



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #665

### Forestry Demonstration Center (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 481, #9]

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#### CURRENT LAW

State forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics.

The Department operates state forests under two separate administrative structures. The northern state forests (15 properties) are operated by DNR forestry staff in a manner that tends to focus on the enhancement of their timber resources. Seven southern forest properties are operated by state parks personnel and are managed in a manner that tends to give priority to their recreational value. DNR also operates three tree nurseries (Hayward, Boscobel, and Wisconsin Rapids) which produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Each year, the nursery distributes between 18 million and 20 million seedlings.

#### GOVERNOR

Provide \$400,000 in 2001-02 from the forestry account to begin planning for a Forestry Demonstration and Education Center to be built on the Milwaukee County grounds in the City of Wauwatosa.

#### DISCUSSION POINTS

1. Funding provided under the bill would be one-time, and would support the development of preliminary plans and a concept and budget report for the forestry center and the

property development. Overall project costs (over four or more years) are estimated at \$15 to \$30 million for buildings, grounds, displays, demonstration areas and a state forest. Stewardship 2000 program bonding the forestry account have been identified as potential state funding sources for the project.

2. Preliminary plans for the demonstration center include a 20,000 square foot facility containing an artificial forest depicting Wisconsin's forest ecosystems. Plans include space for classrooms, interactive interpretive stations emphasizing the economic, social, and ecological value of forests, and a 200-person theatre. The building would also include a demonstration area where carpenters could volunteer to show how wood is converted into various household products. Development of the grounds would include a portable sawmill and milling machines to be used to demonstrate how trees are converted to lumber and molding. The 235-acre northeast quadrant of the Milwaukee County grounds already contains 50 acres of mature hardwood forest, which may be expanded by an additional nine acres under the proposal, and would be incorporated in tours and demonstrations. The amount of land purchased or leased by the state could total 110 acres or more. The surrounding area is primarily green space, and would include a planned 48-acre stormwater retention pond to be constructed by MMSD to alleviate flooding problems along the Menomonee River. The retention pond would be owned by MMSD, but would be managed by DNR as a wetlands area. A report by the University of Wisconsin-Milwaukee indicates that the area where MMSD is proposing to construct its pond is the site of a former tree nursery, and contains residual amounts of arsenic. The Department indicates that it would be the responsibility of MMSD to address this issue while constructing the retaining pond.

3. The Department had considered an expanded project beyond the 110-acre parcel. However, due to cost concerns and the results of a report prepared by the University of Wisconsin-Milwaukee detailing potential difficulties with developing the larger site, DNR has indicated that it is no longer interested in pursuing a larger project. The report from UW Milwaukee identified a number of additional site-related concerns with adjoining parcels, and suggested that further study of the site may be recommended. Specifically, the presence of 13 building demolition sites, the presence of two landfills (one of which accepted pesticides and herbicides), two cemeteries, an incinerator, and a possible coal-ash landfill were identified.

4. The Department anticipates the development, construction, and operation of the forestry educational center to be a cooperative endeavor. Potential partners cited by DNR include the Milwaukee County Parks Department, Milwaukee Metropolitan Sewerage District, City of Milwaukee Forestry Department, City of Wauwatosa Forestry Department, Wisconsin Woodland Owners Association, Wisconsin County Forest Association, Lakes States Lumber Association, Wisconsin-Michigan Timber Producer's Association, Wisconsin Paper Council, Natural Resources Foundation, Milwaukee Area Convention and Visitor's Bureau, Wisconsin Christmas Tree Growers Association, Wisconsin Nursery Association, DOT, DPI, DATCP, WCC, Commerce, U.S. Forest Service, Natural Resources Conservation Service, State Historical Society, Trees for Tomorrow Environmental Center, University of Wisconsin-Extension, United Paper Workers, the Governor's Council on Forestry, as well as individual corporate sponsors. DNR indicates that the facility would be constructed and operated in cooperation with one or more of these partnerships. Funds and in-

kind contributions are expected from several of these organizations; DNR indicates that several lumber-producing organizations have already pledged to donate materials needed for the construction of the demonstration center. Current plans also include involving the Wisconsin Conservation Corp in site development and construction work. Should these partnerships develop to meet DNR's expectations, some of the anticipated \$15 to \$30 million cost of the construction of the demonstration center and the surrounding grounds would be provided by a variety of organizations, groups, and local governments.

