



**Informational Paper 60**

**Warren Knowles-Gaylord Nelson  
Stewardship Program**

**Wisconsin Legislative Fiscal Bureau**

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# Warren Knowles-Gaylord Nelson Stewardship Program

Wisconsin's first stewardship program was created in 1989 Act 31 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The Department of Natural Resources (DNR) administers the stewardship program. Under the program, DNR acquires land and provides grants to local units of government and non-profit organizations for land acquisition and property development activities. The state generally issues 20-year tax-exempt general obligation bonds to support the stewardship program. General obligation bonds are backed by the full faith and credit of the issuing government (in this case the state), and the government is required to use its taxing power if necessary to repay the debt. Annual debt service payments for principal and interest on stewardship bonds are primarily funded from general purpose revenues, with a portion paid from the segregated conservation fund.

In 1989 Act 31, the Legislature authorized \$250 million of general obligation bonding (reduced to \$231 million in 1995 Act 27 to recognize \$19 million in anticipated federal funding) for the original stewardship program over a 10-year period, ending in fiscal year 1999-2000. Through Act 31, the Legislature allocated funding among twelve categories of land acquisition and development programs. Some were extensions of land acquisition activities that existed prior to the stewardship ini-

tiative and others were newly-created programs. 1993 Act 343 renamed the stewardship program the Warren Knowles-Gaylord Nelson Stewardship Program.

The stewardship program was reauthorized in 1999 Act 9 (the 1999-01 biennial budget) as the Warren Knowles-Gaylord Nelson Stewardship 2000 Program. Under that act, the state could contract public debt in an amount not to exceed \$460 million. The annual bonding allotment was set at \$46 million, from fiscal years 2000-01 to 2009-10. Under 2001 Act 16, the bonding authorization was increased from \$46 million to \$60 million annually, beginning in fiscal year 2002-03 and continuing through 2009-10. This increased the total general obligation bonding authority of the reauthorized program to \$572 million (\$803 million in total bonding was authorized for the 20-year program).

2007 Act 20, the 2007-09 biennial budget act, extended the stewardship program for an additional 10 years to fiscal year 2019-20 and increased the annual bonding authority from \$60 million to \$86 million beginning in 2010-11. This increased the total general obligation bonding authority of the stewardship program by \$860 million, to \$1,663,000,000. While DNR has some discretion over the use of funds, the general allocations under the stewardship program are shown in Table 1.

**Table 1: Stewardship Program Allocations**

	Original	Stewardship 2000	Stewardship 2010	Total	% of Total
DNR Land Acquisition	\$140,800,000	\$341,750,000	\$500,000,000	\$982,550,000	59.1%
State Property Development	45,000,000	65,000,000	100,000,000	210,000,000	12.6
Local Assistance (including NCO) Grants	45,200,000	158,750,000	235,000,000	438,950,000	26.4
Recreational Boating	<u>0</u>	<u>6,500,000</u>	<u>25,000,000</u>	<u>31,500,000</u>	<u>1.9</u>
Total Allocations	\$231,000,000	\$572,000,000	\$860,000,000	\$1,663,000,000	100.0%

As of June 30, 2008, the Department of Natural Resources (DNR) owned approximately 1.4 million acres of land, which represents approximately 4.1% of the state's land area (34.76 million acres). The DNR ownership represents approximately 22% of the publicly-owned conservation land in Wisconsin.

The Board of Commissioners of Public Lands (BCPL) owns approximately 75,400 acres bringing total state-owned conservation land to approximately 1.5 million acres. Public conservation land throughout the state of Wisconsin is estimated to include approximately 6.4 million acres (or 18% of the state's land area). The federal government holds approximately 2.3 million (or 37%) of the 6.3 million acres (the majority of which constitutes national forests), and county ownership (in the form of county parks and forests) is estimated at approximately 2.5 million acres (or 40%) of the total. In addition to the 1.4 million acres owned by DNR, the Department held easements on an additional 183,800 acres on June 30, 2008. Table 2 summarizes public conservation land ownership by governmental source.

**Table 2: Estimated Public Conservation Land Ownership in Wisconsin**

Land Owner	Acres	Percent of State Land
County	2,540,000	7.3%
Federal	2,335,000	6.7
DNR	1,431,800	4.1
BCPL	<u>75,400</u>	<u>0.2</u>
Total	6,382,200	18.3%
State Land Area	34,758,500	

The Department utilizes both fee title and easement purchases in its land acquisition activities. Fee title acquisition involves outright purchases of land by the Department, allowing for complete DNR management of the parcel. The Department pays aids in lieu of property taxes, primarily from state general purpose revenue (\$5,381,400 GPR in 2007-08) and also from the seg-

regated forestry account of the conservation fund (\$4,000,000 SEG in 2007-08), on the land it owns. An easement is a permanent, perpetual agreement entered into by the landowner and DNR in which the state purchases certain specifically identified rights from the landowner. The easement may provide for public access and recreational use, specify certain management criteria (such as maintaining streambank habitat or sustainable forestry practices) or contain certain development restrictions. With an easement, the landowner continues to pay property taxes. The land can be sold, or passed on to the owner's heirs, but the conditions of the easement are part of the deed and are binding on future owners.

DNR properties are located in 71 of the state's 72 counties and range in size from less than one-tenth of an acre (the Jaegers Island Wildlife Area in Wood County) to approximately 227,600 acres (the Northern Highland/American Legion State Forest in Iron, Oneida, and Vilas counties). The Department has established a total acquisition goal of approximately 2,517,200 acres throughout the state. However, DNR periodically reviews and revises acreage goals or adds new acquisition projects with the approval of the Natural Resources Board. Of the current goal, over 1.6 million acres have either been purchased or protected by easement, bringing the Department to within 64% of its current goal.

In 1994, DNR established the Stewardship Advisory Council and solicited membership from a wide range of organizations that have an interest in the stewardship program. The Council consists of 12 to 20 members appointed by the DNR secretary. At least five of the members represent organizations that own and manage land for conservation purposes and have direct experience with the stewardship program and five members represent local governments. The Council periodically meets to advise DNR on policy and administrative issues relating to the program and to determine ways the Department, nonprofit groups and local units of government can improve communication and work more effectively together.

In 1998, the Governor appointed a Blue Ribbon Task Force to evaluate the stewardship program and propose alternatives for its future. The task force released its findings and recommendations in early 1999, and its findings guided key changes in the reauthorized Stewardship 2000 program.

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### Program Funding and General Requirements

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Under the original stewardship program, DNR allocated \$23.1 million of general obligation bonding authority and \$1.9 million of federal land acquisition funds to reach an annual expenditure authority of \$25 million. Currently, the Department utilizes several federal grant programs to fund land acquisition including: North American Wetlands Conservation Act Grants (NAWCA); Habitat Conservation Planning Grants (Endangered Species); National Coastal Wetlands Conservation Grants; and National Fish and Wildlife Foundation Grants. However, the amount of annual federal allocations is uncertain. Therefore, the bulk of land acquisition purchases are made using stewardship bonding authority.

The original stewardship program allocated funding among 12 categories of land acquisition and development programs. Table 3 provides a summary of the total general fund-supported bonding authorized for the original stewardship program ending June 30, 2000. During the 1990-91 and 1991-92 fiscal years, the general land acquisition program was funded at a level of \$8,600,000. In 1992-93, the urban rivers grant program was created at a level of \$1,900,000 annually and the general land acquisition program was reduced to \$6,700,000 annually.

For comparison, Table 4 shows how the \$572 million of bonding authority for the Stewardship 2000 program was allocated over the 10-year program (1990-91 through 1999-2000). The main body of the stewardship program consists of two fund-

**Table 3: Stewardship Program Allotments From Initial Program Authorizations (1990-91 through 1999-2000)**

General Obligation Bonding	Total Allotment (10 Years) (In Millions)
General Land Acquisition	\$70.80
General Property Development	35.00
Local Park Aids	22.50
Lower Wisconsin State Riverway	20.00
Habitat Areas	15.00
Natural Areas Acquisition	15.00
Urban Rivers	15.20
Stream Bank Protection	10.00
Trails	10.00
Urban Green Spaces	7.50
Natural Areas Heritage	5.00
Ice Age Trail	<u>5.00</u>
Bonding Subtotal	\$231.00
Federal Land Acquisition	<u>19.00</u>
Total	\$250.00

**Table 4: Stewardship 2000 Allocation by Subprogram (2000-01 through 2009-10)**

Subprogram	Total Allotment (10 Years) (In Millions)
Land Acquisition	\$416.5
Property Development	65.0
Local Assistance	81.5
Recreational Boating Aids	6.5
Baraboo Hills	5.0
Bluff Protection	<u>1.0</u>
Total	\$572.0

ing categories, (a) land acquisition and (b) property development and local assistance. Out of the first year allotment only, programs for purchases related to the Baraboo Hills and bluff protection were added. In addition, 2007 Act 20 created a recreational boating aids subprogram and provided \$1.5 million in 2007-08 and \$2.5 million beginning in 2008-09 for this subprogram.

Table 5 illustrates how the additional \$860 million in general obligation bonding authorized

through 2007 Act 20 is allocated over the next 10-year program.

As of June 30, 2008, the stewardship program has allowed DNR to purchase or acquire easements on approximately 449,300 acres. These acres include those acquired through all sources, including acres donated to the DNR, or purchased or acquired using federal grant funding since 1990 (the Stewardship program began in July, 1990). Table 6 provides a summary of the acreage acquired by program area.

DNR has 23.75 positions in the agency funded from general operations appropriations that are involved in various aspects of the stewardship program. These 23.75 positions are assigned to the following Bureaus: (a) 10.0 positions in Facilities and Lands; (b) 7.75 positions in Community Financial Assistance; (c) 2.0 positions in Wildlife Management; (d) 2.0 positions in Parks; and (e) 1.0 position each in Fisheries Management and Legal Services. Staff in the Bureau of Facilities and Lands process approximately 200 to 250 real estate transactions per year, ranging from less than one acre to hundreds or thousands of acres per parcel.

The Department expended a total of \$285.4 million for land acquisition between January 1, 2000 and June 30, 2008. Acquisitions by component are summarized in Table 7. The table does not include land acquisition funds used for grants to non-profit conservation organizations (NCOs). As a means of encouraging private conservation groups to cooperate with the state in the acquisition of lands for conservation and nature-based outdoor recreational purposes, the stewardship program authorizes DNR to award grants to NCOs to acquire property (discussed later). From July 1, 2000, through June 30, 2008 DNR had expended \$75.7 million under the property development and local assistance subprogram.

Unless otherwise noted, an annual funding level has been established for each subprogram within the stewardship initiative for fiscal years 2000-01 through 2019-20. Statutes provide the

**Table 5: 2007 Act 20 Extended Stewardship Allocation by Subprogram (2010-11 through 2019-20)**

Subprogram	Total Allotment (10 Years) (In Millions)
Land Acquisition	\$620
Property Development	100
Local Assistance	115
Recreational Boating Aids	<u>25</u>
Total	\$860

**Table 6: Cumulative DNR Purchases, January 1, 1990 through June 30, 2008**

Program	Acres
Fisheries and Streambank Protection	38,199
Northern Forests	83,912
Southern Forests	5,278
Parks, Trails, and Recreation Areas	28,987
Wild Rivers and Resource areas	142,326
Wildlife Management	90,073
Natural Areas	55,248
Other	<u>5,282</u>
Total	449,305

**Table 7: DNR General Land Acquisition and Commitments January 1, 2000 through June 30, 2008**

Category	Acres Purchased	Total Cost
Fisheries, Streambank	13,138	\$31,865,607
Parks & Southern Forests	18,902	56,746,323
Northern Forests*	77,626	81,513,107
Wild Rivers & Resources	74,457	32,587,408
Wildlife & Habitat	39,775	50,861,854
Natural Areas	24,075	26,297,239
Other	<u>2,225</u>	<u>5,567,038</u>
Total	250,198	\$285,438,576

\*Northern Forests was grouped with Parks & Southern Forests for fiscal year 2000-01, and was separated out into its own function beginning in fiscal year 2001-02.

Department some flexibility with respect to the annual bonding authority amounts for the subprograms. If the amount of funding obligated by DNR under the land acquisition and property development and local assistance subprograms in a

given fiscal year is less than the annual bonding authority for a subprogram, the Department can carry over the unobligated amount to the next fiscal year. Under the stewardship 2000 program, if there is any remaining bonding authority under either subprogram on June 30, 2020, DNR has the authority to expend that funding for the same purposes in subsequent fiscal years.

The Department may not acquire land using funding from the stewardship program without the prior approval of a majority of the members-elect of the county board of supervisors of a county in which the land is located if at least 66% of the land in the county is owned or under the jurisdiction of the state, the federal government or a local governmental unit. Before determining whether to approve the acquisition, the county in which the land is located must post notices that inform the residents of the community surrounding the land of the possible acquisition. No county is currently subject to this provision.

As passed by the Legislature, the 2005-07 biennial budget act would have prohibited DNR from acquiring land in a township in which 35% or more of the land is under public ownership unless the Department received prior approval from a majority of the town board. However, the Governor item vetoed this provision.

Under 2001 Act 16, DNR is required to provide the appraisals of any property acquired using stewardship funds to the clerk and the assessor of the local unit of government where the property is located within 30 days of acquiring the property. In addition, assessors are directed to include the information in the appraisals (including comparable sales) when setting land values.

Also, DNR may not obligate funding from the stewardship program for: (a) the acquisition of land for golf courses or for the development of golf courses; or (b) the acquisition by a municipality of land that is outside the boundaries of the municipality unless the municipality acquiring the

land and the municipality in which the land is located approve the acquisition; or (c) for the acquisition or development of land by a county or other local unit of government if the land involved would be acquired by condemnation.

