approval of this request by the Joint Committee on Finance and Governor would be sufficient authority for the Department to implement the special permit-issuing fee. Since the free permits are automatically issued by the ALIS system at the time a deer hunting license is purchased, it is not clear that vendor costs are significantly increased by the procedure. In addition, agents have been issuing the permits through their ALIS terminals since at least May 1 without additional compensation. Finally, sales agents could avoid issuing the free zone T permits by opting out of the license issuing system altogether. The request for funding a special permit issuing fee could be denied at this time based on current law, with any modifications to statutorily authorize a issuing fee considered as separate legislation or in the 2001-03 biennial budget.

The wildlife damage component is suggested for funding the proposed zone T issuance fee because of the significant amount of damage the large deer herd has exacted on croplands. Under s. 29.885 of the Wisconsin Statutes, DNR may authorize the removal of wild animals causing damage or a nuisance by capturing, shooting, trapping or relocating the animal. The Department has a continuing appropriation budgeted at \$170,400 annually for the removal of wild animals causing damage. While the statutes governing these activities and payments appear to be focused on individual landowner complaints of damage, the DNR has essentially interpreted this provision to broadly apply to the bulk of the state where deer populations are significantly beyond goal (the zone T management units). In this view, the deer overpopulation and resulting damage is so widespread that individual landowner remedies are no longer effective in most of the state. The statutes also require that wherever DNR authorizes these removal activities the person who owns, leases or occupies the property where the removal activity is authorized must generally open the property to hunting for one year. It is not clear how this statutory provision would be met under the DNR request. In addition the removal provisions do not reference permit issuance fees as eligible costs. It could be argued that the control of wild animals appropriation was not intended to be used to pay vendor fees for issuing free permits. Therefore, general fish and wildlife revenues (hunting and fishing license sales) may be a more appropriate funding source if the zone T issuing fee is approved.

The Department is requesting \$168,900 to reimburse ALIS agents 25 cents for each of the estimated 675,700 firearms and archery licenses expected to be sold by vendors. The general wildlife damage appropriation had a July 1, 1999 unencumbered balance of almost \$3.2 million. Due to high bonus permit sales for the 1999 deer hunting season, revenues this year are expected to exceed \$6 million. Revenues of approximately \$2 million in 2000-01 are expected from the

damage surcharge and sale of bonus permits in non-zone T units. Damage claims and abatement costs this year are not expected to increase from last year's \$2.5 million, largely due to low prices for field corn. Therefore, even with a reduction in 2000-01 revenues from the limited sale of bonus permits, sufficient revenues would be available to fund the request on a one-time basis. The need for ongoing funding would depend on the extent of future zone T hunts. Further, the agency's "Deer 2000" project is considering recommendations for modifications to the wildlife damage program that could affect future program costs and revenues.

Over one-third of the deer management units subject to the zone T framework are in heavily forested areas of the state. The large deer herd has reduced forest yield on public and private forests and has had a significant effect on regeneration of certain desirable forest products and some rare plant communities. Therefore, it could be argued that, similar to the wildlife damage appropriation, funding an issuing fee in part from the forestry account could also be considered. The forestry account of the conservation fund is expected to have a June 30, 2001, balance of somewhat less than \$1 million.

The fish and wildlife account of the conservation fund is expected to have a balance of approximately \$14 million on June 30, 2001.

Registration station payments. The Department also increased the amount paid to deer registration stations by a dime from \$0.25 to \$0.35 per deer. Further, DNR is estimating that the zone T regulations will result in registering approximately 75,000 more deer (over the 494,000 registered last season). This represents an approximately 15% increase in deer registrations due to the extensive zone T regulations in 2000. Therefore, the increased cost of zone T registrations could be estimated at \$26,300 and the ten-cent registration increase at \$49,400 for a total of \$75,700. Under the request, funding for this increase would also come from the control of wild animals appropriation. However, it appears that only \$26,300 could be attributed to a wildlife damage purpose. The remaining \$49,400 reflects a policy decision by DNR to provide a 40% increase in the reimbursement paid to deer registration stations. Further, this increase was implemented approximately two years ago. The payment is being made from the general operations appropriation for wildlife management (fish and wildlife account). If funding for a registration payment increase is provided, it may more appropriately come from the wildlife management appropriation than the control of wild animals appropriation. Further, with respect to the \$26,300 for increased registrations, as indicated above, it could be argued that general fish and wildlife revenues are a more appropriate source of funding for the costs of the annual deer hunt than wildlife damage revenues.

Registration payments are not established by statute. Further, DNR has never promulgated a rule governing these payments. Rather, the agency has historically made the payment as part of its agreement with the individual registration stations. It could be argued any increase in this payment would more appropriately be considered in the biennial budget process. In this way the DNR Board, Governor and Legislature would have an opportunity to review the appropriate reimbursement level in light of overall conservation and statewide budgeting priorities.

ALTERNATIVES

A. Special Zone T Permit Issuing Fee

1. Approve the DNR request to provide \$168,900 SEG in 2000-01 from the wildlife damage component of the fish and wildlife account of the conservation fund to reimburse issuing agents \$0.25 per transaction for issuing free special zone T permits.
2. Provide \$168,900 SEG on a one-time basis in 2000-01 to reimburse issuing agents \$0.25 per transaction for issuing free special zone T permits. Provide the increase from one of the following sources.
 - a. The wildlife damage component of the fish and wildlife account (appropriation 20.370(1)(Ls)).
 - b. The fish and wildlife account of the conservation fund (appropriation 20.370(1)(mu)).
 - c. One-half from the wildlife damage component and one-half from the fish and wildlife account of the conservation fund (\$84,500 and \$84,400 respectively).
 - d. One-third from the wildlife damage component, one-third from the fish and wildlife account and one-third from the forestry account (\$56,300 each).
3. Deny the request.

B. Deer Registration Station Reimbursement

1. Approve the DNR request to provide \$75,700 SEG on an ongoing basis beginning in 2000-01 for increased reimbursement for deer registration stations from the control of wild animals appropriation (20.370 (1) (Ls) from wildlife damage revenues).
2. Approve the DNR request to provide \$75,700 SEG on an ongoing basis beginning in 2000-01 for increased reimbursement for deer registration stations from the wildlife management general operations appropriation (20.370 (1) (mu) from the fish and wildlife account).
3. Provide \$26,300 SEG on a one-time basis in 2000-01 for the increased cost of reimbursement for deer registration stations expected from the extensive Zone T deer regulations. Provide the increase to the wildlife management general operations appropriation (20.370 (1) (mu) from the fish and wildlife account).
4. Deny the request.

