

SUBJECT: EASEMENT ACQUISITIONS – FOREST LEGACY PROGRAM– ADAMS COUNTY

FOR: MAY 2013 BOARD MEETING

TO BE PRESENTED BY: Paul DeLong & Doug Haag

SUMMARY: The Department proposes to purchase two working forest easements on 9,168.28 acres from Plum Creek Timberlands for the Forest Legacy program in Adams County for a total cost of \$5,500,968. The item is being submitted because the purchase price is more than \$150,000. The property is comprised of two large tracts and this project will include a 7,529.03-acre Forest Legacy easement with \$3,000,000 anticipated from a USDA Forest Service Forest Legacy grant, and a 1,639.25-acre Recovery Lands easement with \$737,662 anticipated from a US Fish and Wildlife Service Cooperative Endangered Species grant to benefit the Kirtland's Warbler. The remaining \$1,763,306 will come from the Knowles-Nelson Stewardship Program.

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 public outdoor recreational uses; and
- accomplish these goals permanently and at lower cost than fee title purchase.

In recent years, industrial forest companies have sold significant amounts of land and the rate of forest fragmentation is increasing in the region. This proposal will ensure these forestlands will remain open to the public and in private industrial forest management. The parcels are 90% forested and have been professionally managed for decades as mostly red pine plantations; however, the lands in the Kirtland's warbler recovery area have been replanted to jack pines as part of an experimental habitat partnership project with WDNR and the USFWS.

Public outdoor recreation is an important component of these easements. The entire property will be open for hiking, fishing, hunting, trapping, and cross-country skiing, as well as other passive recreational uses. Designated snowmobile trails and ATV trails traverse the easement areas and these uses will continue under the easements. Access to the easement lands is via the public road system and the southern parcel will include a dedicated access easement and parking area.

The southern easement unit is adjacent to the 6,250-acre Quincy Bluff State Natural Area. The project area's oak-pine forests, barrens and peatlands provide the habitat needed by the federally endangered Kirtland's warbler and Karner blue butterfly. The Kirtland's warbler was discovered on the northern easement unit in 2007 and has continued to nest there, successfully producing more than 54 offspring from 2008 to 2011. Wisconsin, Michigan, and Ontario, Canada have the only documented nesting pairs of Kirtland's warbler in the world, and this property contains the highest concentration of the species in Wisconsin. Conservation elements in the Recovery Lands easement encourage a shifting mosaic of blocks of young pine forests, which provides critical habitat for the Kirtland's warbler. In addition, the easements will secure the property's economic values as Wisconsin leads the nation in the number of employees and the value of shipments in the forest products sector at \$18 billion annually. The enrichment of sustainable forestry practices on forest ownerships directly benefits our state's economy and environment. Acquisition of the 9,168.28-acre Forest Legacy easements will ensure these central-Wisconsin forestlands continue to play a vital role in Wisconsin's forest and tourism economies.

RECOMMENDATION: That the Board approve the purchase of a Forest Legacy easement on 7,529.03 acres of land for \$4,517,418 and a Recovery Lands easement on 1,639.25 acres of land for \$983,550 for the Forest Legacy program.

LIST OF ATTACHED MATERIALS:

No Fiscal Estimate Required

Yes Attached

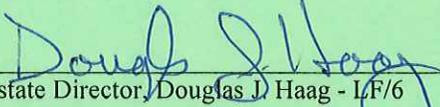
No Environmental Assessment of Impact Statement Required

Yes Attached

No Background Memo

Yes Attached

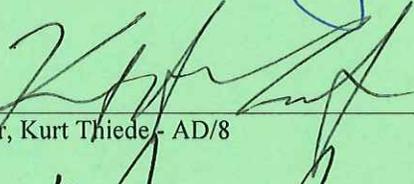
APPROVED:



Real Estate Director, Douglas J. Haag - LF/6

4-22-13

Date



Administrator, Kurt Thiede - AD/8

4-26-13

Date



Secretary, Cathy Stepp - AD/8

4/30/13

Date

cc: S. Miller - LF/6
D. Haag - LF/6
L. Ross - AD/8
R. Mather - FR/4

CORRESPONDENCE/MEMORANDUM

DATE: April 19, 2013 FILE REF: NF 30085 and NF 30086
 TO: Kurt Thiede
 FROM: Douglas J Haag
 SUBJECT: Proposed Easement Acquisitions on the Plum Creek Timberlands, L.P. (RL - Central Sands) and (FLP - Central Sands) Tracts, File # NF 30085 and NF 30086

1. PARCEL DESCRIPTION:

FOREST LEGACY PROGRAM
 Adams County

Grantor:

Plum Creek Timberlands, LP
 Dan Lemke
 1411 N. 4th Street
 Tomahawk, WI 54487

Acres: 1,639.25 and 7,529.03

Price: \$983,550 and \$4,517,418

Interest: Easement

Improvements: None

Location: The tract is located in Adams County 5 miles Northwest of Adams-Friendship.

Land Description: The subject land is gently rolling to rolling

Covertypes Breakdown:

Type	Acreage
Pine Plantation	8,224.28
Lowland Woodland	31
Upland Woodland	84
Urban / Developed	193
Brush	636
Total:	9,168.28

Zoning: Mixed - productive forestland and exclusive ag

Present Use: Forestry

Proposed Use: Public access, conservation and working forest

Tenure: 20+

Option Date: April 15, 2013

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 two working forest easements on 9,168.28 acres from Plum Creek Timberlands for the Forest Legacy program in Adams County for a total cost of \$5,500,968. The item is being submitted because the purchase price is more than \$150,000. The property is comprised of two large tracts and includes a 7,529.03-acre Forest Legacy easement with \$3,000,000 anticipated from a USDA Forest Service Forest Legacy grant, and a 1,639.25-acre Recovery Lands easement with \$737,662 anticipated from a US Fish and

Wildlife Service Cooperative Endangered Species grant to benefit the Kirtland's Warbler. The remaining \$1,763,306 will come from the Knowles-Nelson Stewardship Program.

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- manage the property as part of the underlying landowner's commercial timber harvest base while providing open space;
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- accomplish these goals permanently and at lower cost than fee title purchase.

In recent years, industrial forest companies have sold significant amounts of land and the rate of forest fragmentation is increasing in the region. This proposal will ensure these forestlands will remain open to the public and in private industrial forest management. The parcels are 90% forested and have been professionally managed for decades as mostly red pine plantations; however, the lands in the Kirtland's warbler recovery area have been replanted to jack pines as part of an experimental habitat partnership project with WDNR and the USFWS.