For the purpose of awarding grants under stewardship, the acquisition costs equal the sum of the land's current fair market value and other acquisition costs, as defined in rule by DNR. For land that has been owned by the current owner for less than three years, the acquisition costs of the land for grant purposes equals the lesser of the owner's acquisition price plus an annual adjustment increase of 5% per full year of ownership, or current fair market value.

Prior to 2000-01, for any land for which stewardship funding was proposed to be obligated to provide a grant to a local governmental unit or an NCO, the locality or organization was required to submit two appraisals to DNR if the Department estimated that the fair market value of the land was greater than \$200,000. However, under 2001 Act 109, this requirement was modified to instead require grant applicants to pay for and submit one appraisal, and to require DNR to independently obtain a second appraisal. 2007 Act 20 specifies that a second appraisal is not required for DNR to provide a grant to a governmental unit or a nonprofit conservation organization if the fair market value of the land is estimated by the Department to be at, or below, \$350,000. DNR requires all stewardship grant applicants to submit one appraisal, which, if the property value is estimated at less than \$350,000 may be the only appraisal used in the grant process. As appraisals are considered an eligible expense under the program, DNR would pay for up to 50% of the appraisal. If, however, DNR decides to conduct a second appraisal, the Department would not pay for any portion of the initial appraisal submitted by the grant applicant (meaning the Department would pay for one appraisal and the grant applicant would pay for one appraisal). DNR is allowed to require a third appraisal from the applicant. If DNR determines that

a third appraisal is necessary, DNR would pay for up to 50% of the additional appraisal.

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### **Stewardship 2000 and 2007 Act 20 Extended Stewardship Program**

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In 1998, the Governor appointed a Blue Ribbon Task Force on the Stewardship Program to evaluate the program and make recommendations for its future. The task force was composed of legislators, current and former state and local government officials, and representatives from the University of Wisconsin, business, conservation, and environmental groups. The task force released its findings and recommendations in early 1999. In addition, the Stewardship Advisory Council, which was established by DNR in 1994, made several recommendations for the reauthorization of the stewardship program. Several key components of the task force and the advisory council's recommendations were incorporated into the Stewardship 2000 reauthorization in the 1999-01 biennial budget, including increasing the bonding authority, reducing the number of designated subprograms, facilitating increased small-group participation, and providing greater flexibility for DNR to transfer funding between fiscal years. This last provision was intended to facilitate the Department's efforts to take advantage of unique opportunities to acquire and preserve larger blocks of unfragmented habitat as it became available. In addition, the Stewardship 2000 program created two additional subprograms (the bluff protection subprogram and the Baraboo Hills subprogram), and allowed DNR (upon review by the Joint Committee on Finance and the Governor) to reallocate spending authority across fiscal years.

In 2007, the Stewardship Advisory Council again made several recommendations regarding the proposed reauthorization of the stewardship program. Some, such as increasing the statutory cap on the percentage of state-provided matching funds from 50% to 75% of project funding in select

cases and increasing the threshold where a second appraisal is required for certain land acquisition grants, were incorporated into the extended program.

2007 Act 20 extended the stewardship program for another 10 years to fiscal year 2019-20 and increased the annual bonding authority under the program from \$60 million to \$86 million. This increased the total general obligation bonding authority of the stewardship program by \$860 million, to \$1,663,000,000 (as shown in Table 1). The act also created a new subprogram, the recreational boating aids subprogram, and provided \$1.5 million in 2007-08 and \$2.5 million annually beginning in 2008-09 for this subprogram. In addition, the act made several changes to the requirements related to grants to local governments and non-profit conservation organizations. The act also specified that no more than 20% of available stewardship bonding authority in any fiscal year may be used to purchase parcels less than 10 acres in size. Further, the act restored the authority of the Joint Committee on Finance to review stewardship projects through a passive review process (discussed later).

#### **Land Acquisition Subprogram**

DNR may obligate moneys under this subprogram to acquire land for any of the purposes specified under statute (such as forests, parks, wildlife areas, and natural areas). The Department must give priority to the following purposes: (a) acquisition of land that preserves or enhances the state's water resources, including land along the Lower Wisconsin State Riverway and land abutting wild rivers, wild lakes, and 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. The Department has defined "wild lake" in administrative rule to mean "a lake or flowage of at least five acres, or significant points thereof, identified in the Wisconsin register of waterbodies, where human influence, such as structural development of its shorelands, is not

significant or can be removed at costs deemed warranted by the Department. If the waterbody is not found in the Wisconsin register of waterbodies database, Department staff will make a determination on whether to add the waterbody to the register as a lake or flowage."

In obligating funding under the land acquisition subprogram, DNR is required to set aside \$3 million in each fiscal year for purchases and grants for state trails and the Ice Age Trail. Also, beginning in fiscal year 2006-07 and ending in fiscal year 2019-20, the Department is required to set aside \$2,000,000 in each fiscal year to acquire land from the Board of Commissioners of Public Lands. Further, 2007 Act 20 requires that DNR set aside at least \$12,000,000 annually beginning in 2010-11 for matching grants that may be awarded only to non-profit conservation organizations (NCOs). Table 8 illustrates how funding is allocated under the land acquisition subprogram.

2007 Act 20 also created a program under the land acquisition subprogram to provide grants to counties to acquire land to be included in a county forest and for projects for which DNR requests a county's assistance for nature-based outdoor recreation and conservation purposes. The Department has defined "nature-based outdoor recreation" in administrative rule to mean "activities where the primary focus or purpose is the appreciation or enjoyment of nature". These activities may include, but are not limited to, hiking, bicycling, wildlife or nature observation, camping, nature study, fishing, hunting, and multi-use trail

activities. The act requires each county receiving a grant under this program to provide matching funds of at least 50% of the land acquisition costs. Further, the act prohibits a county from converting the land or the rights in the land acquired using program grant money to a use that is inconsistent with the type of nature-based outdoor recreation for which the grant was awarded, without the approval of the Natural Resources Board. (Counties had always been eligible for stewardship local assistance grants; Act 20 extended eligibility to the land acquisition subprogram).

*Use of Future Bonding Authority For Certain Land Acquisitions.* Beginning in fiscal year 1999-00, DNR may obligate under the land acquisition subprogram any amount not in excess of the total bonding authority for that subprogram for the acquisition of land, subject to the approval of the Governor and the Joint Committee on Finance. (2007 Act 20 clarified that these transactions are subject to a 14-day passive review process by the Joint Committee on Finance). For such transactions, the Department must sell a portion of the acquired land. All proceeds from such sales, up to the amount obligated for the original purchase, are credited to a program revenue appropriation for the payment of principal and interest associated with such purchases. Any sale proceeds in excess of the amount originally obligated are deposited in the general fund.

For bonds that are retired from the proceeds of the sale of the acquired land within three years after the date on which the land was acquired by DNR, the Department must adjust the available

**Table 8: Land Acquisition Subprogram (Annual Allotments)**

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09 and 2009-10</u>	<u>Beginning 2010-11</u>
Department Acquisitions*	\$31,750,000	\$30,500,000	\$29,500,000	\$45,000,000
Grants to NCOs	8,250,000	8,000,000	8,000,000	12,000,000
BCPL Natural Areas	2,000,000	2,000,000	2,000,000	2,000,000
Ice Age and Other Trails	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total Annual Bonding Authority	\$45,000,000	\$43,500,000	\$42,500,000	\$62,000,000

\*Also includes grants for county forests (beginning in 2010-11).

bonding authority for the land acquisition subprogram by increasing the available bonding authority for the fiscal year in which the bonds are retired by an amount equal to the total amount of the bonds issued for the sale that have been retired in that fiscal year. For bonds that are not retired from the proceeds of the sale of the acquired land within three years after the date on which the land was acquired, DNR must adjust the available bonding authority for the land acquisition subprogram by decreasing the available bonding authority for the next fiscal year, beginning after the end of that three-year period, by an amount equal to the total amount of the bonds that have not been retired from such proceeds in that fiscal year. Further, if necessary, the Department shall decrease for each subsequent fiscal year the available bonding authority in an amount equal to that available bonding authority or equal to the amount still needed to equal the total amount of the bonds that have not been retired from such proceeds, whichever is less, until the available bonding authority has been decreased by an amount equal to the total of the bonds that have not been retired.

The Department requested authority to use this provision in September of 1999 to finance the \$25 million "Great Addition" purchase of approximately 32,000 acres in Iron, Lincoln, Oneida, and Vilas Counties from Packaging Corporation of America. The agency allotted the \$25 million purchase price over three years beginning in fiscal year 2001-02. The purchase included 42 miles of river and stream frontage, all or part of 20 lakes with 6.3 miles of frontage, and 924 acres of scenic and trail easements.

Portions of the Great Addition purchase were sold or traded for other parcels. The state sold 190 acres of the Great Addition purchase to Vilas County for \$148,200 and 1,390 acres to the Lac du Flambeau tribe for \$1,080,400. In addition, DNR entered into a three-way agreement with the Board of Commissioners of Public Lands and the United States Forest Service in June, 2002, to exchange and sell parcels of land totaling 2,134 acres acquired under the Great Addition for \$997,000 and conser-

vation easement rights. The Department had originally anticipated selling up to 7,000 acres from this purchase. However, no sales have occurred since 2004 and it appears that further sales of land from the Great Addition to counties or local units of government are unlikely to occur. Department officials cite the appeal of the payment in lieu of property taxes that DNR makes to local governments with stewardship land within their boundaries and the cost of developing recreational property for public use as key reasons for a lack of interest by counties in purchasing additional property from DNR.

The Department used this authority again in December, 2001, to purchase 9,239 acres of land and to acquire easements on an additional 383 acres from Wisconsin Public Service Commission (WPSC) for the Peshtigo River State Forest in Marinette and Oconto Counties for \$25 million. The acquisition took place in four phases over three years, concluding in December, 2004. As a result of the purchase, DNR acquired land surrounding Caldron Falls, High Falls, Johnson Falls, Sandstone Rapids, and Potato Rapids.

Under another provision, DNR is permitted to, for a given fiscal year, in addition to obligating the amount of the annual bonding authority for a subprogram, obligate up to 100% of the annual bonding authority for that subprogram for that given fiscal year for a project or activity. Therefore, DNR could obligate bonding authority up to double the annual allotment for a subprogram in a given year. The Department must then adjust the annual bonding authority for that subprogram by lowering the annual bonding authority for the next fiscal year by the amount utilized beyond the authorized amount for the subprogram. In order for the Department to use this provision, the Natural Resources Board must determine that: (a) funds are otherwise insufficient; (b) any land involved in the project or activity covers a large area or the land is uniquely valuable in conserving the natural resources of the state; and (c) delaying or deferring all or part of the cost to a subsequent fiscal year is not reasonably possible.

DNR utilized this authority in 2006-07 to borrow \$16.5 million from 2007-08 bonding authority for the purchase of 5,600 acres and the acquirement of an easement on 44,400 acres in Florence, Forest, and Marinette Counties referred to as the Wild Rivers and Forest Legacy purchase. The Department also used this authority in 2007-08 to borrow ahead from 2008-09 for three purchases: \$6.1 million for an approximately 5,900 acre addition to the Brule River State Forest in Douglas County; \$2.5 million for approximately 2,800 acres for the Mead Wildlife Area in Portage and Marathon Counties, and \$2 million for approximately 1,500 acres for the Willow Flowage Scenic Waters Area along the Tomahawk River in Oneida County. The procedure was also used in 2008-09 on a \$10.8 million purchase for 970 acres in Waukesha and Walworth Counties (Rainbow Springs property).

Lands acquired using these provisions do not have to be for conservation or recreational purposes. The Department of Administration is required to monitor all transactions under these provisions to ensure compliance with federal law and to ensure that interest on the bonds is tax-exempt for the holders of the bonds.

The Department has set additional priorities for the acquisition of recreational land in administrative rule. DNR places principal emphasis on the acquisition of lands in the heavily populated areas of the state and in places readily accessible to such areas. The Department undertakes projects based on various criteria. The top priority for acquisition is for the consolidation and completion of existing projects.

The next priority is on new acquisition projects based on the following criteria, listed in descending order of priority: (a) land to protect rare and threatened natural resources, genetic and biological diversity and critical fish and wildlife habitat; (b) unique, one-of-a-kind opportunities involving projects of special scenic quality of sufficient size to provide immediate and significant results in meeting program goals; (c) water-based resources, in-

cluding land for protecting and improving surface and ground water quality and land for recreation along streams, rivers, lakes and flowages; (d) lands for natural resource-based outdoor recreation and state recreational trails; (e) land within 40 miles of Wisconsin's 12 largest cities (Appleton, Eau Claire, Green Bay, Janesville, Kenosha, La Crosse, Madison, Milwaukee, Oshkosh, Racine, Waukesha, and West Allis); and (f) protection of scenic lands that meet the preceding priorities. All new projects are subject to Natural Resources Board approval.

Proposed new projects which fall within the following criteria are given lower priority (the criteria are not listed in rank order): (a) wetland projects acquired primarily to provide additional protection beyond regulation and zoning that do not meet other recreational, water quality or resource management needs; (b) projects to protect and preserve natural resources not threatened with incompatible use; (c) projects not part of large, broad-based integrated management efforts to provide multiple, outdoor-recreational opportunities; (d) timber production areas that do not meet other recreational, water quality or resource management needs; and (e) lands owned by another unit of government and not threatened with sale or incompatible use.

In conjunction with these established priorities, the Department developed a fifty-year land acquisition plan. The Wisconsin Land Legacy report was released by the Department in January, 2006, and provides a guideline for applying acquisition criteria and priorities to specific land areas statewide. A copy of this extensive report may be obtained from DNR.

