

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: June 22, 2018

Re: 5-Day Passive Review Approval – DNR

On May 25, 2018, the Department of Natural Resources submitted a Stewardship passive review request for the acquisition of a 20,902.8 acres Forest Legacy easement from Northwoods ATP L.P. An objection was filed on June 15, 2018. This objection has been withdrawn.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Thursday, June 28, 2018**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

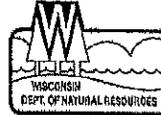
Also, please contact us if you need further information.

Attachments

AD:JN;jm

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7821
Madison WI 53707-7921

Scott Walker, Governor
Daniel L. Meyer, Secretary
Telephone 608-286-2621
FAX 608-287-3578
TTY Access via relay - 711



MAY 24 2018

IN REPLY REFER TO: NF 30197 *

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

The Honorable John Nygren, Co-Chair
Committee on Joint Finance
Room 309 East
State Capitol
PO Box 8953
Madison, WI 53707-53708

MAY 25 2018
J. FINANCE

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 a 20,902.8-acre Forest Legacy easement from Northwoods ATP L.P., using funds from the Knowles-Nelson Stewardship Program. The easement is located within the boundary of Forest Legacy Program project.

The purchase price of the acquisition is \$7,204,000.00. In addition, appraisal fees associated with the transaction are \$17,250.00 and closing costs are estimated at \$7,793.00. 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 James W. Lemke, Real Estate Section Chief at 608 266-2136.

Thank you for this consideration.

Sincerely,

Ed Eberle
Deputy Secretary

C: Douglas J. Haag, Internal Services Division Administrator
Terry H. Bay, Director, Bureau of Facilities and Lands
James W. Lemke, Real Estate Section Chief
Peter Wolter, Real Estate Regional Supervisor
Kaylin Helm, Real Estate Specialist

SUBJECT: Easement Purchase – Forest Legacy Program– Sawyer County

FOR: MAY 2018 BOARD MEETING

TO BE PRESENTED BY: James W. Lemke, Real Estate Section Chief

SUMMARY:

The department requests approval of the purchase of a 20,902.8-acre working forest conservation and access easement from Northwoods ATP L.P. for \$7,204,000.00 for the Forest Legacy Program in Sawyer County. A total of \$515,000.00 of the purchase price will be set aside and placed in an endowment, with earnings available to assist in the costs to repair and maintain the open access roads within the easement area. If approved, the department also requests the establishment of the official name Lake of the Pines Conservation Easement, under the authority of MC 2281.1.

The purpose of the Forest Legacy Program in Wisconsin is to:

- preserve and protect the land for continued sustainable forestry and resource management and to maintain the undeveloped character of the property by precluding buildings, deforestation or any significant topographical change;
- manage the property as part of the underlying landowner's commercial timber harvest base while providing open space;
- provide for the public the right to access the property for outdoor recreational uses; and
- accomplish these goals permanently and at lower cost than fee title purchase.

The conservation easement area spans the Townships of Winter and Draper, in Sawyer County and is adjacent to County owned land. Main access roads to the northern block are HWY 70 and CTY GG. The southern block is accessed from HWY 70 and CTY W. Numerous woods roads and trails cross the tract providing good interior access for recreation activities.

In addition to the town road system, the department is acquiring rights for the public to use licensed motorized vehicles on approximately 20.6 miles of private woods roads located on the property. These additional motorized access rights will ensure that the public can reach interior portions of the property for recreational use. The easement requires that the roads be maintained in a condition consistent with current base line conditions of the open access roads at the time of the easement acquisition. The easement also requires that funds be set aside in an endowment or trust for the purpose of discharging road maintenance requirements specified in the easement and that these funds will remain in perpetuity to ensure that adequate financial resources exist to perform road maintenance responsibilities for the public benefit.

The subject property is enrolled in Wisconsin's Managed Forest Law (MFL) program, and is subject to sustainable forest management practices. Timber harvesting occurs on a regular basis and is guided by MFL program requirements and the Grantor's management commitment. DNR monitoring will continue to ensure compliance with MFL program requirements, and the terms and conditions of the easement.

The primary forest cover type(s) are northern hardwoods and hardwood stands dominated by red maple. Together, these forest types comprise approximately 41% of the land cover. Other common forest types found on the property include aspen (28%), red pine and white spruce plantations (9%), and lowland hardwood and other mixed conifer forest types (9%).

This large contiguous forested landscape situated in the North Central Forest ecosystem provides important habitat for a variety of large mammals such as white-tailed deer, black bear, wolves and bobcat. Threatened and endangered species known to occupy the area include Big Brown Bat (*Eptesicus fuscus*), Spruce Grouse (*Falcapennis canadensis*), Wood Turtle (*Glyptemys insculpta*), Purple Wartback (*Cyclonaias tuberculata*), Extra-striped Snaketail (*Ophiogomphus anomalus*) and Longear Sunfish (*Lepomis mega lotic*). Other species such as interior forest songbirds, forest raptors, and herptiles will also find larger areas in which to thrive. The conservation easement will ensure continued opportunities for sustainable forest management on a large block of forestland in northern Wisconsin while protecting habitat for many wildlife species.

There are many lakes and streams on the subject property providing opportunities for trapping, fishing and waterfowl hunting. There are a total of 11 unnamed lakes totaling 12 acres located on the subject property. Deadman Creek and Casey Creek, both Class I trout streams, have a combined length of 5.44 miles intersecting the subject property. North Branch Tupper Creek and the Brunet River are Class II trout streams with a combined length of 7.32 miles intersecting the subject property. Other creeks and unnamed streams intersecting the property total a combined length of 24.06 miles. Public

outdoor recreation is an important component of this Forest Legacy easement. The entire property will be open for hiking, fishing, hunting, trapping and cross-country skiing.

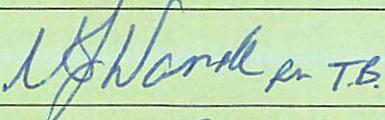
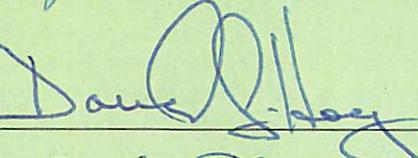
In addition, the easement continues the tradition of a working forest ensuring continued economic contributions to the state's economy. Forestry ranks among the top 10 industries by output and value-added contributions in Wisconsin generating nearly \$30 billion annually and creating approximately 60,000 jobs in the forest products industry. The enrichment of sustainable forestry practices on forest ownerships directly benefits our state's economy and environment.

Acquisition of this 20,902.8-acre Forest Legacy easement will help protect and preserve the integrity of these northern forestlands in perpetuity, prevent forest fragmentation and promote the sustainable use of the northern forests. The tracts that comprise the easement area are critical in connecting existing public lands in addition to providing land and road access for public outdoor recreation. The property included in this easement will be managed by private owners as working forestland.

RECOMMENDATION: That the Board approve the purchase of the conservation easement and associated woods road access rights from Northwoods, ATP L.P. on 20,902.8 acres of land for the Forest Legacy Program in Sawyer County. Also that the Board establish an official name, under the authority of MC 2281.1, on the subject property of Lake of the Pines Conservation Easement.

