

**SUBJECT: EASEMENT ACQUISITION – FOREST LEGACY PROGRAM – SAWYER COUNTY**

**FOR: OCTOBER 2010 BOARD MEETING**

**TO BE PRESENTED BY: Richard Steffes**

**SUMMARY:** The Department proposes to purchase an 8,095.78-acre Forest Legacy easement from Plum Creek Timberlands for the Forest Legacy program in Sawyer County for a cost of \$3,650,900. The item is being submitted because the purchase price is higher than \$150,000. The proposed transaction is Phase I of a two-phase, working forest conservation easement, which will ultimately protect 18,179.08 acres of hardwood and pine forest. The easement will establish a protected land connection between the Chequamegon-Nicolet National Forest and lands of the Lac Courte Oreille Band of Lake Superior Chippewa. In addition, it will block in well with the Department's Chippewa Flowage property, protecting a wildlife corridor around the flowage. The Department has obtained a \$1,500,000 grant from the USDA Forest Service for this easement leaving a net cost of \$2,150,900 to the Department's Stewardship program for Phase I. The Department plans to return to the Board next year for approval of Phase II after additional federal funding is secured. Phase II is for 10,083.3 acres at a cost of \$4,547,100 of which 2/3 is expected to be federal funds.

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;
- accomplish these goals permanently and at lower cost than fee title purchase.

In conjunction with federal program requirements of the Forest Legacy program, the state shall not close on the property until all necessary approvals have been obtained including:

- Conservation easement is approved by U.S. Forest Service.
- Completed management plan is approved by DNR.
- Appraisal is approved by the U.S. Forest Service.

In recent years, significant amounts of land have been sold by industrial forest companies and the rate of forest fragmentation is increasing in the region. This trend is changing the face of the "Northwoods" so treasured by local people and visitors and could decrease the importance of both the timber and tourism industries in the northern economy.

Public outdoor recreation is an important component of this Forest Legacy easement. The entire property will be open for hiking, fishing, hunting, trapping cross-country skiing, and berry picking. Designated snowmobile trails are allowed in the easement area. Access to the easement lands is via the public road system.

The land to be covered by this easement is located just south of the Chippewa Flowage. The project will unite more than 18,000 acres of high value resource forest with public and protected forested and natural lands on either side of the Chippewa Flowage. The flowage is the state's largest semi-wilderness body of water as well as a world-class fishery for muskellunge and walleye. A conservation easement on the property would ensure continued and unrestricted access for many recreational pursuits. In addition, the easement will secure the property for its economic values as Wisconsin is ranked second in the nation for the number of employees in the forest products sector. The enrichment of sustainable forestry practices on forest ownerships directly benefits our state's economy and environment.

Acquisition of the 8,095.78-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 and providing buffers to existing state and other public lands in addition to providing land for public outdoor recreation opportunities. The property included in this easement will be managed as sustainable forestland with many opportunities for public recreation.

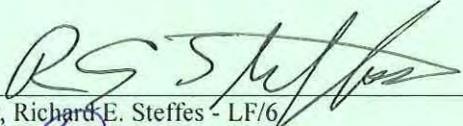
**RECOMMENDATION:** That the Board approve the purchase of a Forest Legacy easement on 8,095.78 acres of land for \$3,650,900 for the Forest Legacy program.

**LIST OF ATTACHED MATERIALS:**

- No  Fiscal Estimate Required
- No  Environmental Assessment of Impact Statement Required
- No  Background Memo

- Yes  Attached
- Yes  Attached
- Yes  Attached

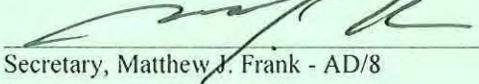
**APPROVED:**

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

10-1-10  
Date

  
\_\_\_\_\_  
Administrator, Laurie Osterdorf - AD/8

10/14/10  
Date

  
\_\_\_\_\_  
Secretary, Matthew J. Frank - AD/8

10-14-10  
Date

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

## CORRESPONDENCE/MEMORANDUM

DATE: October 1, 2010 FILE REF: NF 30047  
 TO: Governor Doyle  
 FROM: Matthew J. Franz *MJF*  
 SUBJECT: Proposed Easement on the Plum Creek Timberlands Tract, File NF 30047

1. PARCEL DESCRIPTION:

Forest Legacy Program  
 Sawyer County

Grantor:

Plum Creek Timberlands  
 c/o Dan Lemke  
 1411 North 4<sup>th</sup> Street  
 Tomahawk, WI 54487

Acres: 8,095.78Price: \$3,650,900Appraised Value: \$3,650,900Interest: Forest Legacy EasementImprovements: NoneLocation: The tract is located in Sawyer County about 12 miles southeast of the City of Hayward.Land Description: The subject land is rolling and varies from upland to lowlands.