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The southern easement unit is adjacent to the 6,250-acre Quincy Bluff State Natural Area. The project area's oak-pine forests, barrens and peatlands provide the habitat needed by the federally endangered Kirtland's warbler and Karner blue butterfly. The Kirtland's warbler was discovered on the northern easement unit in 2007 and has continued to nest there, successfully producing more than 54 offspring from 2008 to 2011. Wisconsin, Michigan, and Ontario, Canada have the only documented nesting pairs of Kirtland's warbler in the world, and this property contains the highest concentration of the species in the state. Conservation elements in the Recovery Lands easement encourage a shifting mosaic of blocks of young pine forests, which provides critical habitat for the species. In addition, the easements will secure the property's economic values as Wisconsin leads the nation in the number of employees and the value of shipments in the forest products sector at \$18 billion annually. The enrichment of sustainable forestry practices on forest ownerships directly benefits our state's economy and environment.

Acquisition of the 9,168.28-acre Forest Legacy easements will help protect and preserve the integrity of these central-Wisconsin forestlands in perpetuity, prevent forest fragmentation and promote the sustainable use of the forest. The tracts that comprise the easements are critical to providing land for public outdoor recreation opportunities. The property included in these easements will be managed by the private sector as sustainable forestland with many opportunities for public recreation.

3. LAND MANAGEMENT:

The easements require a forest management plan to be approved by the Department. Land management will be done by the underlying fee title landowner (currently Plum Creek Timberlands, LP). The easements require sustainable, professional forestry and that the land be open for public outdoor recreation. The Recovery Lands easement will include additional habitat management requirements to benefit the recovery of the Kirtland's warbler.

4. FINANCING:

\$3,000,000 Federal USFS Forest Legacy funds are anticipated.
\$737,662 Federal USFWS Cooperative Endangered Species funds are anticipated
State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$3,243,994	\$0

5. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002
Acres Purchased to Date: 198,214.91
Cost to Date: \$59,575,239.81

6. APPRAISAL #1:

Appraiser: Michael Stone
Valuation Date: March 08, 2013
Appraised Value: \$10,550,000
Total Acres: 9168.28
Highest and Best Use: Forestry
Allocation of Values:

Before Value:	\$10,550,000 (\$1150/acre)
After Value:	\$5,500,000 (\$600/acre)
Easement:	\$5,050,000 (\$550/acre)

Appraisal Review: Peter B. Wolter – 4/8/2013

APPRAISAL #2:

Appraiser: Bill Steigerwaldt
Valuation Date: August 24, 2011
Total acres: 9048.28
Appraised Value: \$9,953,000 or \$1100/acre
Highest and Best Use: Timber/Real Estate Investment
Allocation of Values:

Before Value:	\$9,953,000 (\$1100/acre)
After Value:	\$3,629,000 (\$401/acre)
Easement:	\$6,324,000 (\$699/acre)

Appraisal Review: Peter B. Wolter - 9/22/2011

APPRAISAL #3:

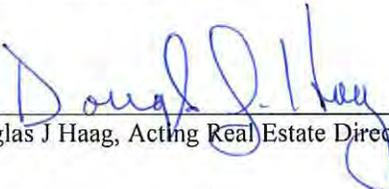
Appraiser: Tim Mack
Valuation Date: December 6, 2011
Total Acres: 13,802 (larger parcel); 1,360 (easement)
Appraised Value: \$9,620,000 or \$697/acre
Allocation of Values:

Before Value: \$9,620,000 (\$697/acre)
After Value: \$8,970,000 (\$650/acre)
Easement: \$650,000 (\$497/acre on 1,360-acre easement)

Appraisal Review: Peter B. Wolter – 12/15/2012

Appraisal Review Comments: Reviewer felt Stone appraisal was most accurate and supported, but developed own opinion of value due to slight disagreement with the final “after value” of larger parcel. Selected after value of \$550 per acre, making easement value \$600 per acre.

RECOMMENDED:



Douglas J Haag, Acting Real Estate Director

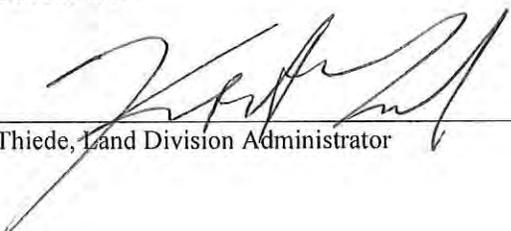
4-22-13
Date



Kristin A. Hess, Bureau of Legal Services

4/23/13
Date

APPROVED BY:



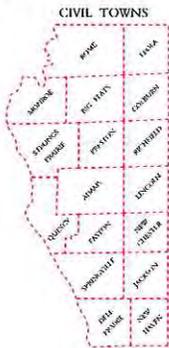
Kurt Thiede, Land Division Administrator

4/26/13
Date

LEGEND

- Freeway
- Mainline Divided
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Furrow
- Railroad
- State Trail
- Interchange
- Highway Separation
- Interstate Highway
- U.S. Highway Etc.
- State Highway No.
- County Highway Letter
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Dam
- Hospital
- School
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt or Fish Gnd.
- Public Camp & Picnic Gnd.
- Ranger Station
- State Park
- County Park
- Rest Area
- Wayside

→ For boundaries of public hunting and fishing grounds please consult the Department of Natural Resources.
 + Grid based on the state plane coordinate system south zone and the NAD 83.