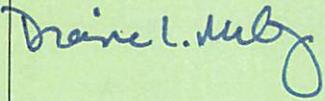
LIST OF ATTACHED MATERIALS (Check all that are applicable):

- Background Memo
- Maps and Documents

Approved By	Signature	Date
Terry H. Bay Bureau Director		05/11/2018
Douglas J. Haag Internal Services Division Administrator		5-11-18
Daniel L. Meyer, Secretary		5-11-18

by Ed Eberle

Natural Resources Board Agenda Item

Program and reviewer	Signature	Date	Comments
Energy, Transportation and; Environmental Analysis N/A Environmental Analyst N/A Economist			
Management and Budget N/A Budget Analyst			
Legal Services Diane L. Milligan Attorney N/A		5/8/18	
Other reviewers N/A			

CORRESPONDENCE/MEMORANDUM

DATE: May 8, 2018 FILE REF: NF 30197
 TO: Scott Walker
 FROM: Daniel L. Meyer
 SUBJECT: Proposed Easement on the Northwoods ATP L.P.
 Tract, File # NF 30197

1. PARCEL DESCRIPTION:

FOREST LEGACY PROGRAM
 Sawyer County

Grantor:

Northwoods ATP L.P.
 Attn: Mr. Gary Myers
 11340 Lakefield Drive Suite 200
 Johns Creek GA 30097

Acres: 20,902.8

Price: \$7,204,000.00: A total of \$515,000.00 of the purchase price will be set aside and placed in an endowment, with earnings to be made available to assist in covering the costs to repair, maintain, remove and replace the open access roads on the easement.

Interest: Easement

Improvements: Woods roads.

Location: The tract is located 13 miles northeast of Exeland in Sawyer County.

Land Description: The subject land has a varied topography, with multiple rivers, streams and unnamed lakes.

Covertypes Breakdown:

Type	Acreage
Urban / Developed	8.05
Water	14.29
Brush	372.77
Grass / Pasture	9.57
Wetland	252.11
Upland Woodland	16,380.94
Lowland Woodland	3,865.07
Total:	20,902.8

Zoning: Forestry (F1), Agricultural (A1) and Residential/Recreation (RR1)

Present Use: Industrial Timberland and Recreation

Proposed Use: Industrial Timberland and Recreation

Tenure: 8 years

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 requests approval of the purchase of a 20,902.8-acre working forest conservation easement from Northwoods ATP L.P. for \$7,204,000.00 for the Forest Legacy Program in Sawyer County. A total of \$515,000.00 of the purchase price will be set aside and placed in an endowment, with earnings available to assist in the costs to repair and maintain the open access roads on the easement. If approved, the department also requests the establishment of the official name Lake of the Pines Conservation Easement, under the authority of MC 2281.1.

The conservation easement area spans the Townships of Winter and Draper, in Sawyer County and is adjacent to County owned land. Main access roads to the northern block are HWY 70 and CTY GG. The southern block is accessed from HWY 70 and CTY W. Numerous woods roads and trails cross the tract providing good interior access for recreation activities.

In addition to the town road system, the department is acquiring rights for the public to use licensed motorized vehicles on approximately 20.6 miles of private woods roads located on the property. These additional motorized access rights will ensure that the public can reach interior portions of the property for recreational use. The easement requires that the roads be maintained in a condition that is passable by pickup truck traffic and is consistent with current base line conditions of the open access roads at the time of the easement acquisition. The easement also requires that funds be set aside in an endowment or trust for the purpose of carrying out road maintenance requirements specified in the easement and that these funds run with title to the land in perpetuity to ensure that adequate financial resources exist to carry out road maintenance responsibilities for the public benefit.

Acquisition of this 20,902.8-acre Forest Legacy easement will help protect and preserve the integrity of these northern forestlands in perpetuity, prevent forest fragmentation and promote the sustainable use of the northern forests. The tracts that comprise the easement area are critical in connecting existing public lands in addition to providing land and road access for public outdoor recreation. The property included in this easement will be managed by private owners as working forestland.

3. LAND MANAGEMENT

Since this is an easement acquisition property management will be the responsibility of the landowner. Easement monitoring will occur by the department's Forestry Division.

4. FINANCING:

State Stewardship bond funds are anticipated:

<u>Funds allotted to program:</u>	<u>Balance before this transaction:</u>	<u>Balance after this transaction:</u>
\$8,000,000.00	\$7,636,355.00	\$432,355.00

5. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002

Easement Acres Purchased to Date: 228,050.9

6. a. APPRAISAL 1:

Appraiser: Jon Gargulak

Valuation Date: January 27, 2018

Appraised Value: \$7,204,000

Highest and Best Use: Silviculture and Recreation

Allocation of Values:

Before Value: \$18,813,000.00
After Value: \$11,609,000.00
Easement: \$7,204,000.00

Appraisal Review:

Jolene Brod Date: 03/15/2018

Comments: The two appraisers reported that the subject property was part of a larger acquisition that occurred in 2009. However, both appraisers reported significantly different purchase prices. Since the purchase price was not analyzed in either report and does not influence the indicated value, I did not attempt to verify the correct purchase price.

b. APPRAISAL 2:

Appraiser: Bill Steigerwaldt

Valuation Date: January 28, 2018

Appraised Value: \$7,630,000

Highest and Best Use: Before: Timber and real estate investment After: Timber Investment

Allocation of Values:

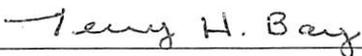
Before Value (Reconciled): \$22,471,000.00
After Value (Reconciled): \$14,841,000.00
Easement: \$7,630,000.00

Appraisal Review:

Jolene Brod Date: 03/15/2018

Comments: The two appraisers reported that the subject property was part of a larger acquisition that occurred in 2009. However, both appraisers reported significantly different purchase prices. Since the purchase price was not analyzed in either report and does not influence the indicated value, I did not attempt to verify the correct purchase price.

RECOMMENDED:



