

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: April 6, 2017

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 April 6, 2017.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Tuesday, April 25, 2017**, 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



APR 06 2017

IN REPLY REFER TO: NA 20146 *

The Honorable Alberta Darling, Co-Chair
Committee on Joint Finance
317 East, State Capitol
Madison, WI 53707-7882

The Honorable John Nygren, Co-Chair
Committee on Joint Finance
309 East, State Capitol
Madison, WI 53707-7882

APR 06 2017
J. Fineran

Dear Senator Darling and Representative Nygren:

Pursuant to s. 23.0917(6m), Wis. Stats., the Department is notifying you as co-chairs of the Committee on Joint Finance of the proposed acquisition of 990.55 acres from the Northern States Power Company, using funds from the Knowles-Nelson Stewardship Program. The acquisition is located entirely within the boundary of Lower Chippewa River State Natural Area and is across the river from Department ownership in Dunnville Wildlife Area, connected through the Red Cedar State Trail.

The purchase price of the acquisition is \$2,080,155.00 to be funded by the Knowles-Nelson Stewardship Program. Miscellaneous fees associated with the transaction are estimated at \$15,950.00. The payment in lieu of taxes is estimated at \$17,178.39. There are no prohibitions of nature-based outdoor activities, as defined in s. 23.0916(1)(b), Wis. Stats.

As provided in s. 23.0917(6m)(a), Wis. Stats., if the Department does not receive notification of the scheduling of a hearing from either of the Joint Committee on Finance co-chairpersons within 14 working days from today, the Department will forward the proposal to the Governor for his consideration. If there are questions about the proposal, please contact Terry H. Bay at (608) 266-5782.

Thank you for this consideration.

Sincerely,

Kurt Thiede
Kurt Thiede
Deputy Secretary

C: Sanjay Olson, Administrator, Division of Fish, Wildlife and Parks
Terry H. Bay, Director, Bureau of Facilities and Lands
Peter Wolter, Real Estate Regional Supervisor
Jim Lemke, Real Estate Section Chief

SUBJECT: Land Acquisition – Lower Chippewa River State Natural Area – Dunn County

FOR: AUGUST 2016 BOARD MEETING

TO BE PRESENTED BY: Douglas J Haag

SUMMARY:

The Department has obtained an option to purchase 990.55 acres of land from the Northern States Power Company for \$2,080,155.00 for the Lower Chippewa River State Natural Area. The property is located seven miles northeast of Durand in Dunn County. The land is located entirely within the boundary of the Lower Chippewa River State Natural Area and is across the river from Department ownership in the Dunnville Wildlife Area (connected through the Red Cedar State Trail), north of Department ownership in the Nine Mile Island State Natural Area and intersects the Chippewa River State Trail. The parcel is accessible to the public through the Lower Chippewa River, Hwy 85, 50th Ave, and 650th St. The item is being submitted because the purchase price exceeds \$150,000.00.

This property was acquired by Northern States Power (NSP) in 1973-74 with the intention of developing a power generation facility on the site. Many local factors and evolving needs in the power industry resulted in the site never being utilized for the intended purpose. The company, now known as Xcel Energy, has owned the property for nearly 40 years and maintained many of the land use patterns present at the time of acquisition. In the last decade, Xcel Energy has taken an active approach to managing the timber resources on the property, conducting species inventories and restoring degraded prairies and savannas.

The Department currently holds a Voluntary Public Access (VPA) lease on the property, which expires in 2017. The property is also enrolled in the open Managed Forest Law (MFL) program. There is a picnic shelter and canoe landing located on the north side of 650th St, providing access to the Lower Chippewa River and the Chippewa River State Trail bisects the property. There are also many existing parking lots along the town roads that the public can use to access the property.

Since its inception in 2002, the LCRSNA has experienced an outpouring of local support due to the area's recreational assets and ecological significance. Numerous conservation groups, including the Lower Chippewa River Alliance, Dunn County Fish and Game Association, Durand Sportsman's Club, Rock Falls Sportsman's Club, Beaver Creek Reserve, Arkansas Fur, Fish, and Game Club, Downsville Sportsman's Club, and The Prairie Enthusiasts have all provided support through various donations of money, labor, bird surveys and supplies. The project contains the largest contiguous floodplain forest in the Upper Midwest. The LCRSNA is also an Important Bird Area, recognized by the National Audubon Society and the American Bird Conservancy.