SECTION NUMBERING OF A TOWNSHIP

1	2	3	4	5	6	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	37	38	39	40

MILES OF HIGHWAY

STATE	41
U.S. HWYS	27
U.S. & STATE HWYS	110
COUNTY TRUNK HWYS	4
TOTAL FOR COUNTY	182

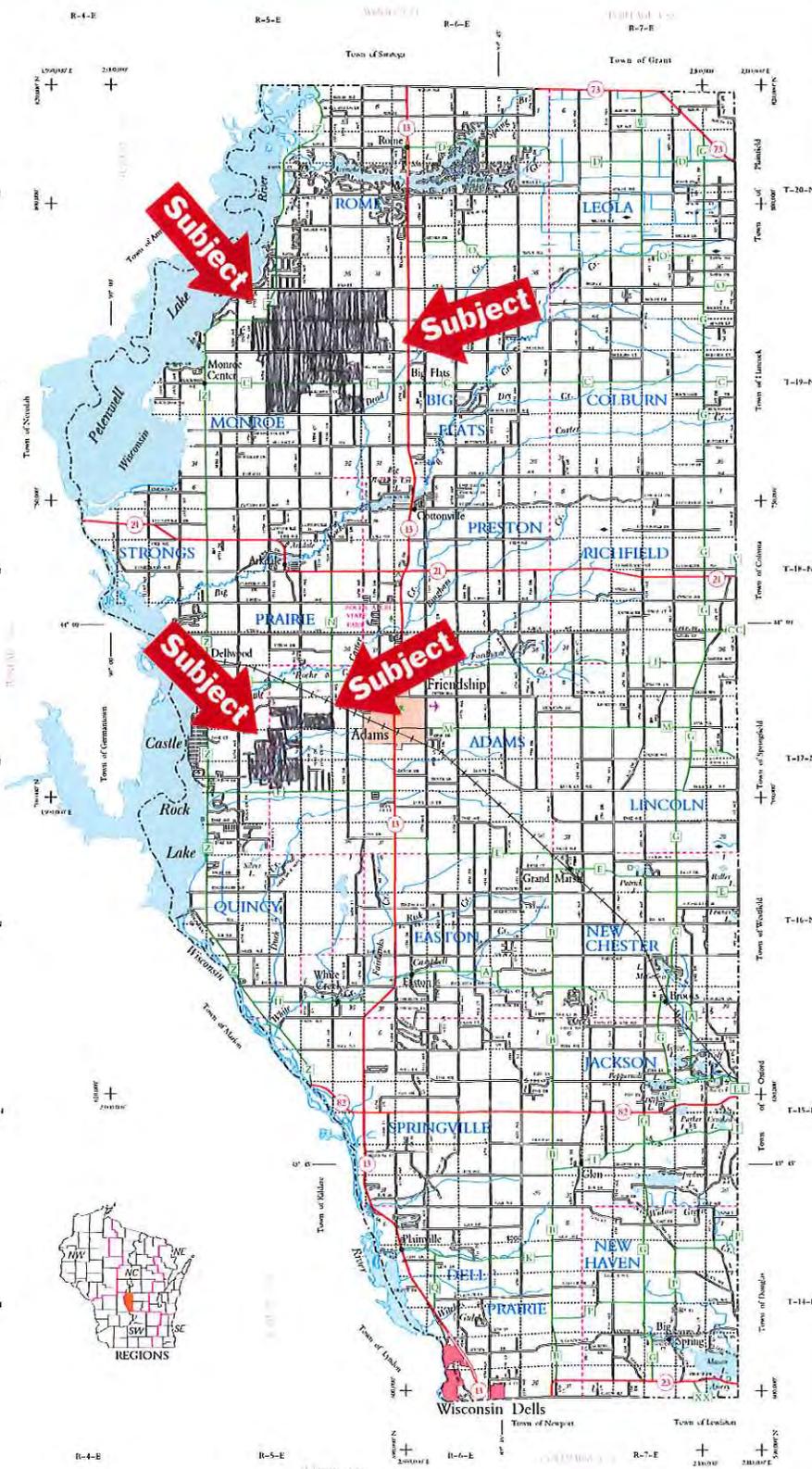
Land Area (2010 Census) - 445 sq. mi.
 Population (2010 Census) - 30,441
 County Seat - Friendship

ADAMS CO.

DEPARTMENT OF TRANSPORTATION
 STATE OFFICE BUILDING
 Madison, Wisconsin

Scale 1:50,000
 0 1 2 MILES

Map compiled from USGS Quadrangle
 1:50,000 Scale



ADAMS 1-SC

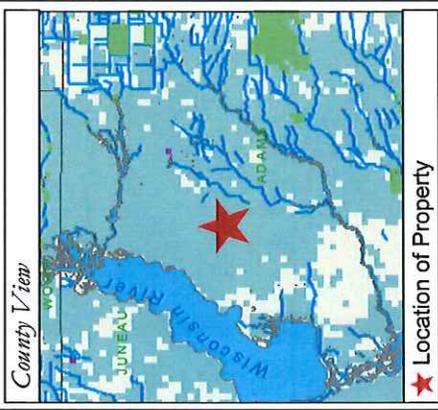
ADAMS 1-NC

Plum Creek Timberlands Northern Unit

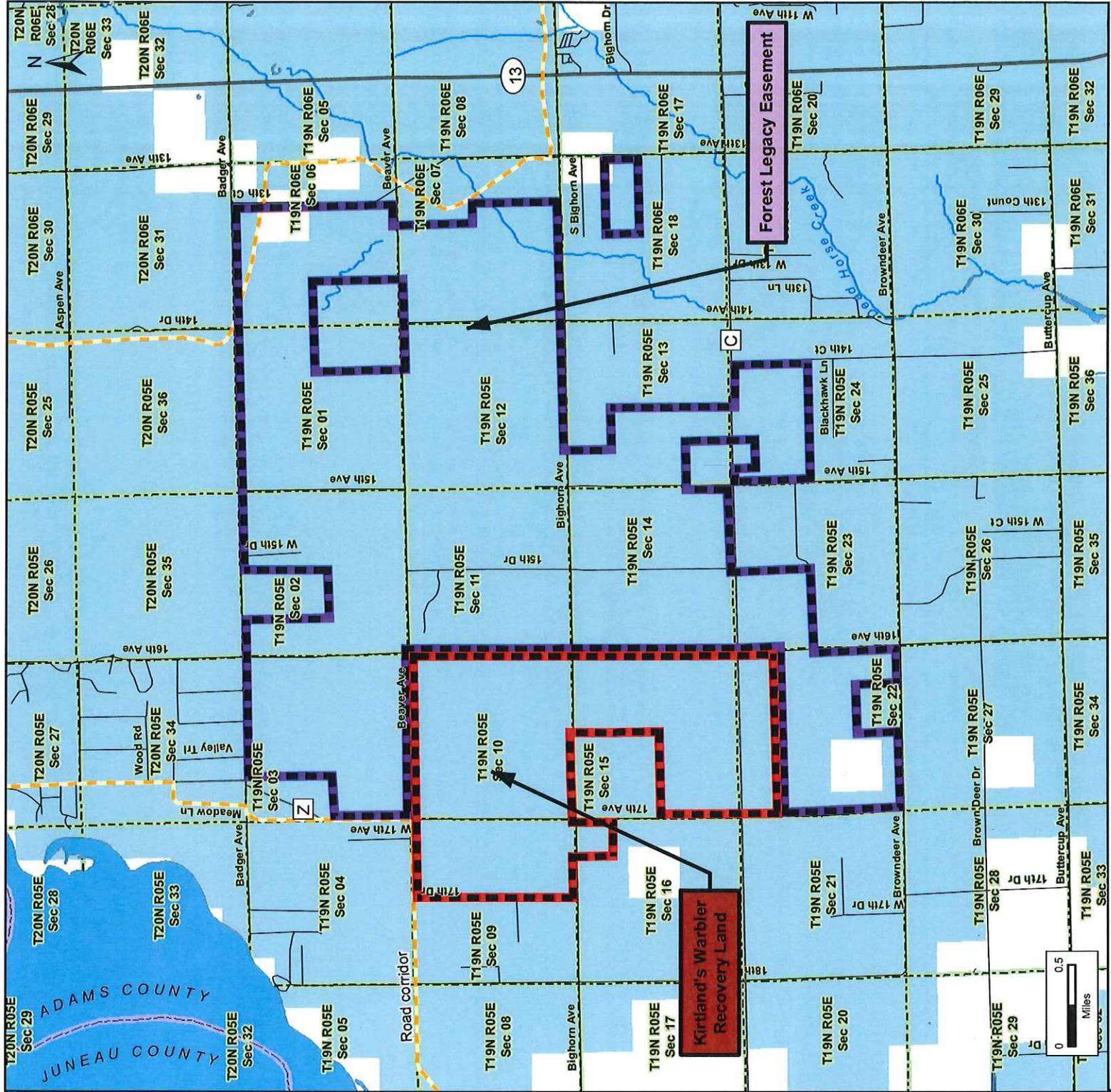
T19N R5E Sec 3, 9, 10, 15, 16 & 22
Town of Monroe, Adams County
And
T19N R5E Sec 1, 2, 11, 12,
13, 14, 23 & 24
Town of Big Flats, Adams County
And
T19N R 6E Sec 6, 7 & 18
Town of Big Flats, Adams County

