

# THE STATE OF WISCONSIN

B

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## JOINT COMMITTEE ON FINANCE

### REVISED AGENDA

10:00 a.m., Tuesday, June 11, 2002  
s. 13.10 Meeting  
in Room 412 East, State Capitol.

- I. Department of Natural Resources – Darrell Bazzell, Secretary
- II. Department of Natural Resources – Darrell Bazzell, Secretary
- III. Department of Administration – Paul McMahon, Budget Director

*emergency authority  
25% reduction*

I. Department of Natural Resources – Darrell Bazzell, Secretary

The department requests an ongoing supplement of \$66,894,900 SEG from the Committee's appropriation under s. 20.865(4)(u) and position authority for 655.82 FTE SEG and 5.50 FTE FED positions in fiscal year 2002-03 for the department's appropriations under s. 20.370(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (1)(my), (3)(mu), (5)(as), (5)(at), (5)(av), (5)(aw), (5)(ay), (5)(br), (5)(bs), (5)(bt), (5)(bw), (5)(by), (7)(au), (7)(fs), (7)(hq), (8)(mu) and (9)(mu) for forestry-related activities.

Governor's Recommendation

Modify the request to show restored position authority for the following:

<u>Number of Positions</u>	<u>Appropriation(s)</u>
654.34 FTE SEG	(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (3)(mu), (8)(mu) and (9)(mu)
5.50 FTE FED	(1)(my)
1.48 FTE PR-S	(8)(mk)
661.82 FTE	Total-All Funding Sources

This modification would reduce the restored position authority in the appropriation under s. 20.370(8)(mu) to 79.19 FTE SEG positions and accurately reflect the restoration of 1.48 FTE PR-S positions in the appropriation under s. 20.370(8)(mk).

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING-Harsanyi	Y	N	A
ROSENZWEIG	Y	N	A
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



## Legislative Fiscal Bureau

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

June 7, 2002

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Paper for the Committee's June 11 meeting under s. 13.10

Attached is a paper, prepared by this office, on the s. 13.10 request of the Department of Natural Resources regarding funding and positions for the forestry program.

BL/bh  
Attachment



## Legislative Fiscal Bureau

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

June 11, 2002

**TO:** Members  
Joint Committee on Finance

**FROM:** Bob Lang, Director

**SUBJECT:** Natural Resources: Section 13.10 Request Related to the Restoration of Funding for Forestry-Related Activities – Agenda Item I

### REQUEST

The Department of Natural Resources (DNR) requests \$66,894,900 SEG with 655.82 SEG positions, and 5.50 FED positions in 2002-03 to restore funding for activities related to the DNR forestry program.

### BACKGROUND

The 2001-03 biennial budget, as passed by the Legislature, would have created a separate Department of Forestry, including all staff, funding, and responsibilities associated with the current Division of Forestry and related programs within the DNR effective on July 1, 2002. The Governor's partial vetoes of 2001 Act 16 included elimination of the creation of a new Department of Forestry, and deleted language that would have restructured DNR's Division of Forestry and shifted its functions to a new department. In addition, the veto deleted new appropriations created in the bill during the second year of the biennium to provide funding for the activities of the Department of Forestry. As the amounts in existing 2002-03 appropriations for DNR forestry operations were deleted under the bill (with the funding and position authority being transferred to the Department of Forestry), no funds were appropriated in the act for the operation of the Division of Forestry and related functions within DNR during the second year of the biennium. However, the DNR appropriations remain in statute.

As a result of the partial veto, funding of \$64.8 million and 614.57 positions for the operation of a Department of Forestry were eliminated. In addition, the Governor vetoed \$4.4 million and 46.75 positions that would have been provided from a new Forestry Fund to support the operations of southern state forests (in conjunction with the DNR Bureau of Parks). Forestry funds provided for the one-time payment of debt service on Stewardship program bonds (\$4 million in 2002-03)

were also deleted, requiring an additional \$4 million GPR in 2002-03 to fund the debt repayment. However, an estimated \$2.5 million in DNR forestry aids, aids in lieu of property taxes, and debt service payments would continue to be paid from sum-sufficient appropriations associated with the DNR Division of Forestry. The following table shows the funding and staff eliminated by the Governor's item veto.

**TABLE 1**

**Fiscal Effect of Veto on Forestry Related Provisions 2002-03**

	<u>Funding</u>	<u>Positions</u>
Forestry Operations	-\$46,777,100	-540.26
Integrated Science Services	-901,100	-10.03
Forestry Resource Aids	-7,235,900	
Acquisition and Development	-681,700	
Forestry Administration and Technology	-8,403,700	-80.67
Forestry Customer Service and Education	<u>-2,680,100</u>	<u>-30.36</u>
<b>TOTAL</b>	<b>-\$66,679,600</b>	<b>-661.32</b>
<u>Total by Fund Source</u>		
GPR	\$3,694,900	0.00
FED	-1,854,900	-5.50
PR	-1,553,900	-1.48
SEG	<u>-66,965,700</u>	<u>-654.34</u>
<b>Total</b>	<b>-\$66,679,600</b>	<b>-661.32</b>

As a related consequence of the Governor's partial veto of the Department of Forestry, the allotment of revenue derived from an increase in the forest nursery per-seedling surcharge received by DNR for forestry education and curriculum is changed. Under enrolled SB 55 (the biennial budget as passed by the Legislature), up to \$300,000 in 2001-02 would have funded the appropriation supporting forestry education curriculum development in cooperation with UW-Stevens Point, with remaining revenues from the seedling surcharge going to support forestry education for the public (estimated at \$125,000 in 2001-02). In subsequent years, revenue from the seedling surcharge would have been divided evenly between the two appropriations (estimated at \$318,700 for each appropriation in 2002-03). The partial veto deleted the specification that the appropriations each receive 50% of revenues beginning in 2002-03. Rather, the provision specifying that the appropriation supporting forestry education curriculum development would receive up to \$300,000 in 2001-02 only is made ongoing by deleting the references to fiscal year 2001-02. Therefore, the appropriation supporting forestry education curriculum development will

receive up to \$300,000 from seedling surcharge revenues, with all remaining revenues supporting forestry education for the public.

## ANALYSIS

The Department has requested expenditure authority for activities associated with forestry functions in 2002-03. The amount of the request was intended to restore all non-GPR expenditure and position authority deleted by the Governor's partial veto of Act 16. However, amounts from continuing appropriations were not included in the request, as DNR would be able to continue making expenditures from these appropriations without legislative adjustment. The request includes no estimate of expenditures for these functions. In addition, 1.48 PR positions that were deleted by the partial veto were requested to be restored as SEG positions in error. The adjustments necessary to restore forestry funding to levels appropriated in the biennial budget prior to the Governor's partial veto of a separate Department are shown in the following table.

**TABLE 2**

**Forestry Restoration by Appropriation  
2002-03**

<u>Appropriation</u>	<u>Purpose</u>	<u>Funding</u>	<u>Positions</u>	<u>Source</u>
(1)(cq)	Reforestation	\$100,000		SEG
(1)(cr)	Recording fees	50,000		SEG
(1)(cu)	Forestry K-12 education	318,700		SEG
(1)(cv)	Forestry public education	318,700		SEG
(1)(kq)	Forestry assessments	99,000		SEG
(1)(lt)	Forest wildlife management	153,400	2.50	SEG
(1)(mi)	Forestry program revenues	237,100		PR
(1)(mq)	State forest snowmobile trails	10,000		SEG
(1)(ms)	State forest ATV trails	7,100		SEG
(1)(mu)	Forestry general operations	35,292,300	424.94	SEG
(1)(mu)	Forestry land management	2,617,000	31.41	SEG
(1)(mu)	Southern forests	4,245,500	44.75	SEG
(1)(mu)	Forestry facilities and lands	2,549,500	31.16	SEG
(1)(my)	Forestry-federal funding	651,400	3.50	FED
(1)(my)	Southern forests-federal funding	127,400	2.00	FED
(3)(mu)	Forestry integrated science services	901,100	10.03	SEG
(5)(as)	Fish, wildlife & forestry aids	234,500		SEG
(5)(at)	Ice Age grant	75,000		SEG
(5)(av)	Private forest grant	1,250,000		SEG
(5)(aw)	Non-profit conservation organization (NCO) aids	80,000		SEG
(5)(ay)	Urban NCO grant	75,000		SEG
(5)(br)	Forest Crop Law/ Managed Forest Law aids	1,250,000		SEG
(5)(bs)	County forest loans	622,400		SEG
(5)(bt)	Forest project loans	400,000		SEG
(5)(bw)	Urban/county forestry grants	1,724,900		SEG
(5)(bx)	National Forest Income (NFI) payments	782,200		FED
(5)(by)	Fire suppression grants	448,000		SEG
(5)(dx)	Federal aids in lieu of taxes	293,900		FED