When a state park, forest, wildlife area or recreation area is planned, a map showing the desired borders for the whole project is drawn. Usually, not all of the land proposed for the project is for sale at that time. Under the land acquisition plan, DNR purchases property that is available within the mapped boundaries and then purchases additional parcels as they come onto the market to

fill out the project borders.

### **Recent Major Acquisitions**

#### *Fiscal Year 2004-05*

In August, 2004, DNR purchased 46.7 acres for \$528,000 for the Mirror Lake State Park in Sauk County and 332 acres for \$612,000 for the Lower Wisconsin State Riverway in Iowa County from the Riverland Conservancy. The 46.7 acre tract which is located about four miles south of the Wisconsin Dells provided Mirror Lake State Park with additional campsites and hiking trails. It also allowed the Department of Transportation (DOT) to utilize 12.29 acres of state park land for State Highway 23 (DOT contributed \$139,953 toward the purchase). The 332 acres in Iowa County provide a prairie habitat for the ornate box turtle, an endangered species.

In December, 2004, DNR acquired 223 acres in Washington County for \$1,450,000. Located two miles southeast of the Village of Kewaskum, the parcel contains one mile of frontage along the Milwaukee River.

In April, 2005, the Department completed phase one of the Straight Lake Wilderness State Park acquisition, acquiring 2,779 acres for \$10.6 million (including \$1.8 million in federal funding). The property contains a combination of upland forest, marsh and bog, lake and river, and a glacial tunnel channel. The parcel also contains Straight Lake, a 107-acre undeveloped lake, which provides habitat for bald eagles and trumpeter swans. A segment of the property is managed for game and non-game species, and a 3.5 mile segment of the property is dedicated to the Ice Age Trail.

#### *Fiscal Year 2005-06*

In September, 2005, the Department completed phase II of the Straight Lake Wilderness project, acquiring an additional 1,197 acres for \$3.8 million.

In October, 2005, DNR acquired a forest legacy

easement on 18,513 acres in Langlade County for \$9.2 million. The tract includes 23,000 feet of river frontage as well as 15 acres of lake frontage, allowing for permanent public access and sustainable forestry practices in the previously privately owned forest area.

#### *Fiscal Year 2006-07*

In July, 2006, DNR acquired fee title on 5,629 acres and a conservation easement on 44,401 acres in Florence, Forest, and Marinette Counties for approximately \$33 million for the Wild Rivers Forest Legacy acquisition. The Nature Conservancy (TNC) also acquired an easement on approximately 14,600 acres as part of the project. In July 2008, the Department acquired an easement on approximately 7,300 acres from TNC at a cost of approximately \$3.2 million. Of the \$3.2 million, DNR expects to receive \$2.3 million in Federal Forest Legacy funds as reimbursement. The Department plans to acquire an easement on the remaining 7,300 acres (from TNC), in fiscal year 2009-10, and would again seek Federal Forest Legacy funds to reimburse a portion of the cost of that purchase. The approximately 65,000 acre area includes more than 48 lakes and ponds, and more than 70 miles of rivers and streams. It is a working forest that also provides habitat for migratory waterfowl, trout, and other wildlife. The property offers a variety of recreational opportunities including hiking, hunting, fishing, kayaking, cross-country skiing, and snowmobiling.

#### *Fiscal Year 2007-08*

As mentioned previously, the Department borrowed ahead from fiscal year 2008-09 to make three purchases in fiscal year 2007-08. The purchases included an approximately 5,900 acre addition to the Brule River State Forest in Douglas County, which DNR utilized approximately \$6.1 million in 2008-09 bonding authority to purchase. The four non-contiguous parcels which make up the acreage total are located in northeast Douglas County. About 350 acres were outside the previous Brule River State Forest project boundary. Under administra-

tive rule, DNR may acquire lands for a state forest outside of established state forest boundaries only when the lands are needed for specific purposes. The Natural Resources Board approved a boundary expansion to cover this parcel, and acquisition of the parcel allowed DNR to consolidate state ownership in the area. DNR plans to utilize the property to provide a large-scale demonstration of boreal forestry management practices (northern forests consisting primarily of coniferous trees such as spruce, pine, and fir). In addition, the parcel includes numerous small and intermittent streams that flow into Lake Superior; acquisition of the parcel allows DNR to preserve these watersheds. Further, the Department's acquisition of the parcel allows public hunting use to continue (the property was previously enrolled in the managed forest law program which generally requires public hunting access).

Also in 2007-08, DNR utilized approximately \$2.5 million in 2008-09 bonding authority for the purchase of approximately 2,800 acres for the Mead Wildlife Area in Portage and Marathon Counties. The property, as part of the Mead Wildlife Area will provide recreational opportunities such as hunting, fishing, trapping, cross-country-skiing, hiking and others. The property includes approximately 56,800 feet of frontage on the Little Eau Pleine Flowage, the Little Eau Pleine River, drainage ditches, and several oxbow lakes and sloughs associated with the river. The river provides habitat for musky, northern pike, walleye, small mouth bass and pan fish. Acquisition of the property allows DNR to establish a wildlife corridor between existing state ownership and the Little Eau Pleine Reservoir.

In addition, the Department used approximately \$2 million in 2008-09 bonding authority to purchase an approximately 1,500 acre parcel for the Willow Flowage Scenic Water Area along the Tomahawk River in Oneida County (an additional \$2 million in Federal Forest Legacy funds were used to acquire the property). About 700 of these acres were outside the previous boundary of the

Willow Flowage Scenic Water Area. The parcel includes over 7.4 miles of frontage along the Tomahawk River. Acquisition of the parcel allows the state to protect a significant portion of the corridor from the Willow Flowage to Lake Nokomis, a mostly undeveloped lake. The parcel will also provide increased recreational opportunities. For example, 27 acres of the project will connect segments of the Bearskin State Trail.

#### *Fiscal Year 2008-09*

In September 2008, DNR again utilized its authority to borrow ahead from future year bonding authority to purchase approximately 970 acres from the Rainbow Springs Golf Company, Inc and U.S. Residential Golf Properties, Inc. The Department used \$10.8 million in 2009-10 bonding authority for the purchase. The tract, known as the Rainbow Springs property, is located in southwestern Waukesha County and northwest Walworth County four miles west of the Village of Mukwonago and three miles north of the Village of East Troy. The property is located in the Mukwonago River watershed, an area which the Department indicates is a priority area for preservation. Acquisition of the parcel provides DNR with additional acreage adjacent to the 1,800-acre Lulu Lake State Natural Area, which DNR manages in coordination with The Nature Conservancy. The southern unit of the Kettle Moraine State Forest is a few miles northwest of the parcel. The Rainbow Springs parcel includes the entire frontage around Rainbow Springs Lake, a 38-acre natural seepage lake, and a part of the Mukwonago River system. A three-quarter mile corridor of the Mukwonago River is also included in the parcel. The Mukwonago River is classified as an outstanding water resource and a Class II trout stream. The river system supports 39 species of fish, seven of which reportedly are listed as endangered, or species of special concern, in Wisconsin. The Department plans to designate the property as the Mukwonago River Unit of the Kettle Moraine State Forest. Table 9 shows stewardship land acquisition subprogram allocations including funds utilized for borrow

ahead purchases.

**Table 9: Stewardship Land Acquisition Subprogram Allocations with Borrow Ahead Purchases (\$ in Millions)**

<b>Property Development and Local Assistance Subprogram</b>	2007-08	2008-09	2009-10	2010-11
Department Acquisitions*	\$14.00	18.84	18.70	45.00
Grants to NCOs	8.00	8.00	8.00	12.00
BCPL Natural Areas	2.00	2.00	2.00	2.00
Ice Age and Other Trails	3.00	3.00	3.00	3.00
Wild Rivers and Forest Legacy	16.50	0.00	0.00	0.00
Brule River State Forest	0.00	6.11	0.00	0.00
Mead Wildlife Area	0.00	2.52	0.00	0.00
Willow Flowage Scenic Waters Area	0.00	2.03	0.00	0.00
Rainbow Springs Purchase	<u>0.00</u>	<u>0.00</u>	<u>10.80</u>	<u>0.00</u>
Borrow Ahead Subtotal	16.50	10.66	10.80	0.00
<b>Total Allocation</b>	<b>\$43.50</b>	<b>\$42.50</b>	<b>\$42.50</b>	<b>\$62.00</b>

\*Includes county forest-related acquisitions beginning in 2010-11.

Of the \$15 million in annual bonding authority allocated for this subprogram through 2009-10, the Department must obligate at least \$7 million for property development and may obligate up to \$8 million for local assistance annually for nature-based outdoor recreation purposes. Beginning in 2010-11, 2007 Act 20 increases the annual bonding authority dedicated to the property development and local assistance subprogram to \$21.5 million, and increases the maximum amount that may be obligated for local assistance to \$11.5 million annually (leaving at least \$10 million annually for DNR property development grants). Table 10 illustrates how funding is allocated annually under the property development and local assistance subprogram.

**Table 10: Property Development and Local Assistance Subprogram (Annual Allotments)**

	Through 2009-10	Beginning in 2010-11
Property Development (minimum)	\$7,000,000	\$10,000,000
Local Assistance Grants (maximum)	<u>8,000,000</u>	<u>11,500,000</u>
<b>Total Annual Bonding Authority</b>	<b>\$15,000,000</b>	<b>\$21,500,000</b>

Although property development and local assistance are components of the same subprogram, they serve different purposes. The property development component addresses property development on DNR-owned land, while the local assistance program uses funding to award grants to local governments to acquire land and for nature-based recreational development on local conservation land. Table 11 lists allotments and expenditures from the property development and local assistance subprogram from fiscal year 2000 through fiscal year 2008.

Funding obligated for property development is used for: (a) property development on DNR land; (b) property development on conservation easements adjacent to DNR land; and (c) grants to friends groups and non-profit conservation organizations for property development activities on DNR land. Under statute, DNR (similar to other state agencies) is required to submit a six-year facility plan to the Division of State Facilities in the

Department of Administration listing the development needs of the agency's facilities and setting a preliminary timeline for their completion.

Funding obligated for local assistance may be used for: (a) grants for acquisition of urban green space; (b) grants for acquisition and development of local parks; (c) grants for acquisition of property development rights; and (d) grants for acquisition and development of urban rivers. Stewardship funds may generally be provided for up to 50% of eligible project costs. Administrative rule NR 51 further addresses the administration of these grant programs.

Under 1999 Act 9, moneys obligated under the property development and local assistance subprogram may only be used for nature-based outdoor recreation. The Department has defined "nature-based outdoor recreation" in administrative rule to mean: "activities where the primary focus or

purpose is the appreciation or enjoyment of nature". These activities may include, but are not limited to, hiking, bicycling, wildlife or nature observation, camping, nature study, fishing, hunting, picnicking, cross-country skiing, canoeing, and multi-use trail activities. Support facilities for these activities may include, but are not limited to, access roads, parking areas, utility and sanitation systems, sanitary and shelter buildings, signs, interpretive items, and other features that enhance nature-based outdoor recreation or improve disabled accessibility. Ineligible activities include, but are not limited to, sports that require extensively developed open space such as dedicated sports fields, swimming pools, and tennis courts. The Department's decisions as to whether a particular project or activity qualifies as a "nature-based outdoor recreation activity" are made on a case by case basis.

An October, 2000, review of the original stewardship program by the Legislative Audit Bureau (LAB) noted that some concerns had been raised regarding development activities paid for with aid to local parks grants. The report noted that under the original stewardship program, the aids to local parks category was allocated the most funding of any grant category (\$2.25 million annually) and was the only category allowing for local development activities. The LAB found that for 119 local development grants reviewed, over one-third included the development of sport facilities and playground equipment. These facilities would generally be prohibited under current stewardship grants. However, the LAB noted that by using the term "primary focus or purpose" being the enjoyment of nature to define nature-based outdoor recreational activities, it was unclear to what extent sport facilities or playground equipment might be eligible if they were not the "primary focus" of the project. Further, for land acquisition grants it may be unclear under the DNR administrative rule whether sports fields or facilities may be sited on

**Table 11: Stewardship Property Development and Local Assistance Subprogram Expenditures: July 1, 2000 through June 30, 2008**

Category	Allotment	Expenditures 06/30/08*	Unencumbered Balance
Local Assistance Grants	\$59,630,000	\$48,681,400	\$10,948,600
DNR Property Development	47,000,000	24,147,700	22,852,300
State Fair Park Construction	2,000,000	2,000,000	0
Kickapoo Valley Reserve Visitor Center	2,370,000	2,370,000	0
Grants to Friends Groups	<u>2,000,000</u>	<u>1,506,400</u>	<u>493,600</u>
<b>Total</b>	<b>\$113,000,000</b>	<b>\$75,705,500</b>	<b>\$34,294,500</b>

\*Includes funds encumbered to pay costs incurred or legally obligated.

property purchased with stewardship grants. The Department has not clarified the rule definition of nature-based outdoor recreation. However, agency officials state they require projects to be 100% for nature-based outdoor recreation.

### Recreational Boating Aids Subprogram

2007 Act 20 created a recreational boating aids subprogram and dedicated \$1.5 million in 2007-08 and \$2.5 million annually beginning in 2008-09 to this subprogram. Also under Act 20, \$1.5 million in 2007-08 and \$2.5 million annually beginning in 2008-09 in water resources account SEG (motorboat gas tax) was transferred from the recreational boating aids program in DNR to a DNR appropriation dedicated to grants for the control of aquatic invasive species. Funding the recreational boating aids subprogram with stewardship bonding maintains funding for recreational boating projects at the same level as prior to Act 20 (\$3.1 million annually).

Under the recreational boating aids program, DNR provides grants to municipalities counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, and the Lower Wisconsin State Riverway Board for up to 50% of the costs (or more in certain circumstances) of developing recreational boating facilities approved by the Waterways Commission.