-  Kirtland's Warbler Recovery Land
-  Forest Legacy Easement

-  High Potential Range for Karner Blue Butterfly
-  Recreation Trail
-  PLSS Section Line
-  WDNR Owned
-  WDNR Easement



 WISCONSIN DEPARTMENT OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Jan 17, 2013 - kmh

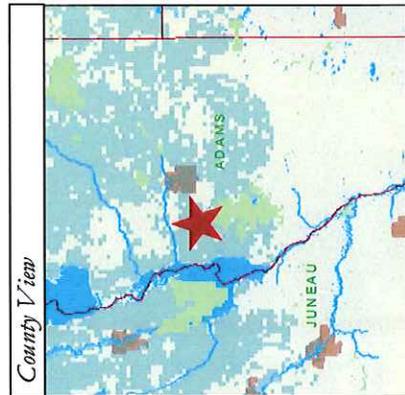


**Plum Creek
Timberlands
Southern Unit**

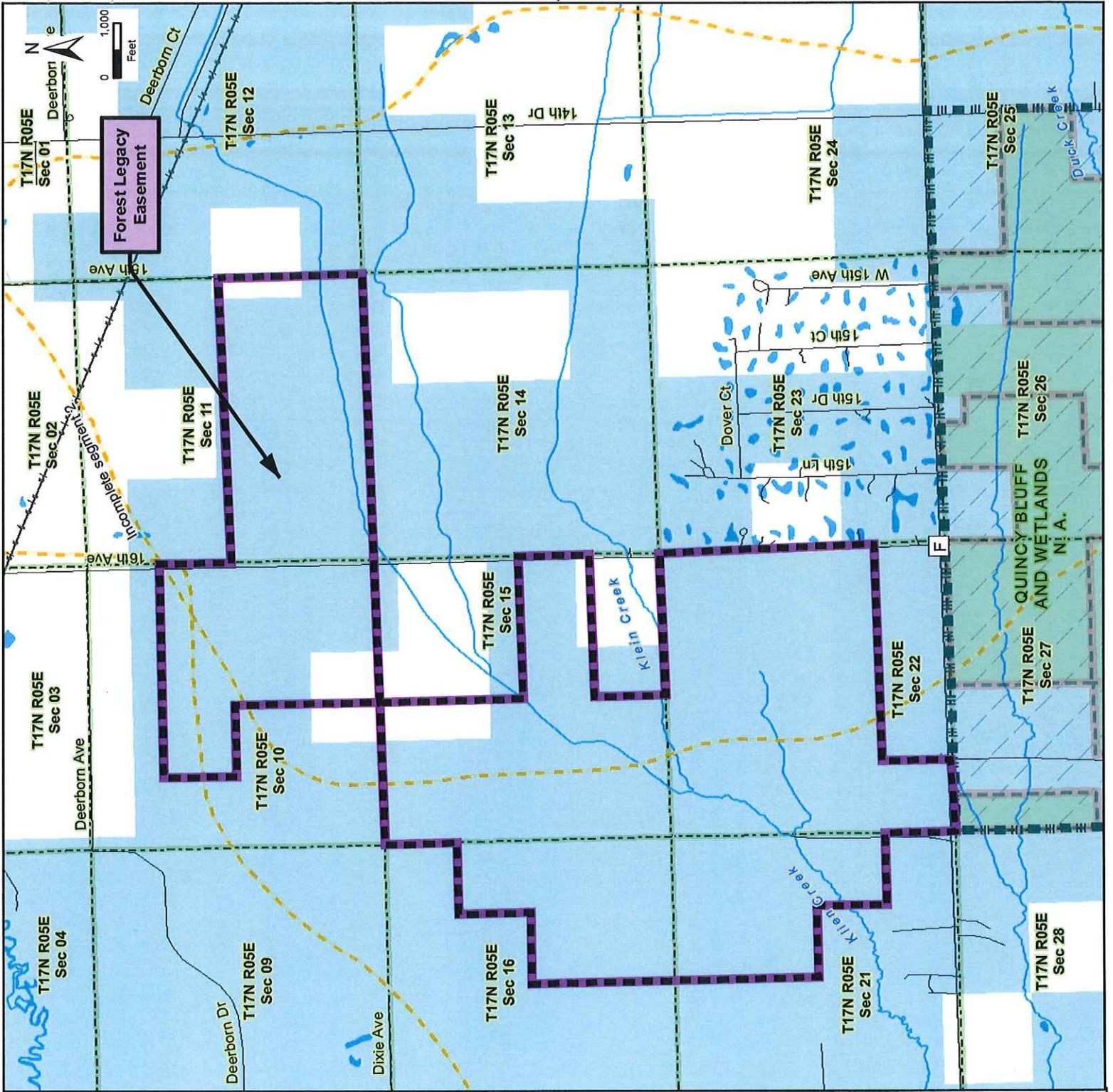
T17N R5E Sec 10, 11,
15 & 22
Town of Adams
Adams County
and
T17 R5E Sec 16 & 21
Town of Quincy
Adams County



- High Potential Range for Karner Blue Butterfly
- DNR Project Boundary
- State Natural Area
- Recreation
- Trail
- PLSS Section Line
- WDNR Owned
- WDNR Easement



