

**SUBJECT: EASEMENT PURCHASE – STATE FOREST LEGACY PROGRAM – FOREST COUNTY**

**FOR: JUNE 2010 BOARD MEETING**

**TO BE PRESENTED BY:** Richard Steffes

**SUMMARY:** The Department has reached agreement with Wisconsin Timber Associates for purchase of State Forest Legacy easements on 18,438.14 acres of high quality hemlock-hardwood forestland in Forest County. Cost of the easement is \$8,297,163.

The timberland to be protected by the easement is located in an area with exceptional natural resources. Combined with adjoining national forests and county forestland, this easement contributes to several hundred thousand acres of intact forest containing Wisconsin's two highest ranked wild lakes (Wabikon and Riley) and headwaters to Green Bay on Lake Michigan.

The Department's State Forest Legacy Program was established by the Natural Resources Board at its February 2001 meeting. This state program is very compatible to, but should not be confused with, the U.S. Forest Service Federal Forest Legacy Program, in which the Department also participates. Both programs afford Wisconsin an opportunity to help maintain large blocks of unfragmented forestland. This area is important for timber-related jobs and part of the scenic and tourism base of northern Wisconsin's economy. It also is part of the largest bird breeding center in the county.

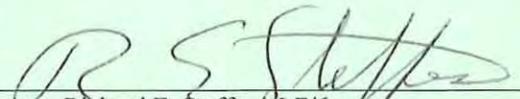
The Wisconsin Timber Associates easement area covers primarily upland forest long managed for an uneven age forest for sawlog and veneer production at a company mill in Laona. The easement requires future, sustainable management of an uneven age forest, ideal for wildlife habitat benefits. All nature-based outdoor recreation activities are provided for the public in the easement terms. The transaction is complemented by The Nature Conservancy and U.S. Forest Service National Forest System concurrent acquisition of the company's land on Wabikon and Riley Lakes for addition to the Chequamegon-Nicolet National Forest.

**RECOMMENDATION:** That the Board approve the purchase of Forest Legacy easements on 18,438.14 acres of land for \$8,297,163 for the Forest Legacy Program in Forest County.

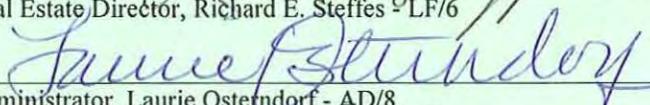
**LIST OF ATTACHED MATERIALS:**

- |  |   |   |          |
|--|---|---|----------|
| 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 |

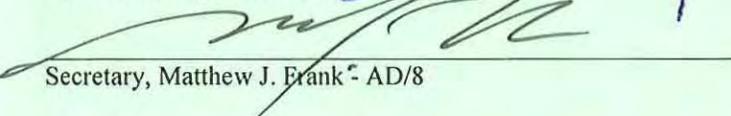
**APPROVED:**

  
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Real Estate Director, Richard E. Steffes - LF/6

6-7-10  
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Date

  
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Administrator, Laurie Osterndorf - AD/8

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Secretary, Matthew J. Frank - AD/8

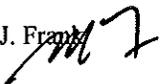
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- cc: S. Miller – LF/6  
 R. Steffes – LF/6  
 L. Ross – AD/8  
 P. DeLong – AD/8  
 R. Mather – FR/4  
 J. Gozdialski – NOR/Spooner

## CORRESPONDENCE/MEMORANDUM

DATE: June 9, 2010 FILE REF: NF 30036 & NF 30037

TO: Natural Resources Board

FROM: Matthew J. Frank 

SUBJECT: Proposed Easement on the Wisconsin Timber Associates,  
Tract, File NF 30036 and NF 30037

1. PARCEL DESCRIPTION:

State Forest Legacy Program  
Forest County

Grantor:

Wisconsin Timber Associates  
c/o Gordon Connor  
100 Mill Street  
Laona, WI 54541

Acres: 18,438.14Price: \$8,297,163Interest: State Forest Legacy EasementImprovements: None

Location: The easements are located in Forest County in the Towns of Nashville, Lincoln, Laona, and Blackwell.