5/8/18

Terry H. Bay, Bureau Director, Bureau of Facilities and Lands

Date



5/8/18

Diane L. Milligan, Bureau of Legal Services

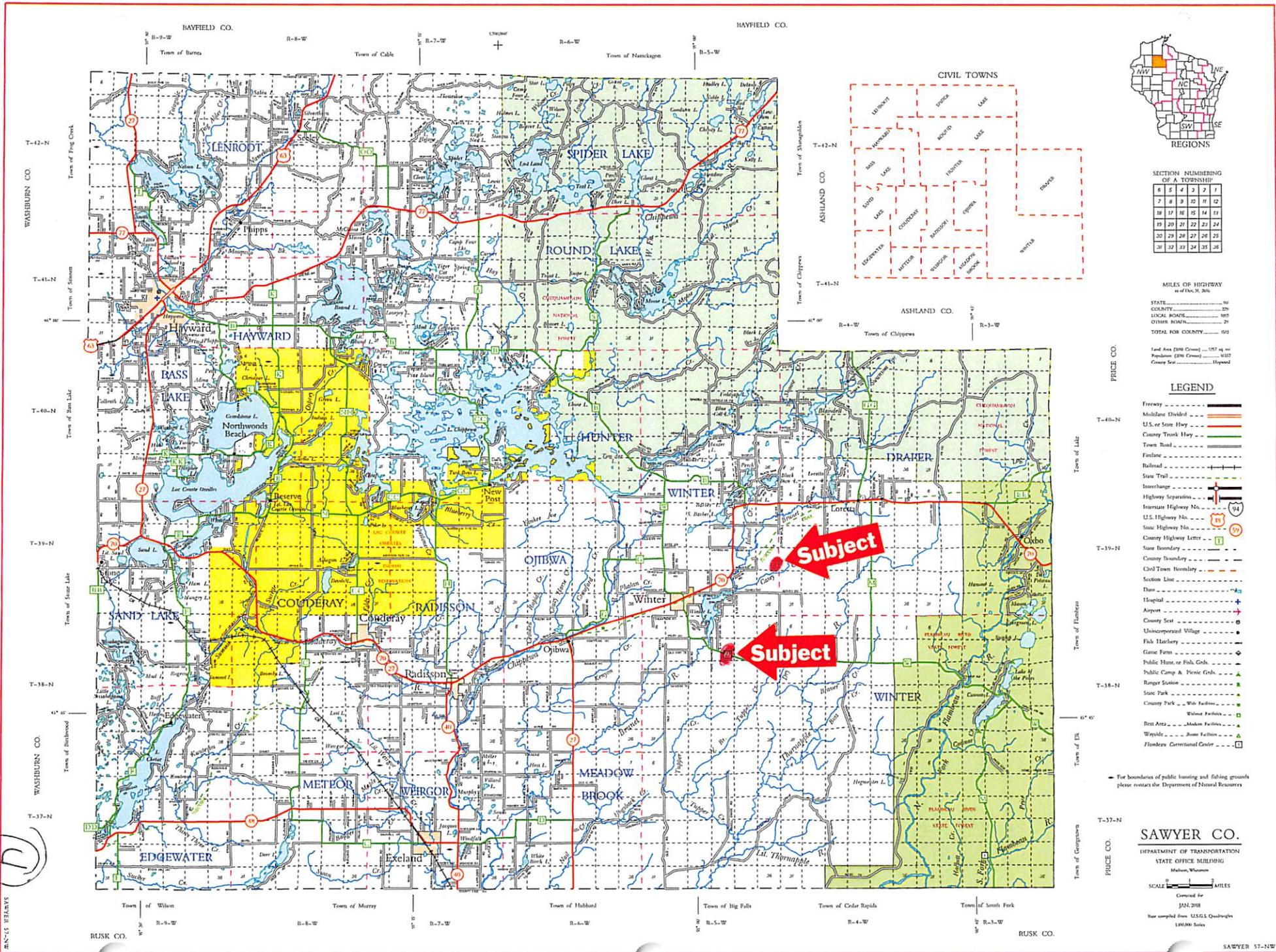
Date



5-11-18

Douglas J. Haag, Internal Services Division Administrator

Date



SECTION NUMBERING OF A TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

MILES OF HIGHWAY as of Dec. 31, 2018

STATE 60
 COUNTY 229
 LOCAL ROADS 1975
 OTHER ROADS 29
 TOTAL FOR COUNTY 1951

Land Area (2018 Census) 1573 sq mi
 Population (2018 Census) 1332
 County Seat Hayward

LEGEND

- Freeway
- Midline Divided
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Ferrous
- Railroad
- State Trail
- Interchange
- Highway Separation
- Interstate Highway No.
- U.S. Highway No.
- State Highway No.
- County Highway Letter
- State Boundary
- County Boundary
- Civil Town Homology
- Section Line
- Dam
- Hospital
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt or Fish Gnd.
- Public Camp & Picnic Gnd.
- Ranger Station
- State Park
- County Park
- Wild Refuge
- Winter Parkland
- First Area
- Modern Parkland
- Wayside
- Junior Facility
- Flombers Correctional Center

For boundaries of public hunting and fishing grounds please contact the Department of Natural Resources

SAWYER CO.

DEPARTMENT OF TRANSPORTATION
 STATE OFFICE BUILDING
 Madison, Wisconsin

SCALE MILES
 Created for
 JAN 2018
 Map compiled from USGS Quadgrids
 1980M Series

Handwritten circled 'D'

BAR-LE WISCONSIN

SAWYER 57-NW

**NRB Item Northwoods
ATP - Easement**

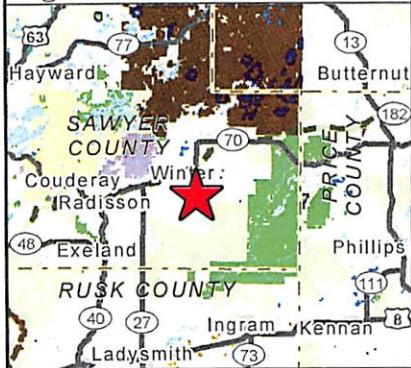
Forest Legacy
Easement

T39N R05W & T39N R04W &
T38N R04W & T38N R05W
& T37N R05W
Town of Winter & Draper
Sawyer County

 Subject

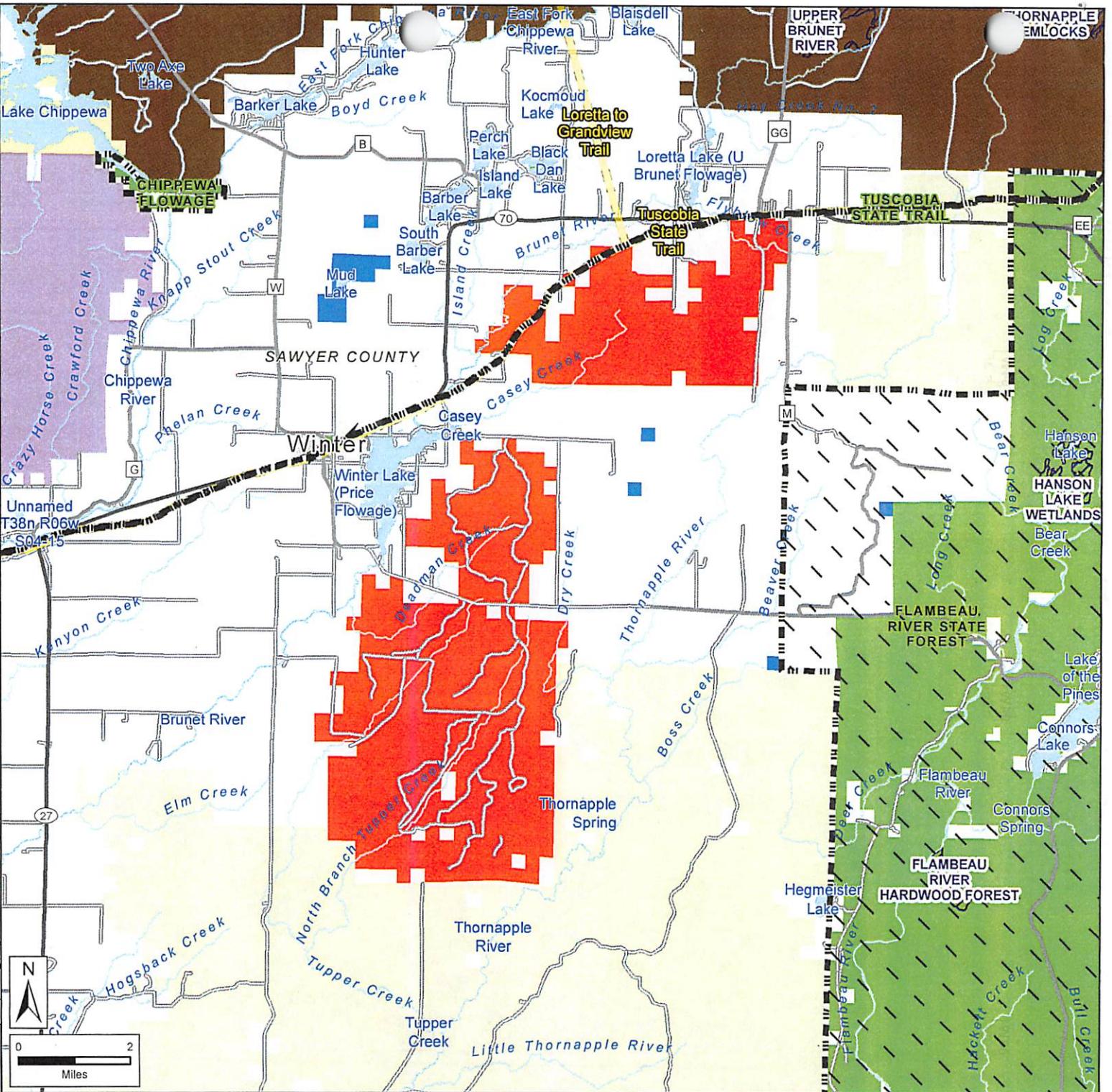
-  Current DNR Project Boundary
-  DNR Fee Title
-  DNR Easement
-  DNR Easement Closed to Public Access
-  Board of Commissioners of Public Lands
-  State Natural Area
-  Tribal Land
-  County Forest Lands
-  National Forest
-  State Trail Network Project Boundary (approx. location)
-  State Recreation Trail
-  County Boundary