★ Location of Property



Plum Creek Timberlands Northern Unit

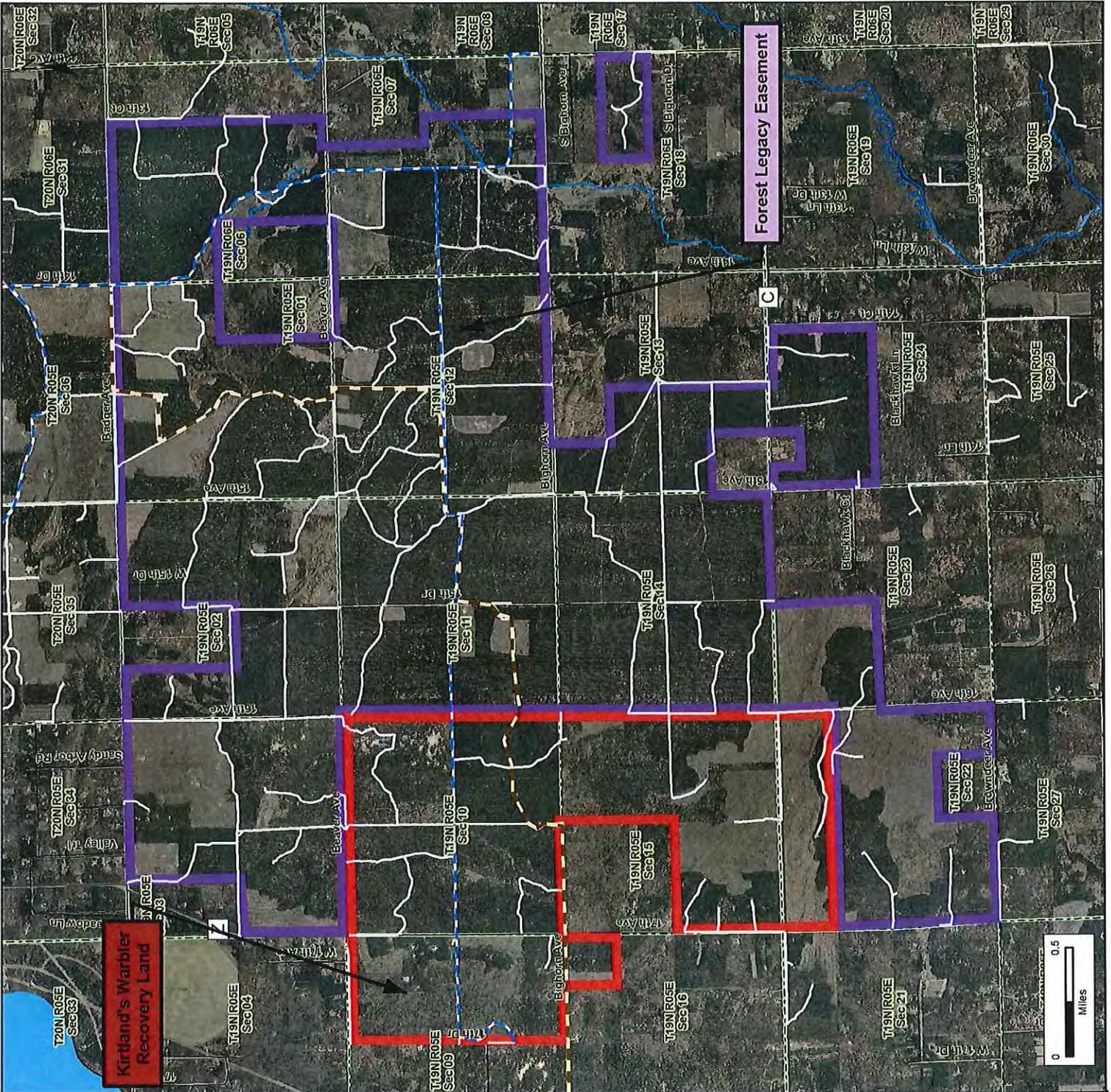
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And
T19N R 6E Sec 6, 7 & 18
Town of Big Flats, Adams County

-  Kirtland's Warbler Recovery Land
-  Forest Legacy Easement
-  Woods Roads
-  Snowmobile Trail
-  ATV Trail
-  PLSS Section Line
-  WDNR Owned
-  WDNR Easement



★ Location of Property

 WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Apr 10, 2013 kmh



**Kirtland's Warbler
Recovery Land**

Forest Legacy Easement

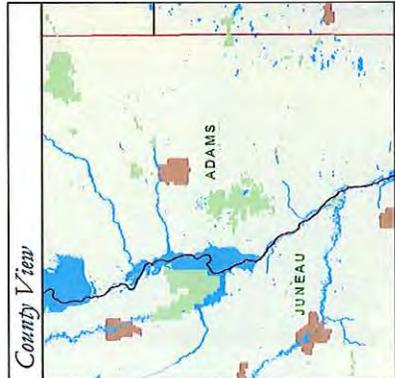


**Plum Creek
Timberlands
Southern Unit**

T17N R5E Sec 10, 11,
15 & 22
Town of Adams
Adams County
and
T17 R5E Sec 16 & 21
Town of Quincy
Adams County