Land Description: The subject land is flat to gently rolling and rolling. It is about 80% upland and 20% lowland forest.

<u>Covertypes Breakdown:</u>	Type:	Acreage:
	Upland	14,750.51
	Lowland	<u>3,687.63</u>
	TOTAL:	18,438.14

Zoning: Unzoned except for shoreline areasPresent Use: Industrial forestProposed Use: Sustainable forestry, resource protection and public recreationTenure: 50 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.

2. JUSTIFICATION:

The Department proposes to purchase State Forest Legacy Easements in Forest County from Wisconsin Timber Associates at a cost of \$8,297,163.

The land is surrounded primarily by national forest and county forestland. The Chequamegon-Nicolet National Forest is immediately adjacent to the easement land. The Ottawa National Forest (MI) is to the northwest; tribal-owned lands add to the forested landscape; and a 2006 Forest Legacy easement protects lands to the east. The major rivers and tributaries that begin or flow through the tract form the upper reaches of the Green Bay watershed that empties into Lake Michigan. Combining the adjacent public properties with this tract will protect a several hundred thousand-acre block of intact forest that contains

Wisconsin's two highest-ranking undeveloped wild lakes (Wabikon and Riley) and headwaters to the Green Bay on Lake Michigan. The former International Papers land, covered by a large easement transaction in 2006, is located to the east.

The Board approved a number of Forest Legacy areas at their February 2001 meeting. The proposed Wisconsin Timber Associates easements are within the Northern Forest Legacy Area. The area meets the State Forest Legacy Program criteria that defines forestlands as environmentally important and threatened. This Northern Forest Legacy Area is also part of the largest bird-breeding center in the United States and the forest cover protected by the easement will help maintain that habitat. The effort to acquire State Forest Legacy easements will help stop forest fragmentation with resulting benefits for the timber products industry. The 18,438.14 acres will be open to the public for outdoor recreation and managed for sustainable forestry at very low operational cost to the state.

Currently and historically, this tract has been owned by a timber company and managed as a working forest subject to the requirements of the Managed Forest Law (MFL) that requires sustainable forest management. The long-term management scheme has been to maintain an uneven, aged hemlock-hardwood forest resulting in an uncommon, very high quality industrial forest. The easements will require that landowners maintain this tract as a working forest in at least its current condition.

The agreement consists of state purchase of two easements. The easements will allow for public access and will prevent development of the property except for three, 40-acre sites, each of which can contain a single 5-acre building envelope that can be developed for residential use. Each of these three, 40-acre sites can be sold. Beyond possible future sale of the three, 40-acre sites and two easements, the agreement will not allow any further divisions of land. All timber management must be done in accordance with a sustainable forestry plan approved by the Department.

The easement tracts are approximately 80% upland and 20% lowland and swamp. It is nearly entirely forested with less than 5% classified as "non-productive lowland." About 68% of the land base is northern hardwood with the rest of the forestland composed of swamp conifers, lowland hardwoods, upland conifers, and small pockets of aspen. The tract contains approximately 20 miles of river and stream frontage on three rivers and eight streams. The topography is generally flat to gently rolling. A network of logging roads bisects this tract at nearly ¼-mile intervals.

The Department proposes purchase of State Forest Legacy easements from the Wisconsin Timber Associates to protect these environmentally important forestlands from being converted to non-forest uses. Additionally, the easement will ensure that sustainable use of the forest resources is a top priority, that public access to these lands is maintained and that the land remain undeveloped and in large blocks of ownership, suitable for sustainable forestry.

3. FINANCING:

State Stewardship (FY11) bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$50,000,000	\$26,845,046

4. ACQUISITION STATUS OF THE STATE FOREST LEGACY PROGRAM:

Established: 2002  
Acres Purchased to Date: 112,943.86  
Acquisition Goal: 112,876.0 Acres  
Percent Complete: 100.06%  
Cost to Date: \$43,475,040.81

5.a APPRAISAL:

Appraiser: William Steigerwaldt  
Valuation Date: March 24, 2010  
Appraised Value: \$8,297,163

Allocation of Values:

18,438.14 acres @ \$450 per acre: \$8,297,163

Highest and Best Use: Forestry and large block development

Appraisal Review: Peter Wolter – April 15, 2010

5.b APPRAISAL:

Appraiser: Michael Augustyn

Valuation Date: April 15, 2010

Appraised Value: \$8,297,000

Allocation of Values:

18,438.14 acres @ \$450 per acre: \$8,297,000

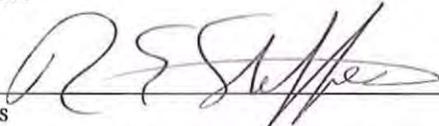
Highest and Best Use: Forestry and residential/recreational development

Appraisal Review: Richard Steffes – May 15, 2010

Comments: The appraisers both referenced to sales of similar high quality forestland at about \$1,250 per acre without encumbrances and \$800 encumbered by State Forest Legacy easement. The difference in value in these sales indicates a value of \$450 per acre for the subject State Forest Legacy easement. The easement provides for public access and limits fragmentation of ownership and development, thus, reducing future potential land value.

RECOMMENDED:

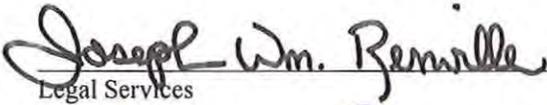
Richard E. Steffes



Date

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Legal Services



Date

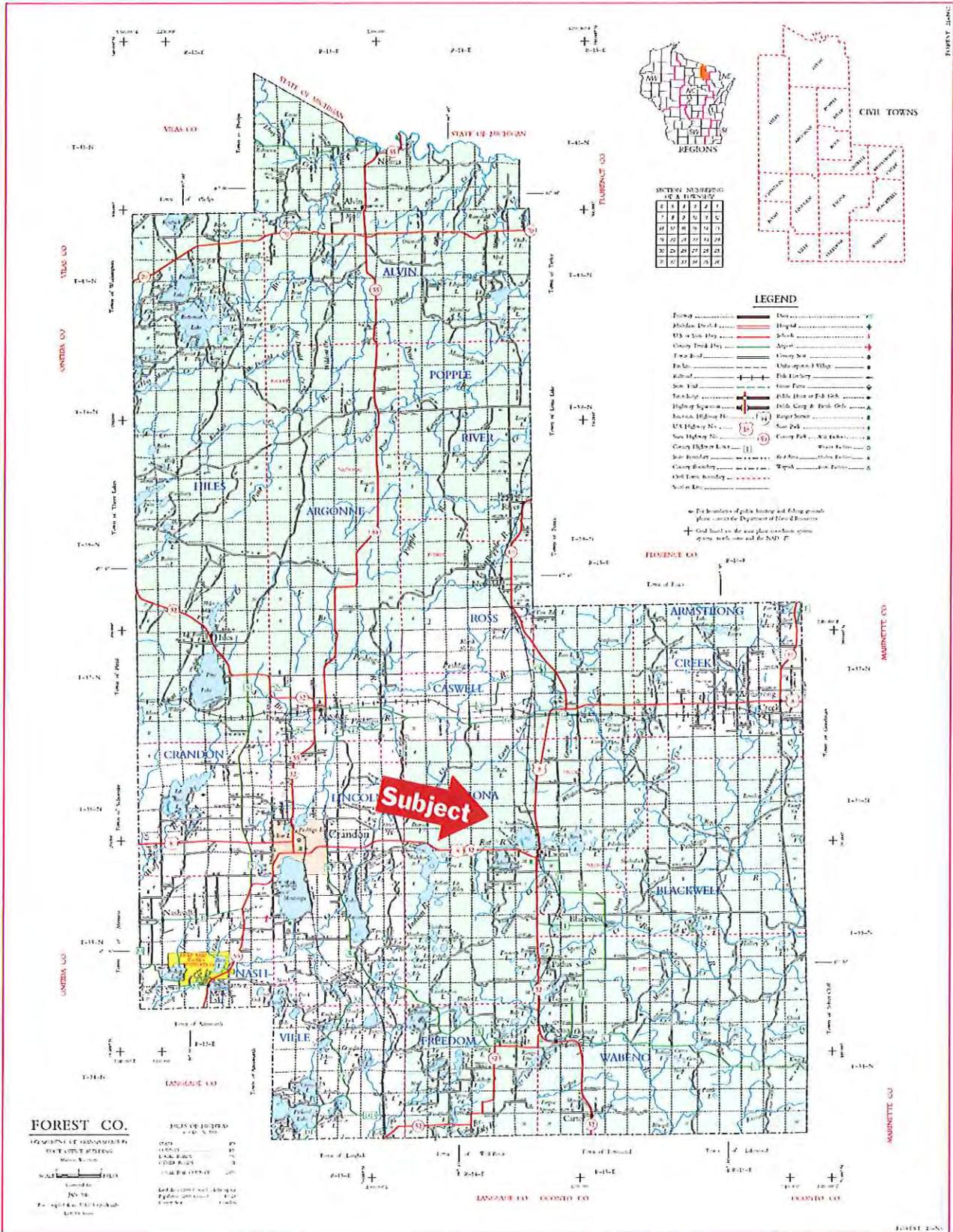
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Laurie Osterndorf



