

# State of Wisconsin

SENATE CHAIR  
**Alberta Darling**

317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-5830



ASSEMBLY CHAIR  
**John Nygren**

309 East, State Capitol  
P.O. Box 8593  
Madison, WI 53708-8953  
Phone: (608) 266-2343

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: May 26, 2016

Re: 14-Day Passive Review Approval – DNR

Pursuant to s. 23.0917(6m), Stats., attached is a 14-day passive review request from the Department of Natural Resources, received on May 26, 2016.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Wednesday, June 15, 2016**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN;jm

State of Wisconsin  
DEPARTMENT OF NATURAL RESOURCES  
101 S. Webster Street  
Box 7921  
Madison WI 53707-7921

Scott Walker, Governor  
Cathy Stepp, Secretary  
Telephone 608-266-2621  
FAX 608-267-3579  
TTY Access via relay - 711



MAY 26 2016

IN REPLY REFER TO: NF 30143 \*

The Honorable Alberta Darling  
Committee on Joint Finance  
317 East, State Capitol  
Madison, WI 53701

The Honorable John Nygren, Co-Chair  
Committee on Joint Finance  
309 East, State Capitol  
Madison, WI 53701

Dear Senator Darling and Representative Nygren:

The Department is notifying you as co-chairs of the Joint Committee on Finance of the proposed easement acquisition from Lyme Solon Springs Forest Company, LLC for \$3,545,000. In addition, the Department estimates \$21,500 of Stewardship funding for miscellaneous costs associated with the transaction. The Department is submitting this notice pursuant to s. 23.0917(6m), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$750,000 in cost and/or north of Highway 64. The Natural Resources Board approved the purchase at the May 25, 2016 meeting. The land is required for the Forest Legacy Program.

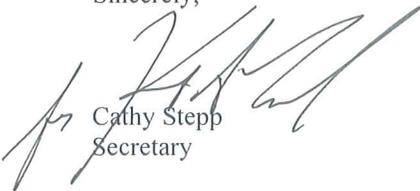
The file number is NF 30143 \* and the easement is located in Douglas County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Douglas J Haag at 608-266-2136. Mr. Haag is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,



Cathy Stepp  
Secretary

Attachment

cc: Legislative Fiscal Bureau  
Department of Administration



**SUBJECT:** Easement Purchase – Forest Legacy Program– Douglas County

**FOR:** MAY 2016 BOARD MEETING

**TO BE PRESENTED BY:** Douglas J Haag

**SUMMARY:** The Department has reached an agreement with Lyme Solon Springs Forest Company LLC to acquire a working forest easement on 7,090 acres of land in northwest Wisconsin.

The Department has reached an agreement to purchase a 7090 acre Forest Legacy easement from the Lyme Solon Springs Forest Company, LLC at the price of \$3,545,000.00. The land is located in the towns of Bennett, Gordon, Highland, Solon Springs and Wascott in Douglas County This is the third easement purchased from Lyme Timber Company in this area.

In May 2012, the Department entered into an Option agreement with Lyme St. Croix Forest Company to acquire a working forest easement on approximately 65,867 acres of land in northwest Wisconsin. The Option identified a two-phased transaction. The Natural Resources Board approved phase I of the transaction, consisting of 44,678 acres at a cost of \$11,260,000 in June of 2012. That transaction closed in September of 2012. The Natural Resources Board approved phase II of the transaction, consisting of 21,189 acres at a cost of \$5,615,148 in May of 2015. The State's share of this transaction was \$1,865,148 and the Department was awarded a Forest Legacy Program grant in the amount of \$3,750,000 to cover the balance of the purchase price. The state share came from the Knowles Nelson Stewardship Program. This proposed easement acquisition of 7,090 acres fills in gaps in easement ownership from these previous Forest Legacy easement acquisitions.

The 7090 acre easement property is located within the Northern Forest Legacy Area project boundary identified in Wisconsin's 2010 Statewide Forest Action Plan; this plan identifies the State of Wisconsin's priorities for implementing the Forest Legacy Program. The purpose of the Forest Legacy Program in Wisconsin is to:

- maintain large blocks of forest land for continued forestry and resource management by precluding buildings, subdivision, deforestation or any significant topographical change;
- manage the property as part of the underlying landowner's commercial timber harvest base ensuring the continued economic viability of the property as productive forest land;
- provide public outdoor recreational uses including hiking, cross country skiing, hunting, fishing and trapping;

Approximatley 1,924 acres of the easement property are also located within the Brule River State Forest acquisition boundary. This represents about 6.5% of the total remaining acquisition boundary within the state forest. Excellent public road access to the easement is available through a network of town roads that run on a square mile grid pattern throughout the parcel, as well as through adjacent Department easements. The easement includes adjacency to 2 named lakes, Black Fox Lake and Grover Lake, which provides fishing, trapping and waterfowl hunting opportunities. Upper Ox Creek, a Class II trout stream, runs through approximately a 1/2 mile of the easement.

Much of the easement area is classified as Pine Barrens. This unique community supports a high number of species, including sharp-tailed grouse, the Kirtland's warbler, and many species found on the state list of Species of Greatest Conservation Need. Pine Barrens in Wisconsin are dynamic and highly variable fire-driven ecosystems, and can be managed for a continuum of natural structurally distinct community types from semi-open brush prairie, to savannas with scattered trees, to close canopy dry forest.

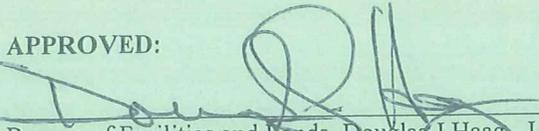
Acquisition of this easement will ensure this large block of northern forest will continue to provide for sustainable timber management and harvest, and continue to provide wildlife habitat and public outdoor recreation opportunities in the region. Lyme Solon Springs Forest Company, or any future owner, will remain responsible for land management within the terms of the easement.

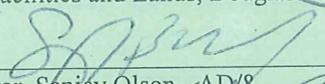
**RECOMMENDATION:** That the Board approve the purchase of a Forest Legacy easement on 7,090.00 acres of land for \$3,545,000.00 for the Forest Legacy Program.