Regional View



 Location of Property

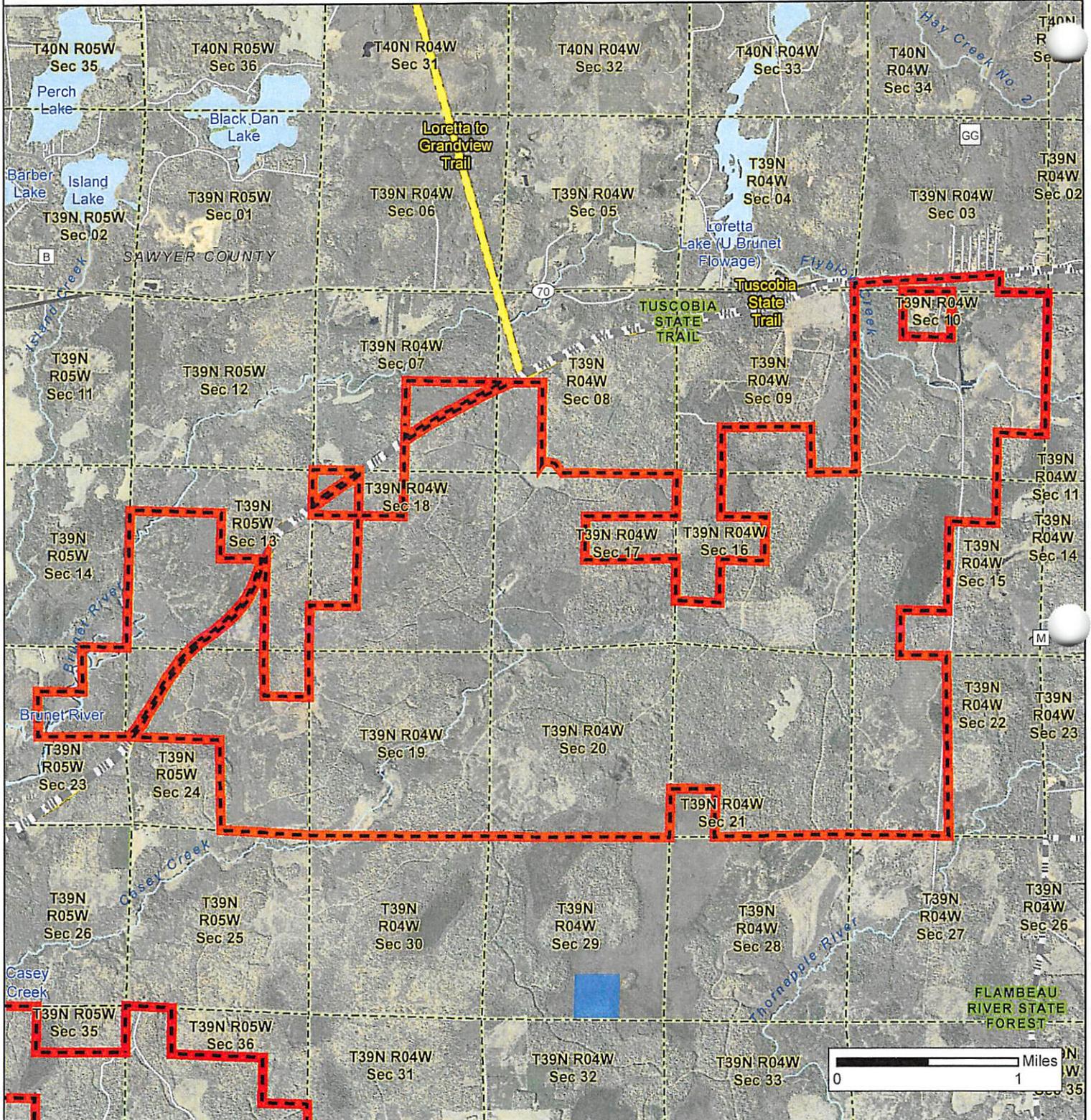
 WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Apr 27, 2018 jpk



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NRB Item: Northwoods ATP(North) - Easement

T39N R05W & T39N R04W, Town of Winter & Draper, Sawyer County

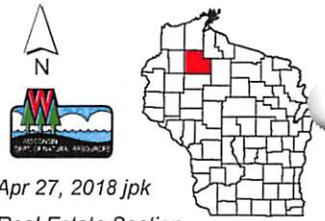


Forest Legacy Easement

 Subject

-  Original Pre-2013 Project Boundary - Not Subject to JFC Review
-  DNR Fee Title
-  Board of Commissioners of Public Lands
-  State Trail Network Project Boundary (approx. location)
-  State Recreation Trail
-  County Boundary
-  Section Boundary