<u>Appropriation</u>	<u>Purpose</u>	<u>Funding</u>	<u>Positions</u>	<u>Source</u>
(7)(aa)	Forestry Stewardship debt--GPR reestimate	(4,000,000)		GPR
(7)(au)	Forestry - Stewardship debt service	4,000,000		SEG
(7)(fs)	Forestry acquisition and development	222,600		SEG
(7)(hq)	Forestry administrative facilities	154,000		SEG
(8)(ir)	Forestry promotional activities	20,800		SEG
(8)(mk)	Forestry--administrative service funds	1,316,800	1.48	PR
(8)(mu)	Forestry--administrative operations	7,066,100	79.19	SEG
(9)(mu)	Forestry--customer service and education	<u>2,680,100</u>	<u>30.36</u>	SEG
	<b>Total</b>	<b>\$66,374,500</b>	<b>661.32</b>	
<u>Total by Fund Source</u>				
	GPR	\$4,000,000	0.00	
	FED	1,854,900	5.50	
	PR	1,553,900	1.48	
	SEG	<u>66,965,700</u>	<u>654.34</u>	
	<b>Total</b>	<b>\$66,374,500</b>	<b>661.32</b>	

If no action were taken on this request and legislation failed to be enacted prior to July 1, 2002, the Division of Forestry would continue to make required payments from existing sum-sufficient and certain continuing appropriations (such as aids in lieu of taxes payments to local units of government and debt service payments). However, no additional funding would be available to sustain forestry activities. In addition, the \$4,000,000 SEG provided in 2002-03 for stewardship debt service payments would not be available. If this were the case, an equivalent amount of GPR would be required to meet the State's debt repayment schedule.

It should be noted that DNR has not requested the restoration of \$305,100 GPR that was deleted as a result of the partial veto (\$114,600 for resource maintenance and development on state forests and \$190,500 for state forest road maintenance). The Department has indicated that it anticipates any decision regarding the further expenditure of GPR as well as the statutory language changes required to restore the appropriate allotment of revenue from the seedling surcharge between the appropriations supporting forestry education curriculum development and public education would be resolved as part of the budget adjustment bill currently being considered by the Committee on Conference.

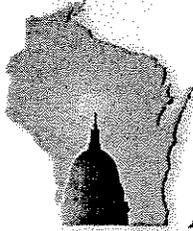
The request would restore the level of funding approved by the Legislature for the forestry program, but vetoed by the Governor under 2001 Act 16. Further, at the April 18, 2002, meeting of the Committee on Conference regarding the resolution of differences between the Assembly and Senate versions of the budget adjustment bill, the conferees agreed to include the Assembly provision restoring the forestry-related funding and positions deleted as a result of the Governor's partial veto of 2001 Act 16.

## CONCLUSION

Given the action of the Legislature in the 2001-03 biennial budget bill and the agreement of the SS AB 1 Committee of Conference, the Committee could delete \$4,000,000 GPR and provide \$66,965,700 SEG and 654.34 SEG positions; \$1,553,900 PR and 1.48 PR positions; and \$1,854,900 FED and 5.50 FED positions in 2002-03 (as shown in Table 2) to restore funding for the state's forestry program.

Prepared by: Rebecca Hotynski

*Support the  
conclusion?*



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT McCALLUM**  
GOVERNOR

**GEORGE LIGHTBOURN**  
SECRETARY

Office of the Secretary  
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**Date:** June 7, 2002

**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 funding and related position authority for forestry-related activities

**Request**

The department requests an ongoing supplement of \$66,894,900 SEG from the Committee's appropriation under s. 20.865(4)(u) and position authority for 655.82 FTE SEG and 5.50 FTE FED positions in fiscal year 2002-03 for the department's appropriations under s. 20.370(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (1)(my), (3)(mu), (5)(as), (5)(at), (5)(av), (5)(aw), (5)(ay), (5)(br), (5)(bs), (5)(bt), (5)(bw), (5)(by), (7)(au), (7)(fs), (7)(hq), (8)(mu) and (9)(mu) for forestry-related activities.

**Background**

The 2001-03 biennial budget bill passed by the Legislature contained language to create a Department of Forestry by transferring to it all programs, operations and employee positions related to forestry activities, other than southern forests, from the Department of Natural Resources. The Governor vetoed this provision, citing that creation of a separate department was a duplication of current effort, reduced accountability to the public for management of the state's natural resources, and created potential funding complications, especially with regard to segregated or federal revenues marked for a specific activity or purpose. The veto included the elimination of all FTE positions and related funding for the Department of Forestry, effectively removing funding and position authority for forestry-related activities in fiscal year 2002-03.

**Analysis**

Funding for forestry activities will end on June 30, 2002, and employment of people in affected positions will be deferred until funding is restored. In keeping with union and

Members, Joint Committee on Finance

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June 7, 2002

civil servant procedural guidelines, if funding is not in place by June 15, 2002, layoff notices will be issued to current affected employees. In order to avoid this situation, the department is requesting restoration of expenditure authority in all SEG appropriations and corresponding position authority that relates to forestry operations for fiscal year 2002-03. The department is also requesting the restoration of authority for 5.5 FTE FED positions, which are dedicated to general forestry activities.

Restoration of expenditure authority in GPR appropriations used for facilities and roadway maintenance is not requested at this time, as there are no GPR funded forestry positions. The department anticipates that GPR funding will be restored in the Budget Reform Bill.

The department's request for exemption of 655.82 FTE SEG positions should be stated as an exemption request for 654.34 FTE SEG and 1.48 FTE PR-S positions. Correction of authorized position amounts would accurately represent the forestry-related positions vetoed in 2001 Wisconsin Act 16 and should be reflected in the exemption request. While the department requests 80.67 FTE SEG positions be restored in the appropriation under s. 20.370(8)(mu), the request should be revised to restore 79.19 FTE SEG positions to the appropriation under s. 20.370(8)(mu) and 1.48 FTE PR-S positions from the appropriation under s. 20.370(8)(mk).

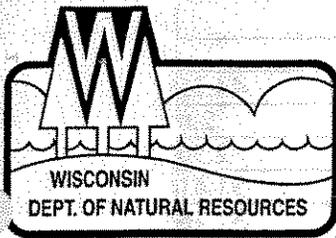
**Recommendation**

Modify the request to show restored position authority for the following:

<u>Number of Positions</u>	<u>Appropriation(s)</u>
654.34 FTE SEG	(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (3)(mu), (8)(mu) and (9)(mu)
5.50 FTE FED	(1)(my)
1.48 FTE PR-S	(8)(mk)
661.82 FTE	Total-All Funding Sources

This modification would reduce the restored position authority in the appropriation under s. 20.370(8)(mu) to 79.19 FTE SEG positions and accurately reflect the restoration of 1.48 FTE PR-S positions in the appropriation under s. 20.370(8)(mk).

Prepared by: Chariti Gent  
266-7329



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott McCallum, Governor  
Darrell Bazzell, Secretary

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Box 7921  
Madison, Wisconsin 53707-7921  
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TTY 608-267-6897

May 30, 2002

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:

Funding for the Forestry program will end on June 30, 2002. I am pleased that Forestry funding restoration is included in the current budget reform bill as a component agreed to by both houses. However, in this particular instance timing may still be a problem. Given the requirements of the layoff process (union contracts and civil service rules), we need to act soon to avoid troubling situations for these employees and their families. Action is needed by June 1, to avoid triggering the official layoff procedure; that is the day unions must be notified of impending action. While June 1 is almost upon us, the second "trigger" date will be June 15. That is the day layoff notices must be given to specific employees. Our current goal is to avoid that action and the resulting employee anxiety it would create.

If action on the budget reform bill is not imminent, I urge you to call a special Joint Committee on Finance s. 13.10 meeting prior to June 15 to resolve this issue. Given the nature of the original Governor's veto, all of the necessary DNR Forestry chapter 20 appropriations remain intact. Therefore the Committee need only supplement the Conservation Fund SEG appropriations and authorize SEG FTE under its s. 13.10 authority.