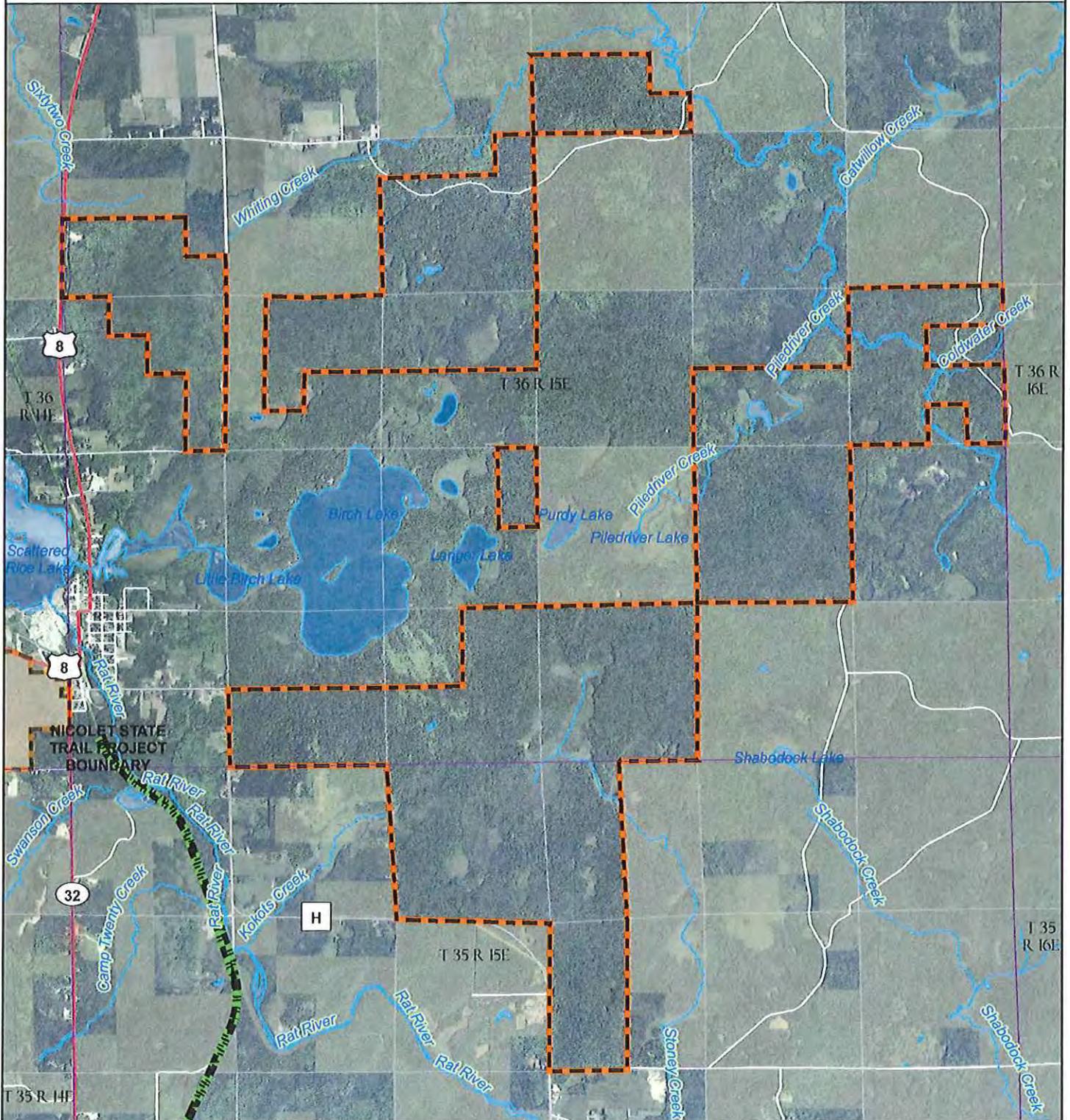
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# Wisconsin Timber Associates Parcels (Easement 2)