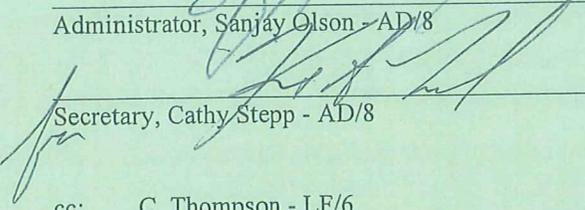
**LIST OF ATTACHED MATERIALS:**

- |                                        |                                                       |                                         |          |
|----------------------------------------|-------------------------------------------------------|-----------------------------------------|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required                              | Yes <input type="checkbox"/>            | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/>            | Attached |
| No <input type="checkbox"/>            | Background Memo                                       | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:

  
Bureau of Facilities and Lands, Douglas J Haag - LF/6

  
Administrator, Sanjay Olson - AD/8

  
Secretary, Cathy Stepp - AD/8

5-4-16  
Date

5-10-16  
Date

5/11/16  
Date

- cc: C. Thompson - LF/6
- D. Haag - LF/6
- L. Ross - AD/8
- T. Marty - NF/4
- T. Prichard - NF/4

CORRESPONDENCE/MEMORANDUM

DATE: May 9, 2016 FILE REF: NF 30143  
 TO: Natural Resources Board  
 FROM: Cathy Stepp  
 SUBJECT: Proposed Easement on land owned by the Lyme Solon Springs Forest Company LLC  
 Tract, File # NF 30143

1. PARCEL DESCRIPTION:

FOREST LEGACY PROGRAM  
 Douglas County

Grantor:

Lyme Solon Springs Forest Company LLC  
 c/o Tom Morrow  
 23 South Main Street, 3rd floor  
 Hanover, NH 3755

Acres: 7,090.00  
Price: \$3,545,000.00  
Interest: Easement  
Improvements: None

Location: The tract is located 5-12 miles East of Solon Springs in Douglas County.  
Land Description: The subject land is gently rolling.

Covertypes Breakdown:

Type	Acreage
Pine Plantation	6,131
Upland Woodland	250
Wetland	450
Grass	150
Brush	109
Total:	7,090.00

Zoning: Bulk of the property is zoned F-1 Forestry. Some of the lands lying in the Town of Gordon are zoned A-1 Agricultural District and RR-1 Residential-Recreational District. Some of the lands lying in the Town of Bennett are zoned R-2 Residential District.

Present Use: Forestry (last 10 years)  
Proposed Use: Forestry & public recreation  
Tenure: Less than one year

Stewardship Land Access: This property will be open to the public for all nature based outdoor recreational activities to include hunting, fishing, trapping, hiking and cross-country skiing. Physical features of the property may not be conducive to all of these activities.

2. JUSTIFICATION:

The Department has reached an agreement to purchase a 7090 acre Forest Legacy easement from the Lyme Solon Springs Company LLC at the price of \$3,545,000.00. The land is located in the towns of Bennett, Gordon,



Highland, Solon Springs and Wascott in Douglas County. This is the third easement purchased from this Company in this area.

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Acquisition of this easement will ensure this large block of northern forest will continue to provide for sustainable timber management and harvest, and continue to provide wildlife habitat and public outdoor recreation opportunities in the region. Lyme Solon Springs Forest Company, LLC, or any future owner, will remain responsible for land management within the terms of the easement.

3. LAND MANAGEMENT:

Lyme Solon Springs Forest Company, LLC, or any future owner, will remain responsible for land management within the terms of the easement. The Department will be responsible to enforce public use of the property in accordance with NR 45.

4. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$4,828,300.00	\$0.00

5. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002  
Acres Purchased to Date: 200,711.54  
Acres After this Purchase: 207,801.54

6. APPRAISAL 1:

Appraiser: Michael W. Stone  
Valuation Date: February 10, 2016  
Highest and Best Use: Forestry

Allocation of Values:  
Before Value: \$7,090,000.00  
After Value: \$ 3,545,000.00  
After Value: \$ 3,545,000.00 (\$500/acre)

APPRAISAL 2:

Appraiser: Jon Gargulak  
Valuation Date: March 26, 2016  
Highest and Best Use: Industrial Timberland

Allocation of Values:  
Before Value: \$9,184,950.38  
After Value: \$ 3,517,640.57  
After Value: \$ 5,667,309.81(\$799.34/acre)

Appraisal Review: Pete Wolter

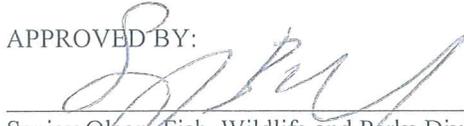
RECOMMENDED:

  
\_\_\_\_\_  
Douglas J Haag, Deputy Director, Bureau of Facilities and Lands

5-4-16  
Date

  
\_\_\_\_\_  
Richard W. Henneger, Bureau of Legal Services

5/9/16  
Date

APPROVED BY:  
  
\_\_\_\_\_  
Sanjay Olson, Fish, Wildlife and Parks Division Administrator

5/10/16  
Date



# Lyme Solon Springs Forest Company LLC - Easement

## Forest Legacy Program

Acres: 7,090

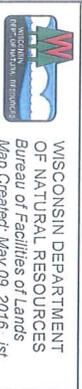
**Subject**

- Brule-St. Croix Legacy Forest Phase 1
- Brule-St. Croix Legacy Forest Phase 2
- Project Boundary
- State Natural Area
- Project Boundary
- DNR Fee Title Lands
- Open to Public Access
- DNR Easement Lands
- Open to Public Access
- DNR Easement Lands
- Closed to Public Access
- DNR Lease Lands
- State Natural Area
- Tribal Land
- Board of Commissioners of Public Lands
- Public Land - Funded by Stewardship Grants
- County Forest Lands
- National Park Service
- North Country Nat'l Scenic Trail
- State Recreation Trail
- County Boundary