Request

The Department requests \$66,894,900 SEG for the restoration of funding for Forestry purposes within DNR. It is equivalent to the amount of Forestry SEG vetoed by the Governor in the 2001-03 biennial budget bill. The request would also restore 655.82 SEG FTE and 5.50 Federal positions to the Department that had been transferred to the Department of Forestry, and subsequently vetoed. Following is a table describing the activities funded by this request:

Activity	Alpha Apprn. s. 20.370	Dollars	FTE
Forestry	(1)(mu)	\$35,292,300	424.94
Reforestation	(1)(cq)	100,000	
Forestry Education Curriculum	(1)(cu)	318,700	
Public Education	(1)(cv)	318,700	
Snowmobile Trails	(1)(mq)	10,000	
ATV Trails	(1)(ms)	7,100	
Federal	(1)(my)		3.5

Forestry Subtotal		\$36,046,800	
Southern Forestry	(1)(mu)	4,245,500	44.75
Southern Forestry—Federal	(1)(my)		2.0
Forestry Wildlife Management	(1)(lt)	153,400	2.50
Forestry Supervision	(1)(mu)	2,617,000	31.41
Land Management	(1)(mu)	2,549,500	31.16
Taxes and Assesments	(1)(kq)	99,000	
Research	(3)(mu)	901,100	10.03
Forestry Grants			
Forestry Recreation Aids	(5)(as)	234,500	
Nonprofit Conservation Organizations	(5)(aw)	80,000	
Ice Age Trail Area Grants	(5)(at)	75,000	
Private Forest Grants	(5)(av)	1,250,000	
Urban Land Conservation	(5)(ay)	75,000	
Forest Crop and Managed Forest Aids	(5)(br)	1,250,000	
County Forest Loans	(5)(bs)	622,400	
County Forest Loans Severance Share	(5)(bt)	400,000	
Urban Forest Grants	(5)(bw)	1,724,900	
Fire Equipment Grants	(5)(by)	448,000	
Debt Service and Development			
Debt Service	(7)(au)	\$4,000,000	
Acquisition and Development	(7)(fs)	222,600	
Facilities Development & Maintenance	(7)(hq)	154,000	
Support Services	(8)(mu)	7,066,100	80.67
Customer Assistance & External Relations	(9)(mu)	2,680,100	30.36
		\$66,894,900	661.32

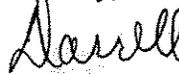
### Background

This request would restore Conservation Fund funding for forestry purposes within the Department of Natural Resources that was vetoed from the 2001-03 biennial budget bill. The 2001-03 budget bill enacted by the State Legislature created a Department of Forestry and transferred the Division of Forestry from the Department of Natural Resources (DNR) and all of its related programs, operations, and employee positions to the new Department. The effective date of the transfer was July 1, 2002. The governor vetoed these provisions. The veto included the elimination of the appropriations for the new Department for fiscal year 2002-03.

This request restores the funding to the corresponding SEG appropriations within DNR, and restores the corresponding FTE employee positions under DNR that relate to the Division of Forestry operations for fiscal year 2002-03. This request does not include the restoration of GPR funding that is included in the agreed upon Conference Committee package. That funding is for facilities and road maintenance activities. Given limitations on the Committee's ability to supplement GPR appropriations and the fact that neither of these two appropriations support Department FTE, the timing of this restoration is less critical. Therefore, I would request that funding restoration for these two elements remain as part of the Budget Reform Bill.

Thank you for your consideration of this request. I am eager to work with you and your colleagues to resolve this issue quickly and get on with the important Forestry work that needs to be done in Wisconsin.

Sincerely,

  
 Darrell Bazzell  
 Secretary

II. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of a grant to the City of Racine for the development of Phase II of a multipurpose pathway along the Root River Parkway Corridor 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.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING <i>Hansdorf</i>	Y	N	A
ROSENZWEIG	Y	N	A
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 1 ABS \_\_\_\_\_



## Legislative Fiscal Bureau

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

June 11, 2002

**TO:** Members  
Joint Committee on Finance

**FROM:** Bob Lang, Director

**SUBJECT:** Natural Resources: Root River Parkway Stewardship Grant to the City of Racine --  
Agenda Item II

### REQUEST

The Department of Natural Resources (DNR) requests approval to expend \$375,000 from the Warren Knowles-Gaylord Nelson Stewardship 2000 property development and local assistance subprogram to provide a grant to the City of Racine for development of the Root River Multipurpose Pathway.

### 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, \$34.5 million in 2001-02 is allocated to general land acquisition for conservation and recreation purposes and \$11.5 million for DNR property development and for local assistance grants. 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 and \$15 million available for the property development and local assistance subprogram.

Of the \$15 million annual bonding authority available in 2002-03 and subsequent years for the property development and local assistance subprogram, DNR may obligate up to \$8 million for

one of the properties acquired for trail expansion. A more precise breakdown of construction costs will not be available until the City receives final bids for phase-two construction from its contractors; however, City officials indicate that the bidding process is currently on hold, pending the approval of the stewardship grant. Several of the anticipated projects have been initiated using funds currently available to the City, including the demolition of existing structures on acquired properties and the subsequent remediation of those areas.

The Committee could approve the project because: (1) it is consistent with the enumeration in the 2001-03 biennial budget; (2) the City is contributing matching funds in excess of those required under Act 16; and (3) providing the funds from the local assistance component of the stewardship program is appropriate for the development of a local parkway.

Because the Legislature enumerated that this project be funded in Act 16, it appears that the Committee could not deny the request for \$375,000. However, if the Joint Committee on Finance believed the project should be funded from a different component of stewardship (for example, from land acquisition or DNR property development), then it could require the Department to submit a revised request.

#### ALTERNATIVES

1. Approve the DNR request to expend \$375,000 (not to exceed the matching contribution made by the City of Racine) from the local assistance component of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to provide a grant to the City of Racine for the second phase of the Root River multipurpose pathway.

2. Direct the Department to submit a modified request.

Prepared by: Rebecca Hotynski

III. Department of Administration – Paul McMahon, Budget Director

The department requests the transfer of \$500,000 PR in fiscal year 2001-2002 and \$500,000 PR in fiscal year 2002-2003 from the Committee's appropriation under s. 20.865(4)(g) to the department's management assistance grants for counties appropriation under s. 20.505(1)(ku) for the purpose of making a management assistance grant to Menominee County.

Governor's Recommendation

Approve the request.

MO# \_\_\_\_\_

BURKE	(Y)	N	A
DECKER	(Y)	N	A
MOORE	(Y)	N	A
SHIBILSKI	(Y)	N	A
PLACHE	(Y)	N	A
WIRCH	(Y)	N	A
DARLING <i>Harsdorf</i>	(Y)	N	A
ROSENZWEIG	(Y)	N	A
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 \_\_\_\_\_ ABS \_\_\_\_\_

# STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

3 17-E Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-8535



ASSEMBLY CHAIR  
JOHN GARD

308-E Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

June 4, 2002

Secretary Darrell Bazzell  
Department of Natural Resources  
101 S. Webster Street, 5<sup>th</sup> Floor  
Madison, WI 53707

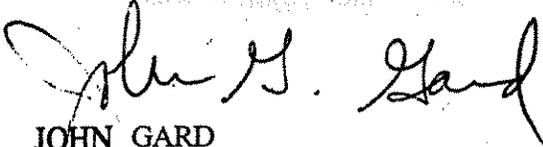
Dear Secretary Bazzell:

Under s. 23.0917 (6) of the statutes, a stewardship 2000 project or activity of more than \$250,000 requires the review of the Joint Committee on Finance. 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. This language applies to all stewardship 2000 projects or activities (an identical provision also applies to the original stewardship program). Therefore, the Joint Finance review provision clearly applies to any stewardship funded project or activity of more than \$250,000.

While DNR submits its land acquisition and local assistance grants for review, DNR has not been submitting property development projects of over \$250,000 (such as construction of new state park or forest entrance facilities) to Joint Finance for review. In addition, several major property development projects are earmarked in the biennial budget act and are not exempted from the Joint Finance review requirement (such as \$3 million for Milwaukee Lakeshore State Park, \$2.37 million for a visitor center at the Kickapoo Valley Reserve and \$2 million for improvements at State Fair Park).

Based upon a clear reading of the Wisconsin Statutes and the attached legal opinion by staff of the Legislative Council, the Joint Committee on Finance review provision applies to all stewardship projects or activities in excess of \$250,000 and not just those dealing with the purchase of land or local assistance grants. Accordingly, please ensure that the Department of Natural Resources submits all required stewardship projects for review by the Committee.

Sincerely,



JOHN GARD  
Assembly Chair

JG:dh

cc: Members, Joint Committee on Finance

Attachment



## WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director  
Laura D. Rose, Deputy Director

TO: REPRESENTATIVE JOHN GARD

FROM: Mark C. Patronsky, Senior Staff Attorney *map*

RE: Joint Committee on Finance Review of Certain Projects Under the Stewardship Program

DATE: June 3, 2002

This memorandum is in response to your request for an analysis of the applicability of current s. 23.0917 (6), Stats., which relates to Joint Committee on Finance review of certain projects under the Stewardship Program.

Section 23.0917, Stats., comprises the Warren Knowles-Gaylord Nelson Stewardship 2000 Program. This is the new stewardship program that was created in the 1999 Budget Act. This statute includes a provision that requires review by the Joint Committee on Finance, as follows:

23.0917 (6) REVIEW BY JOINT COMMITTEE ON FINANCE. ( a ) T h e department may not obligate from the appropriation under s. 20.866 (2) (ta) [Stewardship Program bonding authority] for a given project or activity any moneys unless it first notifies the joint committee on finance in writing of the proposal. If the cochairpersons of the committee do not notify the department within 14 working days after the date of the department's notification that the committee has scheduled a meeting to review the proposal, the department may obligate the moneys. If, within 14 working days after the date of the notification by the department, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposal, the department may obligate the moneys only upon approval of the committee.