Various Sections in T36N R15E; T35N R15E (6,207.45 Acres)



- PLSS Section Line
- PLSS Township
- Easement 1
- National Forest Land
- County Forest Land
- DNR Project Boundary
- County Boundary
- DNR Eased
- DNR Owned

**Subject Property**

**NF 30037**

Forest Legacy Program

- Fee Simple
- Easement
- Ingress/Egress

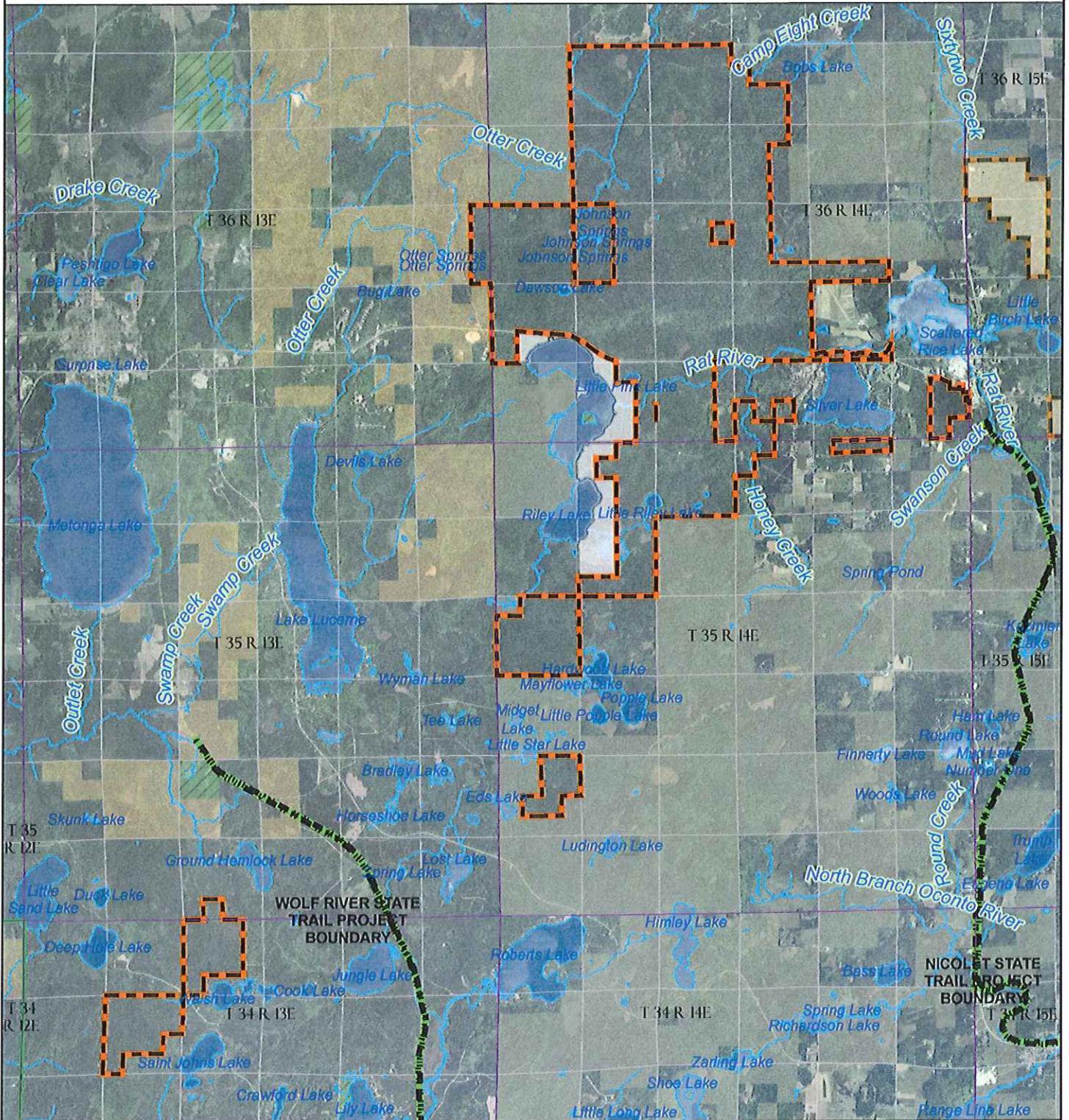
State of Wisconsin

March 29, 2010  
Real Estate Section  
Bureau of Facilities and Lands