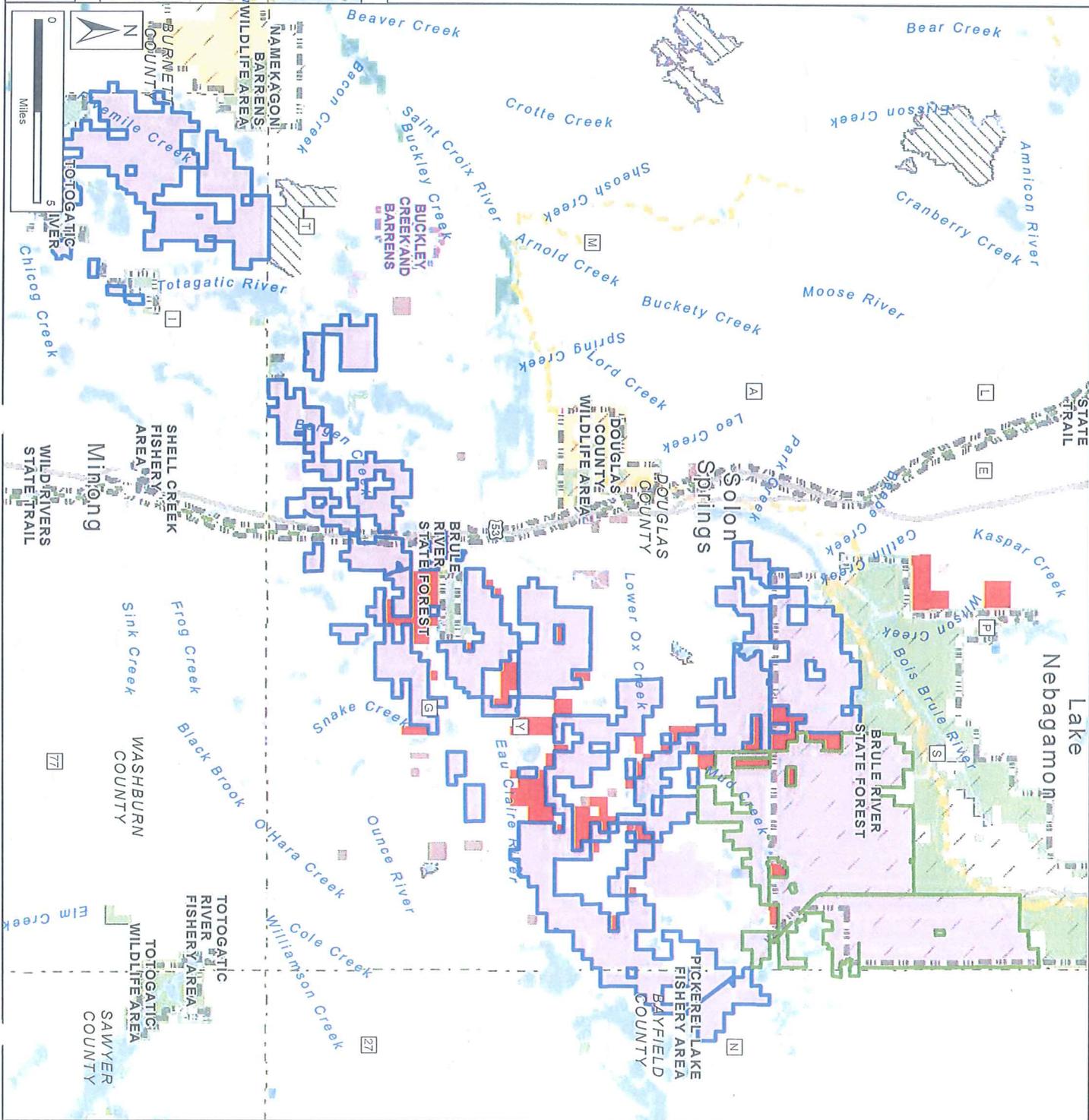
### Regional View



### Location of Property



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# Lyme Solon Springs Forest Company LLC - Easement Forest Legacy Program

Acres: 7,090

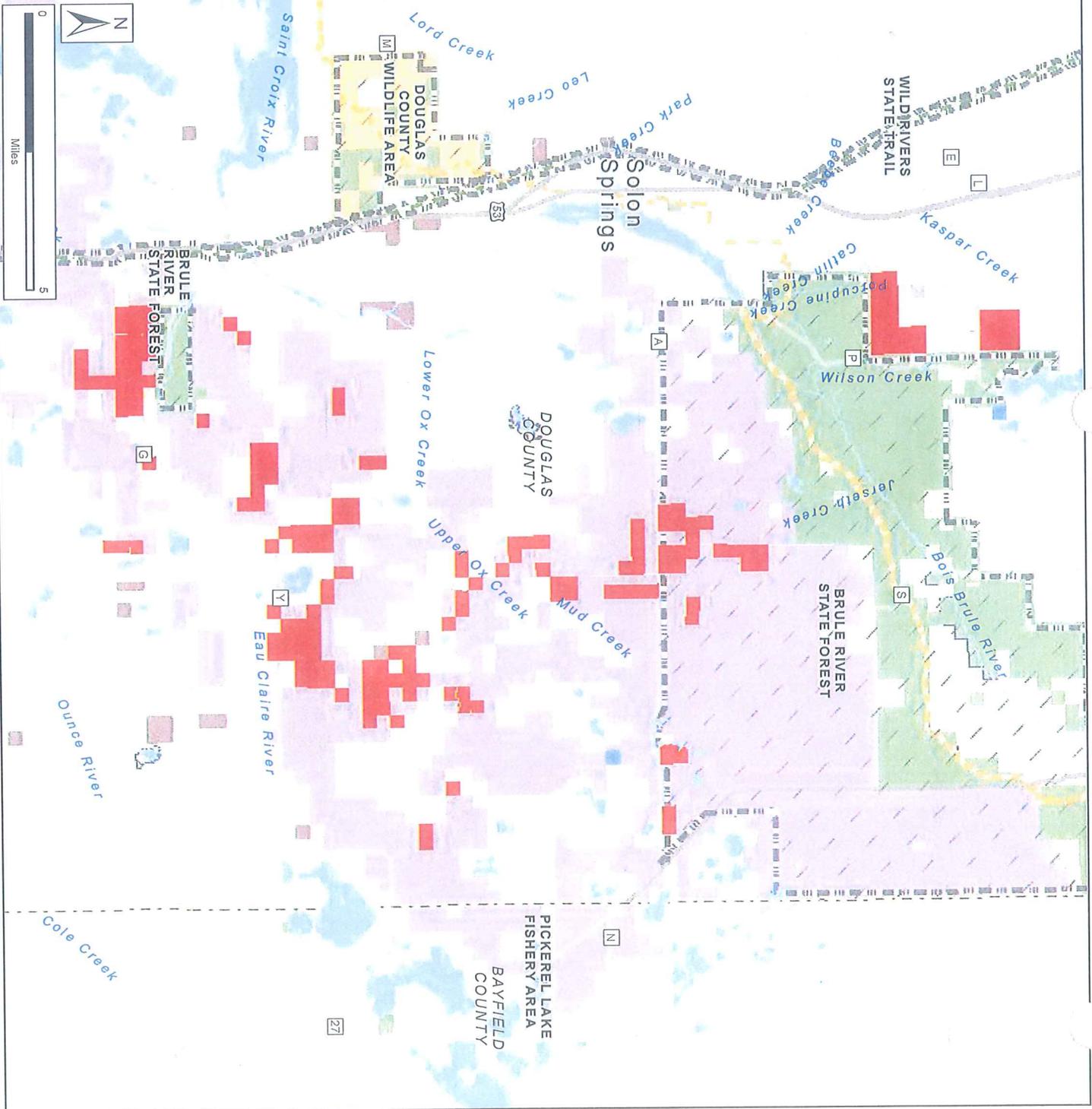
**Subject**

- Project Boundary
- DNR Fee Title Lands
- Open to Public Access
- DNR Easement Lands
- Open to Public Access
- DNR Easement Lands
- Closed to Public Access
- DNR Lease Lands
- State Natural Area
- Tribal Land
- Board of Commissioners of Public Lands
- Public Land - Funded by Stewardship Grants
- County Forest Lands
- North Country Nat'l Scenic Trail
- State Recreation Trail
- County Boundary