(b) Paragraph (a) applies only to an amount for a project or activity that exceeds \$250,000, except as provided in par. (c).

(c) Paragraph (a) applies to any land acquisition under sub. (5m).

This statute is direct and clear. The Department of Natural Resources (DNR) "may not obligate" funds from the bonding authorization from the Stewardship Program "for a given project or activity" if

the amount for the project or activity exceeds \$250,000 unless it "first notifies the Joint Committee on Finance in writing of the proposal" and the Joint Committee on Finance has an opportunity to review the proposal. I cannot find any vagueness or ambiguity in the intent or effect of this statute. Further, the phrase "project or activity" is sufficiently broad to encompass anything for which the expenditure of bonding revenue from the Stewardship Program could be anticipated.

However, you have discovered that the DNR has not submitted for Joint Committee on Finance review certain property development projects that require review under the directive of this statute. The explanation provided by the DNR is that statutes applicable to Building Commission decision-making under ss. 13.48 (7) and 13.488 (4), Stats., prevail, and render the clear mandate of s. 23.0917 (6), Stats., a nullity. I have reviewed the Building Commission statutes carefully and cannot find any argument to support the DNR position. Sections 13.48 and 13.488, Stats., describe the authority of the Building Commission to supervise the state building program. It is clear that certain projects or activities that require review under s. 29.0917 (6), Stats., will also require review by the Building Commission. Neither statute contains express provisions that supersede the other statute. Review by both the Building Commission and the Joint Committee on Finance may occur, but nothing in the statutes indicates that this should not occur. You call attention specifically to s. 13.488 (4), Stats., which provides, with respect to the powers and duties of the Building Commission, as follows:

13.488 (4) All laws, conflicting with this section are, insofar as they conflict with this section and no further, superseded by this section.

Section 29.0917, Stats., contains nothing that conflicts with Building Commission powers and duties, so this statute is inapplicable to Joint Committee on Finance review of stewardship fund projects.

The prior stewardship program contains an identical provision regarding Joint Committee on Finance review. [s. 23.0915 (4), Stats.] This provision was created by 1995 Wisconsin Act 27. The legislative history of this provision is especially significant in the understanding of the current statute. The first stewardship program had already existed for approximately five years when this provision was adopted. When it was adopted, the provisions that you noted in ss. 13.48 and 13.488, Stats., already existed, but those latter statutes were not amended by 1995 Act 27, concurrent with the creation of s. 23.0915 (4), Stats. This evidence is clear legislative intent that whatever authority the Building Commission may have, the review by the Joint Committee on Finance was also meant to apply to the Stewardship Program.

If you have further questions, please feel free to contact me.

MCP:wu:jal:tlu:ksm

I. Department of Natural Resources – Darrell Bazzell, Secretary

The department requests an ongoing supplement of \$66,894,900 SEG from the Committee's appropriation under s. 20.865(4)(u) and position authority for 655.82 FTE SEG and 5.50 FTE FED positions in fiscal year 2002-03 for the department's appropriations under s. 20.370(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (1)(my), (3)(mu), (5)(as), (5)(at), (5)(av), (5)(aw), (5)(ay), (5)(br), (5)(bs), (5)(bt), (5)(bw), (5)(by), (7)(au), (7)(fs), (7)(hq), (8)(mu) and (9)(mu) for forestry-related activities.

Governor's Recommendation

Modify the request to show restored position authority for the following:

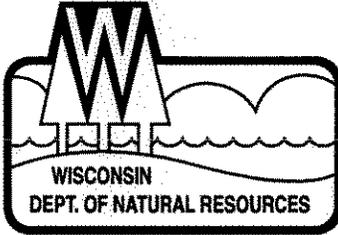
<u>Number of Positions</u>	<u>Appropriation(s)</u>
654.34 FTE SEG	(1)(cq), (1)(cu), (1)(cv), (1)(kq), (1)(lt), (1)(mq), (1)(ms), (1)(mu), (3)(mu), (8)(mu) and (9)(mu)
5.50 FTE FED	(1)(my)
1.48 FTE PR-S	(8)(mk)
661.82 FTE	Total-All Funding Sources

This modification would reduce the restored position authority in the appropriation under s. 20.370(8)(mu) to 79.19 FTE SEG positions and accurately reflect the restoration of 1.48 FTE PR-S positions in the appropriation under s. 20.370(8)(mk).

II. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of a grant to the City of Racine for the development of Phase II of a multipurpose pathway along the Root River Parkway Corridor 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.



**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**

June 14, 2001

**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 & Finance, 10<sup>th</sup> Floor**  
**Administration Building**  
**101 E Wilson Street**

*Brian* *John*  
Dear Senator Burke and Representative Gard:

The Department would like to withdraw its previously submitted \$13.10 requests for funding and positions in FY 2001 related to wetlands compensatory mitigation and enforcement.

Thank you for your consideration.

Sincerely,

*Darrell*

**Darrell Bazzell**  
**Secretary**

Cc: Robert W. Lang, Legislative Fiscal Bureau



STATE REPRESENTATIVE

**STEVE KESTELL**

27TH ASSEMBLY DISTRICT

September 5, 2001

Joint Committee on Finance  
Representative John Gard, Assembly Co-Chair  
308-East, State Capitol  
Senator Brian Burke, Senate Co-Chair  
317-East, State Capitol

Dear Co-Chairman Gard, Burke and committee members,

I am writing in support of the proposed acquisition of the Silver Springs property in Sheboygan County from Windway Capital Corporation. Windway Capital Corp. of Sheboygan County has made a significant contribution toward the realization of this project by purchasing and holding the property for conservation purposes. I urge the Committee to allow the vision to reach fruition by approving the WDNR request to acquire the property with Wisconsin Stewardship funds.

The 110.8-acre Silver Springs property is vital to conservation efforts and the Onion River system as a whole. The public/private cooperation on this project is an ideal example of where Stewardship funds should be utilized and could serve as a model to be emulated across Wisconsin. Restoring the headwaters at Silver Springs will not only improve fish habitat and migration; it will enhance the overall water quality and health of the entire Onion River.

Again, it is my hope that the Committee will look favorably on this unique opportunity to promote sound conservation practice by allowing the WDNR to purchase the Silver Springs property.

Sincerely,

A handwritten signature in cursive script that reads "Steve Kestell".

Steve Kestell  
State Representative  
27<sup>th</sup> Assembly District

cc: Lil Meerstein, Sheboygan County Conservation Association

**XIII. Department of Natural Resources – Darrell Bazzell, Secretary**

The department requested approval of the purchase of 100.95 acres in Waukesha County from Ilya Nelson for the Kettle Moraine State Forest – Southern Unit 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.

XII. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of the purchase of 171 acres in Dane County from Dennis and Leona Midthun for the Ice Age Trail 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.

XI. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of the purchase of 110.8 acres in Sheboygan County from Windway Capital Corporation Lands 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.

X. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of the purchase of 345.4 acres in Buffalo County from Wicka Farms for the Statewide Natural Area 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.

IX. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of the purchase of 184.76 acres in Crawford County from Lowell Ahrens, et. al., for the Statewide Natural Area 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.

VIII. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested approval of the purchase of 95 acres in fee and 49.28 acres in easement in Pepin County from the Diocese of La Crosse for the Lower Chippewa River State Natural Area 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.

**13.10 Meeting  
September 5, 2001  
Agenda Item VIII through XIII**

**Issue: Natural Resources – Stewardship Purchases**

**Staff Recommendation:** Alternative 2 for all sections (A-F)

**Comments:**

These are all DNR land purchase requests that were objected to by the Republicans. Obviously, DNR would like to move ahead with the purchases. Alternative 2 for each request is the best option. It allows DNR to use bonding for the each land purchase as well as the closing costs. If we don't include funding for the closing costs, the money will come out of DNR's Fish and Wildlife account, which adds up to quite a hit on that fund.

**Prepared by:** Julie



## Legislative Fiscal Bureau

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

September 5, 2001

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Stewardship Purchases -- Agenda Items VIII through XIII

### REQUEST

The Department of Natural Resources (DNR) requests approval to make the following expenditures from the Warren Knowles-Gaylord Nelson Stewardship 2000 land acquisition subprogram: (a) \$350,000 to purchase 95 acres of land in fee and 49.28 acres in easement from the Diocese of La Crosse for the Lower Chippewa River State Natural Area in Pepin County; (b) \$400,000 to purchase 184.76 acres from Lowell Ahrens, et al., for the Statewide Natural Area program in Crawford County; (c) \$260,100 to purchase 345.4 acres of land from Wicka Farms for the Trempealeau River Meadows State Natural Area in Buffalo County; (d) \$615,000 to purchase 110.8 acres from Windway Capital Corporation Lands for the Onion River Streambank Protection Area in Sheboygan County; (e) \$569,913 to purchase 100.95 acres from Ilya Nelson for the Southern Unit of the Kettle Moraine State Forest in Waukesha County; and (f) \$557,460 to purchase 171 acres of land from Dennis and Leona Midthun for the Ice Age Trail in Dane County.