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. Grants are available for recreational boating projects that include providing public access (boat ramps and related parking facilities), navigational aids or markers, dredging, weed removal, and capital equipment used for trash or debris removal.

### **Baraboo Hills Subprogram**

Under this subprogram, DNR could provide up to \$5 million in funding to match the value of land acquisitions that are certified by the Department as qualifying under the following conditions: (a) the land is being acquired for conservation purposes; (b) the land is being acquired by the federal government, a local governmental unit or NCO; and (c) any federal moneys being used for the acquisition are federal non-transportation moneys.

The DNR is prohibited from obligating more than \$5 million under this subprogram. Funds that remained unassigned were required to be transferred to the land acquisition subprogram by January 1, 2006. DNR indicates that the entire \$5 million has been assigned. As of June 30, 2008, DNR had expended \$4,360,000 from the program. Among its acquisitions are a conservation easement to prevent further development on 267 acres in Columbia County and fee title on 102 acres of land adjacent to Devil's Lake State Park in Sauk County, 70 acres adjacent to Natural Bridge State Park in Sauk County, and 56.7 acres in the western end of the Baraboo Hills, within one mile of Natural Bridge State Park.

### **Bluff Protection Subprogram**

In 2000-01, \$1 million in bonding was allocated for a bluff protection program. No money may be obligated for the bluff protection subprogram after June 30, 2004. One grant totaling \$454,700 was awarded to the Ozaukee Washington Land Trust in 2001-02 under this subprogram to assist in the acquisition of 77 acres of bluff land ("Lion's Den

Gorge") along the Lake Michigan shore in Ozaukee County.

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## **Grants to Nonprofit Conservation Organizations**

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As a means of encouraging private conservation groups to cooperate with the state in the acquisition and development of recreational lands, the stewardship program authorizes DNR to award grants to nonprofit conservation organizations (NCOs) to acquire property. The Department may award these grants under any of the stewardship subprograms.

Prior to 2007 Act 20, grants to NCOs and local governments for land acquisition could be for up to 50% of the land's current fair market value plus certain other acquisition costs as determined in rule by DNR. Under 2007 Act 20, beginning in fiscal year 2010-11, grants of up to 75% of the property acquisition costs could be made to NCOs if the Natural Resources Board determines that all of the following apply: (a) that the property is uniquely valuable in conserving the natural resources of the state; (b) that delaying or deferring the acquisition until 50% of the acquisition costs are procured by the NCO is not reasonably possible; and (c) that sufficient bonding authority remains in the \$12 million set aside for land acquisition grants to NCOs for that fiscal year, after awarding grants to nonprofit conservation organizations that meet the 50% matching requirement. Table 12 shows the amounts provided for this purpose from the land acquisition subprogram since 2000-01.

Before receiving a grant, an NCO must enter into a contract with DNR. The contract would: (a) specify standards for the management of the property to be acquired; (b) prohibit use of the property as security for any debt, unless DNR approves; and (c) prohibit the property to be acquired from being closed to the public, unless DNR determines it is necessary to protect wild

**Table 12: Land Acquisition Allotments for Non-Profit Conservation Organizations**

Fiscal Year	Total Allotment	Available for Land Acquisition	Available for NCOs	Percentage of Funds Allocated to NCOs
2000-01	\$28,500,000	\$22,500,000	\$6,000,000	21.1%
2001-02	34,500,000	27,250,000	7,250,000	21.0
2002-03	45,000,000	37,750,000	7,250,000	16.1
2003-04	45,000,000	37,000,000	8,000,000	17.7
2004-05	45,000,000	36,750,000	8,250,000	18.3
2005-06	45,000,000	36,750,000	8,250,000	18.3
2006-07	45,000,000	36,750,000	8,250,000	18.3
2007-08	43,500,000	35,500,000	8,000,000	22.5
2008-09	42,500,000	34,500,000	8,000,000	23.2
2009-10	42,500,000	34,500,000	8,000,000	23.2
2010-11	62,000,000	50,000,000	12,000,000	24.0

animals, plants or other natural features. In addition, the contract must specify that any subsequent sale or transfer of the property by the NCO may be made only with the approval of the Department and only if the potential owner enters into a new contract with DNR. If the NCO violates any essential provision of the contract, title to the acquired property will vest in the state. In 2007-08, NCO grant awards totaled \$10.4 million.

Under 1993 Act 343, DNR was instructed to provide a one-time grant of \$75,000 from the water resources account of the conservation fund to a Wisconsin-based nonstock, nonprofit corporation. The nonprofit corporation was required to meet all of the following requirements to be eligible for the grant: (a) have an exemption from the federal income tax; (b) provide support to NCOs; (c) have a board of directors that has a majority of members who are representatives of NCOs; and (d) provide \$25,000 to be used with the grant.

This grant was awarded to Gathering Waters, Inc., in January, 1995. According to their mission statement, Gathering Waters is formed to serve as an informational clearinghouse and technical assistance center to aid individuals and NCOs in preserving, protecting, and enhancing the ecological integrity of Wisconsin's land and water. In accordance with statute, the group: (a) assists in establishing new NCOs; (b) sponsors conferences and

other educational programs; (c) publishes a newsletter; and (d) provides technical assistance on such issues as incorporation, organizational development, real estate transactions, and land protection options.

1995 Act 459 instructed DNR to provide a similar grant of \$75,000 in 1996-97 and annually thereafter to Gathering Waters. Also, 1999 Act 9 included provisions and funding for similar groups to support urban land conservation, the Ice Age Trail, and to encourage and assist private conservation activities. These grants were likewise funded by the conservation fund.

Small groups that do not qualify as a nonprofit organization may enter into a partnership with a qualified NCO in order to apply for a one-time stewardship grant of up to \$20,000 for habitat restoration and land acquisition. Under this provision, the qualified NCO would act as the fiscal agent for the grant and would retain title to the land.

As of September 30, 2008, 64 NCOs (not including friends groups) have been awarded 415 grants totaling over \$81 million under ten of the stewardship components, as follows: (a) 152 grants for natural areas; (b) 129 habitat areas grants; (c) 40 for the Ice Age Trail; (d) 26 grants under the stream bank protection program; (e) 12 grants for urban green space; (f) 18 grants under the acquisition of development rights component; (g) nine grants for local park aids; (h) eight grants under urban rivers; (i) four grants under state trails, and (j) eight in the Baraboo Hills program. In addition, another nine grants were awarded through a mixture of funds from the multiple components listed above. Among the nonprofit conservation organizations that have received multiple grants under the stewardship program are The Nature Conservancy, the Ice Age Park and Trail Foundation, the Waukesha County Land Trust, Door County Land Trust, Natural Heritage Land Trust, West Wisconsin Land Trust, Ozaukee-Washington Land Trust, and the Madison Audubon Society.

NCOs are eligible to apply for grants under both of the major stewardship subprograms. Since DNR and local governments draw from these programs as well, it can become a competitive process. Funds received as grants under the land acquisition subprogram are used to acquire land for a variety of purposes in accordance with the statutorily enumerated priorities for land acquisition funding.

Partnerships with NCOs have increased the Department's ability to protect land in more densely populated areas. For example, the "Polk Kames/Kettle Hills Project" is located in the southeastern region of the state where open land is scarce and land values are higher than other regions of the state. For the project, \$1.45 million in Department land acquisition funds and \$1.89 million in NCO grant acquisition funds were paired with the National Park Service's Land and Water Conservation Fund (LWCF) as well as private funds of over \$5 million to protect over 550 acres in Washington and Waukesha counties. Since 2000, this multiple partner project collaboration has resulted in an additional 43 miles of Ice Age National Scenic Trail and the purchase of 7,332 acres of habitat and recreation land.

Funds under the property development and local assistance subprogram may be used for a variety of purposes, including property development on land owned by the Department and the purchase of conservation easements on property adjacent to DNR owned lands. The DNR may obligate funding for property development as well as provide matching grants to NCOs for this purpose. Matching grants may also be given to either local governments or NCOs for acquisition of urban green space, local parks, and urban rivers areas, and for the purchase of development rights (easements) for conservation purposes. In addition, local governments can receive matching grants for the development of local parks and shoreline enhancements of urban rivers. As mentioned previously, all funds expended under this subprogram must be used for nature-based outdoor recreational purposes.

The DNR may provide up to \$250,000 each year in matching grants to friends groups and NCOs for property development activities on Department owned property, with no more than \$20,000 in grants for any property in a given fiscal year. Friends groups have first option on available funds.

2007 Act 20 authorizes DNR to contract with non-profit conservation organizations (including land trusts) and private companies to perform land management activities on DNR properties. The act also requires DNR to submit a report to the Joint Committee on Finance which includes information on costs of contracts, activities performed, and the cost effectiveness of the contracts, by November 15 each year for the prior fiscal year. The report for November 15, 2008, identified 20 contracts for various land management activities, but primarily related to wildlife area and habitat maintenance.

In 2008-09, \$15 million is available to be divided between the Department's capital development budget and local assistance grants. Statutorily, at least \$3.5 million must go toward property development, with no more than \$8 million devoted to local assistance grants. The Natural Resources Board allocated \$7 million to the property development budget, with \$250,000 set aside for Friends' Group development grants. This left the full \$8 million in grant funds for local assistance. Table 13 illustrates the expenditure plan approved by the Natural Resources Board for fiscal year 2008-09.

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### **Public Access on Stewardship Land**

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The use of DNR lands is guided by statute and administrative code. Section NR 1.61 of the administrative code refers to the public use of Department land and states, "except as prohibited or regulated by rule or statute, all department land shall be open for: (a) traditional outdoor recreational uses, including hunting, fishing, trapping, walking, nature study and berry picking; and (b) other types

**Table 13: Stewardship 2008-09 Expenditure Plan**

Subprogram	2008-09
Land Acquisition	
Department Acquisitions	\$21,900,000
Grants to NCOs	8,000,000
BCPL Natural Areas	2,000,000
Borrow Ahead Total	10,600,000
Recreational Boating Aids	2,500,000
Property Development and Local Assistance	
DNR Property Development	6,750,000
Grants to Friends Groups and NCOs	250,000
Local Assistance Grants	<u>8,000,000</u>
Total	\$60,000,000

of recreational uses, including camping, bicycling, equestrian uses, field trials, and snowmobiling or other motorized activities, as authorized on a parcel by the property master plan." Section 29.089 of the statutes prohibits hunting in state parks (which includes state trails) and state fish hatcheries unless specifically opened by administrative rule (such as for hunting in a chronic wasting disease management zone). Approximately half of all state park acreage is open for deer or turkey hunting for some portion of the year. In addition, section 29.091 of the statutes prohibits hunting and trapping within a wildlife refuge. Further, the Department is prohibited from permitting any use of a designated state natural area which is "inconsistent with or injurious to its natural values". The Department has the authority under section 23.28 of the statutes to establish use zones within designated state natural areas and to limit the number of people accessing certain zones within that natural area. Further, several other DNR property types are also closed to hunting including: (a) administrative facilities (such as ranger stations); (b) forest nurseries (c) boat access sites; and (d) some conservation easements (such as those acquired to allow for fishing along certain trout streams and certain habitat protection easements).

In response to concerns raised regarding the level of public access on lands purchased using stewardship funds, specifically public access for hunting and trapping, the Department conducted an analysis regarding public access on stewardship land. DNR found that, for land acquired by fee or easement through the land acquisition subprogram of the stewardship program from 1990 to 2006, approximately 94% of lands are open to hunting. In addition, the analysis found that, for land acquired through DNR stewardship grants to local units of government and non-profit conservation organizations, 62% are open to hunting. Table 14 shows the amount of land acquired through the stewardship program that is open to hunting through 2006.

Under the land acquisition subprogram, the Department is statutorily authorized to acquire land for certain specified purposes including: stream bank protection, habitat areas, fisheries, and natural areas. As mentioned above, hunting is generally prohibited at state parks, state trails and state fish hatcheries and the Department may control access to some state natural areas. In addition, section 23.092 of the statutes specifies that habitat areas are designated as such in order to enhance wildlife-based recreation in Wisconsin, including hunting, fishing, nature appreciation, and the viewing of game and nongame species. Under sec-

**Table 14: Stewardship Lands Open to Hunting (1990-2006)**

	Total Acres Acquired	Acres Open to Hunting	Percent Open to Hunting
DNR Land Acquisition			
Fee title	282,900	276,400	98%
Easement	<u>142,800</u>	<u>122,900</u>	<u>86</u>
DNR Subtotal	425,700	399,300	94%
Grants			
Local Units of Government			
Fee Title	14,200	3,300	23%
Easement	800	0	0
Nonprofit Conservation Organizations			
Fee Title	31,900	28,000	88%
Easement	<u>4,700</u>	<u>500</u>	<u>11</u>
Grants Subtotal	51,600	31,800	62%
Total	477,300	431,100	90%

tion NR 44.06 of the administrative code, habitat areas may be managed for a wide variety of purposes including focused species production and protection. Therefore, hunting may be allowed in some habitat areas, but may be prohibited in others where it would compromise the production or protection of a particular species. The closed acreage on lands acquired under the land acquisition subprogram also includes boat access sites and park entrance/visitor stations.

Under the local assistance subprogram, the Department provides grants to local governments and non-profit conservation organizations (NCOs) for land acquisition and development. Moneys obligated under this subprogram may only be used for nature-based outdoor recreation. The 14,200 acres of fee title land shown in Table 14 as acquired by local governments were used for municipal and county parks and trails. Hunting access on these lands is controlled by the local unit of government. However, in the chronic wasting disease (CWD) zones, the Department encourages deer hunting in all county parks. For example, Dane County, which generally prohibits hunting in county parks, allows archery deer hunting by permit to assist in the CWD control effort. The 800 acres of easements acquired by local units of government were acquired to help protect existing park and public green spaces from potential adjacent land developments. This acreage is not open for public hunting; however, hunting may be allowed on some of these lands by certain individuals with the landowner's permission.