5. The proposal calls for DNR to purchase or secure a permanent conservation easement on an adequate amount of land to provide space for a building, parking lot, outside demonstration area, and surrounding woodlands. Negotiations on the cost of this property would be entered into with Milwaukee County after the feasibility study for the project is completed. Milwaukee County officials expressed a strong interest in locating the forestry demonstration center on the county grounds, in lieu of other development options. Local residents were also concerned that private industrial development might alter the current appearance of the grounds away from green space (including existing forested land) towards a more developed urban landscape.

6. Given that Milwaukee County is negotiating for payment for use of the grounds (despite the investment that the state is considering to develop a forestry demonstration and education center), it may be argued that the state would benefit from considering other location options. The construction and implementation of this project represents a substantial investment by the state. Current estimates place the cost of the project at \$15 to \$30 million dollars. It may be argued that the benefits to the local community from preserving green space, increased tourism and aesthetic improvements associated with the center merit a contribution to the project from the county. Some have argued the county could donate the property or an easement to the state for development of the facility. As the property is currently under county ownership, it does not generate tax income for the City of Wauwatosa or for Milwaukee County. Preliminary estimates indicate that DNR may pay the county approximately \$1 million to acquire a portion of the property and lease the remainder for approximately \$300,000 annually. The lease payment would be in addition to payments in lieu of taxes made to the county for the land purchased by the state. These payments would be estimated at \$32,200 annually, based on a purchase price of \$1 million and the local tax rate of \$32.16 per \$1,000 of property value. Several nearby properties would offer the advantage of not requiring the purchase of property, and have been suggested as potential locations for the forestry education center – Havenwoods State Forest and State Fair Park. Another possibility would be the 21,000-acre Southern Kettle Moraine State Forest.

7. The Department has expressed reservations regarding constructing a forestry demonstration center at State Fair Park. While State Fair Park is centrally located, and may increase attendance to the facility by association with other venues located at the park, there is a comparable lack of green space available for the center. The grounds would not provide a suitable location for a demonstration forest or tree nursery, which DNR considers central to this project.

8. Havenwoods State Forest in Milwaukee features 237 acres of land with 6.5 miles of trails, an arboretum, and a number of teaching gardens, including areas for youth organization

gardens. The Havenwoods Environmental Awareness Center facilitates educational programs associated with school field trips, educator workshops, adult forums, preschool story times, family nature activities, and community festivals. It may be argued that Havenwoods, as an established State Forest, may be a better location for a forestry demonstration center. The Department has established relationships with local schools and educators through this location, making it a familiar resource. In addition, the state would not be required to purchase additional land or easements to construct the facility.

9. DNR raised several concerns regarding expanding use at Havenwoods to include a forestry demonstration center. They argue that Havenwoods already has a specific focus and identity within the community, and altering its mission to focus on forest products would take away from other valuable resources that the center and its programs already provide. The property was largely developed through community efforts from an abandoned municipal landfill site, and serves a variety of purposes largely directed by the community members and DNR staff that restored the property. The demonstration and teaching gardens, hiking trails, arboretum and environmental center provide environmental education programs that reflect the diversity of resources and community interests associated with the property, while encouraging community participation. It may be argued that developing a proposal with the size and scope of the forestry demonstration center on this site would significantly alter and potentially overshadow the current program. Developing the forestry center in a separate location could maintain urban green space and expand conservation education opportunities to the Milwaukee area, rather than redirecting the mission of an existing community project. In addition, the scope of the forestry demonstration project may not be compatible with available development space at the State Forest.

10. Given the lack of detail available regarding the development of the forestry demonstration and education center and the concerns raised over its potential location and costs, it may be argued that providing \$400,000 to advance the planning of construction is premature. Alternatively, DNR could solicit support from Milwaukee County and its list of potential partners to investigate alternative sites and potential sources of funding other than forestry account SEG. Others argue that given the substantial payments that Milwaukee County property owners provide for the forestry account (through the statewide mill tax) that a substantial investment of forestry account revenues is appropriate for this project.

**ALTERNATIVES TO BASE**

1. Approve the Governor’s recommendation to provide \$400,000 in 2001-02 from the forestry account to begin planning for a Forestry Demonstration and Education Center which would be built on the Milwaukee County grounds.

<b>Alternative 1</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Base) [Change to Bill]	\$400,000 \$0]

2. Approve the Governor's recommendation to provide funding to begin planning for a Forestry Demonstration and Education Center. However, direct DNR as part of its development process to conduct a review of alternative locations in Milwaukee County or Southeastern Wisconsin that may be suitable for this project.

<b>Alternative 2</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Base)	\$400,000
<i>[Change to Bill]</i>	<i>[\$0]</i>

3. Maintain current law.

<b>Alternative 3</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>[\$400,000]</i>

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