This 990.55 acre parcel includes 18,000 feet of shoreline on the south bank of the Chippewa River. The property consists of dry prairie, restored oak savanna, upland brush, floodplain forest, red pine plantations, agricultural land and a 10 acre oxbow lake. Roughly one quarter of this property lies within the floodway of the Chippewa River. A diversity of notable bird species have been observed on this property, including grasshopper sparrow, field sparrow, lark sparrow, Bell's vireo, blue-winged warbler, veery and black-billed cuckoo.

This parcel will implement several specific landscape scale management objectives for the Lower Chippewa River Property, including the following:

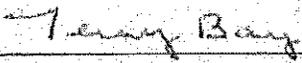
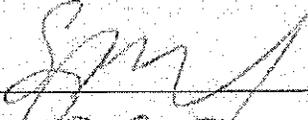
- implementation of cross-program resource management and recreation objectives;
- manage and protect exceptional natural resource and numerous rare species;
- provide high quality public recreation opportunities including hunting, trapping, fishing, hiking, birdwatching, snowshoeing and cross-country skiing;
- build partnerships with conservation partners
- generate revenue through forest management, continuing farming leases and pine plantations.

RECOMMENDATION: That the Board approve the purchase of 990.55 acres of land from the Northern States Power Company for \$2,080,155.00 for the Lower Chippewa River State Natural Area in Dunn County.

LIST OF ATTACHED MATERIALS (Check all that are applicable):

Background Memo

Maps and Documents

Approved By	Signature	Date
T. Bay Bureau Director		7/1/16
Sanjay Olson Division Administrator		7/18/16
Cathy Stepp, Secretary 		7/20/16

CORRESPONDENCE/MEMORANDUM

DATE: June 30, 2016 FILE REF: NA 20146
 TO: Scott Walker
 FROM: Cathy Stepp
 SUBJECT: Proposed Land Acquisition, Northern States Power Company Tract, File # NA 20146,
 Option Expires September 28, 2016

1. PARCEL DESCRIPTION:

Lower Chippewa River State Natural Area
 Dunn County

Grantor:

Northern States Power Company
 Attn: Ms. Sarah Schwartz
 1414 W. Hamilton Ave, P.O. Box 8
 Eau Claire, WI 54702

Acres: 990.55
Price: \$2,080,155.00
Appraised Value: \$1,574,291.00; \$1,683,588.31; \$2,376,478.03
Interest: Fee Title Purchase
Improvements: Canoe Launch

Location: The property is located seven miles northeast of Durand in Dunn County.

Land Description: The subject land decreases in elevation from the east towards the river.

Covertypes Breakdown:

Type	Acreage
Wetland	484.00
Upland Woodland	216.55
Cropland	60.00
Pine Plantation	30.00
Lowland Woodland	200.00
Total:	990.55

Zoning: Conservancy District and General Agriculture District (GA)
Present Use: Recreational and agricultural use
Proposed Use: Recreation
Tenure: 42 years
Property Taxes: \$17,114.39
Option Date: June 30, 2016

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 these activities.



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2. JUSTIFICATION:

The Department has obtained an option to purchase 990.55 acres of land from the Northern States Power Company for \$2,080,155.00 for the Lower Chippewa River State Natural Area. The property is located seven miles northeast of Durand in Dunn County. The land is located entirely within the boundary of the Lower Chippewa River State Natural Area and is across the river from Department ownership in the Dunnville Wildlife Area (connected through the Red Cedar State Trail), north of Department ownership in the Nine Mile Island State Natural Area and intersects the Chippewa River State Trail. The parcel is accessible to the public through the Lower Chippewa River, Hwy 85, 50th Ave, and 650th St. The item is being submitted because the purchase price exceeds \$150,000.00.

This property was acquired by Northern States Power (NSP) in 1973-74 with the intention of developing a power generation facility on the site. Many local factors and evolving needs in the power industry resulted in the site never being utilized for the intended purpose. The company, now known as Xcel Energy, has owned the property for nearly 40 years and maintained many of the land use patterns present at the time of acquisition. In the last decade, Xcel Energy has taken an active approach to managing the timber resources on the property, conducting species inventories and restoring degraded prairies and savannas.

The Department currently holds a Voluntary Public Access (VPA) lease on the property, which expires in 2017. The property is also enrolled in the open Managed Forest Law (MFL) program. There is a picnic shelter and canoe landing located on the north side of 650th St, providing access to the Lower Chippewa River and the Chippewa River State Trail bisects the property. There are also many existing parking lots along the town roads that the public can use to access the property.