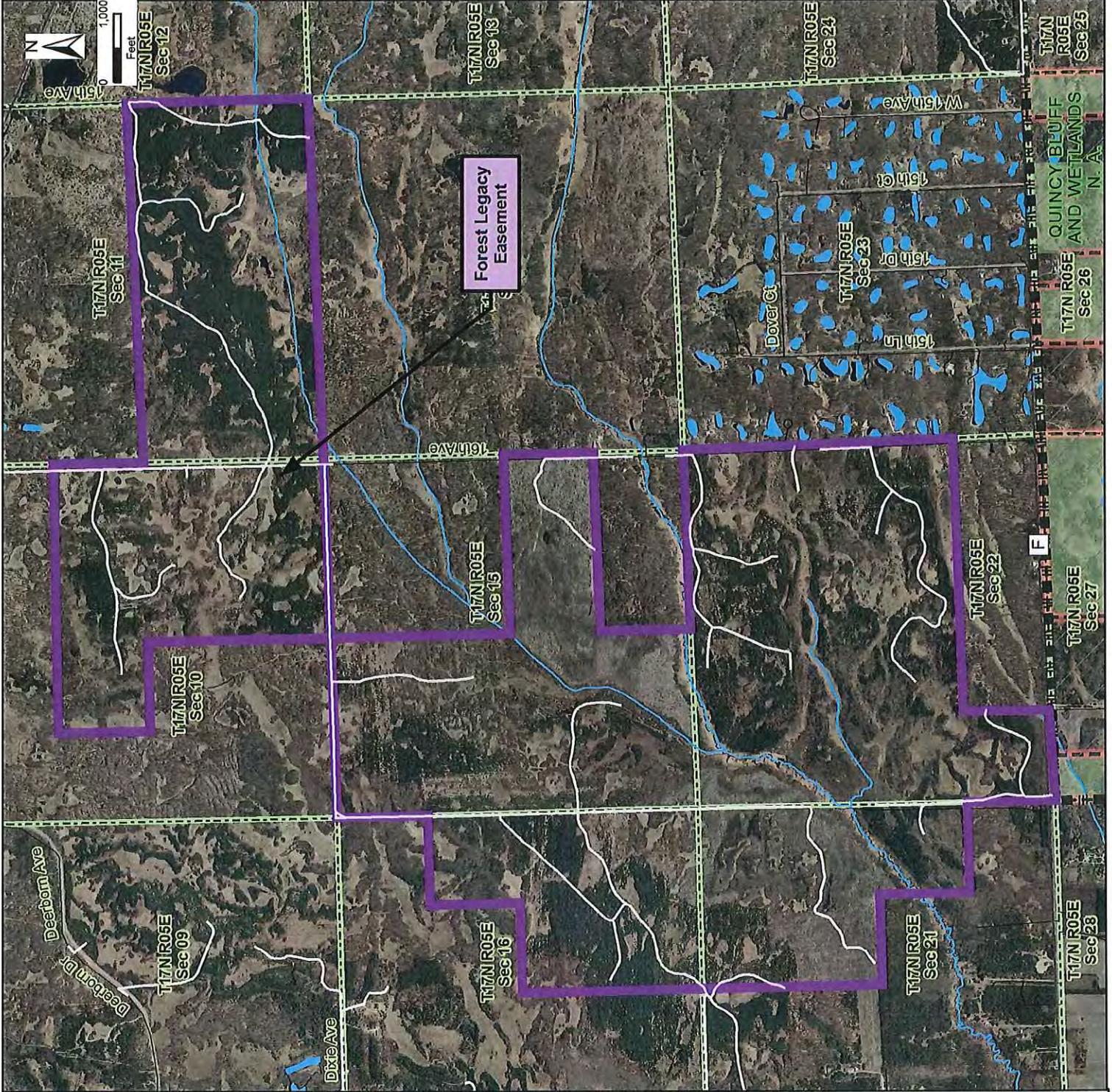
 Subject Parcel

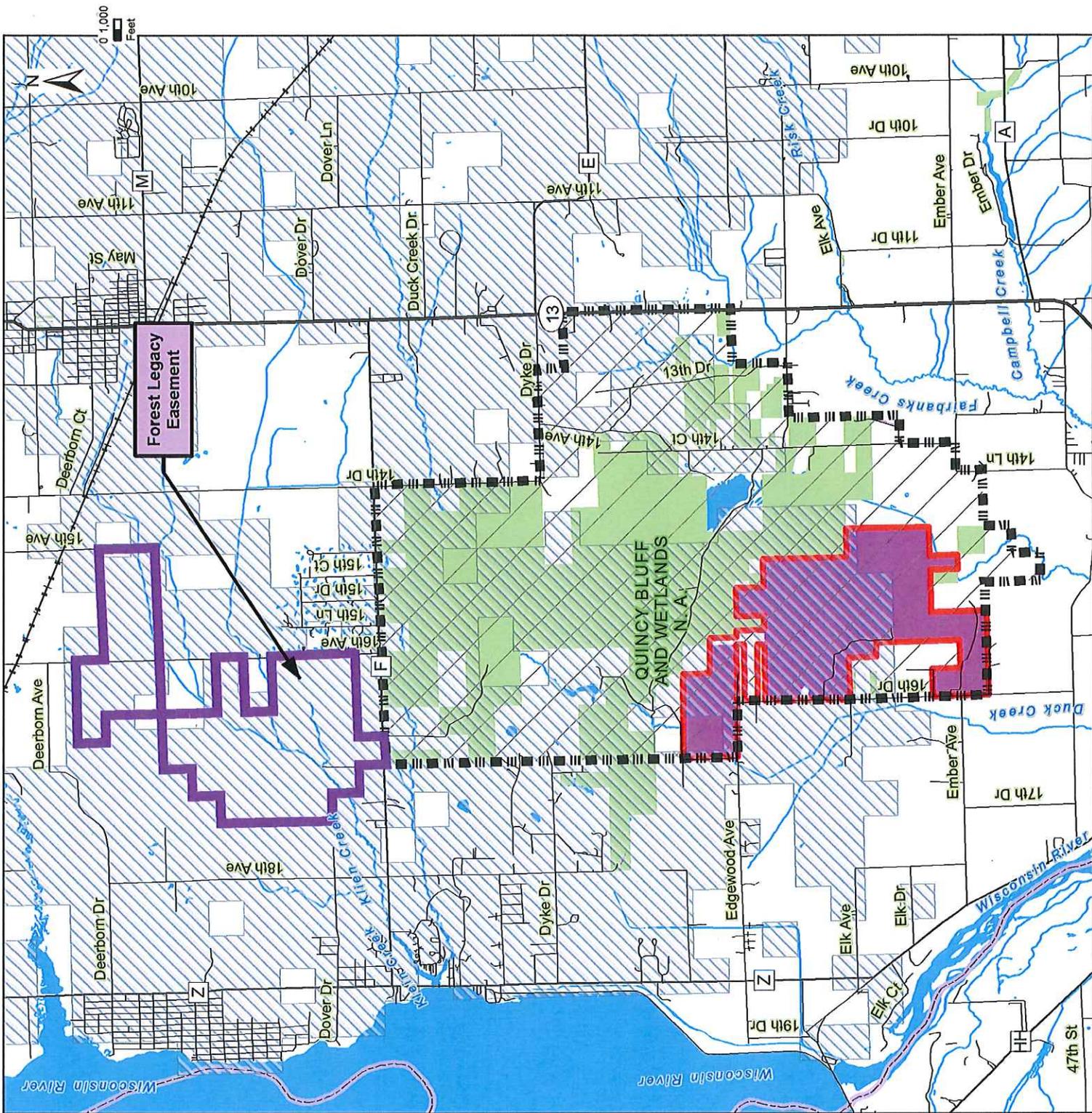
-  Woods Roads
-  DNR Project Boundary
-  State Natural Area
-  PLSS Section Line
-  WDNR Owned
-  WDNR Easement



