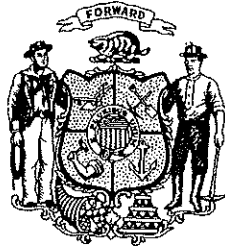


State of Wisconsin

SENATE CHAIR
Howard Marklein

316 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
P.O. Box 8592
Madison, WI 53708-8953
Phone: (608) 266-2540

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: March 14, 2023

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 March 14, 2023.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Friday, March 31, 2023**, 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

HM:MB:jm

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

Tony Evers, Governor
Adam N. Payne, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711



March 8, 2023

MAR 14 2023
St. Finance

The Honorable Howard Marklein Co-Chair
Committee on Joint Finance
Room 316 East
State Capitol
PO Box 7882
Madison, WI 53707

The Honorable Mark Born, Co-Chair
Committee on Joint Finance
Room 308 East
State Capitol
PO Box 8952
Madison, WI 53707

Dear Senator Marklein and Representative Born:

Pursuant to s. 23.0917(6m)(a) and (dr), Wis. Stats., the Department is notifying you as co-chairs of the Committee on Joint Finance of a proposed grant of \$216,870.00 from the Knowles-Nelson Stewardship Program to the Northwoods Alliance Inc. for land acquisition. The proposed grant will fund land acquisition north of State Highway 64.

The acquisition is in the Town of Land O'Lakes in Vilas County. The proposed grant funds will protect 195 acres of important habitat in the border lakes region of Vilas County. This acquisition will also conserve wetlands that form part of the headwaters of the Ontonagon River and allow public access on land previously not open to public use. The property is surrounded by state forest land creating a contiguous block of forested habitat, and will continue to be managed sustainably. The property will be open to 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 award this grant.

Thank you for your consideration.

Sincerely,

DocuSigned by:

Sarah Barry

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For Adam N. Payne
Secretary

CORRESPONDENCE/MEMORANDUM

DATE: March 8, 2023

TO: Members of the Joint Committee on Finance

FROM: Adam M. Payne, Secretary

SUBJECT: Request for approval – Knowles-Nelson Stewardship grant for land acquisition north of State Hwy. 64

Pursuant to s. 23.0917(6m)(a) and (c), Wis. Stats., the Department of Natural Resources is notifying you of a proposed Knowles-Nelson Stewardship grant of \$216,870.00 to Northwoods Alliance Inc. for acquisition of 194.88 acres in Vilas County. The Knowles-Nelson Stewardship program is funded under s. 20.866(2)(ta), Wis. Stats.

I. PROJECT DETAILS:

Project Sponsor: Northwoods Alliance Inc. (NWA)

Stewardship Grant sub-program: Habitat Areas

Location: The subject property is located within the Town of Land O'Lakes in northern Vilas County. Project maps are attached as Appendix A.

Project Description: The subject property is approximately 195 acres in size and almost entirely wooded, with a mix of northern hardwoods, red and white pine, cedar, and swamp conifer. Many of the timber stands show older age categories and higher timber volumes. The topography is rolling with about half of the property as upland and the other half with wetland soil types. Though there are no established streams on the property, there are significant wetland areas and vernal pools which flow into the Ontonagon River, located about half mile to the south. This river flows from here northward into two Wisconsin lakes before entering the Ottawa National Forest where it has a Wild and Scenic designation, and ultimately reaches Lake Superior in the Upper Peninsula of Michigan. The property is completely surrounded by the state forest land.

The current owner intends to retain a small carve-out of approximately 10 acres around an existing cabin and outbuildings. This building area is not included in the 195-acre purchase by NWA, but NWA will have a right of first refusal to purchase this carve-out in the future. NWA will also hold a conservation easement on the carve-out to prevent further development than the existing buildings.

Key benefits: This acquisition will protect an important habitat area in Northern Wisconsin. The subject property is completely surrounded by public lands and is in an area of the state known as the Border Lakes Region, which includes over 100 lakes connected by freshwater streams and wetlands, which support a diverse array of wildlife. This area is also part of the Winegar Moraine, identified as an area of continental significance in the Wisconsin Wildlife Action Plan for protection of older age contiguous forest habitat.

Acquisition of the property will help to preserve this important habitat and provide for additional public, nature-based outdoor recreation. The subject property will complement adjacent state forest lands and other public lands in the area, providing a contiguous forested habitat corridor that would reach northward to the Ottawa National Forest in the Upper Peninsula of Michigan.