Since its inception in 2002, the LCRSNA has experienced an outpouring of local support due to the area's recreational assets and ecological significance. Numerous conservation groups, including the Lower Chippewa River Alliance, Dunn County Fish and Game Association, Durand Sportsman's Club, Rock Falls Sportsman's Club, Beaver Creek Reserve, Arkansaw Fur, Fish, and Game Club, Downsville Sportsman's Club, and The Prairie Enthusiasts have all provided support through various donations of money, labor, bird surveys and supplies. The project contains the largest contiguous floodplain forest in the Upper Midwest. The LCRSNA is also an Important Bird Area, recognized by the National Audubon Society and the American Bird Conservancy.

This 990.55 acre parcel includes 18,000 feet of shoreline on the south bank of the Chippewa River. The property consists of dry prairie, restored oak savanna, upland brush, floodplain forest, red pine plantations, agricultural land and a 10 acre oxbow lake. Roughly one quarter of this property lies within the floodway of the Chippewa River. A diversity of notable bird species have been observed on this property, including grasshopper sparrow, field sparrow, lark sparrow, Bell's vireo, blue-winged warbler, veery and black-billed cuckoo.

This parcel will implement several specific landscape scale management objectives for the Lower Chippewa River Property, including the following:

- o implementation of cross-program resource management and recreation objectives;
- o manage and protect exceptional natural resource and numerous rare species;
- o provide high quality public recreation opportunities including hunting, trapping, fishing, biking, birdwatching, snowshoeing and cross-country skiing;
- o build partnerships with conservation partners
- o generate revenue through forest management, continuing farming leases and pine plantations.

3. LAND MANAGEMENT:

Diverse funding opportunities, along with a very enthusiastic group of local conservation organizations have aided in management of the LCRSNA. Since its inception in 2002, the LCRSNA has experienced an outpouring of local

support due to the area's recreational assets and ecological significance. Numerous conservation groups, including the Lower Chippewa River Alliance, Dunn County Fish and Game Association, Durand Sportsman's Club, Rock Falls Sportsman's Club, Beaver Creek Reserve, Arkansaw Fur, Fish, and Game Club, Downsville Sportsman's Club, and The Prairie Enthusiasts have all provided support through various donations of money, labor, bird surveys and supplies.

This past support has helped maintain the LTE staffing level necessary to restore, manage, and maintain the growing land base associated with the LCRSNA. Additional volunteer work-days from partner groups have also occurred to help control invasive vegetation on these properties.

Funding for projects throughout the LCRSNA have included Federal grants through the National Fish and Wildlife Foundation (NFWF), State Wildlife Grants (SWG), and the North American Wetlands Conservation Act (NAWCA). In addition, The Natural Resources Foundation of Wisconsin has supported management on the Lower Chippewa River by administering the Lower Chippewa River Basin Conservation Endowment, a fund established by the Dunn County Fish and Game Association for conservation and protection of public lands lying within the Lower Chippewa River Basin, with a focus on the LCRSNA. This fund currently has a value of nearly \$100,000, with 5% of the fund's value returned to the Department annually to support maintenance and other projects in the Lower Chippewa River Basin. The Foundation has also administered grants for LCRSNA management through the Xcel Energy Foundation and has conducted numerous fund-raisers dedicated specifically to the LCRSNA. Additional sources of support have come through the Department's Turkey Stamp program, as well as revenue generated from sharecrop activity and timber harvest on the property itself.

The floodplain forest ecosystems will be maintained through active timber management where accessible to promote regeneration of bottomland hardwood species. The site has a mixture of restored oak savanna and prairie habitats, including degraded yet restorable prairies, as well as intact prairie remnants that contain native plant species such as downy gentian, cream indigo, prairie dropseed, and white-prairie clover. Invasive species, such as buckthorn, are present on the site, but are associated mostly with the areas adjacent to the Chippewa River State Trail corridor. The existing dry prairie, savanna, and upland brush, will be restored and maintained using a combination of habitat management practices including mowing and prescribed burning.

Reclamation costs needed for the property are estimated at \$5,000.00

AGRICULTURE LAND ASSESSMENT:

The parcel includes approximately 51 acres of land which is currently in agricultural production. No irrigation is present on this field, and the field is occasionally impacted by spring floodwater which limits timely cultivating and planting. This farming agreement currently generates \$3825.00 in rental revenue annually. The management intent on this site would be to continue the farming agreement for at least 5 years, which will generate over \$19,000 in revenue over the term of the agreement, which will be used specifically for management and maintenance of this property.