Prepared by: Daryl Hinz

NATURAL RESOURCES ZONE T DEER HUNTING REQUEST

Transfer of Administrative Funding for Wildlife Management Programs
[Agenda Item XIV]

Motion:

Move to delete \$469,000 in fish and wildlife SEG and 4.5 SEG positions in 2000-01 from among the Division of Administration and Technology, Land Program Management, Water Program Management, Enforcement and Science Program Management and CAER Program Management. In addition, provide \$469,000 in fish and wildlife SEG in 2000-01 for additional fish stocking and habitat improvement projects.

Further, provide \$413,500 in wildlife damage SEG in 2000-01 for the following purposes: (a) \$337,800 on a one-time basis to reimburse issuing agents \$0.50 per transaction for issuing free special zone T permits; (b) \$75,700 on a one-time basis for increased reimbursement for deer registration stations.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
DARLING	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 8 NO 8 ABS _____

XIV. Department of Natural Resources – George E. Meyer, Secretary

The department requests a supplement of \$244,600 SEG in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) to the department's control of wild animals appropriation under s. 20.370(1)(Ls) to compensate license vendors who issue free Zone T deer harvest permits and to assist deer registration stations in covering costs of registering the estimated number of additional deer harvested during the Zone T season.

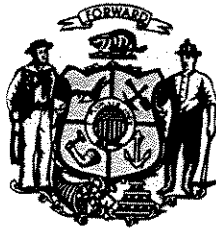
Governor's Recommendation

Deny the request and direct the department to make any payments to registration stations from the base expenditure authority in its general program operations appropriation under s. 20.370(1)(mu).

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
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GEORGE LIGHTBOURN
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Date: July 10, 2000

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 Additional Funding for the Zone T Deer Season.

Request

The department requests a supplement of \$244,600 SEG in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) to the department's control of wild animals appropriation under s. 20.370(1)(Ls) to compensate license vendors who issue free Zone T deer harvest permits and to assist deer registration stations in covering costs of registering the estimated number of additional deer harvested during the Zone T season.

Background

In 1996, the Natural Resources Board approved the first Zone T deer hunting season. The Zone T season is designed to reduce the size of the deer herd in certain deer management units which have deer populations which cannot be reduced to within 20 percent of population goals in one regular deer hunting season. For the 2000 deer season, the department and board have approved the Zone T season for 97 deer management units - 59 farmland units and 38 forest units.

The Zone T season combines free permits for antlerless deer with additional hunting days to increase the harvest of deer in selected deer management units. Prior to the creation of the Zone T season, bonus deer permits were issued in deer management units with high populations. The bonus permits were sold to hunters interested in harvesting more than one deer. As populations increased because of mild winters and several other factors, the number of deer harvested with bonus deer permits did not increase at a similar rate. For areas where the regular bow and gun seasons and the sale of bonus permits would not be able to bring populations to acceptable levels, the department decided to issue free permits as an incentive to harvest more antlerless (does, young deer) deer.

Analysis

The department is requesting additional funding from the wildlife damage surcharge and bonus deer permit SEG revenues for two purposes. The first purpose is to compensate license agents for the issuance of free Zone T permits. Secondly, the department requests additional funds to provide a per deer payment for Zone T deer and to increase the existing per deer payment to deer registration stations.

Issuance Fee

As an incentive to hunters to harvest antlerless deer, the department issues the Zone T permits to bow and gun hunters at no charge. The implementation of the automated license issuance system (ALIS) allowed licensing agents to also issue these permits. Expanding the number of locations issuing these free permits improves customer service and increases the number of permits that are issued.

The 1999-2001 biennial budget created an issuance fee for bonus deer permits which are sold for a fee. An issuance fee for free permits was not authorized. Although the department indicates that the reference to the free permits was omitted inadvertently, the charging of an issuance fee for a permit, which was intended to be available at no charge, is a policy question that merits further discussion during a legislative session.

Also, the department reduced the burden on license agents by programming ALIS to print two free Zone T permits with every deer license sold. The license agent does not need to enter any additional information. Therefore, if a license agent chose to not issue the free Zone T permits because an issuance fee is not paid, he would also have to choose to not issue archery or gun deer licenses for which an issuance fee is paid.

Registration Station Payment

The second purpose of this request is to provide funding for a per deer payment to registration stations. The funding would cover the payment for the additional number of deer harvested in Zone T and increase the existing level of payment for all other deer harvested. The department currently pays a registration station \$0.25 per deer registered. For the 2000 deer season, the department has agreed to increase the payment to \$0.35 per deer registered.

The department also proposes to use wildlife damage revenues to cover the payments for the additional Zone T deer and the \$0.10 increase. Prior to this request, the per deer payments were paid from the wildlife management general program operations – state funds appropriation under s. 20.370(1)(mu). This request would require a portion of the payment to be made from a different appropriation under s. 20.370(1)(Ls). This structure would increase the

administrative costs of making these payments by assigning expenditures to two separate appropriations. In addition, the department does not explain why the increase in existing payments for deer harvested in all units is more appropriately paid from wildlife damage revenues than from general license revenues.

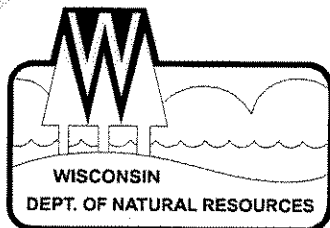
Wildlife damage revenues were designated for payments to farmers for abatement of damage caused by wildlife or claims for damage costs. The damage revenues are also assigned to support the removal of animals causing damage or a nuisance. Although these funds may be appropriate to cover the per deer payments for the additional deer harvested under Zone T permits, using these revenues to fund an increase in the payment for all deer harvested, whether on farmland or a wildlife area, undermines the original intent to assign these revenues to the specific purpose of compensating farmers and others for damage and lost revenues caused by wild animals.

The level of funding requested is calculated using an estimated number of harvested deer. The department predicts that 75,000 more deer will be harvested during the 2000 deer seasons than during the 1999 deer seasons. The 1999 total harvest of 494,100 deer includes those deer harvested in the 1999 Zone T season. The accuracy of the estimated increase is difficult to determine. Extrapolation from previous Zone T seasons has a high level of uncertainty because, prior to 2000, the highest number of deer management units included in a Zone T season was 19, in 1996. Several unknowns also exist, such as, the weather conditions during the hunting seasons, the number of hunters willing to harvest more than one deer, and the number of hunters with access to private land where the deer may congregate.