Project Goals: The NWA Headwaters Cedar Community Forest project meets or supports goals in the following plans:

- Town of Land O Lakes Comprehensive Land Use Plan
- Vilas County Comprehensive Land Use Plan
- State of Wisconsin Wildlife Action Plan
- Lake Superior Lakewide Action Management Plan
- Great Lakes Restoration Initiative Action Plan

Partnerships: NWA presented information to Vilas County and the Town of Land O Lakes

- The Town of Land O Lakes and the Vilas County Land and Water Conservation Committee, as well as the Vilas County Forestry Department, have issued letters in support of NWA's Stewardship grant application.
- Letters of support were also received from the Lac du Flambeau Band of Lake Superior Chippewa, Land O Lakes Fish and Game Club, The Nature Conservancy, Sustainable Resources Institute Inc., Northwoods Land Trust, Wisconsin's Green Fire, and Partners in Forestry. Several of these organizations have committed to assisting with future management of the property.

Matching funds: As of February 2023, NWA has secured the following grant funds for the purchase and protection of this property:

- \$200,000 US Forest Service Community Forest Grant
- \$10,000 Upper Peninsula Environmental Coalition (UPEC) Conservation Grant
- \$5,000 John C. Bock Foundation Grant
- \$1,000 Boulder Junction Community Foundation Grant

Public Uses: The property will be open to the public for recreational activities (NBOA) including hunting, trapping, hiking, cross-country skiing, fishing, and wildlife viewing. Additionally, NWA intends to offer public education opportunities around sustainable forest management in cooperation with Partners in Forestry COOP.

Property Management: The property will be managed by NWA according to a land management plan approved by the Department as consistent with the purposes of the Stewardship Habitat Areas subprogram. Additionally, NWA will allow for and encourage community discussion and participation on the management of the property, which is a requirement of the USFS Community Forest Program.

II. PROJECT FINANCES

A. Appraisal

The fair market value used for grant calculation was determined by review of two, third party appraisals, pursuant to S. 23.0917(7)(e)1, Stats.,

Appraisal 1 valued the property at \$429,000.00 (~\$2,200/acre)

Appraisal 2 valued the property at \$429,000.00 (~\$2,200/acre)

Both appraisal reports were reviewed and accepted as meeting appraisal guidelines sufficient to support the concluded value, which has been used for grant calculation.

B: Grant Calculation:

Subject land value	\$429,000.00
Eligible related transaction costs	<u>\$4,740.00</u>
Total eligible project costs	\$433,740.00

Stewardship grant amount 50%	\$216,870.00
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III. RECOMMENDED:

DocuSigned by:
terry bay
F24082F908464...

Terry Bay, Director, Bureau of Facilities and Lands

3/10/2023 | 10:12 AM CST

Date

DocuSigned by:
Tim Cooke
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Tim Cooke, Administrator, Division of Internal Services