### BACKGROUND

#### Stewardship 2000

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. The 2001-03 biennial budget as passed by the Legislature (Enrolled SB

55) would increase 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 Diocese of La Crosse, Lowell Ahrens, et al., and Wicka Farms purchases was received by the Co-chairpersons on April 26, 2001. On May 15, 2001, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the three proposed purchases. DNR notification of the proposed Windway Capital Corporation Lands purchase was received by the Co-chairpersons on May 25, 2001. On June 13, 2001, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed purchase. DNR notification of the proposed Ilya Nelson and Dennis and Leona Midthun purchases was received by the Co-chairpersons on June 29, 2001. On July 19, 2001, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the two proposed purchases.

## Lower Chippewa River State Natural Area

Of the 144.28 acres being considered for addition to the Lower Chippewa River State Natural Area, 95 acres would be purchased and easements would be acquired on the remaining 49.28 acres. The parcel provides access to approximately one-quarter mile of frontage on the Chippewa River, a slow moving warm water stream. Fish species common to the river in this area include northern pike, walleye, bass, and panfish. Property types present include sand prairie, floodplain savanna, and white oak woodland on the site. In addition, the site contains one of the largest concentrations of prickly pear cactus (a state threatened plant) in the state. Other species of special concern located on the property include fame-flower, the lark sparrow, red-headed woodpeckers, western meadowlark, and the orange-winged grasshopper. The parcel is adjacent to the Tiffany Wildlife Area, and completely within the boundary of the Lower Chippewa River State Natural Area. Increased hunting opportunities, including deer and turkey hunting, would be available on the riverfront parcel.

The property being considered for purchase and easement is part of a larger 187-acre tract purchased by the Diocese of LaCrosse from a developer in 2000 to preserve an area of religious significance and to develop a retreat center at the site. The purchase price of the property at that time was \$693,900 for the entire parcel, or approximately \$3,700 per acre. The property contains improvements valued at \$78,000, including a fifty-year old one-story wood frame residence and a 336 square foot storage building, both of which were appraised as being in fair condition. Three years previously, the property had been purchased by the developer for \$500,000. The Diocese would retain 42.5 acres of the property in unrestricted ownership, an additional 23.28 acres partially bordering the Chippewa River under limited development easement, and 26 acres under Natural Area easement. The Department would purchase 95.2 acres along the Chippewa River outright. In addition, an access corridor would be provided to facilitate Department access to the riverfront portion of the property from the roadway for property management purposes. Access to the riverfront portion of the property by the public would be available by boat or through the adjacent Tiffany Wildlife Area lands, which share a contiguous boundary with the 95-acre section to the south. Public access to the eased areas as well as public access from the roadway would be prohibited.

Under the limited development easement, the Diocese would be allowed to maintain the house currently located on the property. In addition, DNR would permit the construction of two day-use shelter facilities, a small religious shrine or marker, stairs and railings as necessary for trail use, permanent tent pads, and a replica of the original chapel constructed on the site (not to exceed a dimension of 20 feet by 40 feet). In addition, the easement specifies that construction of the shelters must be log or imitation log exterior. All construction is required to be in neutral colors. While the easement does not grant public access to this part of the property, DNR would have the right to enter the property upon giving a 48-hour notice.

Under the natural area conservation easement, the property would be designated a Wisconsin State Natural Area in perpetuity. The Department would have the right to maintain,

manage, and restore the property according to a land management plan agreed upon between the Diocese and DNR. Acceptable management activities conducted by DNR may include (but would not be limited to): conducting prescribed fires; constructing fire breaks; removing, cutting, burning, chemically treating, or otherwise altering trees, shrubs, and herbaceous vegetation; planting vegetative cover for restoration purposes; and controlling exotic and native invasive species of plants and animals that threaten the biological integrity of the premises. Public access would not be permitted; however, DNR would have ongoing access to the eased property, and the Diocese could grant permission to its guests to hunt or trap on the property. The Diocese would not have permission to erect signs, camp, or start fires on the eased property.

There is no local or county zoning applicable to this property. However, statewide floodplain and shoreline zoning would apply. The property is presently being managed for sustained timber yield production and recreational use. The 1999-00 assessed value for the land was \$255,700, with \$5,460 paid in 2000 for property taxes. The parcel is enrolled under the managed forest law program for tax purposes. If the transaction were approved, the state would be responsible for the payment of aids in lieu of taxes to the City of Durand for the 95 acres DNR would purchase; property taxes on the remaining parcel, including eased land, would remain the responsibility of the Diocese. It is not known whether the Diocese will apply for tax exemption of the property. The amount due to the City of Durand for payments in lieu of taxes on the 95 acres would be 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 city 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 \$7,765 (compared to \$5,460 in property taxes paid on the 187 acre parcel in 2000). Closing costs for the purchase of the property are estimated to be \$7,200, including appraisal, survey, and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

Two private appraisals were completed on the property in September and October of 1999. These appraisals were based on the assumption that DNR would be acquiring easements on 166 acres of the 187-acre parcel, with no direct purchase of land. The easement value of the 166 acres was determined to be \$444,000 in one appraisal, and \$445,000 in the other. Without an easement restricting development, highest and best use was determined to be residential development with recreational opportunities, with possible subdivision into multiple residential sites. After easement restrictions were applied, best use was determined to be a single residential use, with limited agricultural and recreational use, as well as sustainable timber production. Both appraisals reached a determination of value using a sales comparison approach. With this method, sales of comparable parcels of land without easements are considered to determine the value of the property without easements or development restrictions attached. Secondly, sales of comparable parcels with easements or development restrictions are considered to reach a determination of value of the property after use restrictions have been placed on it. The value of the easement can be determined

by subtracting these "before" and "after" property valuations. The appraisal valuing the easement at \$445,000 was problematic for several reasons. Of the three sales of land used to determine the pre-easement value of the property, one was the three-year-old sale of the property being appraised when it was sold to a developer (the previous owner). In a follow-up letter to the appraiser, DNR raised concerns about the inclusion of this transaction in the appraisal for the purpose of determining property value, along with a request to reconsider the appraiser's estimate of development potential based on the success of the previous owner in developing the property and other land use practices in the area. The appraiser declined to make adjustments relating to either of these two concerns, prompting DNR to reject the appraisal. The Department accepted the second appraisal, which determined the value of the easement at \$444,000, and commissioned an updated appraisal from the same contractor to determine just compensation for the renegotiated sale (under which DNR would purchase 95 acres and acquire easements on an additional 49.28 acres). The final value determined by the appraiser and accepted by DNR was \$468,500. This determination was based on acquiring 95 acres of land valued at \$3,245 per acre, and paying \$3,260 per acre for the easements on 49.28 acres. The easement cost per acre exceeds the acquisition cost per acre due primarily to the superior view, water access, and development potential of 16.3 of the acres proposed for easement. The Diocese has offered to include a partial donation of \$118,500 to DNR as part of the transaction, lowering the cost to \$350,000.

#### **Statewide Natural Area – Crawford County**

The 184.76 acres proposed for purchase from Lowell Ahrens, et al., for the Prairie du Chien Savanna State Natural Area include 170 acres of wooded upland and 14.76 acres of prairie brushland. The property is rolling with a steep bluff on the western side along state highway 35. Excellent views of the Mississippi River would be available with some timber and vegetation removal. The property is one of the few remaining undeveloped bluffs overlooking the Mississippi River, and is near the City of Prairie du Chien. Development potential is considered to be high for this location. In addition, this property currently provides ridge top access to neighboring properties under similar development pressure. Acquisition of this parcel could potentially serve to limit development access to neighboring parcels as well.

The parcel contains five significant plant communities, including some rare or endangered plant species (such as the hairy meadow parsnip). In addition, the parcel is part of a contiguously forested ridge in the vicinity of Wyalusing State Park and along a migratory bird route. This would contribute to its value as habitat for nesting songbirds. There are also several Indian burial mounds located on the property. Timber resources present on the property are estimated to exceed \$229,000, including red, white, and burr oak, walnut, basswood, aspen, elm, and other hardwoods.

The Department of Transportation holds a scenic easement on 14.7 acres of the parcel along highway 35 for which it paid Clarence E. Ahrens \$200 in 1963. The easement requires a 50-foot setback from the highway, and at least 300 feet of frontage for each residence constructed on the 14.7 acres. However, given that this portion of the property has an extremely steep grade that would prohibit most development or access to the property from the highway, the easement is not

considered to negatively impact the value of the property or prohibit the highest and best uses evaluated by the appraisers.