## Regional View



**WISCONSIN DEPARTMENT OF NATURAL RESOURCES**  
Bureau of Facilities of Lands  
Map Created: May 09, 2016 1st



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# Lyme Solon Springs Forest Company LLC - Easement

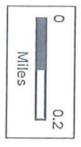
Bennett

## Forest Legacy Program

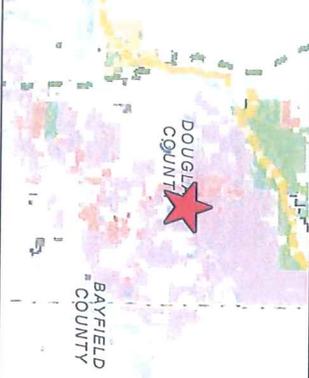
Acres: 7,090

**Subject**

-  Project Boundary
-  DNR Fee Title Lands
-  Open to Public Access
-  DNR Easement Lands
-  Closed to Public Access
-  County Forest Lands
-  County Boundary



### Regional View

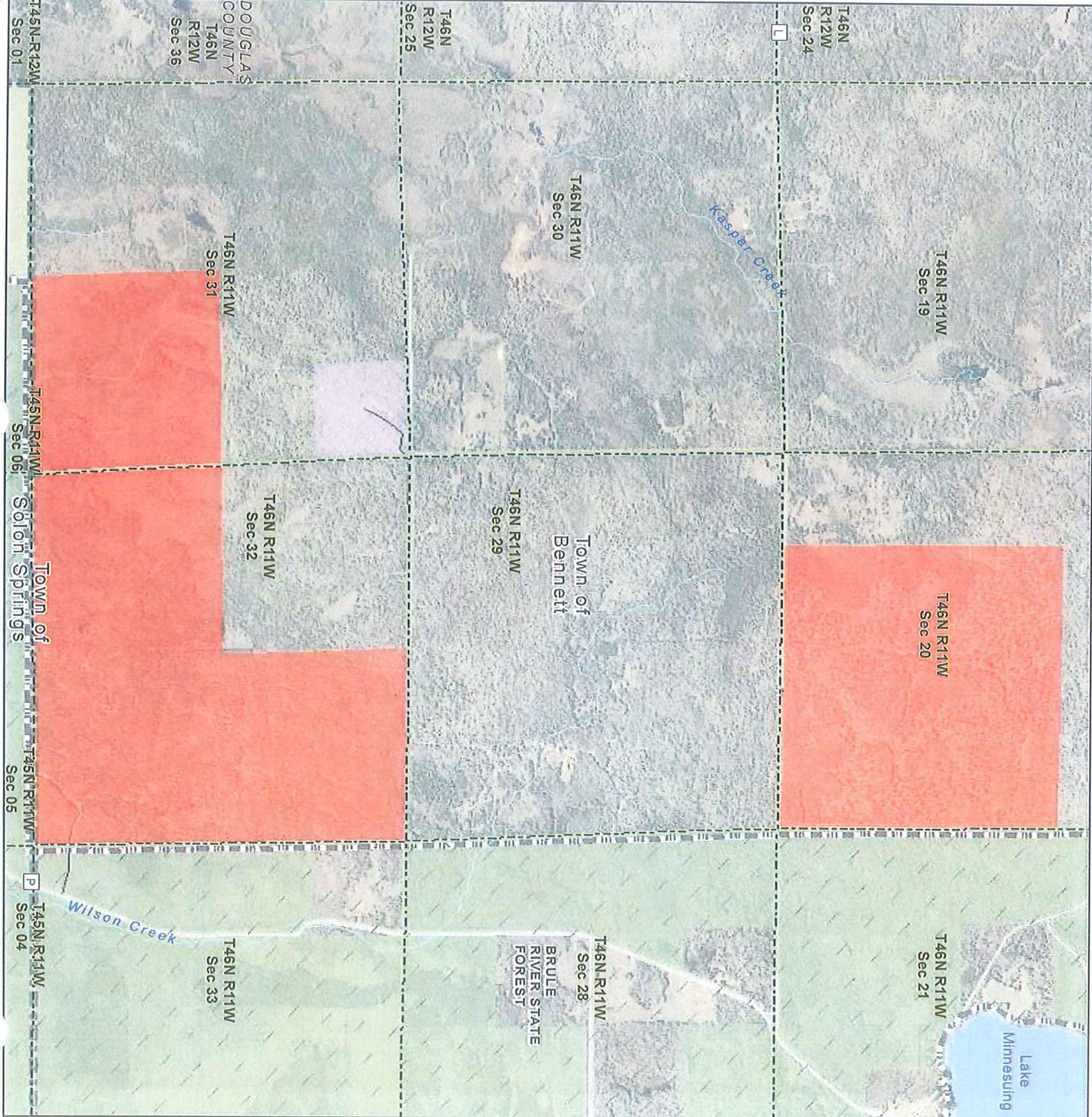


### Location of Property



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# Lyme Solon Springs Forest Company LLC - Easement

Gordon North

Forest Legacy Program

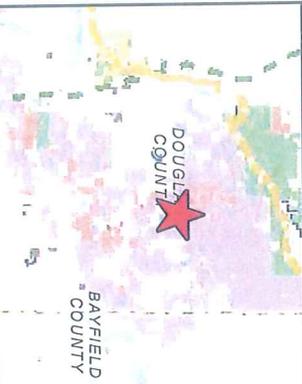
Acres: 7,090

**Subject**

-  DNR Easement Lands
-  Open to Public Access
-  DNR Easement Lands Closed to Public Access
-  Board of Commissioners of Public Lands
-  Public Land - Funded by Stewardship Grants
-  County Forest Lands
-  County Boundary