 Location of Property


 WISCONSIN DEPARTMENT
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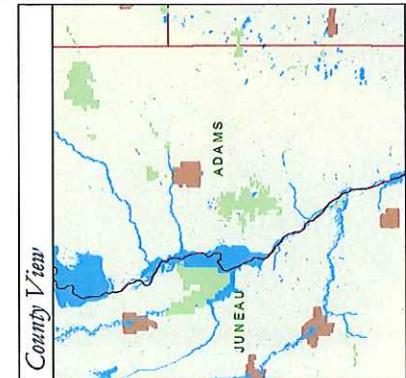


**Plum Creek
Timberlands
Southern Unit**

T17N R5E Sec 10, 11,
15 & 22
Town of Adams
Adams County
and
T17 R5E Sec 16 & 21
Town of Quincy
Adams County

 Subject Parcel

-  TNC to DNR Fee Parcels
-  DNR Project Boundary
-  High Potential Range for Karner Blue Butterfly
-  WDNR Owned
-  WDNR Easement



 Location of Property

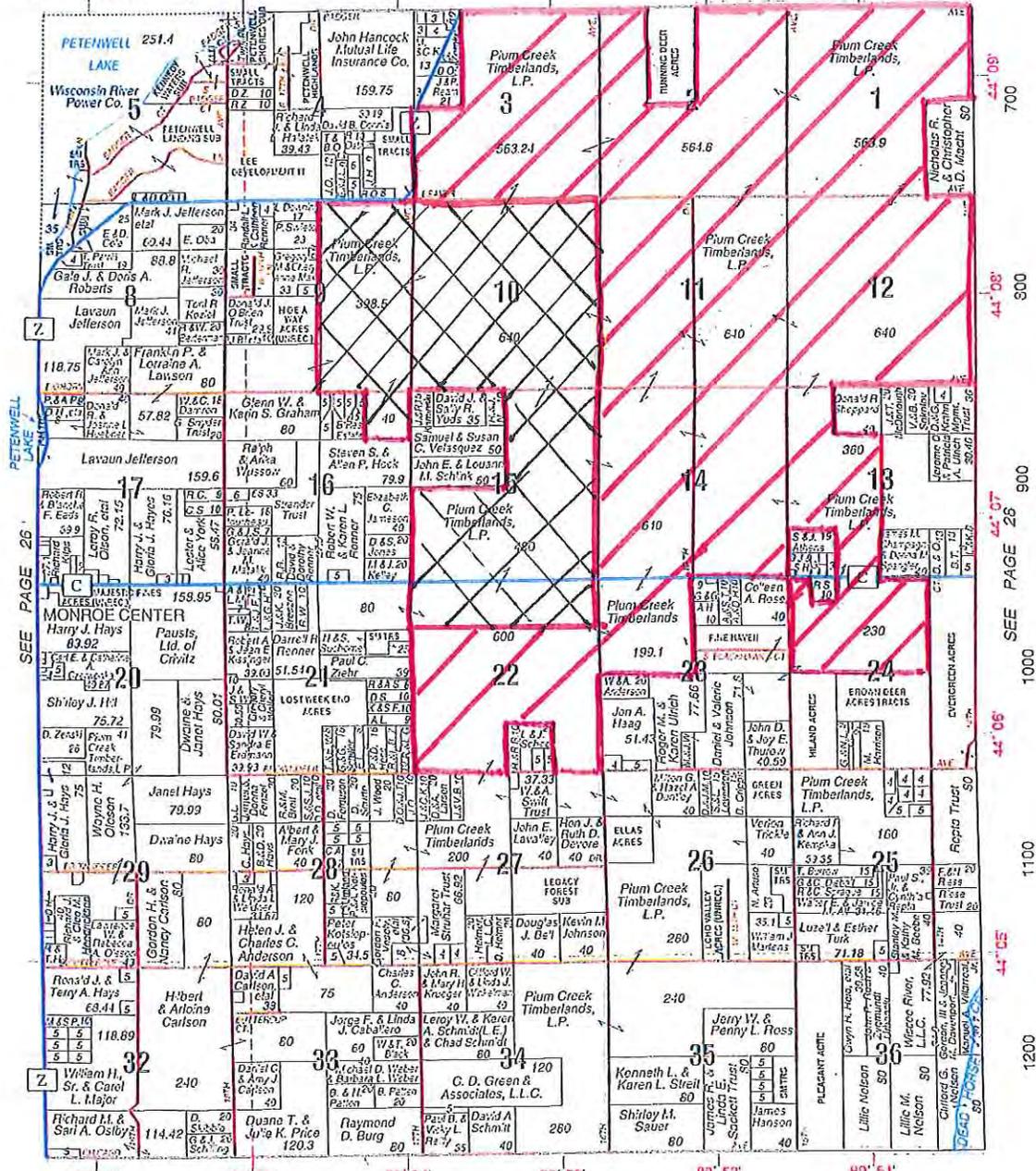
WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Apr 10, 2013 kmh

EAST PART MONROE WEST PART BIG FLATS

T.19N.-R.5E.

JUNEAU COUNTY

SEE PAGE 30



SEE PAGE 26

41° 08' 700
 41° 08' 800
 42° 07' 900
 44° 06' 1000
 44° 06' 1100
 44° 06' 1200

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MONROE TWP. → BIG FLATS TWP.