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# Wisconsin Timber Associates Parcels (Easement 1)

Various Sections in T36N R13E & R14E; T35N R13E & R14E; T34N R13E (12,230.63 Acres)



PLSS Section Line	DNR Project Boundary
PLSS Township	County Boundary
Easement 2	DNR Eased
National Forest Land	DNR Owned
County Forest Land	Anticipated TNC Fee Title

0 2 4 Miles

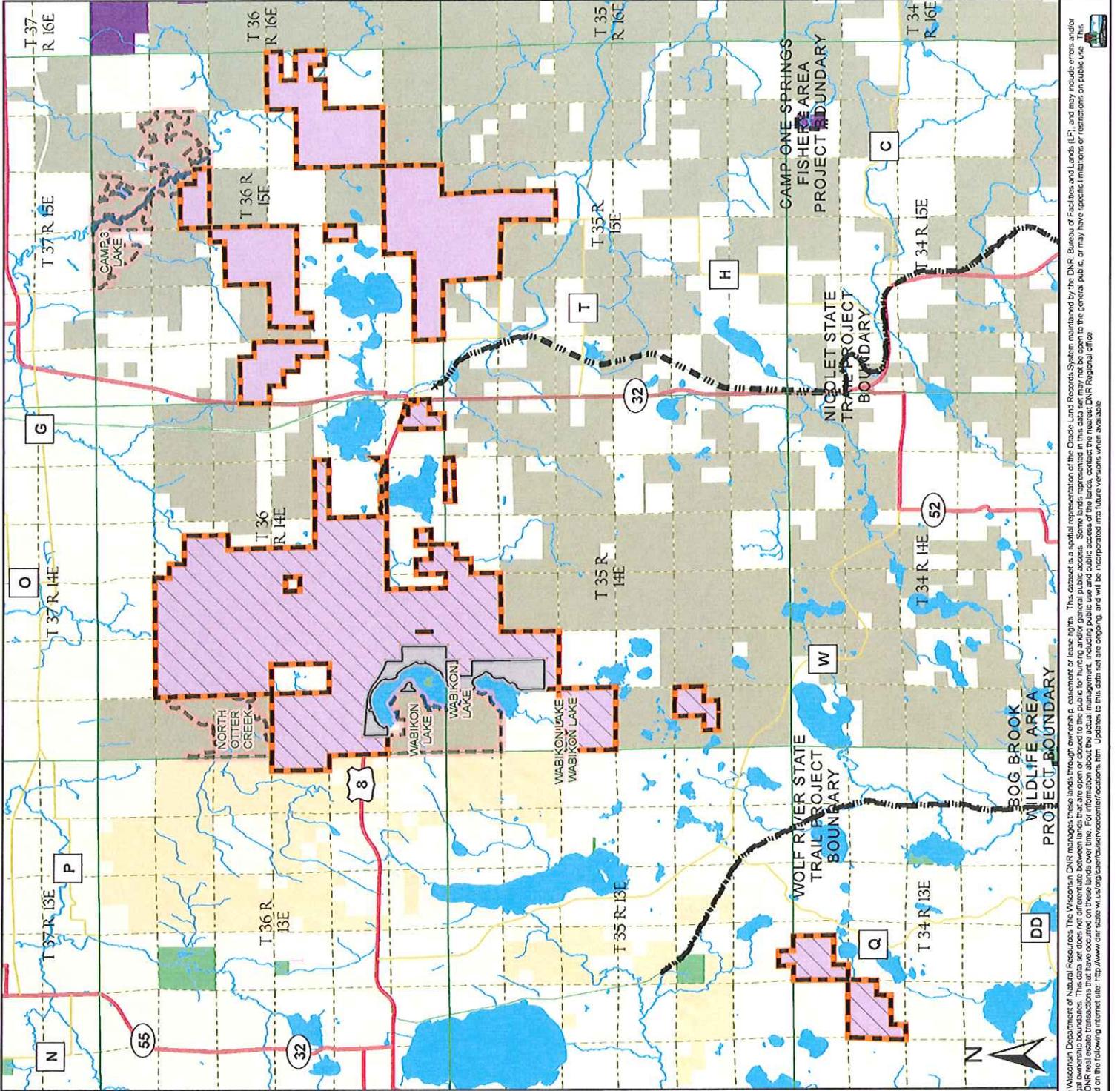
**Subject Property**  
**NF 30036**  
 Forest Legacy Program