The property lacks comprehensive zoning, and resides within the extra-territorial control area of the City of Prairie du Chien. The 1999-00 assessed value for the land was \$75,400, with an equalized value of \$84,700. The parcel is enrolled under the forest crop law program for tax purposes. If the purchase of this property were approved, the State would be responsible for the payment of aids in lieu of taxes of approximately \$9,500 (compared to \$37 paid in 2000 while the parcel was enrolled in the forest crop law tax program). Closing costs for the purchase of the property would be \$3,600, including appraisal and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

Two private appraisals were completed on the property during August and September of 2000, reaching valuations of \$416,000 and \$462,000, respectively. The first appraisal established highest and best use of the property as either one large site or several 30 to 40 acre hobby farm or residential sites with outdoor recreational opportunities. This appraisal was considered incomplete by the DNR appraisal reviewer due to its exclusion of timber valuation on the property, and the failure of the appraiser to adjust per-acre valuations for electrical or sewage access, parcel size of comparable sales, the costs associated with withdrawing the property from forest tax law, and to adequately address costs associated with obtaining access to the property across private property. The appraiser updated his estimation to include the increase in property value due to the results of the DNR's assessment of the value of timber on the property, from \$2,250 to \$2,750 per acre, increasing the appraised value from \$416,000 to \$508,000. The Department accepted this adjusted appraisal; however, DNR did not initially approve the appraisal for purposes of just compensation.

The second appraisal estimated the value of the property at \$2,500 per acre, including the value of the merchantable timber, for an appraised value of \$462,000. Highest and best use was determined to be residential, combined with management for recreational use and forestry management. However, the valuation of the property exceeded the limits of the appraiser's license (as a certified residential appraiser, the appraiser was allowed to value non-residential real estate up to \$250,000). Consequently, the appraisal was not accepted by DNR.

As neither of the two appraisals were approved for the purpose of establishing just compensation, DNR land acquisition staff conferred with staff in the Natural Areas program to determine an offering price. The property owners were informed that the appraised value of their property was \$508,000, but that DNR was only willing to pay \$400,000 (or \$2,165 per acre). The owners accepted the proposed price of \$400,000 with the remaining \$108,000 of value being considered as a donation to the Department.

## Trempealeau River Meadows State Natural Area

The 345.4-acre parcel proposed for purchase from Wicka Farms contains high-quality wetland, and would fill a gap in the state natural areas program due to the lack of sedge meadows in the Wisconsin driftless area. The property contains approximately 100 acres of undisturbed sedge meadow, and at four locations on the parcel the Trempealeau River forms deep-water marshes. The parcel also contains 3,000 feet of frontage along one bank of the Trempealeau River. A number of grassland bird species also appear on the property, including bobolinks, sedge wrens, LeConte's sparrow (a special concern species), in addition to great egrets (a state threatened species), bald eagles (a special concern species), and great blue herons (a special concern species). The site would require minimal management outside of some limited tree removal and an occasional prescribed burn. The property lies within the Trempealeau River Meadows State Natural Area.

The property is zoned for agriculture, and lies within the Town of Cross in Buffalo County. The 1999-00 assessed value for the land was \$92,400, with an equalized value of \$101,300 and \$2,400 paid in property taxes in 2000. The parcel is currently listed for sale at \$1,000 per acre. If the purchase of this property were approved, the State would be responsible for the payment of aids in lieu of taxes of approximately \$6,240 (compared to \$2,400 in property taxes paid in 2000). Closing costs for the purchase of the property are estimated to be \$4,770, including appraisal, survey, and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

One appraisal was completed for the Wicka parcel, establishing an appraised value of \$223,000 for 343.6 acres (or \$650 per acre). The initial parcel appraised lay entirely within the floodplain of the Trempealeau River, and thus was not considered eligible for development. The owner declined the offer of \$650 per acre for the parcel and instead proposed retaining a 4.2-acre tract initially considered as part of the sale, and including instead a six-acre tract of open land above the floodplain, which was considered to be buildable site. Approximately 30 acres of the property were considered tillable, and the parcel was zoned agricultural/floodplain. Highest and best use was determined to be recreational with limited agricultural use. With the inclusion of the buildable site, limited residential development was included in the estimation of highest and best use. The revised appraisal increased the per-acre value by \$100 per acre due to the addition of this developable property for a total of \$750 per acre, or \$260,000 for 345.4 acres. The Department indicates that the inclusion of a buildable site as part of the purchase was desirable, as it would allow DNR to construct a parking area for better public access. The previous proposal would not have included a parking area, as the entire purchase would have been considered wetlands and as such could not be filled. In addition, DNR agreed to pay \$100 for an access easement that would allow only DNR staff and vehicles access to the property for management purposes at a second location separate from the public access that would be available along River Road. In the option to purchase, DNR specified that the final closing price would be adjusted using the \$750 per acre value based on a final survey to establish the total acreage. The expected adjustment may decrease the cost of the parcel somewhat, although any adjustment is expected to be minor. Department staff reviewing the

appraisal were sufficiently satisfied with its comprehensiveness to waive the policy stipulating a second appraisal of the property.

It should be noted that the access easement acquired by DNR as part of the option to purchase allows access by DNR staff and vehicles only. However, the parcel is bordered on one corner by a town road, and land suitable for the development of a parking area would be acquired as part of the transaction to provide for public access.

### **Onion River Streambank Protection Area**

The 110.8-acre parcel proposed for purchase from Windway Capital Corporation in Sheboygan County consists of a high ridge overlooking lowland pond areas, including springs and artesian wells. The water resources on the property contribute to the headwaters of the Onion River (a Class II trout stream). The property contains an inactive fish hatchery, including sixteen man-made pond areas fed by a stream, with the largest measuring approximately 1.5 acres. Several of the ponds have been drained, but could be refilled through the use of water control boards. The property also contains approximately 4,000 feet of frontage along both banks of Mill Creek, a 10-foot wide stream that starts on the property and is a tributary to the Onion River. Mill Creek discharges approximately two million gallons of water per day. In addition to the water resources present, the property contains approximately 45 acres of northern hardwood and oak timber, 20 acres of inactive cropland, 25 acres of red pine plantation, and 20.8 acres of pond area and brush. The Department proposes managing the property to protect nearby streams from run off and erosion, to allow for fishery management and restoration, and to provide public recreation opportunities. The parcel is outside of the established project boundary for the streambank protection area. DNR indicates that the parcel was left out of the initial plan due to the large number of improvements on the property (including a restaurant). However, Windway Capital Corporation has split off 8.2 acres containing the restaurant and the majority of improvements for separate sale, and removed most of the remaining improvements on the 110.8 acres being considered for purchase.

The Department indicates that work on the Onion River watershed has been a priority since 1992, but that there have been low levels of landowner participation in restoration and management efforts. The river is subject to agricultural and development-related runoff and channel modification. Current management efforts are focusing on improving trout populations, restoration and protection of in-stream habitat, bank stabilization, fencing of livestock, and re-vegetation of eroded areas. The Department argues that the ponds on the property have impacted the trout resources on the upper Onion River by altering water temperatures and fragmenting habitat. As a result, fish populations have gradually changed from primarily native brook trout to warm-water fisheries dominated by large-mouth bass, green sunfish, yellow perch, and white suckers. Fisheries staff indicate that while some natural trout reproduction does occur in the Onion River, stocking is required to support the native fish populations. A key project goal is the restoration of the watershed to the point where natural trout reproduction could more easily occur and ongoing stocking would not be required. After acquiring the property, DNR plans to restore the natural flow

pattern of the stream to enhance water quality and to improve trout spawning and rearing habitat conditions. The restoration plan would include the removal of any impoundment structures, as well as restoration of the original stream flow pattern and channel.

The larger parcel owned by Windway Capital Corporation consists of approximately 144 acres and includes a restaurant. The Corporation purchased the property from Silver Springs of Plymouth, Inc., on April 30, 1999 for \$800,000 (or approximately \$5,560 per acre). Windway has since sold the 8.2 acres containing the restaurant and improvements to another party for \$125,000. The Department purchased 25 acres of the parcel for \$140,000 (or \$5,600 per acre) in March, 2001. Should this proposed purchase be approved, Windway Capital Corporation would receive a total of \$880,000 for the 144 acres originally procured for \$800,000, a 10% increase over approximately 16 months. To put this in context, assessors estimate property values in the Town of Mitchell to be growing at a rate of approximately 9% annually. The parcel consisted of northern hardwood and oak timber, and adjoined the Kettle Moraine State Forest to the west. This proposed purchase would allow DNR to acquire the remaining 110.8 acres. DNR indicates that Windway has already begun cold water restoration work on the property. Costs associated with the restoration of the property are estimated at approximately \$54,000. Several partners, including the Sheboygan County Conservation Association and the Lakeshore Chapter of Trout Unlimited, have indicated a willingness to provide financial support towards the restoration of the property. However, to date, no donations have been received by DNR for this purpose. Trout Unlimited anticipates providing funding for trout habitat restoration work in the form of a restoration grant from the Great Lakes Protection Fund; in addition, DNR anticipates receiving donations from sport and conservation organizations to cover the expense associated with restoration work. Should donations not be sufficient to cover the cost of the restoration, federal sport fish restoration or state trout stamp revenues could be used for the project.