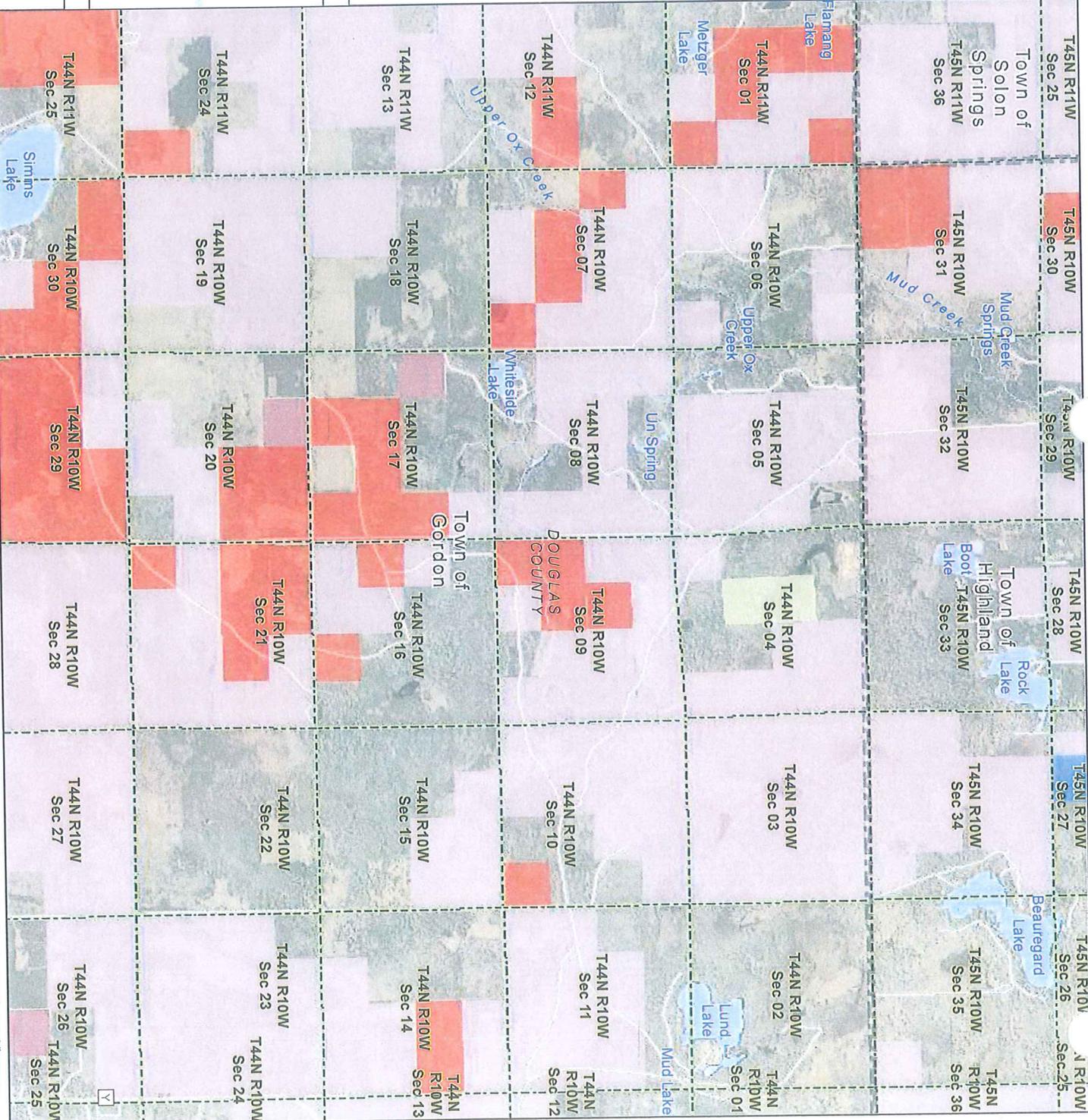
Regional View



★ Location of Property



WISCONSIN DEPARTMENT OF NATURAL RESOURCES  
Bureau of Facilities of Lands  
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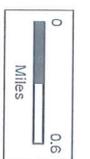
Gordon South

Forest Legacy Program

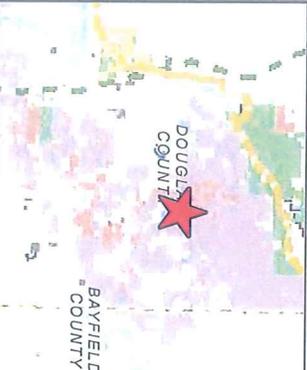
Acres: 7, 090

**Subject**

-  Project Boundary
-  DNR Fee Title Lands
-  Open to Public Access
-  DNR Easement Lands
-  Open to Public Access
-  Public Land - Funded by Stewardship Grants
-  County Forest Lands
-  County Boundary