3/10/2023 | 10:43 AM CST

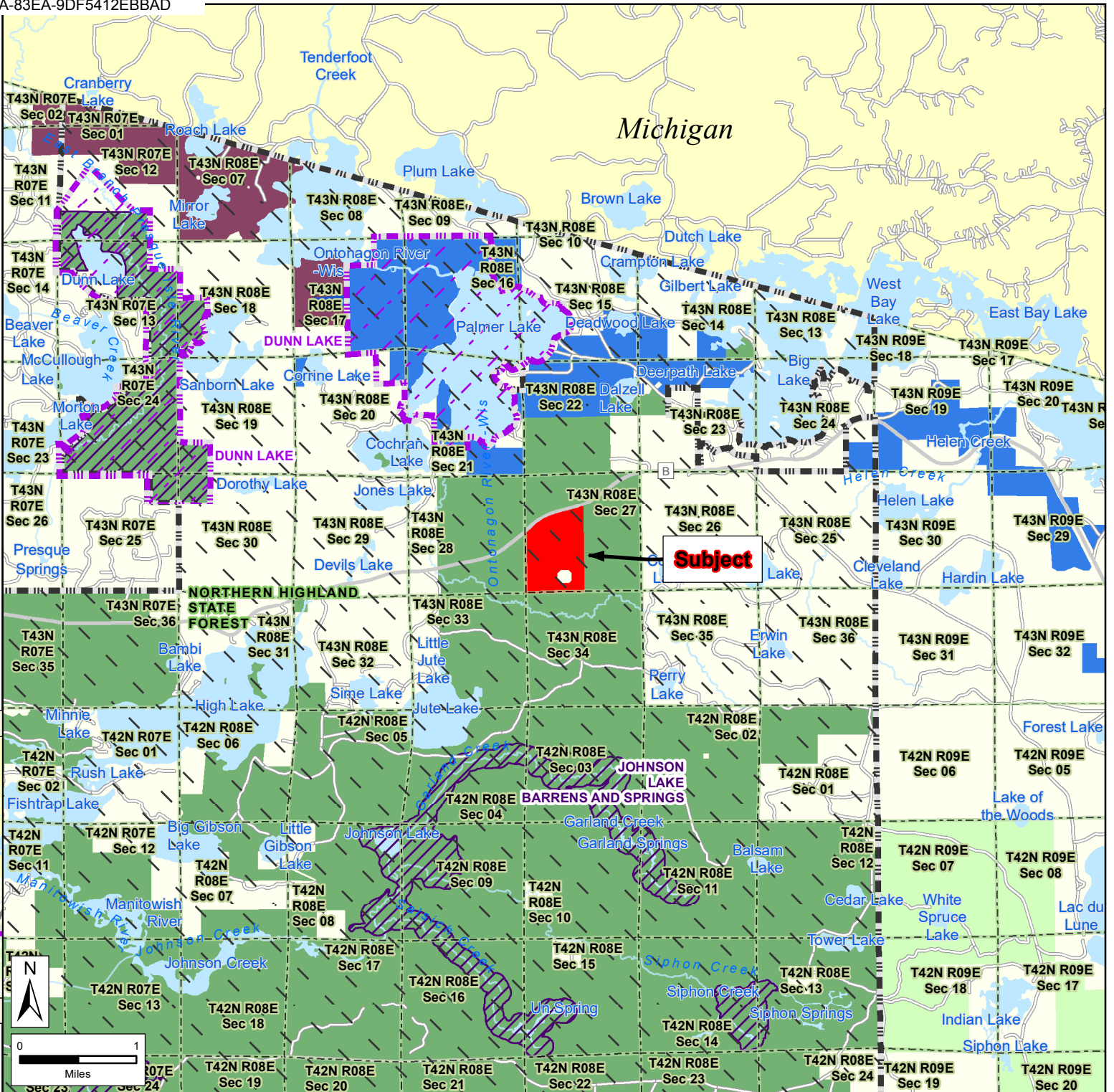
Date

NCO Grant - Northwoods Alliance, Headwaters Cedar Community Forest

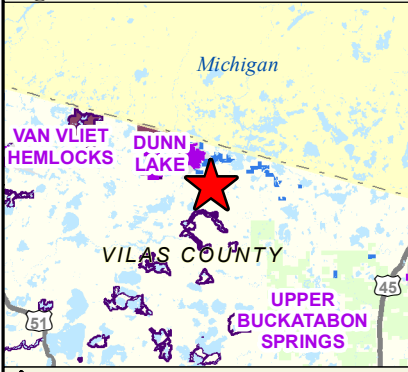
T43N R8E Sec. 27
Town of Land O'Lakes
Vilas County


 **Subject**

-  DNR Project Boundary
-  State Natural Area Project Boundary
-  DNR Fee Title
-  Public Land - Funded by Stewardship Grants
-  Board of Commissioners of Public Lands
-  State Natural Area
-  County Forest Lands
-  Section Boundary



Regional View



 Location of Property



WISCONSIN DEPARTMENT OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Feb 28, 2023 jst







NCO Grant - Northwoods Alliance, Headwaters Cedar Community Forest

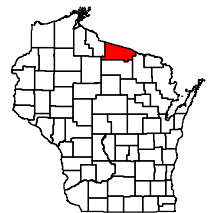
Proposed Stewardship Grant
Landowner: Lance Powalisz
Approximate Total Acreage: 194.88

T43N R8E Sec. 27
Town of Land O'Lakes
County: Vilas



 **Subject**

-  DNR Project Boundary
-  DNR Fee Title
-  Section Boundary
-  QQ Section Boundary