The property is not subject to comprehensive zoning (although shoreland-floodplain restrictions would apply), and is within the Town of Mitchell in Sheboygan County. The 1999-00 assessed value of the land was \$207,000, with an equalized value of \$244,400 and \$4,100 paid in property taxes. If the purchase of this property were approved, the State would be responsible for the payment of aids in lieu of taxes of approximately \$9,900 (compared to \$4,100 in property taxes paid in 2000). Closing costs for the purchase of the property are estimated to be \$8,000, including appraisal and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

Two private appraisals were completed on the 135.8-acre parcel during June and August of 2000, reaching valuations of \$770,000 and \$790,000, respectively. Through negotiations, the final purchase price was set at \$755,000, or slightly less than \$5,600 per acre. This is similar to the price DNR paid for 25 acres in March, 2001 (\$5,600 per acre). The Department indicates that Windway Capital Corporation was considered to be a cooperator, and sought to only cover the costs incurred by the acquisition of the property.

The first appraisal completed for the Windway Capital parcel established an appraised value of \$770,000 for 134 acres (or \$5,800 per acre). Highest and best use was determined to be rural residential and recreational. The value of several cabins and hatchery buildings on the property were not included in the appraisal, as they were in the process of being sold for salvage or razed. Some septic and disposal systems remain in the areas where the cottages were located. In addition to frontage on CTH S and Silver Springs Lane, the parcel may be accessed by way of an easement connecting the parcel to the Northern Unit of the Kettle Moraine State Forest. In addition, a series of gravel roads run through the property and provide access to the ponds, the cropland areas, and a gravel pit. Telephone and electrical service are available to the parcel along the highway and at the site of the old fish hatchery. No comprehensive zoning is in effect for the Town of Mitchell. However, state shoreland and floodplain zoning requirements would still need to be met if the property were developed, and would restrict building within 75 feet of the water. In addition, a minimum lot size of three acres is required for rural development in the area. This appraisal was approved by DNR for the purpose of just compensation.

The second appraisal, (completed in August, 2000), estimated the value of the property at \$5,850 per acre, assuming the purchase of 135 acres, for an appraised value of \$790,000. Highest and best use was determined to be rural residential, combined with recreational use.

#### **Kettle Moraine State Forest – Southern Unit**

The 100.95 acres proposed for purchase for \$569,913 from the Ilya Nelson estate in Waukesha County would be added to the Kettle Moraine State Forest – Southern Unit. The property would assist with the extension of existing equestrian and snowmobile trails in accordance with the state forest master plan. In addition, the property would be available for hunting, fishing, trapping, cross-country skiing, camping, and hiking as part of the state forest. The parcel contains mostly cropland with some oak and hickory hardwoods. Unlike current DNR holdings in the area, which consist of lower land associated with the Scuppernong Marsh, the Nelson property contains a higher section of the inter-lobate moraine that crosses through the forest lengthwise. Long range DNR plans for the property include wildlife habitat restoration, with prairie restoration and some hardwood plantings. The Department indicates that it had been negotiating with the owner of the parcel intermittently since 1967 in hopes of acquiring the property in connection with the state forest. Currently, the parcel is farmed under lease at \$60 to \$65 per acre in rent.

This parcel is the second portion of a two-part transaction. The state received permission to purchase the property from the Ilya Nelson estate during probate settlements between the heirs. However, because the estate was short of funds required for tax bills and other expenses, DNR agreed to pursue the purchase in two stages, acquiring 19.5 acres for \$110,087 in July, 2001, with the larger parcel to be acquired at a later time, pending approval by the Joint Committee on Finance and the Governor.

The property is zoned rural residential, and is within the Village of Eagle in Waukesha County. The Village Board recently instituted a year-long moratorium on rezoning to residential

classification as well as land divisions affecting residential property within the village while the Board reviewed the Village's master plan. The moratorium expired on March 31, 2001. While the appraisals of the property took place during the moratorium, both appraisers indicated development pressure on the parcel was likely to remain high due to its proximity to the state forest and excellent highway access.

The 1999-00 assessed value of the land was \$61,430, with an equalized value of \$75,300 and over \$1,100 paid in property taxes. As an agricultural parcel, the land benefited from use-value assessments for property tax purposes. If the purchase of this property were approved, the State would be responsible for the payment of aids in lieu of taxes of approximately \$11,300 (compared to \$1,100 in property taxes paid in 2000-01). Closing costs for the purchase of the property are estimated to be \$2,630, including appraisal, survey, and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

Two private appraisals were completed on the 120.45-acre parcel during July and August of 2000, reaching valuations of \$975,000 (or \$8,095 per acre) and \$680,000 (or \$5,645 per acre), respectively. The DNR approved the lower of the two appraisals for the purposes of just compensation, and the Nelson estate accepted the Department's offer of \$680,000 for the 120.45-acre parcel. The Department used this valuation when purchasing the 19.5 acres in July, 2001, paying \$110,087 (or \$5,645 per acre).

The approved appraisal, completed in August, 2000, estimated the value of the property at \$5,645 per acre, for an appraised value of \$680,000. Due to the changing nature of land use in Waukesha County (away from agricultural and towards urban use), its highest and best use was determined to be rural residential. Current zoning regulations would require a minimum of a three-acre tract for this purpose, with the exception of seven acres in the northwest corner of the parcel, which is evaluated as upland conservancy, and requires a five-acre minimum tract.

The second appraisal, (completed in July, 2000), estimated the value of the property at \$8,095 per acre, for an appraised value of \$975,000 for the entire 120.45 acre parcel. Highest and best use was also determined to be rural residential. Both appraisers used the comparison sales approach to value the parcel. 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 first appraisal was preferred by DNR as the comparison properties were all sold within a year of the appraisal, and all were located in the Village of Eagle.

### **Ice Age Trail – Dane County**

The 171 acres proposed for purchase for \$557,460 (or \$3,260 per acre) from Dennis and Leona Midthun would be included in the development of the Ice Age Trail in Dane County. The Ice Age Trail is a cooperative project with the United States Park Service, the Ice Age Park and Trail

Foundation, and several counties through which the trail passes. The trail, when completed, will run from Door County south through the Kettle Moraine to Janesville and then north through Devil's Lake State Park to northwestern Wisconsin. Management, development, and maintenance of the trail is shared between DNR and the Ice Age Park and Trail Foundation.

The parcel consists of approximately 135 acres of gently rolling cropland with some wooded hillsides and a small wetland area. The cropland is currently rented out for agricultural production on an annual basis at the rate of \$90 per acre. Plans for the parcel, should it be acquired, include the establishment of an Ice Age Trail corridor on the property as well as a parking area and trailhead, which would also be used for the nearby Badger Trail. The Badger Trail runs on a former railroad grade from Camp Randall Stadium at the University of Wisconsin-Madison south to the state line. The Department anticipates utilizing approximately 100 acres of this parcel for these trail-related projects, and reselling or trading the remaining 71 acres of cropland. DNR indicates that upon the acquisition of key corridors totaling approximately 40 acres through a number of adjacent parcels, the Ice Age Trail, Badger Trail, and the Brooklyn Wildlife Area could all be connected, allowing contiguous access to all three projects. In addition to trail development, a portion of the parcel may be open for hunting and other outdoor recreational uses. DNR cites the scenic character of the area and increased opportunities for public recreation, as well as natural resource management and increasing development pressure within the area as reasons to support their acquisition efforts.

The property is zoned for A-1 Agricultural exclusive, and resides within the Town of Montrose in Dane County. The 1999-00 assessed value for the land was approximately \$110,000, with \$2,400 paid in property taxes. The property benefited from agricultural use value assessment. If the purchase of this property were approved, the state would be responsible for the payment of aids in lieu of taxes of approximately \$11,300 (compared to \$2,400 in property taxes paid in 2000). Closing costs for the purchase of the property are estimated to be \$2,850, including appraisal, survey, and title insurance costs. The Department typically pays these real estate transaction costs with stewardship bonding. However, DNR's request for expenditure authority did not include these costs.