Fee Simple  
 Easement  
 Ingress/Egress

State of Wisconsin

March 29, 2010  
 Real Estate Section  
 Bureau of Facilities and Lands

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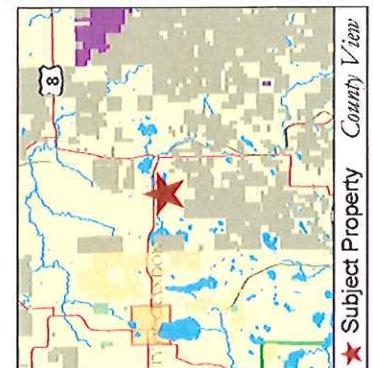


**Wisconsin Timber Associates Parcels Easement 1 & 2**  
**NF 30036 (12,230.67 Acres)**  
**NF 30037 (6,207.45 Acres)**

Various Sections Inside:  
 T36N: R13E, R14E, R15E  
 T35N: R13E, R14E, R15E  
 T34N: R13E  
 Forest County, WI  
 (18,438.12 Acres)

- Forest Legacy Program
- Easement 1 NF30036
  - Easement 2 NF30037

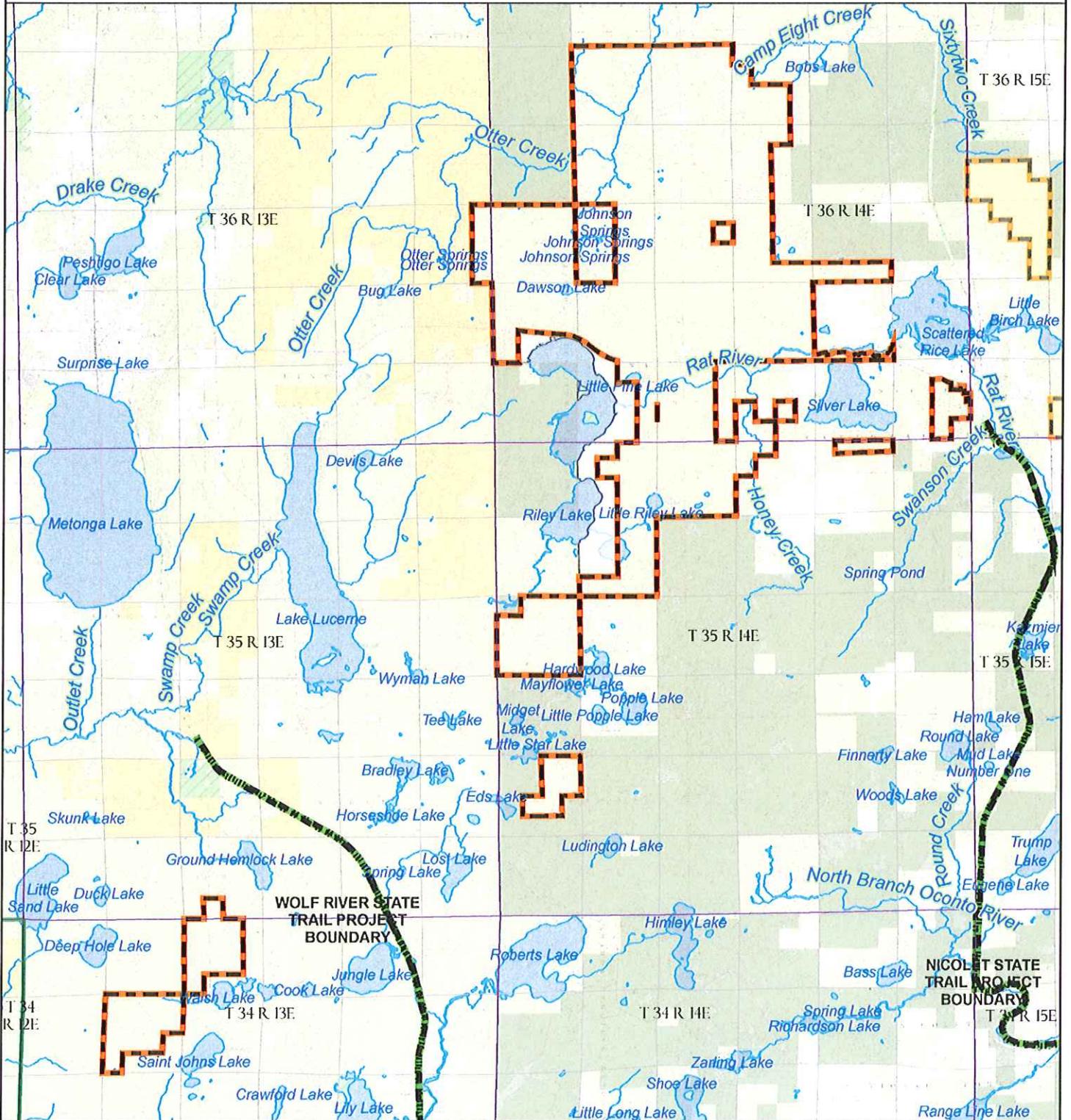
- Legend**
- Anticipated TNC Fee Title
  - DNR Project Boundary
  - State Natural Area
  - PLSS Section Line
  - DNR Owned
  - DNR Easement
  - County Forest Land
  - National Forest Land



The DNR Managed Lands represent the boundaries of lands managed by the Wisconsin Department of Natural Resources. The Wisconsin DNR manages these lands through ownership, easement or lease rights. This document is a spatial representation of the Oracle Land Records System maintained by the DNR, Bureau of Facilities and Lands (LF), and may include errors and/or omissions. The DNR does not warrant the accuracy of the information shown on this map. For more information on the DNR Managed Lands, please contact the DNR, Bureau of Facilities and Lands, 1000 Wisconsin Avenue, Suite 1000, Madison, WI 53706. For information about the actual management, including public use and public access of the lands, contact the nearest DNR Regional office. Contact information for DNR Regional Offices and Service Centers is provided on the following internet site: <http://www.dnr.state.wi.us/org/office/servecenter/locations.htm>. Updates to this data set are ongoing, and will be incorporated into future versions when available.

# Wisconsin Timber Associates Parcels (Easement 1)

Various Sections in T36N R13E & R14E; T35N R13E & R14E; T34N R13E (12,230.63 Acres)



PLSS Section Line	DNR Project Boundary	<b>Subject Property</b>	Fee Simple
PLSS Township	County Boundary	<b>NF 30036</b>	Easement
Easement 2	DNR Eased	<b>Forest Legacy Program</b>	Ingress/Egress
National Forest Land	DNR Owned		
County Forest Land	Anticipated TNC Fee Title		

0 2 4 Miles

State of Wisconsin  
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