The department has administratively chosen to make an issuing fee payment to license agents and increase the per deer payment to registration stations. Arguably, because this is not a statutory requirement, the department should cover these payments and any increase with its existing funds. Alternatively, if this request or portion of this request is approved, the funds should be placed in unallotted reserve for release after the number of permits issued and number of deer registered is known.

Recommendation

Deny the request and direct the department to make any payments to registration stations from the base expenditure authority in its general program operations appropriation under s. 20.370(1)(mu).



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

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

June 21, 2000

Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room 316 South
State Capitol

Honorable John Gard, Co-Chair
Joint Committee on Finance
Room 315 North
State Capitol

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

Brian John

Dear Senator Burke and Representative Gard:

Request:

The Department of Natural Resources requests additional expenditure authority of \$244,600 SEG in FY 2001 in appropriation 20.370 (1) (Ls), Control of wild animals, for the purpose of compensating license vendors and deer registration stations for uncompensated costs associated with the administration of Zone T aspects of the 2000 deer hunting season. Funding would come from the Fish and Wildlife Account of the Conservation Fund. The Department feels this request meets the criteria under s. 13.10 because without compensation, vendors may be unwilling to issue the free Zone T permits, and without their cooperation, efforts to control the deer population may not be successful.

Background

The Natural Resources Board, at the full Board meeting on April 26, 2000, approved the proposed 2000 Zone T season in farmland deer management units, and adopted an Emergency Order pertaining to a special deer herd control hunting season in forest deer management units. "Zone T" is a special, temporary, hunting season designed to accelerate the harvest of overabundant antlerless deer for deer population control in specific geographic areas. To accomplish this objective the 2000 Zone T season is structured to include a 9-day either-sex gun hunt, two 4-day antlerless-only gun hunts in October and December, free antlerless tags, and four additional archery season days.

The Zone T concept resulted from extensive public involvement, input from the Conservation Congress, and recommendations from a joint DNR and Conservation Congress Farmland Deer Committee. A Zone T season structure was approved because the current hunting season framework was determined to be unlikely to reduce the deer herd to within 20% of the established overwinter goals.

Overabundant deer herds cause substantial crop, forest and ecological damage and increasing nuisance problems. An emergency rule was needed to establish a Zone T deer control hunt in the forest deer

management units in the northern part of the state. Issues surrounding high deer populations in regard to the Emergency Order are:

- Industrial forest concerns on both plantation and non-plantation tree re-generation
- Forestry concerns for rare and endangered tree and herbaceous species
- Issues related to disease transmission with congregated deer in artificial feeding situations
- Deer nuisance problems
- Increasing agricultural damage in developing agricultural industries of the north
- Concern for the existing deer herd in the event of normal to severe winter situations

In the farmland areas of central and southern Wisconsin, increasing conflicts between humans and deer have created the need for continued Zone T seasons. Those conflicts are:

- Deer related automobile crashes
- Nuisance problems in urban and suburban areas
- Concerns for rare and endangered tree and herbaceous species
- Increasing agricultural damage in Wisconsin's farmland

The Department's license vendors are asking for reimbursement for the distribution of free permits related to the Zone T deer season framework. Currently, the Department does not have the specific statutory authority or adequate expenditure authority to reimburse vendors. The 1999-01 biennial budget included a provision that created a new bonus deer issuance fee of \$0.50 for Automated License Issuance System (ALIS) vendors who sell these permits [s. 29.559 (1r)]. However, the statutory reference inadvertently omits a reference to the special Zone T bonus deer permit. Without any issuance fee for a Zone T permit, ALIS vendors are unlikely to be willing to distribute these permits, and customers would have to be referred to a DNR office.

The Department has determined that fair compensation of issuing the free Zone T permits is \$.25 per deer related approval. The estimated cost of paying vendors \$.25 for each transaction involving free deer hunting permits is \$168,950. For Zone T permits, each license holder receives 2 free permits as part of a single transaction, for which the license vendor will receive \$.25. In 1999, there were a total of 942,500 gun deer and archery licenses sold. For 2000, it is estimated this number will increase by 4%, to an estimated 980,200. An estimated 237,700 of these licenses are sports and patron license holders who will receive permits directly by mail. Of the remaining 742,500 licenses, approximately 91%, or 675,675, will be sold at non-DNR offices. At a per transaction issuance fee of \$.25, the estimated cost would be $675,675 \times \$.25 = \$168,918.75$.

The Department is also requesting additional expenditure authority to cover the increased costs of payments to registration stations related to the Zone T season. It is projected that up to an additional 75,000 deer will be registered in 2000 due to the number of Zone T units and the expansion of venison donation programs. The cost per registered deer will also increase this fall from \$.25 to \$.35 for each deer registered in all units to maintain incentive for registration stations to operate. The cost of these increases is 75,000 additional deer @ \$.35 = \$26,250 and an estimated 494,000 deer at an additional \$.10 = \$49,400 for a total of \$75,650.

The statutory language for appropriation s. 20.370 (1)(LS) Control of wild animals, authorizes expenditures for costs under s. 29.885 associated with removal or authorizing removal of wild animals causing damage. It is funded with moneys received by the Department under s. 29.563 (13), the Wildlife Damage Surcharge on hunting approvals and with Bonus Deer Permit revenues. Providing issuance fees to vendors for the purposes of the Zone T season structure and covering the costs of deer registration are very direct ways to expedite the authorization of deer removal, thereby reducing future crop damage.

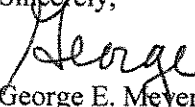
Given recent high license and bonus deer permit sales, the relatively low cost of corn (cost reimbursed for damage), the wildlife damage account can cover these costs and continue to make damage payments.

Conclusion

The Natural Resources Board has approved a 2000 Zone T season in farmland deer management units, and adopted an emergency order for a special deer herd control hunting season in forest deer management units in 2000. To successfully implement the Zone T season throughout the state, the Department must rely on the issuance of free permits by the Department's license vendors, and the payment of additional costs to deer registration stations. The Department feels there is sufficient statutory authority to make these payments from appropriation 20.370 (1) (Ls) - Control of wild animals - for purposes under s. 29.885. The total estimated additional cost of implementing the Zone T deer season in 2000 to control the deer herd population is \$168,950 for issuance fees to vendors, and \$75,650 for payments to registration stations, for a total estimated cost of \$244,600. The Department is requesting legislative approval for increased spending authorization in appropriation 20.370 (1)(Ls) to accomplish this purpose.