Of the 51 acres that are currently being cropped, soil types range from loam to loamy sand to alluvial loam. All of the cropland soils are classified as well-drained to moderately well drained, with a tendency to flood. Land capability classifications for these soil types are summarized in the table below.

Class	Soil	Acres	Description
3w-12	Alluvial land, loamy	9	Flooding is common; most of the acreage is suited to pasture, woodland, wildlife habitat, and other less intensive uses.
3w-12	Caryville loam	40.32	Severe limitations that reduce the choice of plants or require special conservation practices.
4s-3	Hubbard loamy sand	1.68	Natural fertility is low. Soils are suited to trees, wildlife habitat, and recreation.
	Total acres	51	

4. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,640,000.00	\$460,345.00

5. ACQUISITION STATUS OF THE LOWER CHIPPEWA RIVER STATE NATURAL AREA:

Established: 2000

Acres Purchased to Date: 1,897.73

Acquisition Goal: 15,470.00

Percent Complete: 12.27 %

Cost to Date: \$6,179,122.40

6. APPRAISAL 1:

Appraiser: Troy Kruser

Valuation Date: April 12, 2016

Appraised Value: \$1,574,291.00

Highest and Best Use: Recreational and Agricultural use land with at least one single-family home site.

Allocation of Values:

- a. land: 990.55 acres @ \$1,589.31 per acre: \$1,574,291.00
- b. market data approach used, 6 comparable sales cited
- c. adjusted value range: \$1,088.00 - \$2,170.00 per acre

Appraisal Review: Jolene Brod

APPRAISAL 2:

Appraiser: Jon Gargulak

Valuation Date: April 04, 2016

Appraised Value: \$1,683,588.31

Highest and Best Use: Recreation-Owner Occupied

Allocation of Values:

- a. land: 990.55 @ \$1,699.65 per acre: \$1,683,588.31
- b. market data approach used, 4 comparable sales cited
- c. No adjusted value range

Appraisal Review: Jolene Brod

APPRAISAL 3:

Appraiser: Michael Stone
Valuation Date: May 03, 2016
Appraised Value: \$2,376,478.03
Highest and Best Use: Outdoor recreation

Allocation of Values:

- a. land: 990.55 @ \$2,399.15 per acre: \$2,376,478.03
- b. market data approach used, 7 comparable sales cited
- c. No adjusted value range

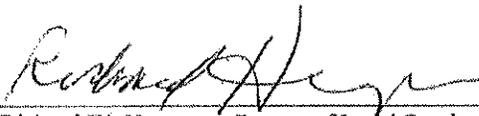
Appraisal Review: Jolene Brod

RECOMMENDED:



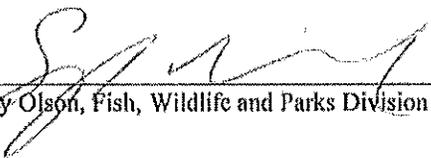
Douglas J Haag, Deputy Director, Bureau of Facilities and Lands

6-30-16
Date



Richard W. Henneger, Bureau of Legal Services

7/18/16
Date



Sanjay Olson, Fish, Wildlife and Parks Division Administrator

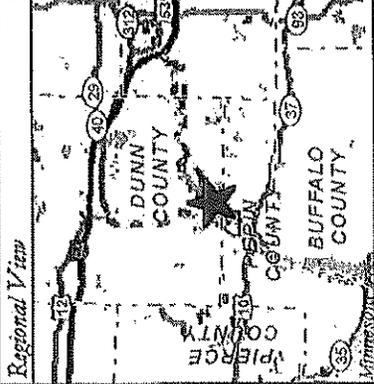
7/18/16
Date

**Northern States
Power Company -
Fee Title**
**Lower Chippewa River
State Natural Area**
NA 20146

T28N R12WE
Secs 21, 22, 28, 29, and 30
Town of Peru, Dunn County

Subject

- Project Boundary Not Subject to Act 20 JFC Review
- State Natural Area
- Project Boundary
- DNR Fee Title
- DNR Easement
- DNR Easement Cleared to Public Access
- Board of Commissioners of Public Lands
- Voluntary Public Access Land
- State Natural Area
- NRCS - WMP (Wetland Reserve Program - closed to public access)
- NRCS - EWPB-FPE (Emergency Watershed Protection - Floodplain Easement Program - closed to public access)
- County Boundary
- Swampland Eligible Streams
- State Trail Network
- Project Boundary
- State Recreation Trail