Three private appraisals were completed on the 171-acre parcel during August and November of 2000 and February of 2001, reaching valuations of \$542,900 (or \$3,050 per acre for 178 acres), \$905,000 (or \$5,170 per acre for 175 acres), and \$526,000 (or \$2,960 per acre, based on 177.56 acres), respectively. Appraisers were asked to value the property as three different sized parcels; these values reflect their appraised value for the largest parcel, reflective of DNR's purchase request. Department reviewers did not approve the second appraisal of \$5,170 per acre. Through negotiation with the owner, a purchase price of \$3,260 per acre was agreed upon.

The first appraisal, completed in August, 2000, estimated the value of the property at \$3,050 per acre, for an appraised value of \$542,900. Due to the changing nature of land use in Dane County (away from agricultural and towards urban use) and increasing development pressure, its highest and best use was determined to be rural residential. Current zoning regulations would

require a minimum of a 35-acre tract per homestead for this purpose, as well as rezoning of the specific site previous to construction. The sales comparison method was used to appraise the parcel. 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 comparable sales (after adjusting for differences between the parcels) varied from \$2,829 per acre to \$3,366 per acre. Several additional sales of land in the nearby area were noted, including three in the Town of Oregon with adjusted per acre values ranging from \$5,150 to \$5,571 per acre. While these properties were within four miles of the parcel being appraised, they were located in a neighborhood that was experiencing the transition from agriculture to urban use at a faster pace than the area being considered, limiting the usefulness of the comparable sales. As such, these three sales were not included in the consideration of value of the appraised property.

The second appraisal, (completed in November, 2000), estimated the value of the property at \$5,171 per acre, for an appraised value of \$905,000 for the entire 175 acre parcel. Highest and best use was also determined to be rural residential. This appraiser also used the comparison sales approach to value the parcel. However, no consideration was given to the potential difficulty of obtaining the rezoned classification to allow construction of residences on the parcels when calculating adjustments to comparable sales. In addition, the property was appraised as several smaller stand alone parcels, rather than one large parcel, increasing the cost. Typically, there is some decrease in cost per acre for larger purchases. Finally, the appraiser used comparable sales from communities experiencing higher development pressures than existed for the appraised parcel, including sales from the Town of Oregon and the Town of Dunn. For these reasons, DNR appraisal reviewers did not accept the appraisal.

A third appraisal was completed in February, 2001, estimating the 177.56 acres at \$526,000, or \$2,962 per acre. In addition to consideration of the zoning restrictions regarding the one homestead per 35 acre limit, this appraisal also included an analysis of the land use plan for the Town of Montrose, and how the plan would apply to the potential division and development of the property for rural residential use. Comparative sales were drawn from the Town of Montrose and the Town of Blue Mounds, which were considered to be experiencing similar levels of development pressure. The appraiser determined the total retail value of the 177.56 acres to be \$595,000. However, he then made adjustments for the costs associated with subdividing and marketing the individual parcels, and including six months worth of holding costs (in anticipation of the time that would be required to market the land for resale), arriving at a final value of \$526,000 for the parcel.

After considering the appraisals, DNR negotiated to purchase 171 acres from Dennis and Leona Midthun for \$557,460, or \$3,260 per acre. While the DNR request is for \$557,460 from stewardship funds, the Department indicates that federal land and water conservation funds are expected to cover a portion of the cost. Therefore, the adjusted costs should reflect \$394,460 in stewardship bonds and \$163,000 in federal funds.

## ANALYSIS

If these parcels are acquired, the State of Wisconsin would be responsible for GPR payments of aids in lieu of property taxes to the respective municipalities 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 districts. The municipality would then pay each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy.

It should be noted that the Department's request for expenditure authority did not include transaction or closing costs associated with these land purchases. While DNR typically pays these real estate transaction costs with stewardship bonding, they have not included these costs in their requests for stewardship expenditure authority to the Joint Committee on Finance. Therefore, clarification should be provided as to how these costs would be paid. The Committee could approve these additional costs under stewardship, or DNR could use sources other than stewardship (such as federal funding, GPR or conservation fund dollars) for these payments.

It may be argued that several of these parcels, particularly the 144.28 acres in fee and easement held by the Diocese of La Crosse and the 110.8 acres held by the Windway Capital Corporation, may already be reasonably protected from further development pressures. Extensive development of either site would be contrary to the motivation for the parcels' initial acquisition.

Windway Capital Corporation, a conservation-conscious business whose other pursuits include work with the International Crane Foundation and trumpeter swan restoration activities, acquired the Silver Springs parcel specifically to preserve the fresh water resources present on the property. While Windway Capital Corporation indicated its intentions are to be an interim owner only until DNR could purchase the property, they have already begun aquatic restoration work on the parcel. It could be argued, however, that acquisition by DNR is desirable for long-term protection, increased public access and improved resource management. Due to the initiative of Windway Capital Corporation, improved resource management has already begun on the parcel. DNR indicates that the local chapter of Trout Unlimited has expressed a willingness to assist in the redevelopment work required at the site as well. The public would have access to the property in the event that it were purchased by the Department, and its location (near the Northern Unit of the Kettle Moraine State Forest) as well as its aquatic resources may be seen as a valuable public benefit. In addition, Windway Capital Corporation purchased the property in response to interest by a local developer, with the intention of selling the property to DNR. As long-term conservation management was not planned when the parcel was purchased, it is possible that Windway Capital may choose to sell the property to another party should the State decline the option.

The Diocese of La Crosse acquired the property on the Lower Chippewa River in order to develop a private retreat center on the site. From this perspective, it may be argued that intensive development of the parcel is unlikely even if the Committee should choose to not approve DNR's

request to purchase it. Ownership by the state would, however, increase public access to the Chippewa River in this area. In the case of the easement purchase from the Diocese of La Crosse, while resource management may be improved, public access would not be permitted to the 49.28 acres under easement. The Department argues that proper management of the eased areas would improve the quality of the 95.2 acres open to public access for a variety of activities, including fishing and hunting, and would protect sensitive natural areas from further disturbance or development.

Three of the proposed purchases have been made available to DNR at prices below the appraised value. The Diocese of La Crosse accepted an offer from DNR for their property that included a partial donation of \$118,500 to the State; Lowell Ahrens, et al., accepted an offer that included a partial donation of \$108,000; and the Windway Capital Corporation accepted an offer that was \$15,000 less than the amount approved for just compensation.

## **ALTERNATIVES**

### **A. Lower Chippewa River State Natural Area**

1. Approve the DNR request to expend up to \$350,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 95 acres of land in fee and 49.28 acres of land in easement from the Diocese of La Crosse for the Lower Chippewa River State Natural Area in Pepin County.

2. In addition to Alternative 1, provide up to \$7,200 for closing costs associated with the purchase of 95 acres in fee and 49.28 acres in easement from the Diocese of La Crosse.

3. Deny the request.

### **B. Statewide Natural Area -- Crawford County**

1. Approve the DNR request to expend up to \$400,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 184.76 acres from Lowell Ahrens, et al., for the Statewide Natural Area in Crawford County.

2. In addition to Alternative 1, provide up to \$3,600 for closing costs associated with the purchase of 184.76 acres from Lowell Ahrens, et al.

3. Deny the request.

**C. Trempealeau River Meadows State Natural Area**

1. Approve the DNR request to expend up to \$260,100 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 345.4 acres from Wicka Farms for the Trempealeau River Meadows State Natural Area in Buffalo County.
2. In addition to Alternative 1, provide up to \$4,770 for closing costs associated with the purchase of 345.4 acres from Wicka Farms, Inc.
3. Deny the request.

**D. Onion River Streambank Protection Area**

1. Approve the DNR request to expend up to \$615,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 110.8 acres from Windway Capital Corporation Lands for the Onion River Streambank Protection Area in Sheboygan County.
2. In addition to Alternative 1, provide up to \$8,000 for closing costs associated with the purchase of 110.8 acres from Windway Capital Corporation.
3. Deny the request.

**E. Kettle Moraine State Forest -- Southern Unit**

1. Approve the DNR request to expend up to \$569,913 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program to purchase 100.95 acres from Ilya Nelson for the Southern Unit of the Kettle Moraine State Forest in Waukesha County.
2. In addition to Alternative 1, provide up to \$2,630 for closing costs associated with the purchase of 100.95 acres from the Ilya Nelson Estate.
3. Deny the request.

**F. Ice Age Trail -- Dane County**

1. Approve the DNR request, as corrected, to expend up to \$394,460 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program and \$163,000 in federal funds (for a total of \$557,460) to purchase 171 acres from Dennis and Leona Midthun for the Ice Age Trail in Dane County.

2. In addition to Alternative 1, provide up to \$2,850 for closing costs associated with the purchase of 171 acres of land from Dennis and Leona Midthun.

3. Deny the request.

Prepared by: Rebecca Hotynski

MO# A, B, C, D, E, F

Alt 2

1 BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
ROSENZWEIG	<input checked="" type="radio"/>	N	A
2 GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A
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AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_