N

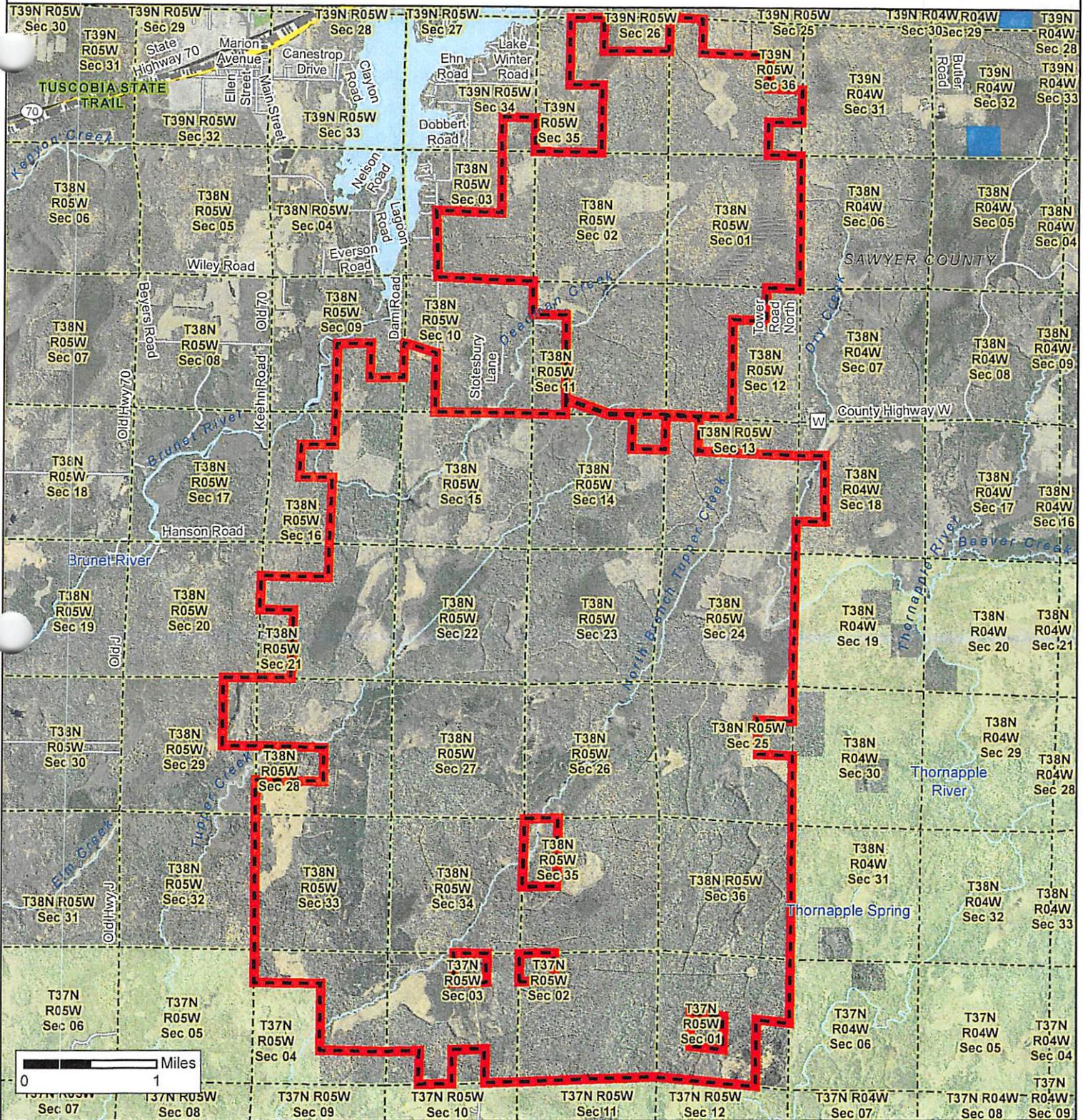


Apr 27, 2018 jpk
Real Estate Section
Bureau of Facilities and Lands

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NRB Item: Northwoods ATP(South) - Easement

T39N R05W & T38N R04W & T38N R05W & T37N R05W, Town of Winter, Sawyer County



Forest Legacy Easement

 Subject

- | | | | |
|---|--|---|---|
|  | Original Pre-2013 Project Boundary - Not Subject to JFC Review |  | Board of Commissioners of Public Lands |
|  | DNR Fee Title |  | County Forest |
|  | DNR Easement |  | State Trail Network Project Boundary (approx. location) |
|  | DNR Easement Closed to Public Access |  | State Recreation Trail |
| | |  | County Boundary |
| | |  | Section Boundary |

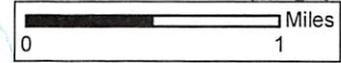
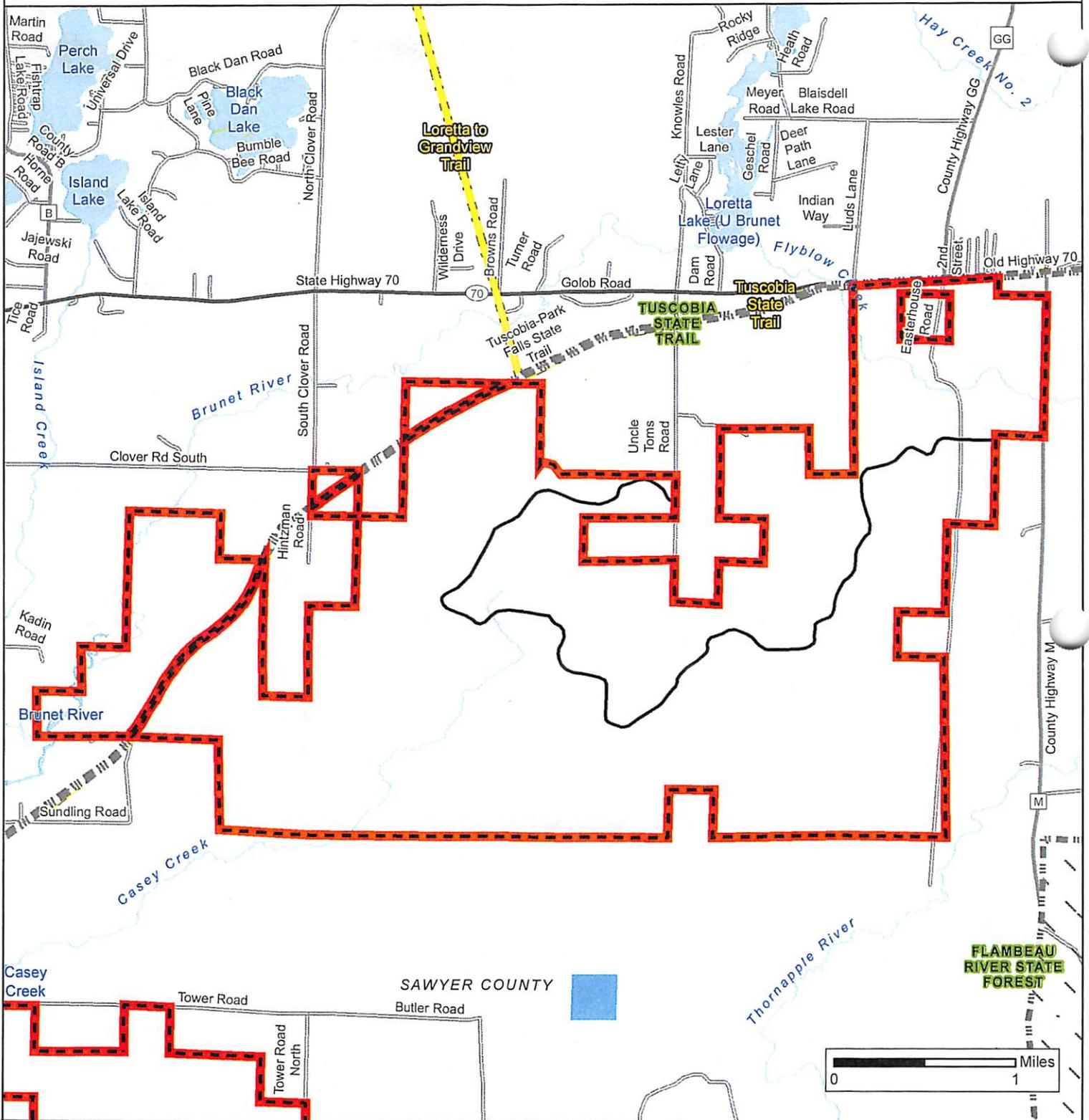


May 08, 2018 jpk

Real Estate Section
Bureau of Facilities and Lands

NRB Item: Northwoods ATP(North) - Easement

T39N R05W & T39N R04W, Town of Winter & Draper, Sawyer County



Forest Legacy Easement



Subject

- Public Access Road
- Original Pre-2013 Project Boundary - Not Subject to JFC Review
- DNR Fee Title
- Board of Commissioners of Public Lands
- State Trail Network Project Boundary (approx. location)
- State Recreation Trail
- County Boundary