Thank you for your consideration of this request.

Sincerely,


George E. Meyer
Secretary

C: Darrell Buzzell - AD/5
Joe Polasek - MB/5
Herb Zimmerman - FN/1
Steve Miller - AD/5
Craig Karr - AD/5
Tom Hauge - WM/4
Marilyn Davis - CS/G3

July 11, 2000

13.10 Mtg. - Agenda Item XV-A

Re: Caroline Lake Stewardship Grant to TNC - Ashland County

Summary:

DNR needs approval to give the Nature Conservancy \$294,000 from the old Stewardship Program to help purchase 1,043.58 acres in Ashland County for the Caroline Lakes Preserve.

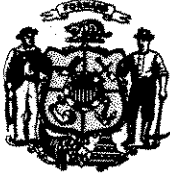
Analysis:

FB says some of this land may remain open to public use absent the Nature Conservancy purchase, however, they also point out that this includes waterfront property up north that is under heavy development pressures. So, it is probably a good idea to let the Nature Conservancy purchase this land and protect and manage it.

Alt. 2 makes a small adjustment to the overall funding level to reflect more accurate accounting uncovered by FB.

Recommendations:

Alternative 2



Legislative Fiscal Bureau

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

July 12, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Stewardship Grant to Nature Conservancy for Caroline Lake Preserve Acquisition -- Agenda Item XV-A

REQUEST

The Department of Natural Resources (DNR) requests approval to expend \$294,000 from the Warren Knowles-Gaylord Nelson stewardship program (\$196,000 from the habitat areas category and \$98,000 from the natural areas category) for a grant to the Nature Conservancy for the acquisition of 1,043.58 acres of land for the Caroline Lakes Preserve in Ashland County.

BACKGROUND

Stewardship Program

The Warren Knowles-Gaylord Nelson stewardship program was created in 1989 Act 31 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The Legislature authorized \$231 million in general obligation bonding for this purpose over a ten-year period ending in fiscal year 1999-00. The law allocates funding among twelve categories of land acquisition and development programs. (The 1999-01 biennial budget act provides \$460 million in bonding for a ten-year reauthorization of the stewardship program beginning in 2000-01.)

Under the original stewardship program, there is \$1.5 million authorized annually for the natural areas land acquisition program. Under this program, the Department either purchases land or provides grants to nonprofit conservation organizations (NCOs) for the purchase of land that has educational or scientific value or is important to the state's genetic or biological diversity. These

natural areas also frequently provide habitat for endangered or threatened species and may include areas with significant geological or archaeological features.

Another \$1.5 million is authorized annually under the original stewardship program for the protection, enhancement and restoration of habitat areas. These areas are designated by DNR to enhance wildlife-based recreation in the state, including hunting, fishing, nature appreciation and the viewing of wildlife species. Similar to the natural areas acquisition category, DNR may either purchase land or provide grants to NCOs for the purchase of land.

Under s. 23.0915(4) 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 grant to the Nature Conservancy was received by the Co-chairpersons on April 26, 2000. On May 1, 2000, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed grant.

Caroline Lakes Preserve Grant

The proposed grant to the Nature Conservancy would be used to assist in the purchase of nearly 1,044 acres of land in the Town of Morse in Ashland County. The property contains a total of approximately 15,600 feet of lake frontage on Caroline Lake (7,450 feet), West Twin Lake (4,900 feet) and East Twin Lake (3,250 feet). The Bad River flows out of Caroline Lake, with about 1,800 feet of stream thread on the property. The Department rated Caroline Lake as the top undeveloped wild lake of the sixteen such lakes in Ashland County. West Twin Lake was rated third in the County and East Twin Lake ranked fourth.

The Nature Conservancy acquired title to the land in April of 1997 for \$575,000. The prior owner used the property primarily for forestry purposes, with outdoor recreation allowed given that the property was enrolled in the forest crop law (FCL) program, under which hunting and fishing must be allowed on all of the designated land. The proposed use of the property is to undertake a sustainable forestry demonstration program and to maintain it in its undeveloped state for outdoor recreation, including wildlife observation, hiking, hunting, fishing and boating. The boat landing on Caroline Lake is anticipated to remain open as long as the Town of Morse agrees to maintain it.

The property located within 1,000 feet of the shoreline of any of the lakes is zoned shoreland protection, under which seasonal or year-round dwellings on lots of at least 30,000 square feet in size and 150 feet in width with a minimum building setback of 75 feet are permitted. The majority of the remainder of the property is zoned Forestry and Recreation, where seasonal dwellings are

allowed but year-round use is prohibited. The assessed value of the land for the 1997 tax year was \$244,600. Since the land was enrolled in FCL that year, property taxes were not paid. Instead, a payment of 83¢ per acre of land, or approximately \$866, was made to the town that year.

Two appraisals were completed on the parcel. The first, which was approved by the Department for grant purposes, estimated the value of the property as of April, 1997, at \$650,000. Private recreational use was identified as the highest and best use of the property, given that the land is suitable for subdivision and opportunities for hunting and fishing are available on the property. The appraiser noted that limited road access and lack of telephone and electrical services would limit small-scale subdivision but not large-scale subdivision. The appraiser analyzed four comparable sales using the sales comparison method to estimate the value of the parcel. The adjusted value per foot of water frontage for the four sales ranged from \$36 to \$109. The appraiser made a further distinction between the value of more developable, high-ground lake frontage (estimated at \$75 per front foot for the property) and less developable, low-ground lake frontage (estimated to be one-tenth of the value of the high-ground frontage, or \$7.50 per front foot). The value of the 7,950 acres of high-ground frontage was thus estimated at \$596,250 and the value of the low-ground frontage was estimated at \$57,375, for a total value of \$653,625, which the appraiser rounded to \$650,000.

A second appraisal of the property, which was accepted by DNR, estimated the value of the property at \$580,000 as of December, 1996. The highest and best use of the property was identified as recreational use, either as a single recreational retreat or large-scale development. The appraiser distinguished between the 440 acres of land surrounding the lakes and the 600 acres deemed to be excess forest land in estimating the value of the property. Eight sales were used to estimate the value of the 440 acres of lakeshore acreage, with adjusted per acre values ranging from \$552 to \$1,213. The appraiser used the \$812 average of the eight sales to estimate the value of the 440 lakefront acres at \$357,280. Six sales of forest land, ranging in adjusted per acre value from \$142 to \$405, were used to estimate the value of the 600 forest acres, with the average adjusted per acre value of \$300 indicating a value of \$180,000. The appraiser added \$45,000 to the overall value of the property to reflect the net value of timber (mature Aspen) that could be harvested from the land without impacting its recreational value. The value of the lakeshore acreage, forest acreage and timber stumpage were totaled and rounded to \$580,000 for the overall estimated value of the parcel.