Regional View

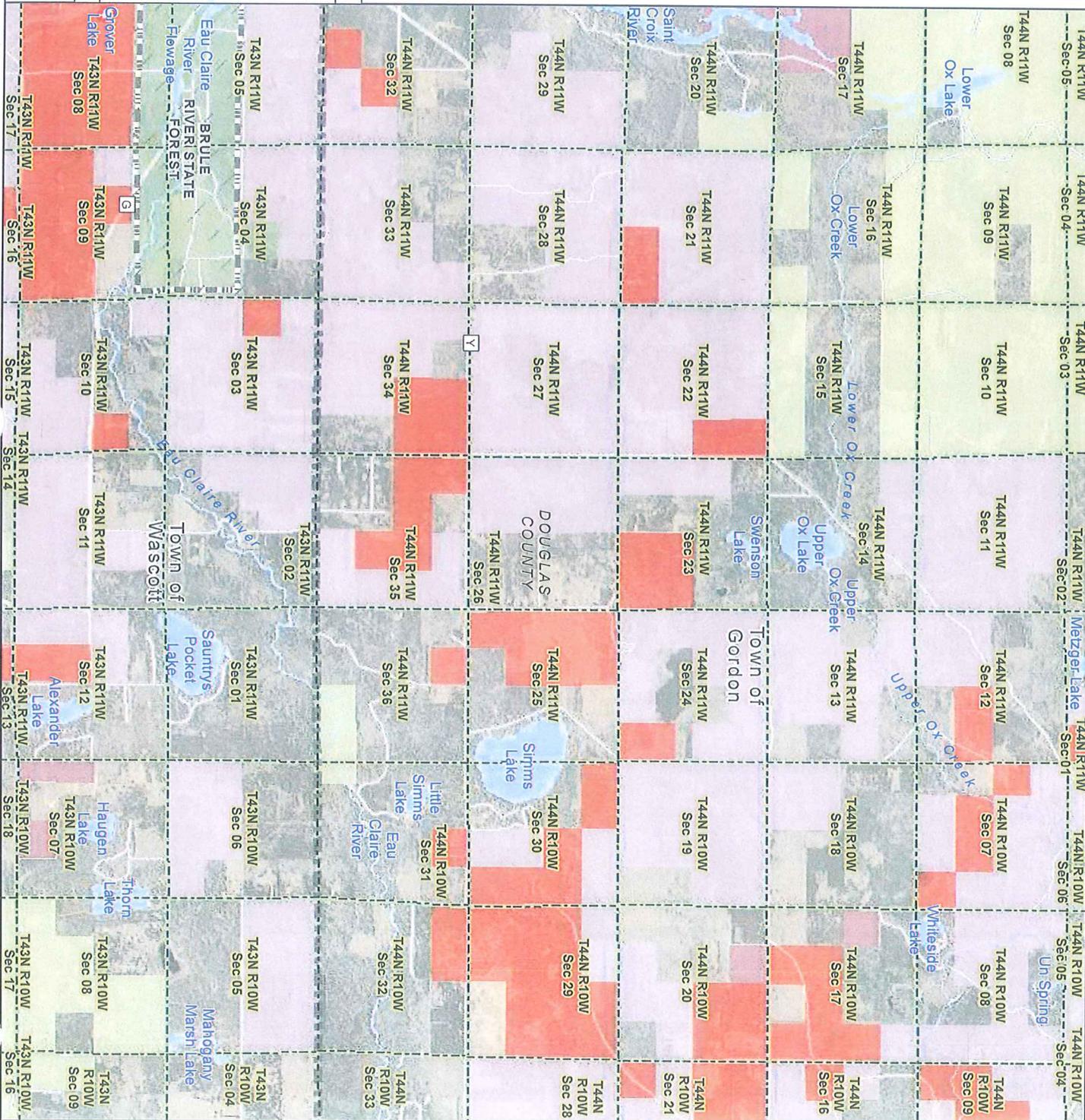


Location of Property



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Bureau of Facilities of Lands  
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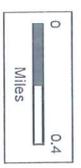
Highland

Forest Legacy Program

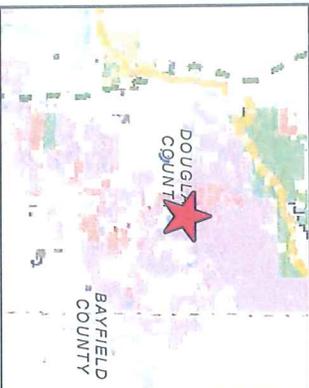
Acres: 7,090

**Subject**

-  Project Boundary
-  DNR Easement Lands
-  Open to Public Access
-  DNR Easement Lands Closed to Public Access
-  Board of Commissioners of Public Lands
-  County Forest Lands
-  County Boundary



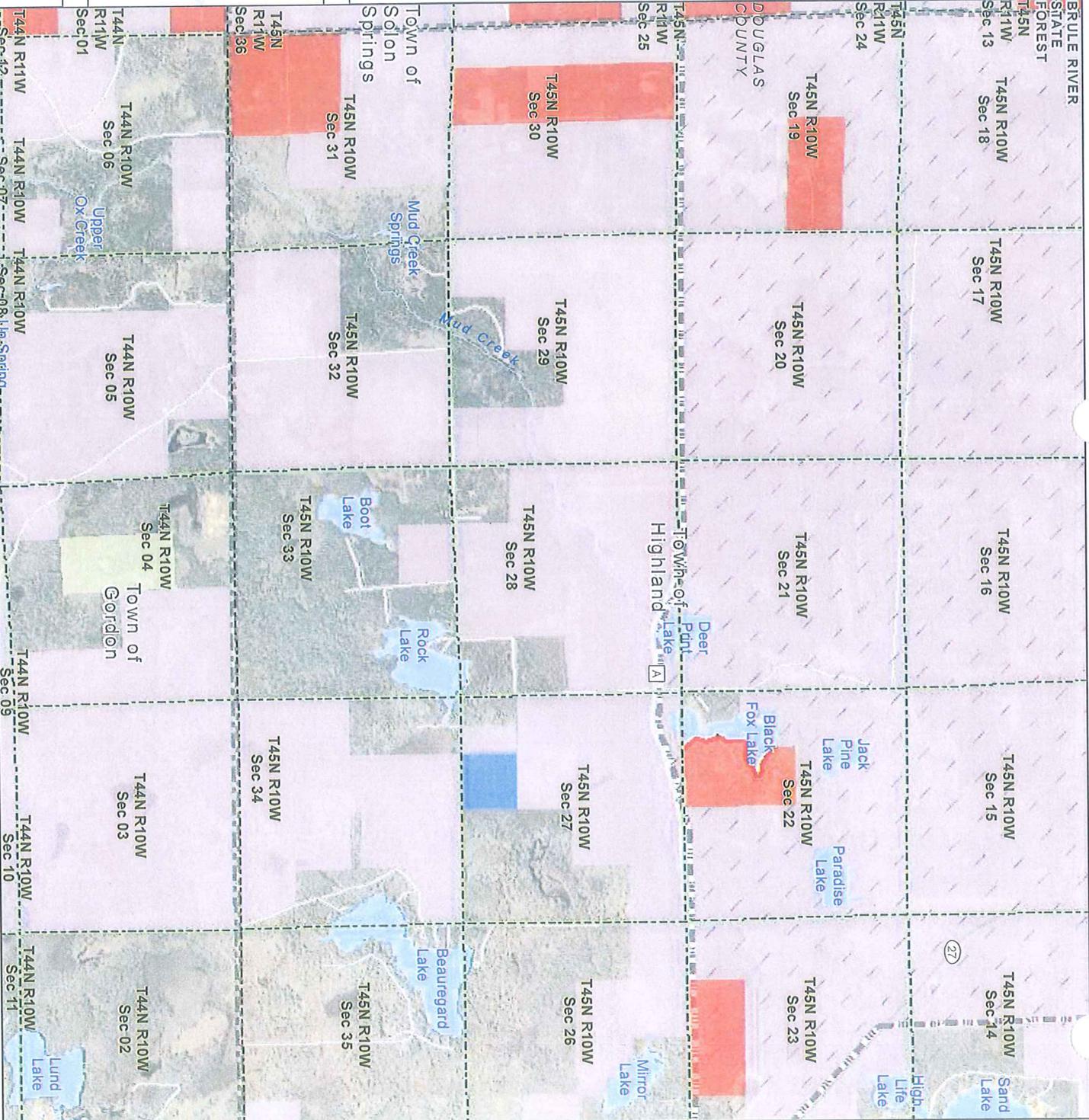
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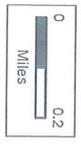
Solon Springs