Additionally, in order to receive a stewardship grant, NCOs must enter into a contract with the Department that specifies how the property will be managed. Fee title land purchased by NCOs through a stewardship grant is prohibited from being closed to the public unless DNR determines it is necessary to protect wild animals, plants or other natural features. In addition, the state holds a reversionary interest in the property, meaning that, if the NCO violates any provision of the contract, the title to the acquired property vests in the state. Closed acreage on lands controlled by NCOs gen-

erally includes lands where development rights were acquired to buffer existing public lands from development.

2007 Act 20 specified that land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance that was withdrawn from the managed forest land program on or after October 27, 2007, must be open to the public for hunting, fishing, trapping, hiking, cross-country skiing, and other nature-based outdoor recreation, unless the Natural Resources Board determines that a closure is necessary to: (a) protect public safety; (b) protect a unique plant or animal; or (c) to accommodate usership patterns, as defined by administrative rule.

DNR is currently in the process of developing an administrative rule to address the stewardship public access requirements of Act 20. The Natural Resources Board held three listening sessions during the summer of 2007 to solicit public input on the rule. In addition, the DNR Secretary appointed a 29-member Citizen Advisory Committee (CAC) to provide input on developing the administrative rule. The advisory committee includes representatives of recreational and conservation organizations, as well as local units of government and land trusts. The advisory committee began work in July, 2007, and is expected to complete their work in spring 2009. DNR staff will incorporate the recommendations of the CAC into a draft administrative rule that may be available for public hearings by summer 2009.

In January, 2008, the Natural Resources Board approved an interim protocol for DNR staff to use to evaluate grant requests involving restrictions on public access until the administrative rule is in place. Under the protocol, all stewardship grant applications for land acquisition are required to state whether or not each nature-based outdoor recreation activity required by Act 20 is available to the public prior to grant activity, whether or not the activity will be permitted after the grant, and if the activity is not permitted, the reason for the prohibition. If one or more nature-based outdoor activities is proposed to be restricted, grant staff will use the "staff guid-

ance for nature-based outdoor activities" to review the application.

Under the DNR "staff guidance for nature-based outdoor activities" the following restrictions on nature-based outdoor activities may be allowed for stewardship grant-funded projects: "(1) Public Safety- (a) one or more nature-based outdoor activities is restricted by local ordinance, zoning, or regulation; (b) proximity of one or more nature-based outdoor activities to: public institutions; residences; trails; developed businesses, commercial or industrial areas; or roadways; (2) Protect Unique Plant or Animal Community-(a) Department Bureau of Endangered Resources staff determines that one or more nature-based outdoor activities will degrade, destroy, or otherwise impair individual species or natural communities to be protected in the project; (b) one or more nature-based outdoor activities will degrade, destroy, or otherwise impair individual species or natural communities protected under state or federal law; (c) one or more nature-based outdoor activities that has been allowed on a grant-funded property may be subsequently restricted if it is found to negatively impact plant, animal, or natural communities protected in the project; (3) Accommodate Usership Patterns- (a) one or more nature-based activities will alter or significantly curtail a primary recreational use of the property; (b) one or more nature-based outdoor activity significantly interferes with land management activities necessary to preserve, enhance, and restore the conservation values protected in the project; (c) one or more nature-based outdoor activity is retained for a period of years by the seller(s) of the grant property and will not be available to the public until a date in the future."

If, after reviewing the application, DNR staff does not find that the proposed restriction on one or more required nature-based outdoor recreational activity meets the conditions in the staff guidance for nature-based outdoor activities, and the grantee requests further review, the Natural Resources Board stewardship subcommittee will review the project.

Act 20 also requires DNR to submit a report to

the Legislature before November, 2011, which lists all stewardship land that was acquired before the effective date of Act 20 for which public access has been restricted or prohibited and the reasons for the restriction. DNR is also required by the act to provide a report to the Joint Committee on Finance and standing committees on natural resources by November 15 annually (beginning in 2008) identifying each property acquired in the previous fiscal year that is not open for one or more of the required purposes and the reason for the closure. In the November, 2008, report, DNR identifies 12 properties acquired in 2007-08 with some access restriction and lists which of three categories was the reason (or reasons) for closure to that activity.

In addition, Act 20 requires DNR, before November, 2011, to establish and maintain an interactive mapping tool at the Department's website that identifies all stewardship land that is open for public access. Further, the act requires DNR to make a directory available which lists all stewardship land that is open for public access. The act specifies that the directory be updated every two years and be organized by county and town and clearly show the location of the stewardship land and named or numbered roads. The Department may prepare the directory or may make available a map, book, or directory published by a private entity. The mapping tool must be available without charge, but DNR may charge a fee for the directory, which is not to exceed the cost of publication.

Further, 2007 Act 20 requires an owner of stewardship land, or DNR, if the land is surrounded by DNR land, to provide notice of public access to the stewardship land in the form of specific signs placed at major access points on the stewardship land that identify the land as acquired using stewardship funds (within six months of receiving stewardship funds for land acquired on or after October 27, 2007; and prior to November, 2011, for land acquired before October 27, 2007). The act specifies that the signs be at least 1,087 square inches and made of a durable substance. The act requires the signs to include: (a) either the primary activities that are restricted or

prohibited on the stewardship land; (b) the name of the owner of the stewardship land or a person to contact regarding the stewardship land; and, (c) if the stewardship land has a cumulative acreage of 10 acres or more, the postal address or telephone number of the owner of the stewardship land, the postal address or telephone number of a person to contact regarding the stewardship land, or an internet website address where a person can locate that information.

Under Act 20, if a landowner fails to comply with these requirements, the landowner would be ineligible for state aid under the stewardship program until DNR determines that the landowner is in compliance. If the Department is notified that a sign needs replacing, the act requires DNR to determine whether the sign needs to be replaced within 28 days. If the Department determines that replacement is necessary, DNR must replace the sign within 28 days, or must notify the landowner within seven days of that determination. If the landowner does not replace the sign within three months after receiving notice from DNR, the landowner would be ineligible for any state aid under the stewardship program. The act also requires all owners of stewardship land to provide DNR with contact information. Further, the act specifies that, if the Department authorizes a nonprofit conservation organization to charge a fee for hunting on stewardship land, the fee for the hunting season may not exceed the state park daily resident vehicle admission fee (currently \$7). Under the act, these requirements do not apply to stewardship easements for trails, land acquired or managed for the Ice Age Trail, and easements where the primary purpose of the easement is not public access.

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### **Stewardship Earmarks**

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Beginning in the 1991-93 biennium, statutory earmarks from the stewardship program have been included in some legislative acts. Table 15 shows

the statutory stewardship earmarks by biennium. In addition, the 1995-97 biennial budget act authorized DNR to purchase the Willow Flowage and surrounding lands in Oneida County. The act authorized DNR to expend a level of funds for this purpose equal to the amount of funds not previously committed from the Lower Wisconsin State Riverway component of the stewardship program before July 1, 1996. Under the original stewardship program, \$2,000,000 annually was allotted for acquiring land along the Lower Wisconsin State Riverway. DNR purchased 8,720 acres for \$9.8 million for the Willow Flowage Scenic Waters Area in 1997.

Some earmarks required that stewardship program funding be matched in order for the stewardship funds to be released. For example, the 1997-99 biennial budget act (1997 Act 27) required that for every \$3 received by DNR from private grants or bequests for the Crex Meadows Wildlife Center, \$1 was to be expended from the stewardship program. This would represent a state grant for 25% of eligible project costs (75% local match). The last column in the table shows the percent of eligible project costs required to be paid by the local recipient (no number in this column indicates no local match was required).

As shown in Table 15, 2007 Act 20 provided funding for five earmarks. First, the act directs DNR to expend up to \$1,000,000 of the bonding authority under the stewardship program for efforts to improve navigability for recreational boating in Mirror Lake in Sauk County and in the streams flowing into the lake. The act authorizes DNR to expend bonding authority from either the land acquisition subprogram or the property development and local assistance subprogram. As of August 1, 2008, DNR has provided \$987,000 to the Mirror Lake Association for the Mirror Lake project (half of the funding was provided from the land acquisition subprogram and half from the property development and local assistance subprogram).

**Table 15: Statutory Stewardship Program Earmarks by Biennium**

<u>Biennium</u>	<u>Project</u>	<u>Location (County)</u>	<u>Bonding Authority</u>	<u>Local Match*</u>
1991-93	Monona Terrace Convention Center	Dane	\$3,000,000	50%
	Hank Aaron State Trail	Milwaukee	400,000	
	Horicon Marsh Interpretive Center	Dodge	250,000	75
1997-99	Grandfather Falls Recreation Area	Lincoln	2,138,000	
	Hank Aaron State Trail	Milwaukee	290,000	
	Crex Meadows Wildlife Center	Burnett	250,000	75
	Flambeau Mine Trail	Rusk	100,000	
1999-01	Milwaukee Lakeshore State Park	Milwaukee	2,000,000	
	Root River Multi-Purpose Pathway	Racine	750,000	50
	Hank Aaron State Trail	Milwaukee	670,000	
	Sheboygan Riverfront Park	Sheboygan	173,800	
	Keyes Lake Recreational Area	Florence	125,000	
	Rock River Riverwall	Jefferson	96,500	50
	Rib Mountain State Park Ski Chalet	Marathon	50,000	
	Upper Whiting Park	Portage	38,000	
	Non-profit Habitat Restoration and Land Acquisition	Not Specified	20,000	
2001-03	Milwaukee Lakeshore State Park	Milwaukee	3,000,000	
	Kickapoo Valley Visitor Center	Vernon	2,370,000	
	State Fair Park	Milwaukee	2,000,000	
	Rib Mountain State Park Ski Chalet	Marathon	1,000,000	
	Wisconsin Agricultural Stewardship Initiative	Grant	1,000,000	
	Prairie River Restoration	Lincoln	450,000	
	Root River Parkway	Racine	375,000	50
2007-09	Mirror Lake Boat Access	Sauk	1,000,000	
	The Conservation Fund - Greenseams Flood Management	Milwaukee	1,000,000	25
	Green Bay Recreational Trail	Brown	875,800	25
	Ice Age and Springbrook Trails	Langlade	600,000	50
	Jersey Valley Lake	Vernon	500,000	25

\*Percent of eligible project costs funded by grant recipient.

Second, 2007 Act 20 directs DNR to expend up to \$600,000 from either the land acquisition or the property development and local assistance subprogram to the City of Antigo for property development activities related to the Ice Age and Springbrook trails. The act requires DNR to provide \$1 for each \$1 expended by the City of Antigo.

In addition, the act provides up to the following amount from either stewardship subprogram and requires the recipient to provide \$1 for each \$3 in state funding.: (a) \$500,000 to Vernon County to restore Jersey Valley Lake; (b) \$1,000,000 to The

Conservation Fund for property acquisition for the Milwaukee Metropolitan Sewerage District Greenseams flood management program and for habitat restoration for lands acquired under the program; and (c) \$875,800 to the City of Green Bay for the acquisition of property to be developed into a recreational trail.

Jersey Valley Lake, located in Vernon County, was drained in response to a March, 2005, incident where manure runoff resulted in the death of many of the lake's fish. Further, the lake's dam is in need of repair and the lake's structure may be leaking.

The funding provided by Act 20 is for a project to install a grout curtain on the dam as well as monitoring wells downstream that record water levels and determine the effectiveness of the repair and continuing lake and dam function.

Greenseams is a flood management program aimed at conserving water and preventing flooding through land protection. To implement Greenseams, the Milwaukee Metropolitan Sewerage district chose The Conservation Fund (TCF), a national non-profit conservation organization dedicated to land and water resource preservation. TCF helps MMSD acquire land along river corridors (such as the Menomonee, Milwaukee, and Root Rivers) containing hydric soils that can rapidly absorb water.

The City of Green Bay intends to use the stewardship funding to purchase approximately 25 acres from Wisconsin Central Railroad. The city plans to construct an off-street multi-use bicycle and pedestrian trail separated from the city street grid.

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### **Stewardship Program Oversight**

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A heightened review procedure for stewardship projects was enacted in 1995 in order to provide an increased level of legislative scrutiny for major expenditures under the stewardship program.

Prior to the passage of 2003 Act 33 (the 2003-05 biennial budget), DNR was prohibited from obligating any funding from the Warren Knowles-Gaylord Nelson Stewardship program for any project or activity that exceeded \$250,000 unless the Department first notified the Joint Committee on Finance in writing of the proposal. If the Co-Chairpersons of the Committee did not notify DNR within 14 working days after the date of the Department's notification that the Committee had scheduled a meeting to review the proposal, the

Department was permitted to obligate the moneys. If, within 14 working days after the date of the notification by DNR, the Co-Chairpersons of the Committee notified the Department that the Committee had scheduled a meeting to review the proposal, DNR could only obligate the funding upon approval of the Committee.

Prior to July 26, 2003, 109 projects had been submitted to the Committee. Of these, 48 were reviewed by the full Committee. All but four were approved. Three projects were denied, and one project was deferred. In addition, a \$350,000 grant to the City of Green Bay to fund a portion of the cost of the acquisition of 34.2 acres of land in the Bairds Creek Parkway was scheduled for Committee review in December, 1998, but was withdrawn by DNR. The Department then reduced the amount of the grant below the \$250,000 threshold for Joint Finance review.