Adams County, WI

1800

1700

1600

SEE PAGE 22

1500

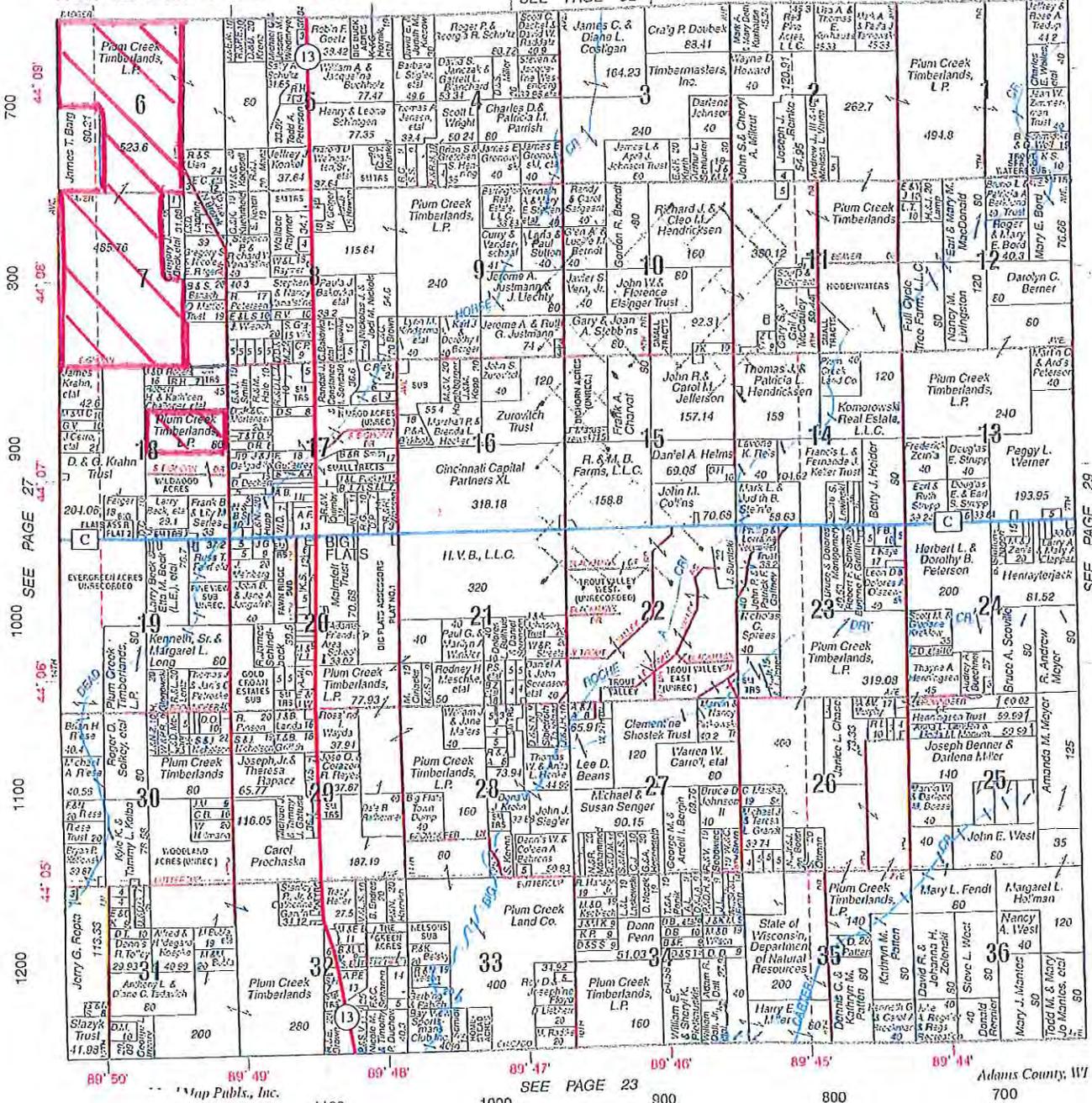
1400

FLP Easement
 RL Easement

EAST PART BIG FLATS

T.19N.-R.6E.

SEE PAGE 32



SEE PAGE 29

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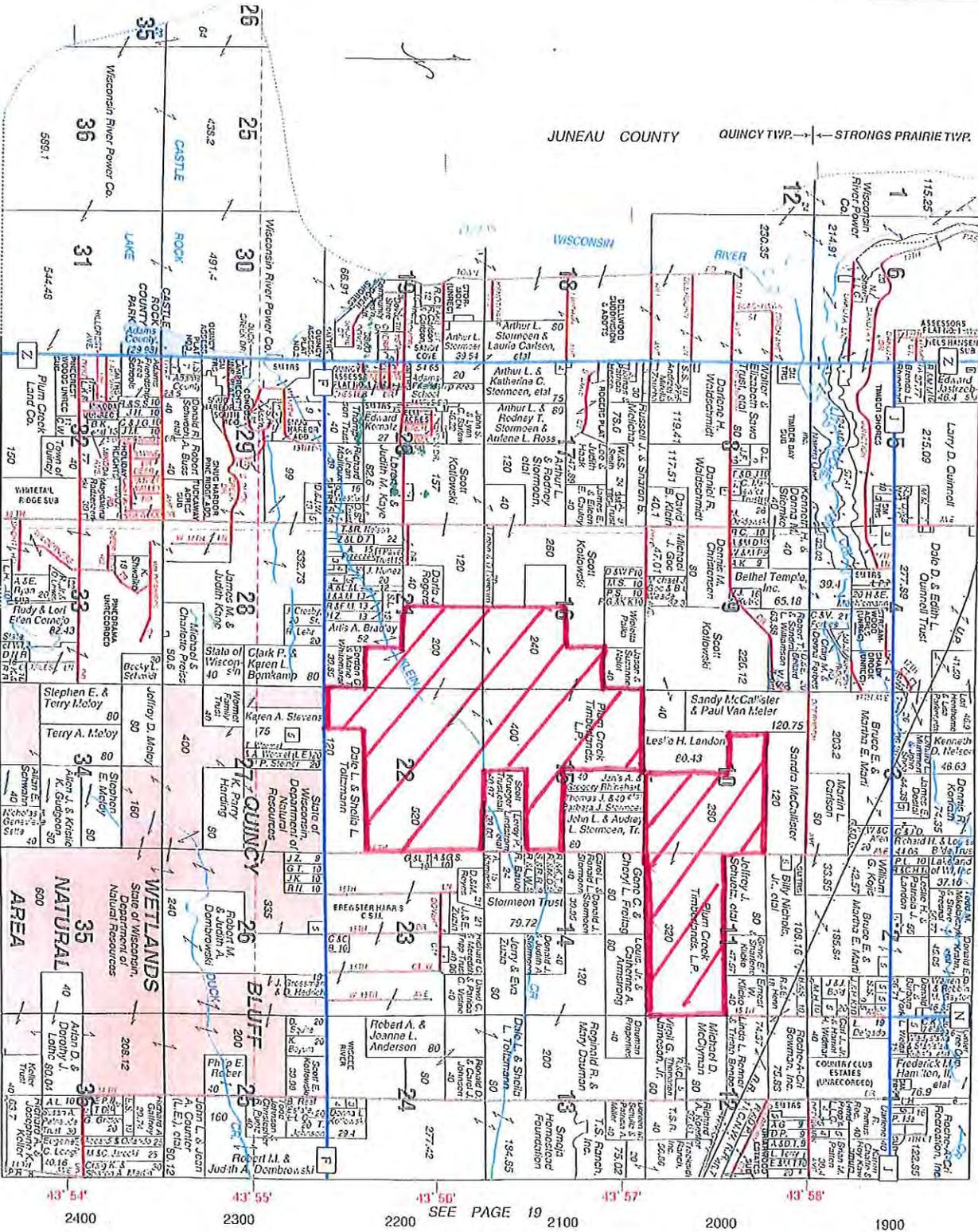
SEE PAGE 23

Adams County, WI

STRONGS PRAIRIE WEST ADAMS PART NORTH QUINCY T.17N.-R.4-5E.

SEE PAGE 21

SEE PAGE 22



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