The value of the grant is based on 50% of the accepted appraised value of the property of \$580,000 plus an additional \$8,000 in estimated associated acquisition costs.

ANALYSIS

The Department indicates that two-thirds of the funding for the grant (\$196,000) would come from the habitat areas category of the original stewardship program and one-third (\$98,000) would come from the natural areas category, given that approximately one-third of the property is under consideration for dedication as a state natural area. As of May 1, 2000, the Department indicates that the unobligated balance (excluding this project) of the habitat areas component is \$3.3 million and the natural areas component is \$1.4 million.

Most of the acres that were purchased by the Nature Conservancy were used for industrial forest purposes and enrolled in the forest crop law program, under which land must be open for hunting and fishing. The Nature Conservancy has applied to convert the property to the managed forest law program, under which most land must remain open to a variety of recreational uses. Thus, it could be argued that much of this land would have remained open to recreational use in the absence of the Nature Conservancy purchase and the limited state stewardship dollars could be better spent on those parcels of land where no such access would otherwise be available.

Others argue that state or NCO ownership of property, is the only way to guarantee public access for the long term, particularly since development pressures for waterfront and recreational lands are rapidly increasing in northern Wisconsin. Further, even if the land remains in the forest tax law program, that status would not help to consolidate ownership and would limit the ability of the property to be managed for conservation purposes that are not required under the forest tax law program. Also, the Department indicates that waterfront property, which is given acquisition priority under administrative code, tends to be less valuable from an industrial forest perspective and is generally most valuable if sold for residential or recreational development. Therefore, these properties may be less likely to remain enrolled in forest tax law programs.

The amount of the proposed grant to the Nature Conservancy is based on the approved appraised value of \$580,000, but the actual purchase price paid was \$575,000. Under stewardship, grants provided to local units of government and NCOs are generally based on 50% of acquisition cost. In administrative rule, acquisition cost is defined as the fair market value of the property as determined by DNR valuation guidelines and reasonable costs related to the purchase of the property as specified in rule. Further, under the reauthorized stewardship program, acquisition costs is statutorily defined to include the fair market value of the land. Thus, it could be argued that the grant should be based on the appraisal representing the fair market value of the property, rather than the actual purchase price.

However, it could be argued that a better indication of fair market value is the amount agreed to by a buyer and seller in an arms-length transaction. Further, by providing more than 50% of the actual purchase price, it could be argued that the grant recipient is being overcompensated for the purchase.

The Committee could choose to base the grant to the Nature Conservancy on 50% of the \$575,000 purchase price of the property and the associated acquisition costs. While the Department used an estimate of \$8,000 for closing costs in calculating the grant, actual costs were \$9,750 (\$7,900 for two appraisals, \$1,800 for title insurance and \$50 in recording fees). Under this alternative, the grant amount would be \$292,500. The same proportional split proposed by DNR between the habitat areas and natural areas categories could be applied to this reduced amount.

If DNR is not allowed to make this grant, the funds that would otherwise have been spent on the Caroline Lake property would be available for future natural and habitat areas grants under stewardship. The full cost of the acquisition would be borne by the Nature Conservancy, which has already acquired title to the land.

ALTERNATIVES

1. Approve the DNR request to expend up to \$294,000 from the Warren Knowles-Gaylord Nelson stewardship program (\$196,000 from the habitat areas component and \$98,000 from the natural areas component) for a grant to the Nature Conservancy for the acquisition of 1,043.58 acres of land for the Caroline Lakes Preserve in Ashland County.

2. Allow DNR to expend up to \$292,500 from the Warren Knowles-Gaylord Nelson stewardship program (\$195,000 from the habitat areas component and \$97,500 from the natural areas component) for a grant to the Nature Conservancy.

3. Deny the request.

Prepared by: Russ Kava

MO# Alt 2

1	BURKE	Y	N	A
	DECKER	Y	N	A
	JAUCH	Y	N	A
	MOORE	Y	N	A
	SHIBILSKI	Y	N	A
	PLACHE	Y	N	A
	COWLES	Y	N	A
	DARLING	Y	N	A
2	GARD	Y	N	A
	PORTER	Y	N	A
	KAUFERT	Y	N	A
	ALBERS	Y	N	A
	DUFF	Y	N	A
	WARD	Y	N	A
	HUBER	Y	N	A
	RILEY	Y	N	A

AYE 14 NO 2 ABS

NATURAL RESOURCES

Stewardship Grant to Nature Conservancy for Caroline Lake Preserve
[Agenda Item XV-A]

Motion:

Move to require that DNR may award a grant to the Nature Conservancy only if the Conservancy agrees to maintain the current level of public access to a boat landing on Caroline Lake.

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
DARLING	Y	N	A
2 GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
1 ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 6 NO 10 ABS _____

XVa. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of a grant to The Nature Conservancy for the purchase of 1,043 acres in Ashland County 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.

July 11, 2000

13.10 Mtg. - Agenda Item XV-B

Re: Anthony Branch Stewardship Purchase - Dane County

Summary:

DNR needs approval to spend \$750,000 from the new Stewardship Program to purchase 197.69 acres for the Anthony Branch Creek Streambank Protection Area in Dane County.

Analysis:

Dane County has done a lot of good work with streambank protection and trout stream restoration. This is a good project and should get funded. DNR should do more streambank restoration work Stewardship dollars.

FB seems to indicate that \$100,000 could be shaved off the total to reflect an equal-sum easement agreement with Dane County. That is why I am recommending alt. 2.

Recommendations:

Alternative 2



Legislative Fiscal Bureau

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

July 12, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Anthony Branch Creek Streambank Protection Area (Dane County) Stewardship Purchase -- Agenda Item XV-B

REQUEST

The Department of Natural Resources (DNR) requests approval to expend \$750,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 197.69 acres of land from Porter Sibs Enterprises, LLC, for the Anthony Branch Creek Streambank Protection Area in Dane County.

BACKGROUND

Stewardship Program

The 1999-01 biennial budget act (1999 Act 9) provides \$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 is \$46 million, ending in fiscal year 2009-10. Of the annual authority, \$28.5 million in 2000-01 and \$34.5 million in each of the nine fiscal years thereafter is allocated to general land acquisition for conservation and recreation purposes.