As passed by the Legislature, 2003 Act 33 would have required that all land acquisition and property development activities under stewardship be reviewed by Joint Finance under the 14-day passive review process. The \$250,000 threshold of review by the Committee would have been maintained for local assistance or non-profit conservation organization (NCO) grants provided under the stewardship program. The Governor, in his partial vetoes of 2003 Act 33, deleted this provision. Further, the partial veto repealed all passive review requirements for land acquisition, property development, and grant activities supported by funding from an annual stewardship program allocation.

2007 Act 20 restored the authority of the Joint Committee on Finance to review projects under the stewardship program through a 14-day passive review process effective July 1, 2010. (As passed by the Legislature, the review requirements would have been effective on the general effective date of the bill; however, the Governor vetoed words from several sections of the bill to postpone the effective date to July 1, 2010). The act specifies that all stewardship projects (excluding DNR property development projects and DNR acquisition of land

held by the Board of Commissioners of Public Lands) in excess of \$750,000 are subject to review.

Further, the act specifies that a DNR project or activity using stewardship funds of less than or equal to \$750,000 is subject to review by the Joint Committee on Finance if all of the following apply: (a) it is so closely related to one or more other Department projects or activities proposed as to constitute a larger project or activity that exceeds \$750,000; and (b) the Department separated the projects or activities primarily to avoid Joint Finance Review. DNR property development projects and certain lands purchased from the Board of Commissioners of Public Lands are excluded from review.

Under the act, if the Joint Finance Co-chairs do not notify DNR within 14 working days that the Committee is scheduling a meeting to review the proposal, DNR may proceed with the project. In addition, the act requires that at least five members of the 16-member Committee, including at least one Co-chair, are required to object, in writing, for the item to be scheduled for a meeting. If the Committee does not hold a meeting to review the proposal within 16 working days after the Co-Chairpersons notified the Department that a meeting would be scheduled, the Department may proceed with the transaction. However, if the notification is made after the Legislature has adjourned its final general business floor period in an even-numbered year, then Joint Finance would have 31 working days to hold a meeting.

In addition, non-legislative review procedures remain in place. Under DNR administrative rule, the following land transactions require the approval of the Natural Resources Board: (a) acquisitions where the purchase price is \$150,000 or more; (b) acquisitions where more than 40 acres are outside of an established project boundary; (c) acquisitions where the purchase price exceeds the highest appraised value; (d) acquisitions where improvement values exceed 35% of the total appraised value; (e) acquisitions of short tenure

with substantial increased value; and (f) sales of state land that are no longer needed for conservation purposes where the value exceeds \$50,000 or where the acreage exceeds 40 acres.

In addition, building projects over \$500,000 in costs are required to be specifically enumerated in state law. For example, 1999 Act 9 enumerates a \$690,000 stewardship project for a nature and conference center at Lapham Peak State Forest. The Legislature typically enumerates these projects in the state budget. Also, any state-funded development project in excess of \$150,000 but less than \$500,000 must be reviewed by the State Building Commission for approval prior to bidding.

Further, all land acquisition projects, proposals for the sale of any DNR managed land, and any development projects over \$60,000 are submitted to the Governor for review, and are subject to his approval.

While grants to local governments and NCOs go through an internal DNR review and scoring process, they generally are not subject to review by the Natural Resources Board. However, after the Governor vetoed the Joint Finance Committee review process in 2003, he appointed a committee to review projects using more than \$250,000 of stewardship program funds. The Governor's review committee consists of the Secretaries of the Departments of Natural Resources, Tourism, and Revenue. The committee meets periodically and makes recommendations to the Governor. The Governor makes the final decision of whether to approve the project.

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### **Stewardship Debt Service**

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The state generally issues 20-year tax-exempt general obligation bonds to support stewardship purchases and grants. Debt service for stewardship bonding is primarily funded from a sum sufficient,

general purpose revenue (GPR) appropriation in DNR. 1997 Act 27 created two additional appropriations to offset a portion of the GPR payment of stewardship debt service from the segregated conservation fund. Annual debt service payments of over \$8.9 million from the conservation fund (\$8.7 million from the forestry account and \$225,000 from the water resources account) were authorized in 1997-98 and 1998-99 for the payment of principal and interest related to the acquisition and development of state forests and recreational boating-related properties under the stewardship program. These appropriations sunset on June 30, 1999.

Under the stewardship 2000 program (and as extended under 2007 Act 20), debt service is again funded from a sum sufficient, GPR appropriation in DNR. In addition, since 1999-00 funds have been appropriated from the forestry account of the segregated conservation fund. This shift was specified to be one-time only in each biennia from 1999-01 through 2003-05. However, under 2005 Act 25, \$13.5 million SEG beginning in 2006-07 is provided on an ongoing basis from the forestry account. While the majority of the debt service shown in the following table is related to the stewardship program, a portion of the payments are related to bonding mostly authorized prior to the creation of the first stewardship program for several similar recreational land acquisition programs and a local dam repair and removal grant program.

Table 16 shows state stewardship related debt services costs over the past 10 years. Costs did not increase significantly in 2001-02 and declined in 2003-04 primarily because of a state debt refinancing initiative to take advantage of lower interest rates and reduce short-term liabilities. Costs again declined in 2007-08 due to the deferral of principal payments on the state's short-term general obligation commercial paper program. Debt service payments on the \$1.66 billion authorized for the program (principal repayment and interest) could total approximately \$2.7 billion over the life of the program bonds (about a 40-year period).

**Table 16: Stewardship Debt Repayments**

<u>Fiscal Year</u>	<u>SEG</u>	<u>GPR</u>	<u>Total</u>
1998-99	\$8,925,000	\$10,130,100	\$19,055,100
1999-00	3,000,000	18,744,900	21,744,900
2000-01	3,000,000	21,334,700	24,334,700
2001-02	4,901,900	19,774,000	24,675,900
2002-03	8,400,000	19,187,700	27,587,700
2003-04	10,000,000	8,649,200	18,649,200
2004-05	10,000,000	23,779,300	33,779,300
2005-06	14,100,000	25,618,900	39,718,900
2006-07	24,100,000	34,480,000	47,980,000
2007-08	13,500,000	34,104,900	47,604,900
2008-09*	13,500,000	43,582,800	57,082,800

\*Budgeted.

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### Appraised Versus Assessed Value

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Assessors and appraisers generally determine the value of property based on the property's highest and best use, which is that use which will produce the greatest net return to the property owner over a reasonable period of time. Three methods are generally accepted in determining the value of property.

- Under the sales comparison method, value is determined by analyzing recent sales of property that are similar in size, age, use, location and other factors.
- Under the cost method, the value of the land is estimated and added to the cost of replacing any attached structures.
- Under the income method, the present value of the property is determined from the estimated future income derived from the property. While all three approaches are accepted, the sales method is the approach most commonly used.

Commonly-accepted definitions of highest and best use utilized by appraisers generally take into account four different factors when making the determination:

- Physical possibility, taking into account the size, terrain, soil composition and utility availability for the parcel that may limit the use of the land;
- Legal permissibility, including applicable zoning regulations (including rezoning prospects), building codes, deed restrictions, historic district controls and environmental regulations;
- Financial feasibility, meaning any use that produces a positive rate of return based on the characteristics of the property; and
- Maximum productivity, under which no other use of the land would provide a greater net return to the owner based on land costs, physical characteristics, legal constraints and the economic characteristics of the surrounding area.

For a particular piece of property, there may be some difference of opinion among those doing the property valuation relating to any of these factors. The physically possible uses of the parcel, for example, would be influenced by the proximity of a sewer line to the parcel. The legally permissible uses of a parcel of land could be affected by current zoning designations and a particular municipality's history of approving zoning changes that affect the ability of land in the municipality to be developed. In these cases, assessors and appraisers (and potential buyers) must make certain assumptions related to these factors to be able to determine a value for the property.

Providing less than the fair market value for land could be considered a taking without just compensation in violation of the Fifth and Fourteenth Amendments to the U.S. Constitution. Further, under Wisconsin Statutes s. 32.09(5)(b), any increase or decrease in the fair market value of a property caused by any public improvement for which property is acquired, or the likelihood that the property would be acquired for such an improvement, may not be taken into account in determining just compensation for the property.

Questions were sometimes raised about parcels of land proposed for acquisition where the appraised value was significantly greater than the assessed value. Assessed value is the value placed on a property by the local unit of government for property tax purposes. Most assessors value property at some fraction of market value, despite a statutory requirement that property be assessed at full value. A series of court cases, dating back to the nineteenth century, has interpreted statutes to allow assessed values at a fraction of market value, provided the same fraction applies to all property in the taxation district. As a result, local assessors can assess property at a level below market value without violating the state constitution's requirement of uniform taxation.

DNR, local governments, and NCOs hire private real estate appraisers to determine the fair market value of prospective land purchases. A large disparity between assessed and appraised value may result from local assessors significantly undervaluing all property, not having updated assessments, or as a result of local land use policies. If open space that could be preserved is likely to otherwise be developed, it is often within the power of localities to zone the land in such a way as to maintain it in a relatively undeveloped state, if that is the preferred local option. In addition, a significant contributor to the rapidly escalating value of some properties may be a municipality's history of rezoning agricultural or open space land to allow residential or commercial development.

The power of zoning as a tool for land preservation, however, is limited by the willingness of the locality to maintain land in an undeveloped state. Further, zoning ordinances must allow a reasonable use of the property by the owner to avoid a taking of private property for public use.

For stewardship grant applications submitted beginning October 27, 2007, for an acquisition estimated to cost over \$350,000 (\$250,000 previously) at least two appraisals are required with one paid for by the grant applicant and one obtained by

DNR. Further, the purchase price of certain properties owned by the seller for less than three years are limited by statute.

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### Aids in Lieu of Property Taxes

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The difference between assessed and appraised values also has an effect on payments made by the state in lieu of property taxes. Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village, or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. To the extent that the purchase price paid by DNR for land is based on appraised values and to the extent that appraised values exceed assessed values, the resulting aids in lieu payments made under state ownership of land are greater than the property taxes that would be paid if the property remained under private ownership. Further, in some cases, lands purchased by the state were fully or partially exempted from property taxation before purchase (such as managed forest lands, railroad rights-of-way or properties owned by certain tax-exempt corporations).

Aids in lieu payments are made primarily from a sum sufficient, GPR appropriation. However, beginning in 2003-04, a portion of the payments are made from the forestry account of the conservation fund (\$4 million annually). Table 17 shows aids in lieu of property tax payments for the past 10 years.

Although the formula for calculating aids in lieu of taxes is intended to produce a state payment that is equivalent to what is paid in property taxes; in practice, state payments typically exceed the prop-

**Table 17: Aids in Lieu of Property Tax Payments**

Fiscal Year	GPR	SEG	Total
1998-99	\$2,374,200	\$0	\$2,374,200
1999-00	2,537,900	0	2,537,900
2000-01	3,393,500	0	3,393,500
2001-02	3,906,100	0	3,906,100
2002-03	4,755,400	0	4,755,400
2003-04	4,349,000	1,000,000	5,349,000
2004-05	4,133,000	2,000,000	6,133,000
2005-06	3,160,100	4,000,000	7,160,100
2006-07	4,190,800	4,000,000	8,190,800
2007-08	5,381,400	4,000,000	9,381,400

erty taxes that would have been paid on the property because the purchase price of conservation land has routinely exceeded the property's assessed value. In October of 2000, the Legislative Audit Bureau (LAB) released an evaluation of the Warren Knowles-Gaylord Nelson Stewardship program. The report found that within a sample of 74 property acquisition grants, the average appraised value per acre of the property was more than double (120% greater than) the average assessed value per acre. When adjustments were made to make comparisons on a per-property rather than a per acre basis, the average difference increased to 305%. The Legislative Audit Bureau noted that the sample was specifically selected to include large grants. Since it was not a random sample, the result could not be projected to all grants. While these wide discrepancies in appraised and assessed valuations have raised questions by some about the fair market value of stewardship properties, the report also notes that infrequent updates in assessed values also raise questions about fairness in local property taxes.

When the DNR property being purchased (a) is exempt from local property taxes (such as when owned by certain nonprofits or public utilities), (b) is subject to preferential tax treatment (such as under the managed forest law or agricultural use value), or (c) has a purchase price that exceeds the local assessed value, transferring the property to DNR results in a net gain in revenues for the affected local governments.

Table 18 compares the estimated aids in lieu of taxes payment due on all properties acquired in fee

**Table 18: 2007 State Land Purchases**

Property Category	Acres	Purchase Price	County	2007 Tax Amount	Aids in Lieu Estimation*	% Change
Fishery	13	\$49,000	Ashland	\$179	\$790	341%
Fishery	122	320,300	Bayfield	3,523	4,969	41
Natural Area	43	129,000	Bayfield	333**	1,223	267
Wildlife Area	320	600,000	Burnett	266**	7,850	2,851
Wildlife Area	20	35,500	Columbia	328	388	18
Natural Area	53	150,000	Crawford	1,933	2,682	39
Fishery	7	42,700	Dane	37**	668	1,705
Fishery	80	152,400	Florence	**	2,586	
Natural Area	72	300,500	Green	186**	4,636	2,392
Natural Area	40	64,000	Green Lake	357	957	168
Natural Area	80	168,000	Jackson	156**	2,666	1,609
Natural Area	0	7,300	Kenosha	119	117	-2
Wildlife Area	160	480,000	Kewaunee	4,441	7,662	73
Park	157	409,000	Marathon	130**	6,670	5,031
Northern Forest	111	286,000	Oneida	1,049	2,904	177
Wildlife Area	11	10,000	Pierce	400	400	0
Wildlife Area	56	91,100	Portage	250	1,394	458
Fishery	45	80,000	Racine	84	1,556	1,752
Wildlife Area	30	195,000	Rock	1,966	3,092	57
Wildlife Area	200	785,000	Sauk	6,392	9,141	43
Wildlife Area	20	84,600	Sauk	759	985	30
Fishery	40	120,000	Sheboygan	162**	1,792	1,006
Northern Forest	35	115,000	Vilas	899	962	7
Wildlife Area	<u>19</u>	<u>29,500</u>	Wood	<u>75**</u>	<u>426</u>	<u>468</u>
<b>Total</b>	<b>1,734</b>	<b>\$4,703,900</b>		<b>\$24,024</b>	<b>\$66,516</b>	<b>177%</b>

\*Aids in lieu estimation is calculated using the purchase price multiplied by the equalized tax rate for the taxing district for 2007

\*\*Property enrolled in managed forest law, forest crop law, or subject to use value assessment or another property tax exemption.

title by DNR under the stewardship program in calendar year 2007 (24 parcels) to the amount paid in taxes for that year (2007 taxes paid in 2008). In some cases, properties were enrolled in the managed forest law (MFL) program and agricultural properties benefited from use value assessment, which would result in a lower than expected 2007 tax bill. While only a limited sample was reviewed (and excluding properties previously enrolled in MFL or forest crop law and properties subject to agricultural use value or another property tax exemption) on average local payments were approximately two-thirds higher under state ownership for the parcels reviewed.