Location of Property



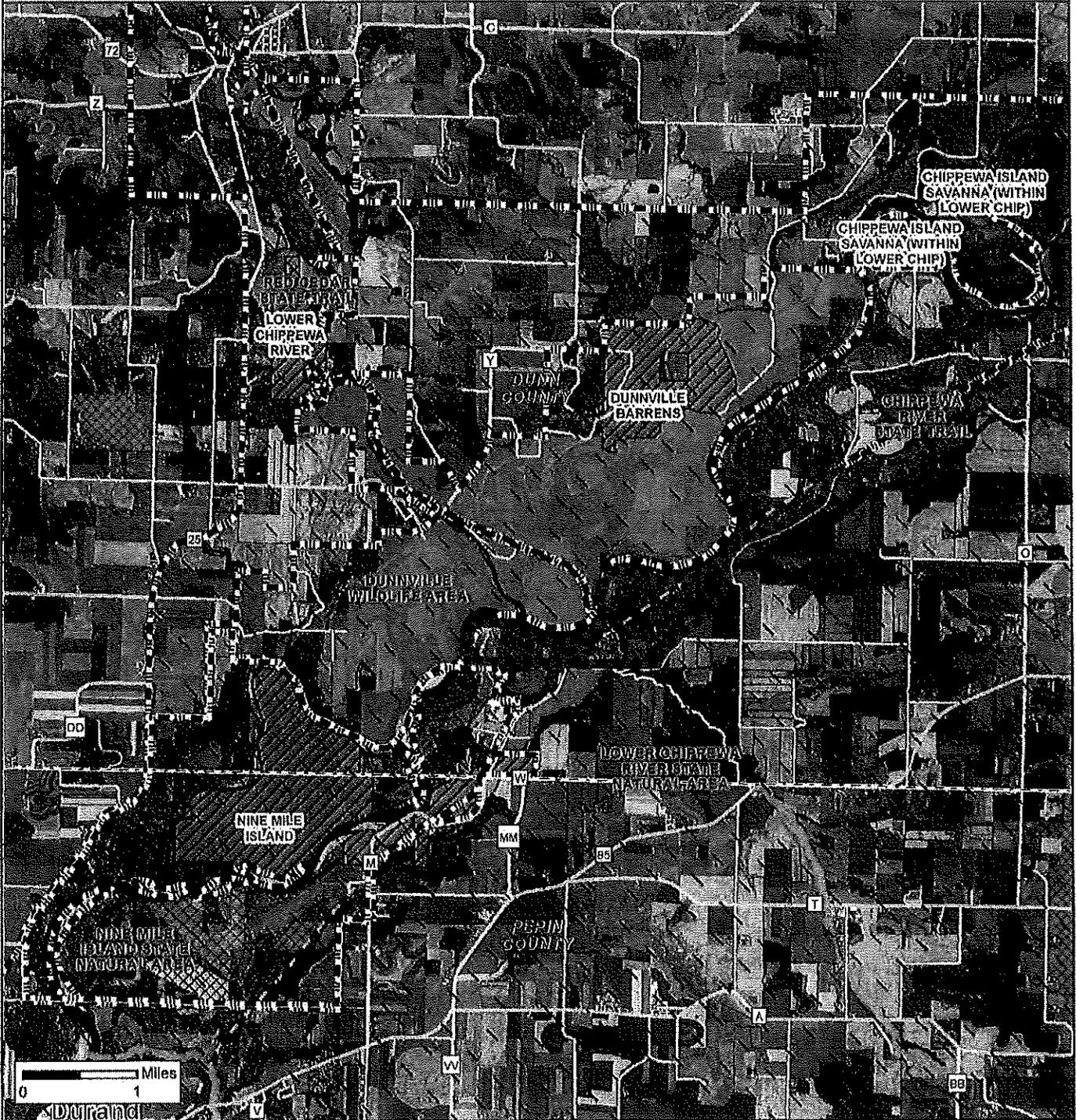
WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Jun 24, 2016 .jst



The date shown on this map have been obtained from various sources, and are of varying age, reliability and resolution. This map is not intended to be used for navigation, nor is this map an authoritative source of information about legal land ownership or public access.