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.

Funding from the reauthorized stewardship program generally may not be obligated before July 1, 2000. 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 June 28, 2000, meeting, the Natural Resources Board approved an allocation plan for stewardship funding for fiscal year 2000-01. Of the \$28.5 million in the land acquisition subprogram that year, the Department will allocate \$22.5 million to DNR land purchases and \$6.0 million for NCO grants. The allocation plan approved by the Board indicates that \$6.25 million of the Great Addition purchase (one-fourth of the purchase) would be applied against the 2000-01 land acquisition program allocation (leaving \$16.25 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 Anthony Branch Creek purchase was received by the Co-chairpersons on May 26, 2000. On June 5, 2000, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed purchase.

Anthony Branch Creek Streambank Protection Area Purchase

As of January 1, 2000, DNR controlled a total of 4,673 acres under the streambank protection program (3,225 acres in fee title and 1,448 acres in easement), which represents 9.1% of the overall statewide program goal of 51,409 acres (30,334 in fee title and 21,075 in easement). Of that total, DNR held fee title to 282 acres in the Anthony Branch Creek project area. Nearly \$4.3 million has been spent on acquisition in the overall program (over \$2.8 million in fee title and over \$1.4 million on easements).

The 197.69-acre parcel proposed for purchase from Porter Sibs Enterprises consists of 68 acres of grassland, 58.3 acres of wetland, 47 acres of cropland, 22.39 acres of wooded upland and 2 acres of dug ponds. The property includes 2,000 feet of frontage on both sides of Anthony Branch Creek, a Class II trout stream. While there is natural trout reproduction in the stream, the Department has also stocked the stream. The property would also provide habitat for deer, pheasant and waterfowl. The Department indicates that the creek is experiencing increasing amounts of nonpoint pollution from nearby land uses, including residential development. The land is currently

used for agricultural and recreational purposes. The Department proposes to use the land for water quality protection, fisheries management and public recreation. Proposed management plans for the creek include habitat improvement, access improvement, bank stabilization and revegetation of eroded areas.

The land is currently zoned A-1 Agricultural Exclusive, which is intended to preserve productive farms by preventing land use conflicts between incompatible uses and controlling public service costs. Permitted uses are agricultural and residential, provided that the property is at least 35 acres and that the residence does not limit agricultural uses. The 1998 property tax assessment for the land was \$128,200, with nearly \$2,200 paid in 1999 property taxes.

Two private appraisals were completed on the property, both of which originally estimated the value of the property as of July, 1998 and subsequently updated to provide a more recent value estimate. The appraisal which was approved by the Department for just compensation purposes, estimated the value of the property as of September, 1999, at \$593,000. This was the basis for DNR's initial offer on the parcel. The highest and best use of the property was identified as residential development into 35-acre parcels for single-family residential use. The appraisal used the sales comparison method, with adjusted per acre values of the three comparable sales cited ranging from \$2,282 to \$3,260. The appraiser used a \$3,000 per acre value for estimating the value of the property, resulting in a total estimated value of \$593,000. This represents an increase of \$98,000 from the estimated \$495,000 value (\$2,500 per acre) the appraiser placed on the property as of July, 1998.

A second appraisal of the property, which was accepted by the Department, estimated the value of the property as of October, 1999, at \$750,000. The highest and best use of the property was again identified as residential development into 35-acre home sites. The appraisal also used the sales comparison method, with adjusted per acre values of the four comparable sales cited ranging from \$3,231 to \$5,170. The appraiser used a \$3,800 per acre value for estimating the value of the property, resulting in a total estimated value of \$750,000. This was an increase of \$20,000 from the estimated \$730,000 value (\$3,700 per acre) the appraiser placed on the property as of July, 1998.

While the purchase was being negotiated, DNR officials explored the possibility of securing federal funding from the Wetland Reserve Program (WRP) to reduce the state purchase price for fee title of the land. WRP is a voluntarily program to restore and protect wetlands on private, state or locally-owned property under which the USDA purchases either a permanent or 30-year conservation easement on the land or enters into a restoration cost-share agreement. Federal officials indicate, however, that this project did not rate high enough to receive funding under the program. The Department then approached other potential partners for assistance with the purchase. This project is consistent with the objectives of a Dane County streambank easement program and the County has agreed to provide \$100,000 toward the purchase of the property in exchange for a conservation easement on 40 acres along the creek. DNR staff indicate the terms of the easement would likely be finalized at the time of closing so as to have the County contribution available.

The Natural Resources Board approved the Porter Sibs Enterprises purchase at its May, 2000, meeting on a 7-0 vote.

ANALYSIS

If the Porter Sibs Enterprises land is acquired, DNR would have to pay aids in lieu of property taxes on the land to the Town of Rutland 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 then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu payments are made from a sum sufficient GPR appropriation. Payment for the Porter Sibs Enterprises land would be approximately \$13,600 GPR annually (as opposed to \$2,200 in property taxes paid in 1999).

Given that the Department anticipates receiving \$100,000 from Dane County to assist in the purchase of this property in exchange for a conservation easement on a portion of the land, the Committee could reduce the authorized expenditure from the stewardship program to \$650,000 to better reflect the amount of state bonding that is needed for the purchase. Any funds accruing to the Department from the sale of property, easements or improvements is deposited into an appropriation in the conservation fund, which can then be used for land acquisition, development and improvement related to the general conservation functions of the Department (such as fish and game refuges, forests, parks, trails, recreational areas, natural areas and habitat areas). The Dane County board has approved the purchase of the easement.

If DNR is allowed to make this purchase, the amount of land under state control under the streambank protection program would increase to 9.5% of the overall acreage goal. If the Department is not allowed to make the purchase, the funding that would otherwise have been spent on the Porter Sibs Enterprises property would revert to the unobligated balance of the land acquisition subprogram of stewardship. As indicated in the appraisals, the highest and best use of the land, if it were not publicly owned, would be for large-lot residential development.

ALTERNATIVES

1. Approve the DNR request to expend \$750,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 197.69 acres of land from Porter Sibs Enterprises, LLC, for the Anthony Branch Creek Streambank Protection Area in Dane County.

2. Allow DNR to expend \$650,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program for the Porter Sibs Enterprises, LLC, acquisition (to reflect a \$100,000 easement to be purchased by Dane County).