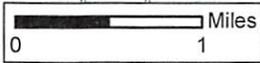
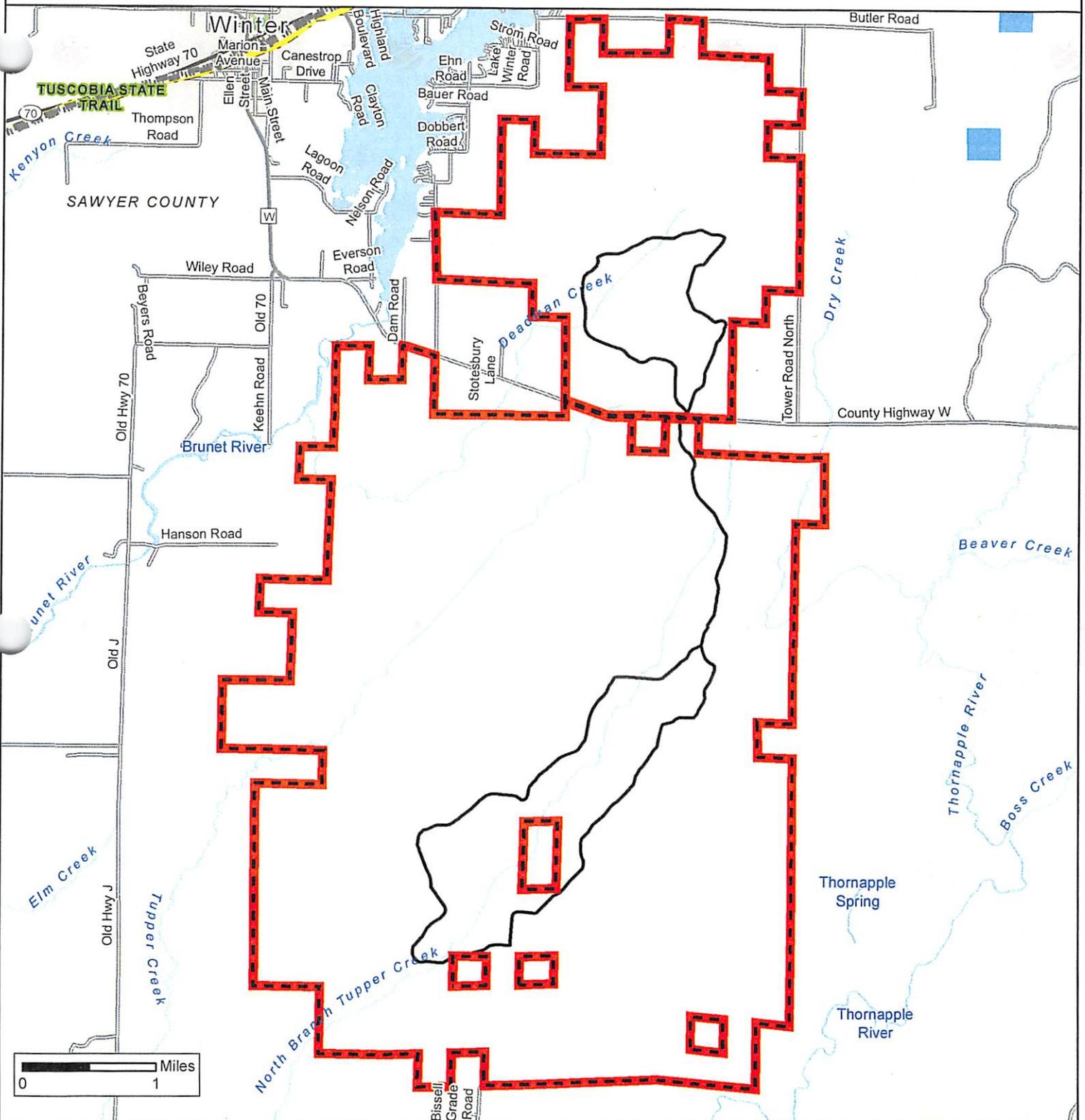


May 03, 2018 jpk
Real Estate Section
Bureau of Facilities and Lands

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NRB Item: Northwoods ATP(South) - Easement

T39N R05W & T38N R04W & T38N R05W & T37N R05W, Town of Winter, Sawyer County



Forest Legacy Easement



Subject

- Public Access Road
- Original Pre-2013 Project Boundary - Not Subject to JFC Review
- DNR Fee Title
- DNR Easement
- DNR Easement Closed to Public Access
- Board of Commissioners of Public Lands
- County Forest
- State Trail Network Project Boundary (approx. location)
- State Recreation Trail
- County Boundary



May 03, 2018 jpk

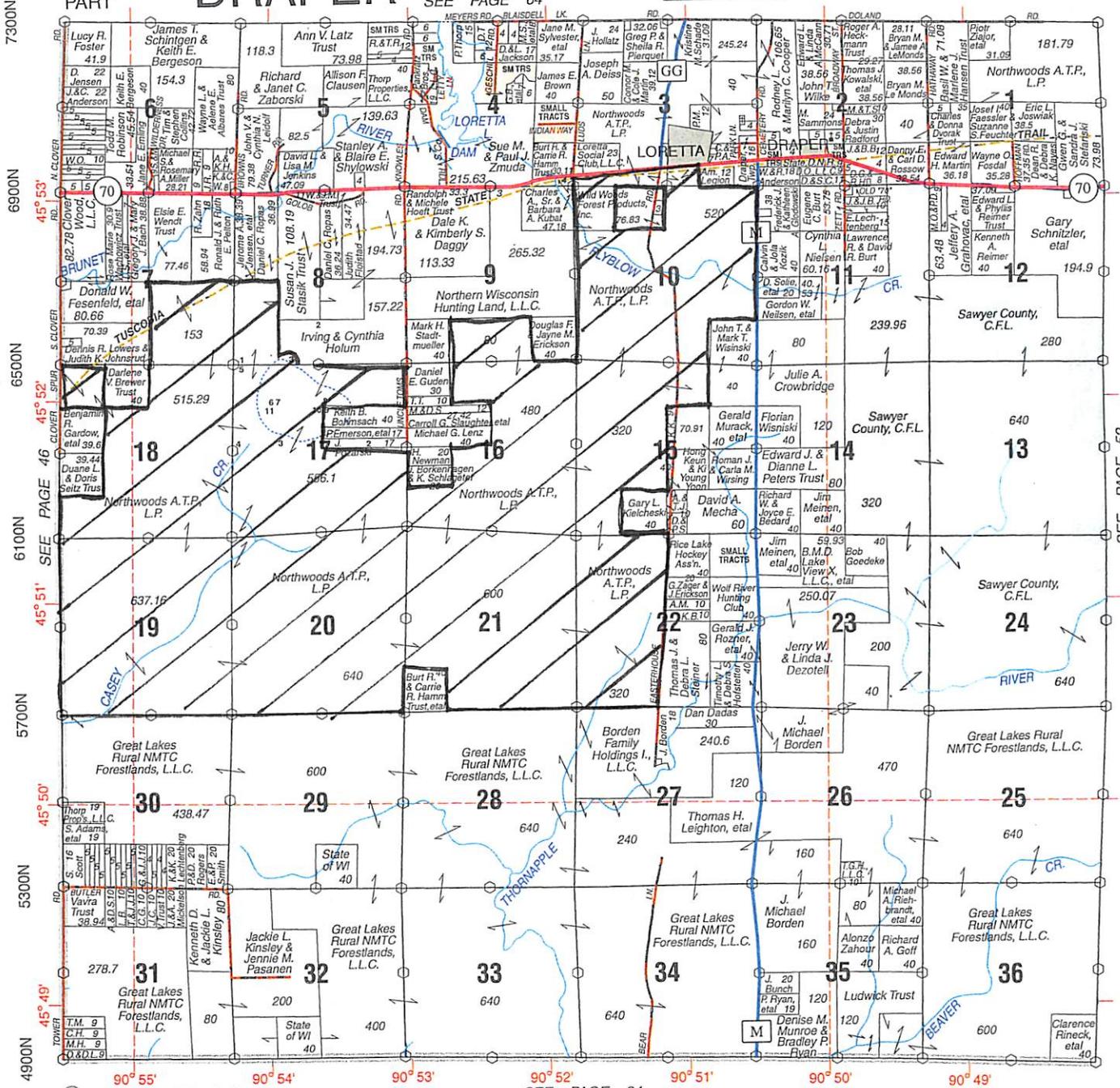
Real Estate Section
Bureau of Facilities and Lands

SOUTHWEST PART

DRAPER

SEE PAGE 64

T.39N.-R.4W.