In most cases, the aids in lieu payment to mu-

nicipalities exceeds revenues previously generated by property taxes. The Department indicates that the current formula has led to a reduction in the number of local objections to state acquisition of land. Conversely, the intent of the formula was to establish a fair level of compensation, rather than to create a financial incentive, for municipalities to cooperate with state land acquisition.

As passed by the Legislature, the 2003-05 biennial budget would have changed the formula by which aids in lieu payments are calculated for lands purchased from the effective date of the bill forward. The modified formula would have defined the estimated value of the property to mean the lower of the equalized value of the property

prior to purchase by DNR or the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had previously been tax-exempt, the last recorded equalized value would be used, or a payment of \$1 per acre would be made, whichever amount was greater. The amount determined under this formula would continue to be adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. Under this formula, aids in lieu of property tax payments would have been expected to decline by between one-half and two-thirds for future purchases. The Governor item vetoed this provision in 2003 Act 33. The 2005-07 budget, as passed by the Legislature, again included this provision. However, the Governor also item vetoed the provision in 2005 Act 25.

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### **Conservation Reserve Enhancement Program**

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While not a stewardship program, the 1999-01 biennial budget authorized \$40 million in general fund supported bonding for the Department of Agriculture, Trade and Consumer Protection to participate in the Conservation Reserve Enhancement Program (CREP). Under the federal land retirement conservation program, the state provides at least a 20% match to federal funds to provide financial incentives for farmers and ranchers who enroll in a minimum of 14-year conservation easements (permanent easements are allowed).

Under these easements, land is removed from agricultural production to improve water quality, erosion control, and wildlife habitat in specific geographical areas. The U.S. Department of Agriculture has authorized \$200 million in federal funds for Wisconsin to enroll up to 100,000 acres in CREP. Through October 1, 2008, more than 40,000 acres of land have been enrolled in CREP (33,800 acres in 15-year easements and 6,300 acres in perpetual easements).

The Farm Service Agency (FSA) projects that total federal payments associated with these acres over their CREP contracts (generally 15 years, unless a permanent easement is granted) will total about \$78 million. In addition, through June 30, 2008 the state had expended about \$11.3 million on incentive payments to enroll this land into the program and on cost-share grants to landowners for the installation of conservation practices. As a result, expenditures of approximately \$89.3 million (out of the total \$240 million available) are expected over the life of the CREP contracts (generally 15 years) for the lands enrolled in CREP as of October 1, 2008. Under the current agreement with the USDA, state landowners are allowed to participate in CREP provided they have signed a federal contract by December 31, 2012.

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### **Appendices**

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Following are six appendices which provide additional information about the Warren Knowles-Gaylord Nelson Stewardship program. Appendix I provides a summary of expenditures under the stewardship program for fiscal years 2000-01 through 2007-08. Appendix II summarizes DNR land acquisitions funded from the stewardship program (original and reauthorized programs) by county, including the number of acres in each county for which an easement has been purchased, the number of acres acquired by fee title purchase and total expenditures made by DNR for both fee title and easement purchases in the county. Appendix III shows stewardship program land acquisitions where the purchase price was greater than \$5 million. Appendix IV summarizes DNR grant program activity by county under stewardship, based on the location of the property involved, to local units of government and nonprofit conservation organizations. Appendix V provides information on recent major property development projects, and Appendix VI shows the amount of stewardship funding spent on property development on DNR properties since 1990.

**APPENDIX I**

**Warren Knowles-Gaylord Nelson Stewardship 2000 Program  
Expenditures by Fiscal Year**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total
General Land Acquisition	\$37,841,200	\$40,682,600	\$41,750,000	\$25,106,700	\$67,626,700	\$38,191,100	\$251,198,300
Property Development	2,182,700	1,629,300	2,749,500	3,718,600	9,469,700	7,240,000	26,989,800
Local Assistance	5,005,800	7,501,900	12,496,200	19,467,100	5,935,000	4,893,900	55,299,900
Baraboo Hills	128,100	986,500	366,400	1,191,400	1,214,500	743,100	4,630,000
Bluff Protection	4,700	0	0	0	0	0	4,700
Recreational Boating	_____	_____	_____	_____	_____	<u>261,500</u>	<u>261,500</u>
<b>Total</b>	<b>\$45,162,500</b>	<b>\$50,800,300</b>	<b>\$57,362,100</b>	<b>\$49,483,800</b>	<b>\$84,245,900</b>	<b>\$51,329,600</b>	<b>\$338,384,200</b>

## APPENDIX II

### DNR Land Acquisitions Under Stewardship by County as of September 30, 2008

County	Easement Acres	Fee Acres	Federal Expenditures	Stewardship Expenditures	Total Expenditures
Adams	1,711	6,001	\$1,700,546	\$3,810,593	\$5,518,851
Ashland	20	1,430	25,500	973,900	1,000,850
Barron	36	762	18,000	1,045,125	1,063,923
Bayfield	12	9,356	1,262,567	4,640,375	5,912,309
Brown	211	1,539	499,421	3,047,085	3,548,256
Buffalo	1	1,937	19,200	1,366,056	1,387,194
Burnett	26	3,144	1,118,291	2,374,836	3,496,297
Calumet	19	1,759	57,660	2,480,724	2,540,161
Chippewa	169	4,491	713,597	1,977,874	2,696,131
Clark	0	224	0	476,290	476,514
Columbia	666	3,063	966,791	4,674,141	5,644,662
Crawford	1,064	8,206	188,540	7,901,718	8,099,528
Dane	1,975	5,213	1,617,512	18,311,301	19,936,000
Dodge	707	1,414	926,226	1,709,250	2,637,597
Door	1,481	1,531	2,927,465	6,221,945	9,152,422
Douglas	132	15,101	911,750	8,479,416	9,406,399
Dunn	926	3,453	316,515	3,237,439	3,558,332
Eau Claire	108	587	466,600	2,119,428	2,586,723
Florence	1,959	13,448	2	19,029,926	19,045,335
Fond du Lac	1,910	5,922	3,445,792	4,338,887	7,792,511
Forest	44,402	615	0	19,270,536	19,315,553
Grant	1,251	4,331	422,701	5,146,647	5,574,929
Green	424	784	543,174	1,882,205	2,426,587
Green Lake	9	1,133	57,000	1,011,543	1,069,686
Iowa	1,457	4,459	72,868	6,817,005	6,895,788
Iron	5,704	40,427	1,160,282	22,540,345	23,746,759
Jackson	4	3,769	66,205	3,717,638	3,787,615
Jefferson	31	7,028	24,284	3,794,528	3,825,871
Juneau	463	5,153	1,048,881	4,049,868	5,104,365
Kenosha	86	376	496,005	1,965,143	2,461,610
Kewaunee	1	800	0	1,571,961	1,572,762
La Crosse	198	208	30,148	501,509	532,063
Lafayette	270	634	0	1,749,369	1,750,273
Langlade	18,844	2,228	3,313,050	8,504,435	11,838,556
Lincoln	20,777	8,014	3,566,077	8,641,847	12,236,716
Manitowoc	1,328	479	109,275	2,517,309	2,628,391
Marathon	1,371	2,163	280,391	3,430,112	3,714,037
Marinette	130	20,410	408,869	34,474,031	34,903,441
Marquette	450	1,886	330,112	2,207,165	2,539,612
Milwaukee	66	172	0	4,749,003	4,749,241

**APPENDIX II (continued)**

**DNR Land Acquisitions Under Stewardship by County as of September 30, 2008**

County	Easement Acres	Fee Acres	Federal Expenditures	Stewardship Expenditures	Total Expenditures
Monroe	621	1,055	\$566,756	\$929,217	\$1,497,648
Oconto	224	2,284	133,992	2,709,867	2,846,367
Oneida	20,259	31,297	2,018,602	43,027,847	45,098,005
Outagamie	8	5,650	39,500	7,795,406	7,840,565
Ozaukee	678	317	865,012	1,252,200	2,118,206
Pepin	404	1,908	268,000	1,674,155	1,944,467
Pierce	99	870	461,100	651,413	1,113,482
Polk	247	5,155	1,686,450	13,060,428	14,752,280
Portage	22	5,314	202,882	5,439,002	5,647,220
Price	34	106	0	281,928	282,068
Racine	39	548	0	947,600	948,187
Richland	731	4,563	242,386	4,315,552	4,563,232
Rock	443	1,772	360,375	1,630,963	1,993,553
Rusk	1	92	23,250	241,874	265,217
Saint Croix	216	2,963	563,244	5,400,857	5,967,280
Sauk	3,749	4,707	2,244,433	11,362,816	13,615,706
Sawyer	53	1,363	111,170	1,600,702	1,713,289
Shawano	27	1,592	6,650	2,500,083	2,508,353
Sheboygan	675	3,190	886,115	8,158,201	9,048,181
Taylor	23	879	68,880	1,318,462	1,388,244
Trempealeau	136	1,466	136,283	847,297	985,182
Vernon	346	1,463	146,679	2,076,428	2,224,917
Vilas	2,608	4,179	65,500	4,603,578	4,675,864
Walworth	755	3,739	110,450	6,770,071	6,885,016
Washburn	172	1,325	0	2,272,827	2,274,324
Washington	439	1,936	1,332,500	8,132,171	9,467,046
Waukesha	132	2,332	172,019	12,394,276	12,568,759
Waupaca	492	2,463	878,370	3,842,286	4,723,610
Waushara	273	4,307	830,800	5,601,482	6,436,861
Winnebago	3,019	3,219	1,206,050	4,386,956	5,599,245
Wood	<u>28</u>	<u>1,198</u>	<u>87,900</u>	<u>1,664,231</u>	<u>1,753,357</u>
Total	147,352	296,902	\$44,826,643	\$403,648,685	\$448,919,581

### APPENDIX III

#### Stewardship Transactions Over \$5 million

Fiscal Year	Seller	County	Property	State Amount	Acres	Description	State Cost Per Acre
2007	International Paper	Florence, Forest and Marinette	Wild Rivers Legacy Forest Easement	\$22,190,000	51,661	Includes 44,401 acres with 48 lakes and ponds; 70 miles of river and stream frontage. In July 2008, the Department acquired an easement on an additional 7,260 acres from The Nature Conservancy (TNC) for \$3.2 million. Of the \$3.2 million, DNR expects to receive \$2.3 million in Federal Forest Legacy funds as reimbursement. The Department plans to acquire an easement on the remaining 7,300 acres (which TNC acquired an easement on from International Paper in the initial purchase), in fiscal year 2009-10, and would again seek Federal Forest Legacy funds to reimburse a portion of the cost of that purchase.	\$430
2007	International Paper	Florence	Wild Rivers Legacy Forest Acquisition	13,911,900	5,629	Frontage on the Pine and Popple Wild Rivers and 4 wild lakes. Total purchase price for acquisition and easement is \$36.1 million to date.	2,471
1999	Packaging Corp. of America	Iron, Oneida, Lincoln, and Vilas	"Great Addition" additions to numerous properties including the Turtle-Flambeau and Willow Flowages	25,000,000	32,003	Purchased in two phases and DNR utilized borrow-ahead authority.	781
2002	Wisconsin Public Service Corporation	Marinette and Oconto	Peshigo River State Forest	25,000,000	9,239	Purchased in three phases and utilized borrow-ahead authority. Over 66 miles of river and flowage frontage.	2,706

Fiscal Year	Seller	County	Property	State Amount	Acres	Description	State Cost Per Acre
2009	Rainbow Springs Golf Company, Inc. and U.S. Residential Golf Properties, Inc.	Walworth and Waukesha	Rainbow Springs	\$10,800,000	970	Includes a 38-acre natural seepage lake, and three-quarter mile corridor of Mukwonago River, an exceptional resource water and Class III trout stream. Designated as Mukwonago River Unit of Southern Kettle Moraine State Forest. Natural Resources Board approved borrow-ahead from single year to cover full cost.	\$11,134
2005	Burnkow Hardwoods and Western Wisconsin Land Trust	Polk	Straight Lake State Park & Ice Age Trail (\$10.6 million)	8,800,000	2,779	Includes a 107 acre wild lake, flowages and 3.5 miles of Ice Age Trail. Additional \$1.8 million federal contribution brought purchase price to \$10.6 million.	3,167
1998	Four States Timber/Tenneco	Oneida	Willow Flowage	9,800,000	8,720	Joint Finance approval process sped up to allow close of sale. Includes 73 miles of shoreline, 106 islands and 7 boat landings.	1,124
2005	Plum Creek	Langlade	Wolf River Forest Legacy Easement (\$9.2 million)	6,180,600	18,512	29 square mile easement for public recreation, timber management and development limits. Additional \$3 million FED provided for \$9.2 million total purchase.	334
2004	Wisconsin Valley Improvement Corp.	Oneida, Vilas and Lincoln	Rainbow Flowage - Northern Highland/American Legion State Forest and New Wood Wildlife Area	7,950,000	5,875	Includes 63 miles of lake frontage, 4 boat landings and 10 islands.	1,353
2003	Tomahawk Timberlands	Iron, Oneida, Marathon, and Lincoln	Forest Legacy \$7.2 million Easement	\$2,244,000	35,337	First Wisconsin easement under the federal forest legacy grant program (\$2.2 million Stewardship funds and \$5 million FED).	\$64
2008	Wausau Papers and The Conservation Fund	Douglas	Brule River State Forest Addition	6,111,400	5,881	Four non-contiguous parcels provided additional acreage in northern Brule River State Forest, protected hunting on land previously open for hunting under managed forest land program.	1,039