3. Deny the request.

Prepared by: Russ Kava

MO# 4112

2	BURKE	(Y)	N	A
	DECKER	(Y)	N	A
	JAUCH	(Y)	N	A
	MOORE	(Y)	N	A
	SHIBILSKI	Y	N	(A)
	PLACHE	Y	N	(A)
	COWLES	(Y)	N	(A)
	DARLING	(Y)	N	A
	GARD	(Y)	N	A
	PORTER	(Y)	N	A
	KAUFERT	(Y)	N	A
	ALBERS	(Y)	N	A
	DUFF	(Y)	N	A
	WARD	(Y)	N	A
	HUBER	(Y)	N	A
	RILEY	(Y)	N	A

AYE 14 NO 0 ABS 2

XVb. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of the purchase of 197.69 acres on Anthony Branch Creek in Dane County from Porter Sibs Enterprises, LLC, for the Streambank Protection Fee Program 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.

July 11, 2000

13.10 Mtg. - Agenda Item XV-C

Re: Carlsville Bluff Stewardship Purchase - Door County

Summary:

DNR needs approval to spend \$758,850 from the old Stewardship Program to purchase 183.5 acres for the Carlsville Bluff Project in Door County.

Analysis:

FB raises lots of variables here (especially on pages 4 & 5) based on competing appraisals, values of easements, actual purchase price, etc.. The bottom line is to make sure this worthy project gets funded, but it seems like a little money could be saved (approx. \$90,000) here and used elsewhere. That is why I am recommending alt. 3. FB can explain the math if any questions are raised.

Recommendations:

Alternative 3 (Door County Land trust recommends Alt. 2, either is fine.)



Legislative Fiscal Bureau

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

July 12, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Stewardship Grant to Door County Land Trust for Carlsville Bluff Project Acquisition -- Agenda Item XV-C

REQUEST

The Department of Natural Resources (DNR) requests approval to expend \$758,850 from the natural areas component of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program for a grant to the Door County Land Trust for the acquisition of 183.5 acres of land for the Carlsville Bluff Project in Door County.

BACKGROUND

Stewardship Program

The Warren Knowles-Gaylord Nelson stewardship program was created in 1989 Act 31 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The Legislature authorized \$231 million in general obligation bonding for this purpose over a ten-year period ending in fiscal year 1999-00. The law allocates funding among twelve categories of land acquisition and development programs.

Under the original stewardship program, there is \$1.5 million authorized annually for the natural areas land acquisition program. Under this program, the Department either purchases land or provides grants to nonprofit conservation organizations (NCOs) for the purchase of land that has educational or scientific value or is important to the state's genetic or biological diversity. These natural areas also frequently provide habitat for endangered or threatened species and may include areas with significant geological or archaeological features.

The 1999-01 biennial budget act (1999 Act 9) provides \$460 million in bonding for a ten-year reauthorization of the stewardship program beginning in 2000-01. The annual bonding authority under the program is \$46 million, ending in fiscal year 2009-10. Of the annual authority, \$28.5 million in 2000-01 and \$34.5 million in each of the nine fiscal years thereafter is allocated to land acquisition for conservation and recreation purposes.

Both the Department and 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.

Funding from the reauthorized stewardship program generally may not be obligated before July 1, 2000. 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 June 28, 2000, meeting, the Natural Resources Board approved an allocation plan for stewardship funding for fiscal year 2000-01. Of the \$28.5 million in the land acquisition subprogram that year, the Department will allocate \$22.5 million to DNR land purchases and \$6.0 million for NCO grants. The allocation plan approved by the Board indicates that \$6.25 million of the Great Addition purchase (one-fourth of the purchase) would be applied against the 2000-01 land acquisition program allocation (leaving \$16.25 million for other DNR land purchases).

Act 9 authorized DNR to promulgate emergency rules, without the finding of an emergency, to implement any provisions related to the reauthorized stewardship program if the rules are necessary for the Department to act as authorized under the program. The emergency rules may remain in effect until June 30, 2001, or until the date any permanent rules take effect, whichever is sooner. The Department anticipates promulgating emergency rules (after approval by the Natural Resources Board) this summer and permanent rules in the spring of 2001.

Under s. 23.0915(4) and 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 grant to the Door County Land Trust was received by the Co-chairpersons on April 28, 2000. On May 8, 2000, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed grant.

Carlsville Bluff Project Grant

The 750-acre Carlsville Bluff Project was established in 1996 by the Door County Land Trust to protect rare plant and animal species, to protect the Niagara Escarpment area and to provide public recreational opportunities. Surveys conducted in the project area have identified the presence of one endangered and one threatened species of land snail and several other rare species. The Niagara Escarpment is a limestone formation that extends from New York and parallels the western shore of the county. The Carlsville Bluff Project area has been identified on several inventories as an important scenic, wetland and forest resource area in need of protection. Public recreational opportunities anticipated on the property include hiking, skiing, hunting and wildlife observation. The Land Trust has purchased fee title or easements on nearly 300 acres of land in the project boundary.

The proposed grant to the Door County Land Trust would be used to assist in the purchase of 183.5 acres in the Towns of Egg Harbor and Sevastopol in Door County. The Land Trust acquired title to the land in January, 2000. While there is no water frontage on the property, the property has a view of Green Bay from atop the Niagara Escarpment. Above the escarpment, the property is basically level. There is a steep slope along the escarpment, with another moderate slope beneath it. There are no improvements on the property.

A variety of zoning classifications apply to the property. The land in the Town of Sevastopol is zoned SF-20, which is intended to provide for exclusive single family residential and planned residential development at fairly high densities, with lot sizes of at least 20,000 square feet required for new lots not served by public sewer. Land in Egg Harbor within 1,000 feet of shoreline is zoned Estate, which is intended to provide for single family residential and planned residential development on large lots, with a minimum lot size of at least five acres for new lots. The remainder of the land falls under the Town of Egg Harbor zoning ordinance, which requires a minimum lot size of 1.5 acres with 150 feet of frontage. The 1999 property tax assessment for the land was \$347,400, with nearly \$4,700 paid in 2000 property taxes.