Northern States Power Company - Fee Title

T28N R12WE Secs 21, 22, 28, 29, and 30, Town of Peru, Dunn County



Lower Chippewa River State Natural Area

 Subject

- | | |
|---|--|
|  Project Boundary Not Subject to Act 20 JFC Review |  DNR Easement Closed to Public Access |
|  State Natural Area Project Boundary |  State Natural Area |
|  Streambank Eligible Streams |  Board of Commissioners of Public Lands |
|  DNR Fee Title |  WRP |
|  DNR Easement |  EWPP-FPE |
| |  State Recreation Trail |

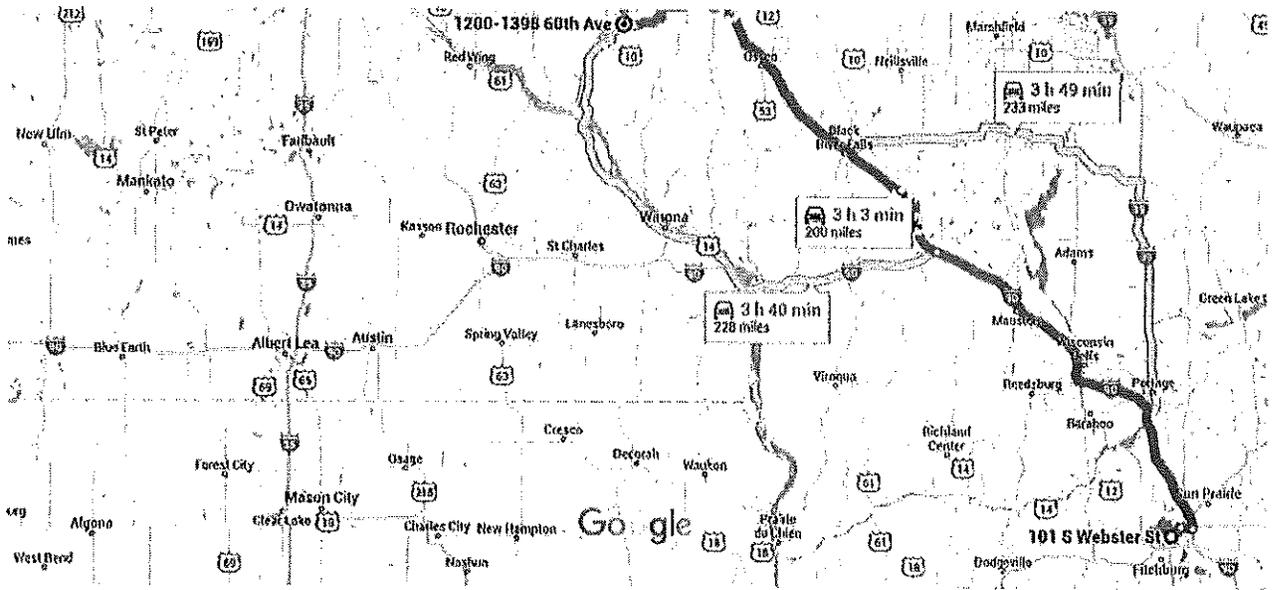


Jul 15, 2016 1st

Real Estate Section
Bureau of Facilities and Lands

The data shown on this map have been obtained from various sources, and are of varying age, reliability and resolution. This map is not intended to be used for navigation, nor is this map an authoritative source of information about legal land ownership or public access. Users of this map should confirm the ownership of land through other means in order to avoid trespassing. No warranty, expressed or implied, is made regarding accuracy, applicability for a particular use, completeness, or legality of the information depicted on this map.

Google Maps 101 S Webster St, Madison, WI to 1200-1398 60th Ave, Elk Mound, WI 54739 Drive 200 miles, 3 h 3 min



Map data ©2016 Google 20 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 WI-30 E ramp to Interstate 94/Interstate 90 2.9 mi
- ↗ 4. Use the right lane to take the WI-30 E ramp to Interstate 94/Interstate 90 0.2 mi

Follow I-90 W and I-94 W to WI-37 S in Eau Claire. Take exit 65 from I-94 W

- ↑ 4. Continue onto WI-30 E 2 h 31 min (177 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 81.8 mi

9

7. Take exit 65 for WI-37 toward Eau Claire/Mondovi

0.3 mi

Take WI-85 W to your destination in Peru

26 min (19.9 mi)

8. Turn left onto WI-37 S

2.7 mi

9. Turn right onto WI-85 W

14.3 mi

10. Slight right onto 40th Ave

0.4 mi

11. Turn right onto 690th St

0.5 mi

12. Turn left onto 60th Ave

2.0 mi

13. Turn right

59 ft

1200-1398 60th Ave

Elk Mound, WI 54739

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.

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