**APPENDIX IV**

**DNR Grant Program Activity Under Stewardship by County as of September 30, 2008**

	Grants to Local Units of Government	Grants to Nonprofit Conservation Organizations	Total Grant Expenditures
Adams	\$218,682	\$347,102	\$565,784
Ashland	226,182	325,750	551,932
Barron	93,985	0	93,985
Bayfield	679,104	394,434	1,073,539
Brown	5,677,101	499,569	6,176,670
Buffalo	180,541	158,077	338,618
Burnett	202,790	89,695	292,485
Calumet	479,004	123,407	602,411
Chippewa	900,663	956,525	1,857,188
Clark	637,698	0	637,698
Columbia	582,392	1,936,348	2,518,739
Crawford	238,331	390,301	628,632
Dane	18,281,048	14,021,477	32,302,526
Dodge	1,435,194	309,400	1,744,594
Door	1,447,881	13,118,654	14,566,535
Douglas	437,363	583,482	1,020,845
Dunn	455,761	1,270,756	1,726,516
Eau Claire	1,370,846	6,600	1,377,446
Florence	142,185	0	142,185
Fond Du Lac	1,178,114	6,990	1,185,104
Forest	58,345	0	58,345
Grant	422,853	356,764	779,617
Green	250,330	92,714	343,044
Green Lake	137,164	6,567	143,731
Iowa	134,995	3,906,771	4,041,766
Iron	145,104	0	145,104
Jackson	478,817	22,500	501,317
Jefferson	1,656,374	4,001,583	5,657,957
Juneau	657,314	178,120	835,434
Kenosha	1,878,018	474,381	2,352,399
Kewaunee	578,793	26,050	604,843
La Crosse	1,301,005	2,875,915	4,176,920
Lafayette	526,481	0	526,481
Langlade	962,788	0	962,788
Lincoln	744,084	9,000	753,084

**APPENDIX IV (continued)**

**DNR Grant Program Activity Under Stewardship by County as of September 30, 2008**

	Grants to Local Units of Government	Grants to Nonprofit Conservation Organizations	Total Grant Expenditures
Manitowoc	\$1,957,870	\$275,664	\$2,233,534
Marathon	1,328,953	179,951	1,508,904
Marinette	131,873	0	131,873
Marquette	77,784	181,016	258,800
Menominee	0	0	0
Milwaukee	3,229,961	864,684	4,094,644
Monroe	759,424	10,000	769,424
Oconto	300,099	0	300,099
Oneida	586,533	0	586,533
Outagamie	1,918,279	10,218	1,928,497
Ozaukee	2,285,839	2,642,449	4,928,288
Pepin	23,501	645,000	668,501
Pierce	285,315	1,428,514	1,713,829
Polk	904,673	2,078,667	2,983,340
Portage	1,028,746	386,080	1,414,826
Price	538,388	0	538,388
Racine	2,901,687	157,136	3,058,823
Richland	221,438	0	221,438
Rock	2,166,125	546,267	2,712,392
Rusk	523,699	0	523,699
Sauk	1,128,317	6,313,496	7,441,814
Sawyer	216,113	35,290	251,403
Shawano	894,937	72,050	966,987
Sheboygan	1,419,269	348,142	1,767,411
St. Croix	1,120,021	1,734,224	2,854,245
Taylor	191,488	17,741	209,229
Trempealeau	58,964	15,695	74,659
Vernon	1,202,788	55,103	1,257,890
Vilas	699,265	4,103,013	4,802,278
Walworth	1,496,193	992,882	2,489,074
Washburn	324,089	0	324,089
Washington	3,541,396	8,274,067	11,815,463
Waukesha	11,518,518	2,213,863	13,732,380
Waupaca	1,384,049	56,478	1,440,527
Waushara	192,030	963,578	1,155,607
Winnebago	1,882,912	223,504	2,106,416
Wood	<u>1,094,952</u>	<u>48,050</u>	<u>1,143,002</u>
Total	\$94,332,813	\$81,361,750	\$175,694,563

APPENDIX V

Stewardship  
Major Development Projects  
Active as of June 30, 2008

<u>Project Name</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
Horicon Service Center Education Center Remodel	\$200,000	\$150,700	\$1,700	\$47,600
Mirror Lake Trail Development	165,200	146,500	8,500	10,200
Pattison State Park Septic System Replacement	612,400	584,300	0	28,100
Kohler-Andrae State Park Restroom Renovation	113,800	97,000	9,600	7,200
Kettle-Morrain State Forest- Southern Unit Hickory Woods Campsites	124,900	124,900	0	0
Council Grounds State Park Group Campground	153,100	140,200	9,700	3,200
Badger State Trail Surfacing	1,056,000	986,900	22,400	46,700
Northern Highland-American Legion State Forest Clear Lake Contact Station	666,600	463,800	157,700	45,100
Newport State Park Office Visitor Center	480,000	427,300	42,200	10,500
Kettle-Morrain State Forest- Northern Unit Horseshoer Camp Upgrade	386,200	233,500	133,700	19,000
Governor Knowles State Forest Equestrian Camp	519,200	466,800	32,800	19,600
Harrington Beach State Park Campground	3,130,700	993,300	1,902,800	234,600
Willow River State Park Campground Expansion	2,832,900	229,000	34,800	2,569,100
Governor Dodge State Park Repave Campground Loops	269,500	197,900	0	71,600
Interstate State Park Nature Center Classroom	168,400	7,900	7,800	152,700
Harrington Beach State Park Welcome Center Addition	398,500	75,500	298,600	24,400
Willow Flowage Nature Trail Access	356,600	92,900	2,000	261,700
Governor Thompson State Park Woods Lake Picnic Area	210,000	135,900	0	74,100
Great River Trail Extension	496,100	107,700	0	388,400
Turtle Flambeau Group Campgrounds	190,000	0	72,600	117,400
Kohler-Andrae State Park Campgrounds	1,066,600	379,800	637,000	49,800
Governor Dodge Shop Roof Coating	135,800	135,600	0	200
Black River State Forest Horse Camp Toilet Building	1,320,100	87,200	27,500	1,205,400
Brunet Island State Park Resurface Parking Lots and Roads	492,400	468,500	11,500	12,400
Copper Falls State Park Observation Tower Repairs	195,000	64,100	106,000	24,900

<u>Project Name</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
Potawatomi State Park Unheated Storage Building	\$120,000	\$94,800	\$21,900	\$3,300
Military Ridge State Trail Unheated Storage Building	144,800	0	0	144,800
Devils Lake State Park Unheated Storage Building	223,400	0	0	223,400
Kettle Moraine State Forest-Southern Unit Toilet/Shower Buildings	872,700	45,200	37,100	790,400
Perrot State Park Group Campground	117,500	61,000	43,500	13,000
Peninsula State Park Treatment Plant Repairs	290,000	28,000	9,300	252,700
Governor Thompson State Park Road Construction	314,700	12,000	288,800	13,900
Governor Thompson State Park Picnic Shelter	147,500	14,800	4,000	128,700
Wyalusing State Park Flood Damage Repairs	145,000	78,900	0	66,100
Governor Thompson State Park Entrance and Visitor Station, Campgrounds, and Storage Building	3,524,900	19,300	233,500	3,272,100
Wildcat Mountain State Park- Entrance and Visitor Station	2,398,600	56,000	167,400	2,175,200
Peninsula State Park Nicolet Bay Showers	498,500	10,200	46,100	442,200
Kettle Moraine State Forest-Northern Unit Lake Path	129,500	0	4,600	124,900
Richard Bong Recreational Area ATV/Dir Bike Trail	120,800	0	0	120,800
Wildcat Mountain State Park Emergency Road Repair	258,400	0	0	258,400
Lakeshore State Park- Phase 1 Construction	<u>5,000,000</u>	<u>4,853,200</u>	<u>42,400</u>	<u>104,400</u>
Major Projects Subtotal	\$30,046,300	\$12,070,600	\$4,417,500	\$13,558,200
Various Small Projects	<u>4,614,900</u>	<u>1,486,900</u>	<u>411,100</u>	<u>2,716,900</u>
Total	\$34,661,200	\$13,557,500	\$4,828,600	\$16,275,100

## APPENDIX VI

### Stewardship Development Expenditures by State Property, 1990 through June 30, 2008

400 State Trail	\$482,700	Harrington Beach State Park	\$1,334,600
Ahnapee / Casco Bridge	19,500	Hartman Creek State Park	96,100
Ahnapee Trail	8,400	Havenwoods State Forest	93,500
Amnicon Falls State Park	16,200	Heritage Hill State Park	40,600
Badger Trail	1,548,100	High Cliff State Park	1,037,300
Baraboo Hills	2,357,400	Horicon Service Center	342,500
Bearskin-Hiawatha Trail	236,900	Ice Age Trail	56,500
Big Bay State Park	216,500	Interstate State Park	97,700
Big Foot Beach State Park	28,900	Kettle Moraine State Forest - Northern Unit	2,156,300
Black River State Forest	189,600	Kettle Moraine State Forest - Southern Unit	2,618,500
Blue Mounds State Park	48,000	Kickapoo Valley Visitor Center	2,370,000
Brillion Wildlife Area	14,200	Kinnickinnic State Park	169,500
Brule River State Forest	41,300	Kohler-Andrae State Park	935,600
Brunet Island State Park	763,600	Lacrosse River Trail	411,800
Buckhorn State Park	235,700	Lake Kegonsa State Park	276,800
Buffalo River State Trail	214,200	Lake Wissota State Park	109,000
Cadiz Springs Recreation Area	10,100	Lakeshore State Park	4,853,200
Chippewa Moraine Recreation Area	45,000	Lapham Peak	1,127,100
Chippewa River Trail	329,800	Lower Wisconsin State Riverway	582,400
Chiwaukee Prairie Natural Area	60,000	MacKenzie Environmental Center	350,100
Copper Falls State Park	392,500	Mead / McMillian Wildlife Area	213,500
Council Grounds State Park	276,900	Meadow Valley Wildlife Area	179,500
Crex Meadows Wildlife Area	273,000	Merrick State Park	52,800
Devil's Lake State Park	2,236,200	Military Ridge Trail	335,000
Dodgeville Service Center	99,600	Mill Bluff State Park	16,500
Door County State Natural Area	50,700	Mirror Lake State Park	1,567,300
Elroy / Sparta Trail	684,300	Miscellaneous Projects	134,700
Flambeau Mine Trail	97,500	Mountain Bay Trail	24,500
Flambeau River State Forest	135,600	Navarino Wildlife Area	52,100
Fox River Trail	20,000	Nelson Dewey State Park	127,300
Friendship Trail	6,600	New Glarus Woods State Park	39,400
Gandy Dancer Trail	50,500	Newport State Park	438,300
Glacial Drumlin Trail	725,800	Northern Highland/American Legion	1,918,600
Governor Dodge State Park	815,900	Old Abe Trail	251,100
Governor Knowles State Forest	546,100	Open Balances Total-Large Projects	13,557,800
Governor Nelson State Park	175,500	Open Balances Total-Small Projects	2,716,900
Governor Thompson State Park	167,300	Parks Falls Area	30,100
Great River Trail	221,800	Pattison State Park	1,381,100
Green Circle Trail	7,700	Pecatonica Trail	9,900
Hank Aaron Trail	438,600	Peninsula State Park	1,354,500

Perrot State Park	\$531,800	Willow River State Park	\$1,075,600
Pike Lake	197,900	Wilson Nursery	37,300
Point Beach State Forest	739,500	Wyalusing State Park	679,800
Potawatomi State Park	476,500	Yellowstone Lake State Park	405,000
Red Banks	10,000	Statewide - Asbestos	39,200
Red Cedar Trail	524,100	Statewide - Bridge Inspections	5,700
Rib Mountain Chalet	995,000	Statewide - Engineering	214,000
Rib Mountain State Park	363,200	Statewide - Miscellaneous Projects	80,500
Richard Bong Recreation Area	1,098,900	Statewide - Old Closed Projects	696,900
Roche-a-Cri State Park	37,500	Statewide - Parks Electric Sites	483,700
Rock Island State Park	762,600	Statewide - Parks Handicap Access	54,400
Rocky Arbor State Park	31,400	Statewide - Parks Toilet / Shower Bldgs	1,983,100
Spread Eagle Barrens	109,700	Statewide - Parks Trails	138,200
Sugar River State Trail	695,900	Statewide - Parks	<u>628,800</u>
Tower Hill State Park	43,200		
Tuscobia State Trail	71,000	Total	\$71,641,900
Upper Fox Headwater	19,700		
Whitefish Dunes State Park	327,500		
Wildcat Mountain State Park	243,200		
Willow Flowage	92,900		