Forest Legacy Program

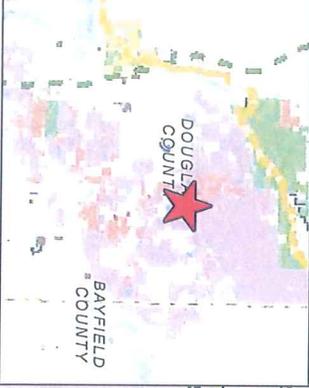
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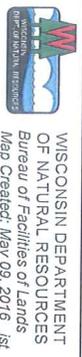
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-  Open to Public Access
-  County Boundary



Regional View



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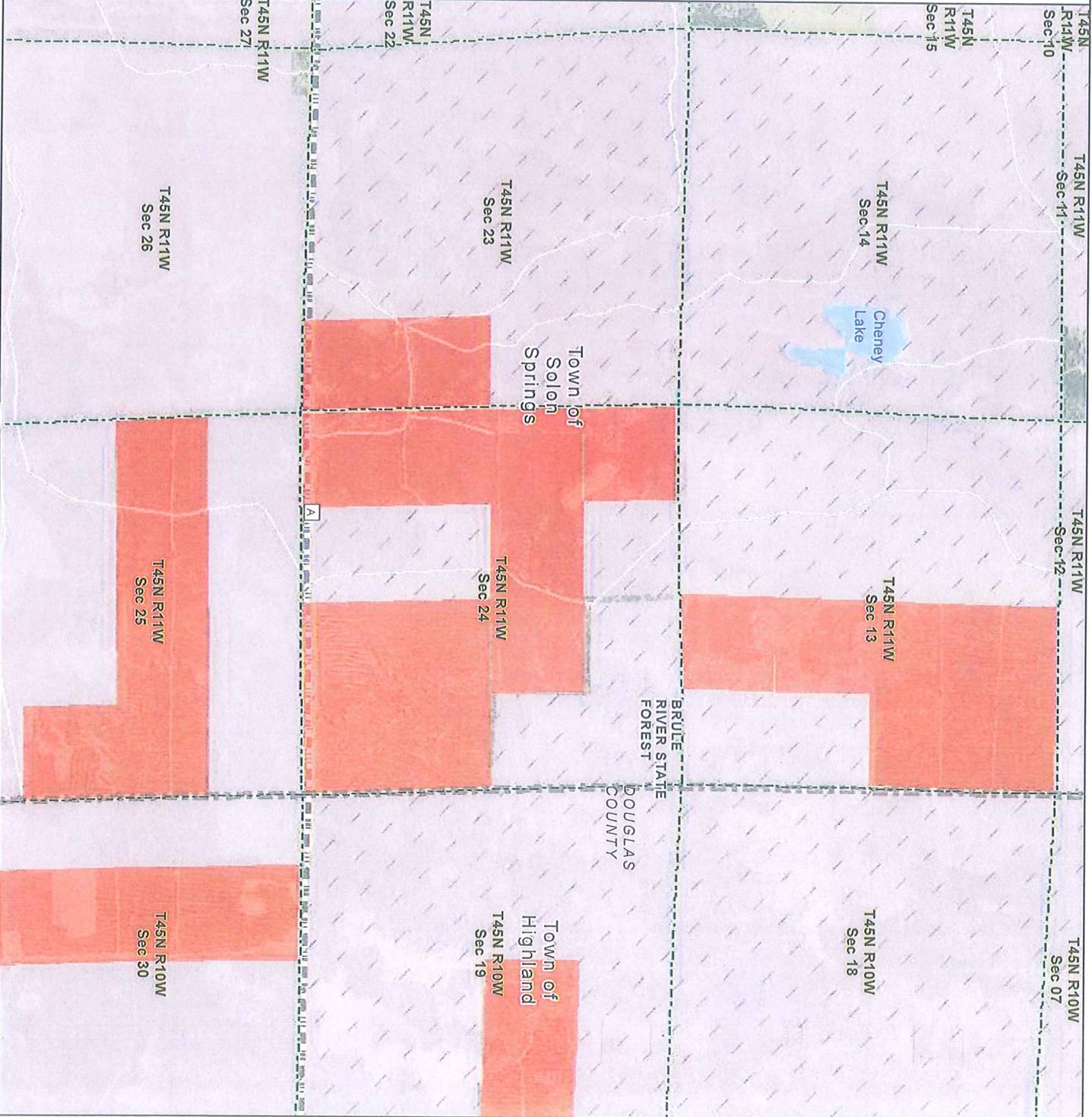


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**Lyme Solon Springs Forest  
Company LLC - Easement**