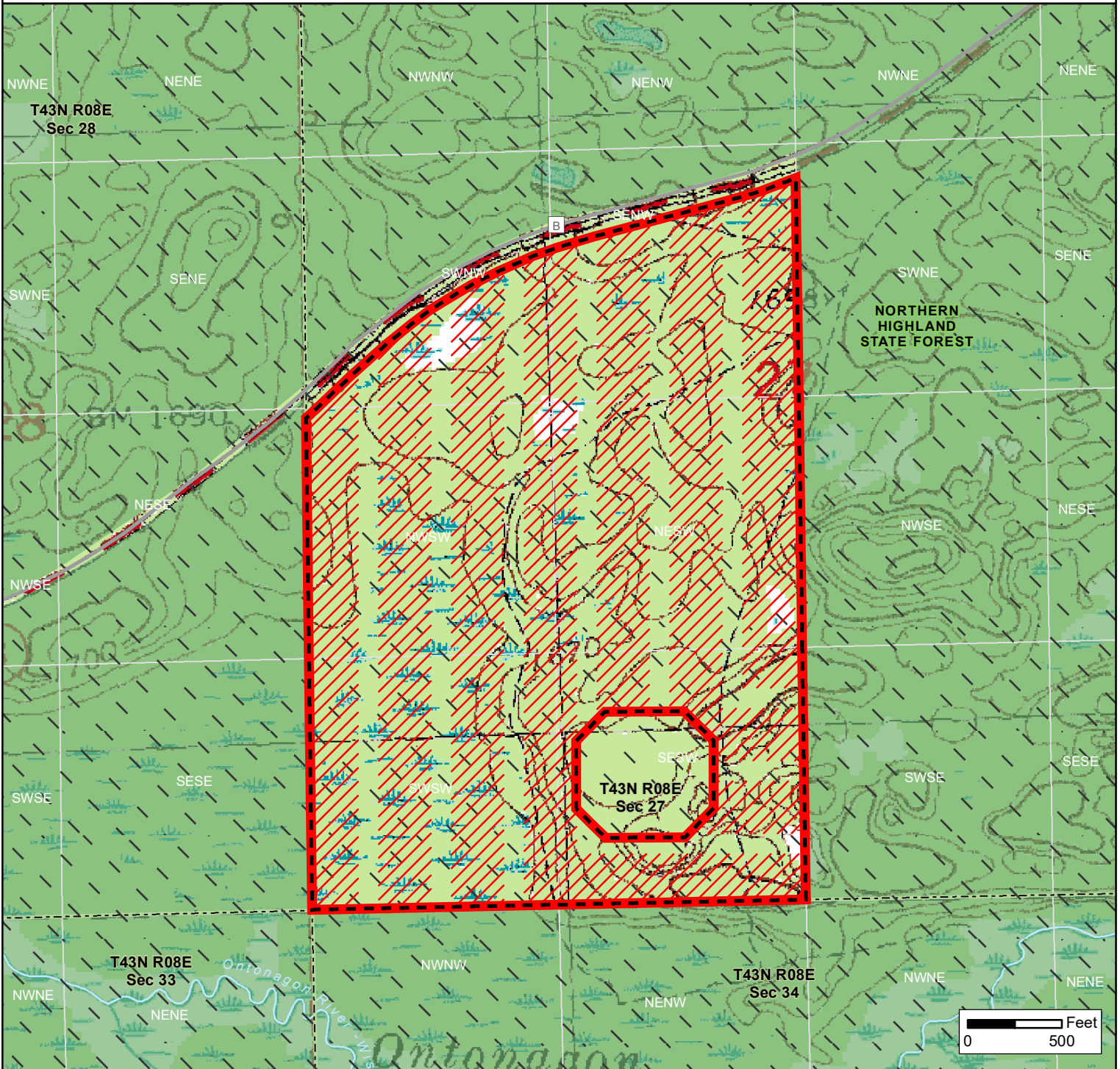
Feb 28, 2023 jst

Real Estate Section
Bureau of Facilities and Lands





NCO Grant - Northwoods Alliance, Headwaters Cedar Community Forest

Proposed Stewardship Grant
Landowner: Lance Powalisz
Approximate Total Acreage: 194.88

T43N R8E Sec. 27
Town of Land O'Lakes
County: Vilas



 **Subject**

-  DNR Project Boundary
-  DNR Fee Title
-  Section Boundary
-  QQ Section Boundary



Feb 28, 2023 jst

Real Estate Section
Bureau of Facilities and Lands