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SEE PAGE 34

Sawyer County, WI 2500W

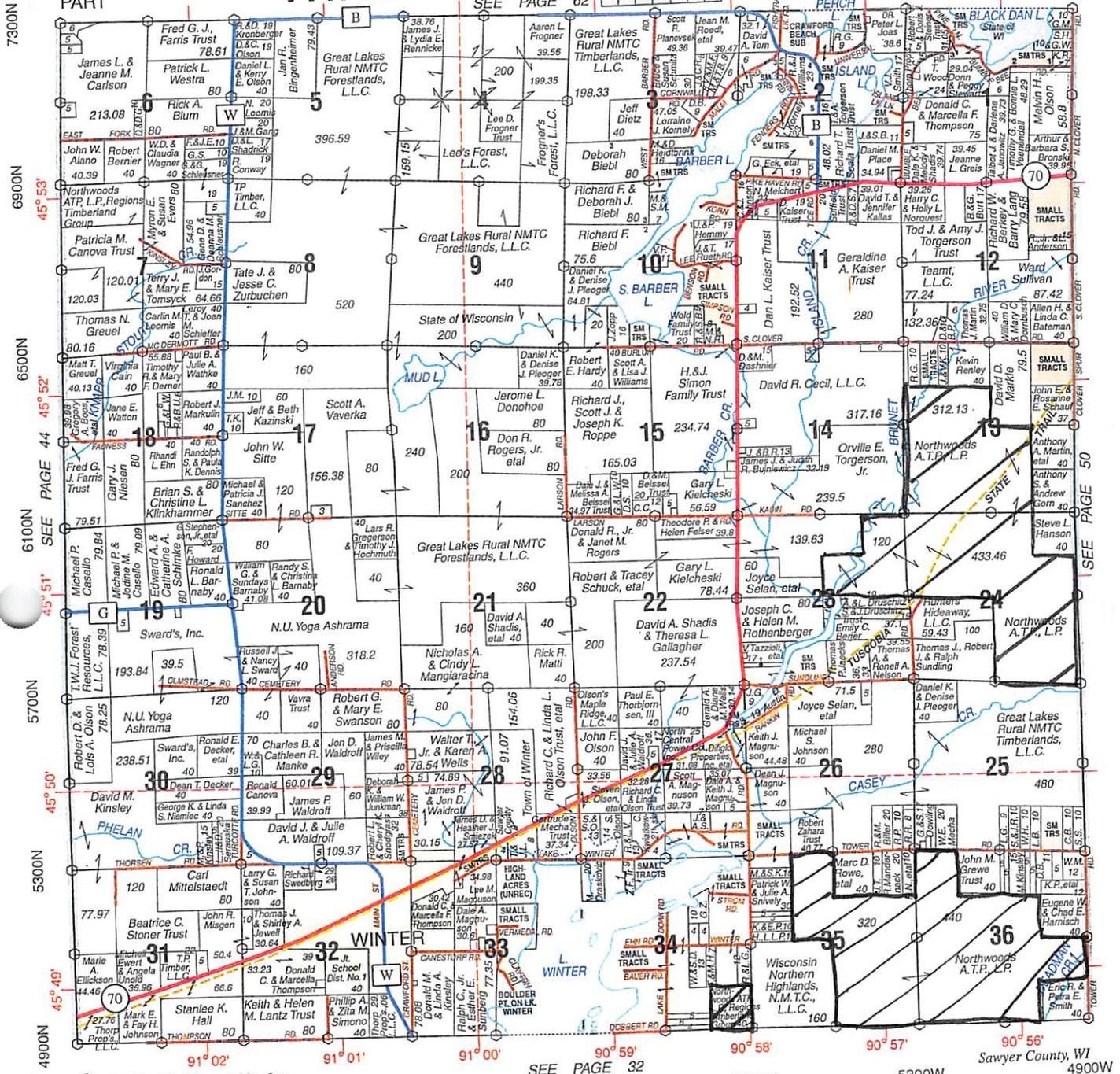
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NORTHWEST CENTRAL PART

WINTER

T.39N.-R.5W.

SEE PAGE 62



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SEE PAGE 32

5700W

5300W

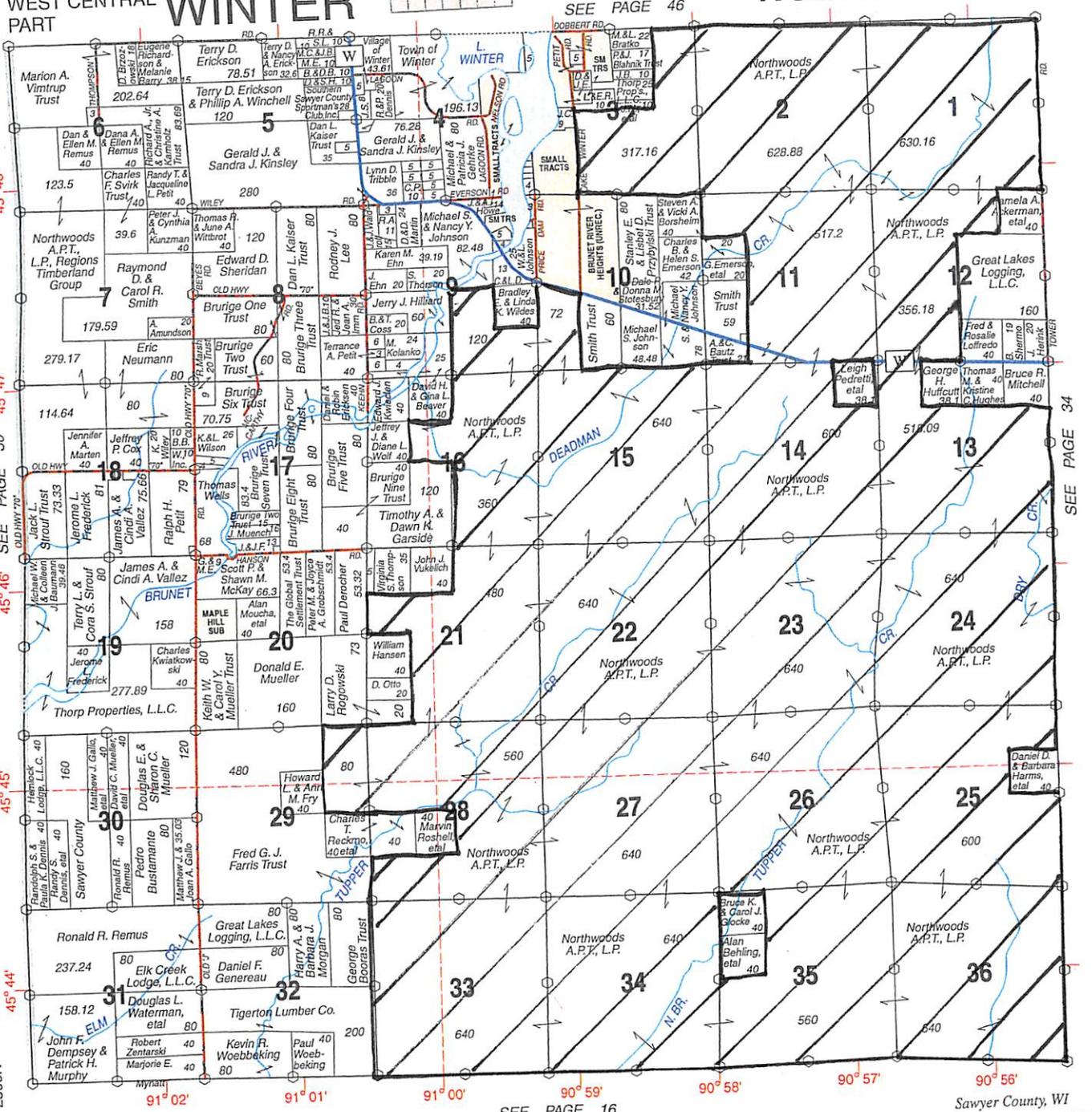
Sawyer County, WI 4900W

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WEST CENTRAL PART

WINTER

T.38N.-R.5W.