Two appraisals were completed on the parcel. The first, which was approved by the Department for grant purposes, estimated the value of the property as of November, 1999, at \$1.4 million. The highest and best use of the property was identified as residential development in conformance with current zoning. The appraisal used both the subdivision income and sales comparison methods to estimate the value of the parcel. The appraiser assumes the parcel could be subdivided into 45 lots of various sizes and characteristics. Estimated values were assigned to each of these lots, based on comparable sales or listings. Anticipated expenses included by the appraiser were overhead, taxes, development costs and profit. The appraiser used four-year sellout period and a factor of 10% to discount net operating income for a present worth value from subdividing

the property estimated at \$1.6 million. Using the sales comparison method, the appraiser located three comparable sales with adjusted per acre values ranging from \$6,301 to \$7,182. The appraiser selected a value of \$6,300 per acre for the subject property resulting in a total estimated value of \$1,156,050, rounded to \$1.15 million. Placing more weight on the subdivision income analysis, the appraiser estimated the value of the property at \$1.4 million.

The second appraisal, which was accepted by DNR, estimated the value of the property at \$1.7 million as of January, 2000. The highest and best use of the property was identified as residential development. The appraiser used only the subdivision income method to estimate the value of the property. The subject property was divided into 46 lots, classified as either water view, limited view or nonwater view lots. An estimated value for each type of lot is determined using comparable sales and listings. Development costs, financing, overhead, taxes and profit were calculated as the anticipated expenses. The appraiser used a four-year sellout period and a factor of 10% to discount net operating income for a present worth value from subdividing the property estimated at \$1.7 million.

ANALYSIS

The Department indicates that the funding for the grant would come from some combination of the natural areas category of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program. As of April 30, 2000, the Department indicates that the unobligated balance (excluding this project) of the natural areas component of the original stewardship program is \$1.4 million. The Natural Resources Board has allocated \$6 million in 2000-01 for land acquisitions by NCOs.

The value of the DNR grant request is based on 50% of the approved appraised value of the property of \$1.4 million plus an estimated \$112,000 in value from donated easements within the project boundary plus an estimated \$5,700 in associated acquisition costs. The actual purchase price was \$1.2 million. The \$200,000 difference between the appraised value and purchase price is being considered a gift from the previous landowner. Officials with the Dane County Land Trust indicate the owner was willing to sell at less than market value to ensure the land was protected. Based on more recent information received after submission of the request, the value of the donated easements is \$125,500 and eligible the closing costs are \$11,500. The Committee could thus approve the original DNR request (\$758,850) or provide an amount based on the updated costs (\$768,500).

A total of \$125,500 in donated easements in the same project area is being used for part of the NCO match for the proposed grant. The easements on both parcels would generally limit the use of the land to nonmotorized recreational purposes only, with development and agricultural uses prohibited. The value of the easements was estimated by an appraiser utilizing the sales comparison method. Under this method, the appraiser estimated the value of the land both with and without the easement, with the estimated easement value being the difference between the two.

The first easement is valued at \$88,500 and applies to 8.9 acres of land near the waters of Green Bay (\$9,900 per acre). In the absence of the easement, an appraiser estimated the value of the land to be \$100,000, while the value of the land under the easement was estimated at \$11,500 (\$1,300 per acre). The per acre value of the easement would be \$9,900. The estimated value of the second easement is \$80,000 and applies to 49.92 acres of land (\$1,600 per acre). Without the easement, the value of the land was estimated at \$155,000. With the easement, the value of the land was estimated at \$75,000 (\$1,500 per acre). The Door County Land Trust has previously utilized \$43,000 of the value of the second easement toward a prior grant for the purchase of land within the Carlsville Bluff project boundary, with the remaining \$37,000 being utilized with this purchase.

The amount of the proposed grant to the Door County Land Trust is based on the approved appraised value of \$1.4 million, but the actual purchase price paid was \$1.2 million. Under stewardship, grants provided to local units of government and NCOs are generally based on 50% of acquisition cost. In administrative rule, acquisition cost is defined as the fair market value of the property as determined by DNR valuation guidelines and reasonable costs related to the purchase of the property as specified in rule. Further, under the reauthorized stewardship program, acquisition costs is statutorily defined to include the fair market value of the land. Thus, it could be argued that the grant should be based on the appraisal representing the fair market value of the property, rather than the actual purchase price. For example, when purchases exceed the appraised value of a property DNR generally limits grant awards to 50% of the appraised value. Further, gifts and donations (including donated land or easements) may be utilized by NCOs to match state funds under the program.

However, it could be argued that a better indication of fair market value is the amount agreed to by a buyer and seller in an arms-length transaction. By providing more than 50% of the actual purchase price, it could be argued that the grant recipient is being overcompensated for the purchase. Further, limiting grants to the lessor of purchase price or appraised value would help ensure the state is maximizing its stewardship investment while maintaining a financial incentive for local governments and NCOs to restrain costs. Thus, the Committee could choose to base the grant to the Door County Land Trust on 50% of the \$1.2 million purchase price of the property and the associated acquisition costs. Under this alternative, the grant amount would be \$668,500.

The Committee could also choose to base the grant to the Door County Land Trust on only 50% of the actual \$1.2 million purchase price and the \$11,500 in associated acquisition costs, which would result in a grant of \$605,750. Given that two easements valued at \$125,500 were donated to, rather than purchased by, the Door County Land Trust, it could be argued that it is inappropriate to provide stewardship funding to purchase donated land. However, using the value of donated land or easements is allowable under administrative code, which also limits the use of such donations to the amount actually needed for the purchase. Further, allowing the use of donated land or easements provides an incentive for landowners to make such donations to NCOs, for NCOs to seek such donations and for those donations to generally be treated like an equivalent cash donation.

If DNR is not allowed to make this grant, the funds that would otherwise have been spent on the Carlsville Bluff property would be available for future natural area or land acquisition grants under stewardship. The full cost of the acquisition would be borne by the Door County Land Trust, which has already acquired title to the land.

ALTERNATIVES

1. Approve the DNR request to expend up to \$758,850 from the natural areas component of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program for a grant to the Door County Land Trust for the acquisition of 183.5 acres of land for the Carlsville Bluff Project in Door County.

2. Allow DNR to expend up to \$768,500 from the natural areas component of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program for the grant to the Door County Land Trust (to reflect more recent cost information).

3. Allow DNR to expend up to \$668,500 from the natural areas component of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program for the grant to the Door County Land Trust (to reflect the actual purchase price of the property, the donated easements and acquisition costs).

4. Allow DNR to expend up to \$605,750 from the natural areas component of the original stewardship program and the land acquisition subprogram of the reauthorized stewardship program for the grant to the Door County Land Trust (to reflect the actual purchase price and acquisition costs).

5. Deny the request.

MO# Alt 2

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
DARLING	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

Prepared by: Russ Kava

AYE 13 NO 3 ABS _____