Wascott

Forest Legacy Program

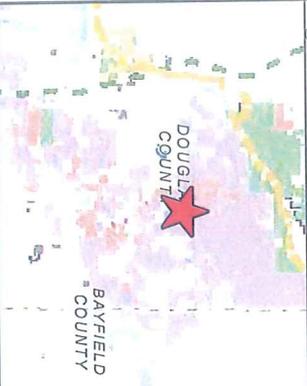
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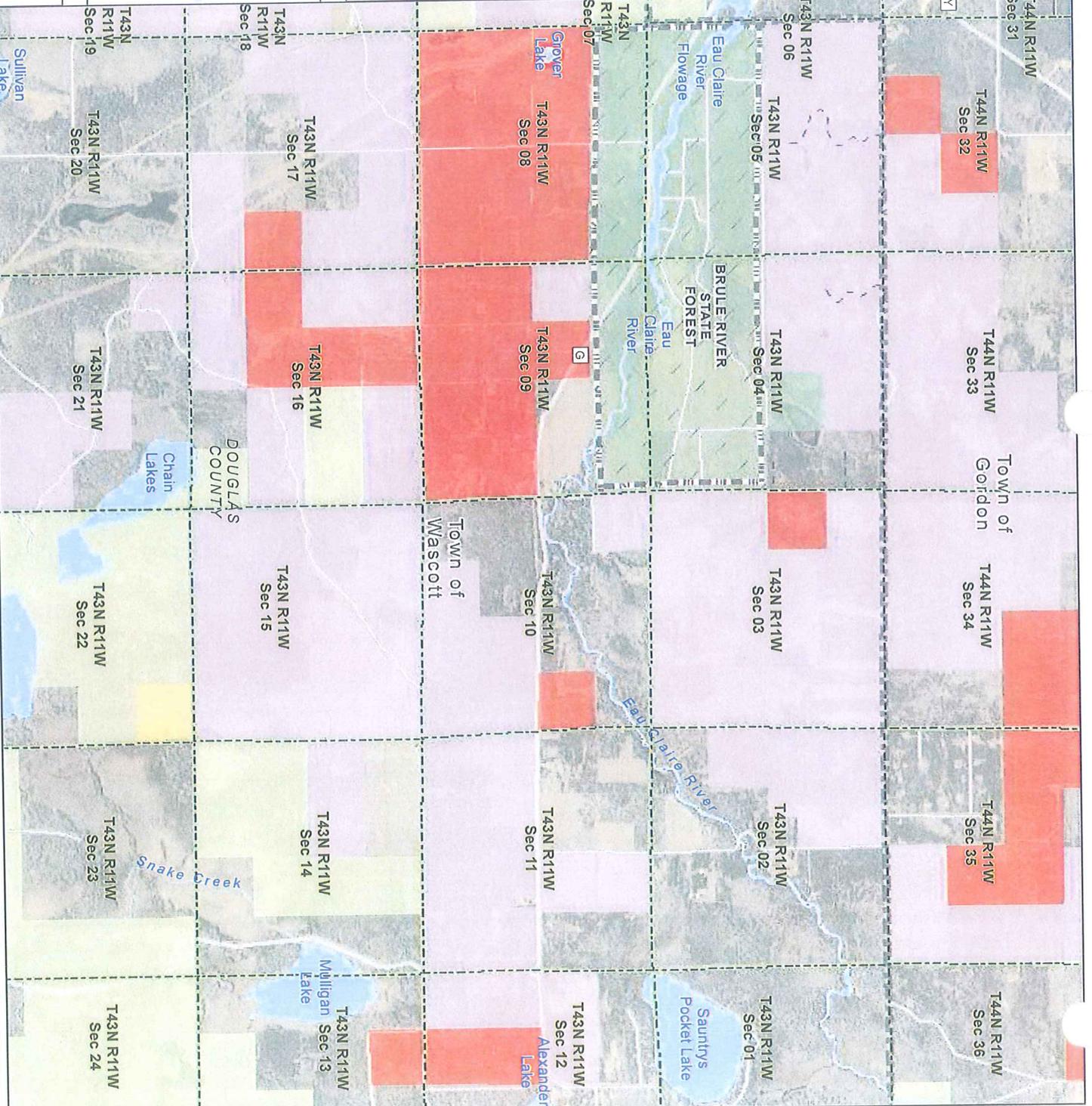
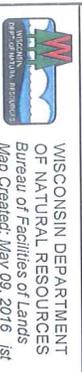
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Regional View



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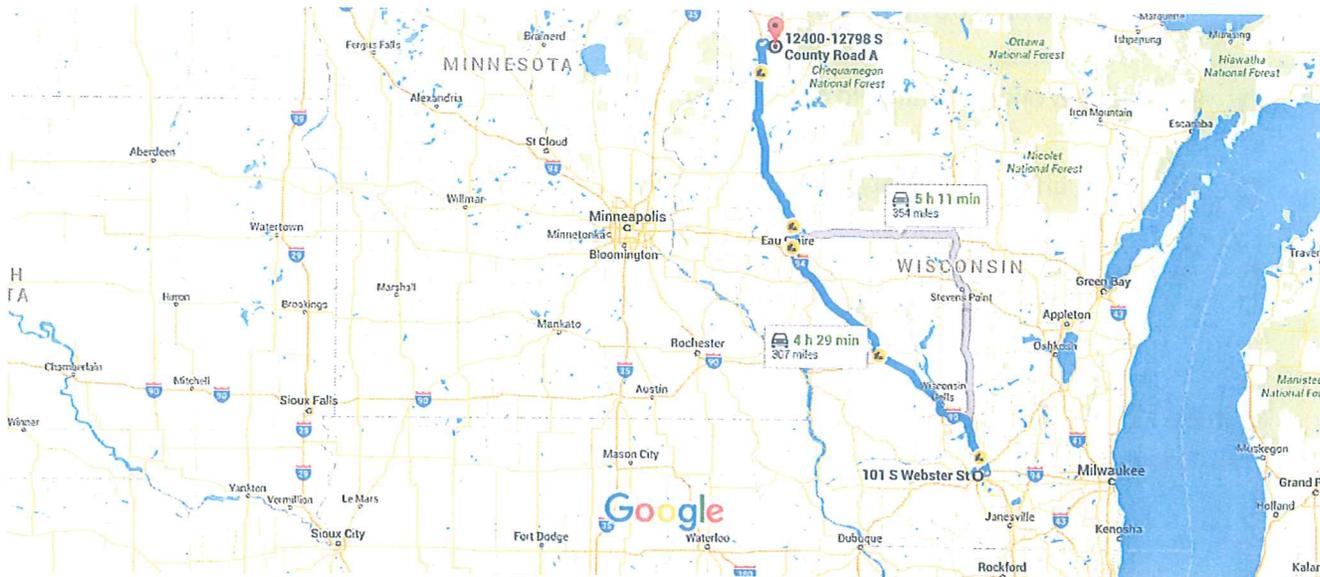


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101 S Webster St, Madison, WI to  
12400-12798 S County Road A, Solon Springs, WI 54873

Drive 307 miles, 4 h 29 min



Map data ©2016 Google 50 mi

### 101 S Webster St

Madison, WI 53703

#### Get on WI-30 E

- ↑ 1. Head northwest on S Webster St toward E Main St 8 min (3.3 mi)
- ➡ 2. Use any lane to turn right at the 2nd cross street onto E Washington Ave 0.1 mi
- ⬆️ 3. Use the right lane to take the Wisconsin 30 E ramp to Interstate 94/Interstate 90 2.9 mi
- ➡ 4. Use the right lane to take the Wisconsin 30 E ramp to Interstate 94/Interstate 90 0.2 mi

#### Follow I-90 W, I-94 W and US-53 N to US-53 BUS S in Solon Springs

- ↑ 4. Continue onto WI-30 E 4 h 12 min (294 mi)
- ↙ 5. Use the left lane to merge onto I-39 N/I-90 W toward I-94 W/Wis Dells 2.6 mi  
 ⓘ Continue to follow I-90 W 92.7 mi
- ↑ 6. Keep right at the fork to continue on I-94 W 76.0 mi
- ➡ 7. Take exit 70 to merge onto US-53 N toward Eau Claire 122 mi

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**Drive to S County Rd A in Highland**

13 min (10.4 mi)

➤ 8. Turn right onto US-53 BUS S (signs for County AA)

0.4 mi

⬅ 9. Turn left onto E County Rd Aa

0.8 mi

⬅ 10. Turn left onto S County Rd A

1.5 mi

➤ 11. Turn right to stay on S County Rd A

7.6 mi

**12400-12798 S County Road A**

Solon Springs, WI 54873

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Google Maps

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