SEE PAGE 46

SEE PAGE 34

SEE PAGE 16

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7300W 6900W 6500W 6100W 5700W 5300W 4900W Sawyer County, WI

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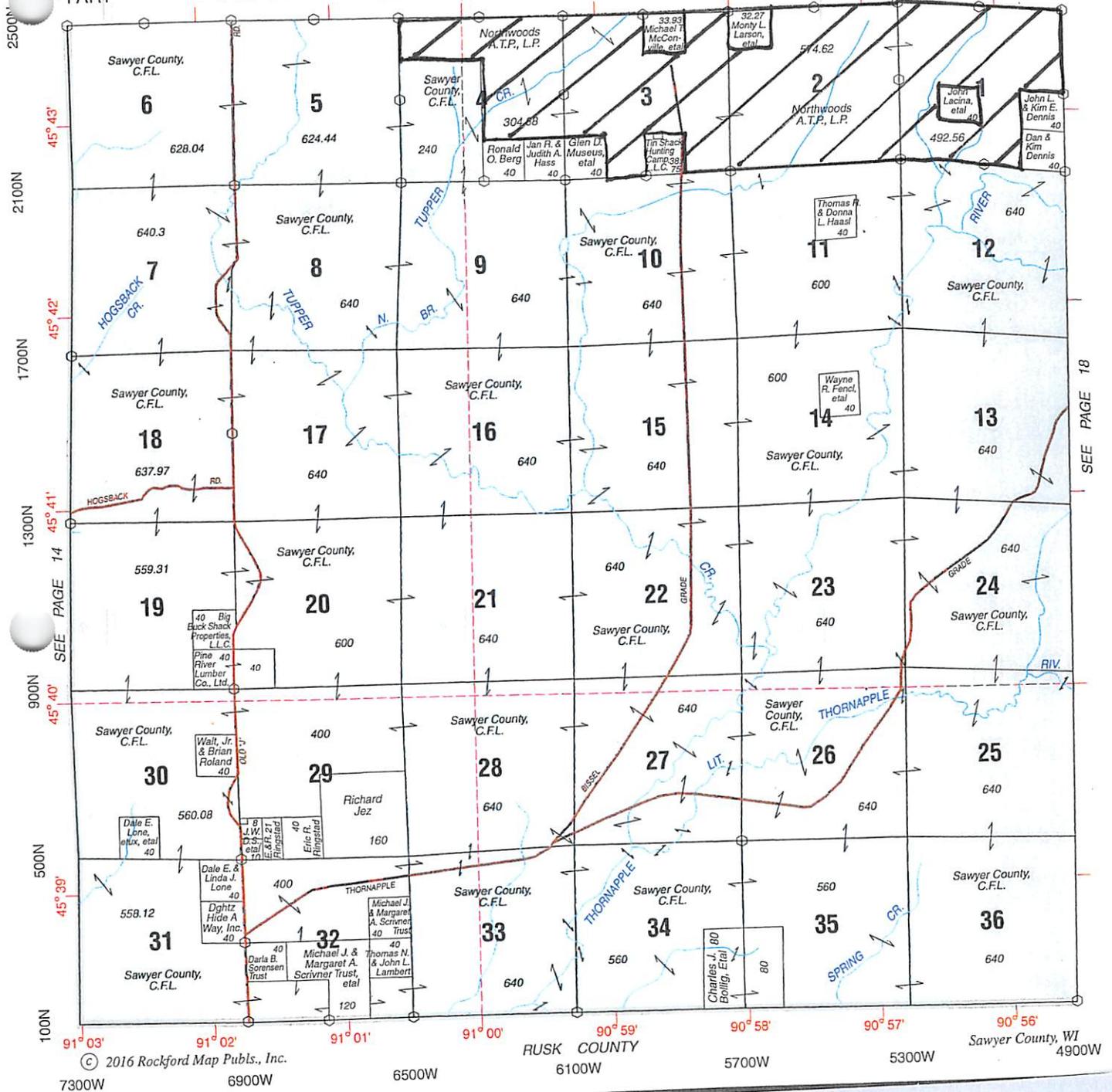
SOUTHWEST PART

WINTER



SEE PAGE 32

T.37N.-R.5W.



SEE PAGE 18

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6979 Browns Rd, Winter, WI 54896 to 101 S Webster St, Madison, WI 53703

Drive 266 miles, 4 h 14 min



Map data ©2018 Google 20 mi

6979 Browns Rd

Winter, WI 54896

Get on US-51 S in Tomahawk from WI-70 E/WI-70 Trunk E, State Hwy 13 S/WI-13 Trunk S and US-8 E

1 h 33 min (83.9 mi)

- ↑ 1. Head east on WI-70 E/WI-70 Trunk E toward Turner Rd 25.6 mi
- ↘ 2. Turn right onto State Hwy 13 S/WI-13 Trunk S 23.8 mi
- ↙ 3. Turn left onto Co Hwy A/Co Rd A 2.6 mi
- ↙ 4. Turn left onto US-8 E 27.0 mi
- ↘ 5. Turn right onto County Hwy U 2.1 mi
- ↘ 6. Turn right onto Co Rd A 0.9 mi
- ↙ 7. Turn left to stay on Co Rd A 1.5 mi
- ↗ 8. Turn right to merge onto US-51 S 0.3 mi

Follow US-51 S, I-39 S and I-90 E to US-151 S/E Washington Ave in Madison. Take the U.S. 151 S exit from WI-30 W

2 h 33 min (179 mi)

-  9. Merge onto US-51 S 43.2 mi
-  10. Continue onto I-39 S 103 mi
-  11. Use the right 2 lanes to merge onto I-39 S/I-90 E/I-94 E toward I-39 S/Madison 29.6 mi
-  12. Use the right lane to keep right at the fork and continue on I-39 S/I-90 E 0.2 mi
-  13. Take exit 138B to merge onto WI-30 W toward Madison 2.9 mi
-  14. Take the U.S. 151 S exit toward State Capital 0.1 mi

Follow E Washington Ave to S Webster St

10 min (3.4 mi)

-  15. Use the right 2 lanes to turn right onto US-151 S/E Washington Ave 2.9 mi
-  16. Continue straight onto E Washington Ave S 0.2 mi
-  17. Turn left onto S Butler St 0.2 mi
-  18. Sharp right onto King St 499 ft
-  19. Turn right onto S Webster St 174 ft

 Destination will be on the right

101 S Webster St

Madison, WI 53703

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.