<u>Covertypes Breakdown:</u>	Type:	Acres:
	Wetland/Water	112.00
	Upland Woods	7,142.00
	Lowland Woods	702.00
	Grassland/Cropland	23.00
	Roadways	116.78
	TOTAL:	8,095.78

Zoning: Forestry or Residential/RecreationalPresent Use: Industrial ForestProposed Use: Sustainable Forestry and Public RecreationTenure: 8 yearsEasement Date: October 1, 2010Stewardship 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 an 8,095.78-acre conservation easement from Plum Creek Timberlands for Forest Legacy program in Sawyer County. The proposed transaction is Phase I of a two-phase working, forest conservation easement, which will ultimately protect 18,179.08 acres of hardwood and pine forest. The property is located in a critical block of forest in northern Wisconsin. The easement will establish a protected land connection between the Chequamegon-Nicolet National Forest and lands of the Lac Courte Oreille Band of Lake Superior Chippewa. In addition, it will block in well with the Department's Chippewa Flowage property, protecting a wildlife corridor around the flowage. The

Department plans to return to the Board and the Governor for approval of Phase II after additional federal funding is secured. Phase II would be for 10,083.3 acres at a cost of \$4,547,100.

The purpose of the Forest Legacy program 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;
- accomplish these goals permanently and at lower cost than fee title purchase.

In conjunction with federal program requirements of the Forest Legacy program, the state shall not close on the property until all necessary approvals have been obtained including:

- Conservation easement is approved by U.S. Forest Service.
- Completed management plan is approved by DNR.
- Appraisal is approved by the U.S. Forest Service.

In recent years, some of the recreational land with water frontage has been sold by industrial forest companies and the rate of forest fragmentation is increasing in the region. This trend is changing the face of the "Northwoods" so treasured by local people and visitors and could decrease the importance of both the timber and tourism industries in the northern economy.

Public outdoor recreation is an important component of this Forest Legacy easement. The entire property will be open for hiking, trapping, cross-country, skiing, fishing, hunting, and berry picking. Designated snowmobile trails are allowed in the easement area. Access to the easement lands is via the public road system.

The land to be covered by this easement is located just south of the Chippewa Flowage. The project will unite 18,000 acres of high value resource forest with nearly one million acres of forested and natural lands on either side of the Chippewa Flowage. The flowage is the state's largest semi-wilderness body of water as well as a world-class fishery for muskellunge and walleye. A conservation easement on the property would ensure continued and unrestricted access to this Northwoods jewel for many recreational pursuits. No more than four ownership splits can ever occur for the 18,179.08 acres. In addition, the easement will secure the property for its economic values as Wisconsin is ranked second in the nation for the number of employees in the forest products sector. The enrichment of sustainable forestry practices on all forest ownerships directly benefits our State's economy and environment.

Acquisition of the 8,095.78-acre Forest Legacy easement is recommended to protect and preserve the integrity of these northern forest lands in perpetuity, to prevent forest fragmentation and to promote the sustainable use of the northern forests. The tracts that comprise the easement area are critical in connecting and providing buffers to existing state and other public lands in addition to providing land for public outdoor recreation opportunities. The property included in this easement will be managed as sustainable forestland with many opportunities for public recreation. The land within the easement is important for maintaining ecological values as well as preventing forest fragmentation.

3. FINANCING:

State Stewardship bond and Federal Forest Legacy funds are anticipated:

	Funds allotted to program:	Balance after proposed transaction:
State Stewardship	\$50,685,000	\$12,313,683
Federal Funds	\$ 1,500,000	\$0

4. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002  
Acres Purchased to Date: 112,854.86  
Acquisition Goal: 112,876.0 Acres  
Percent Complete: 99.98%  
Cost to Date: \$43,475,040.81

Comments: The acreage goal will be increased to accommodate this easement acquisition.

5. APPRAISAL:

Appraiser: William Steigerwaldt  
Valuation Date: January 8, 2010  
Appraised Value: \$8,198,000\*  
Highest and Best Use: Forestry and Recreation

Allocation of Values:

Before Value: \$21,862,000  
After Value: \$13,664,000  
Easement: \$ 8,198,000

Appraisal Review: Peter Wolter

\*Comments: The appraisal is for the entire conservation easement area acreage of 18,179.08 acres, thus, the purchase price is \$450.96 per acre determined by the Steigerwaldt appraisal. Mr. Steigerwaldt has reviewed the Phase I acreage and has allocated the same per acre value there as to the whole 18,179.08 acres. This equals a rounded total of \$3,650,900 for the 8,095.78 acres in Phase I.

RECOMMENDED:

  
Richard E. Steffes  
Date 10-1-10

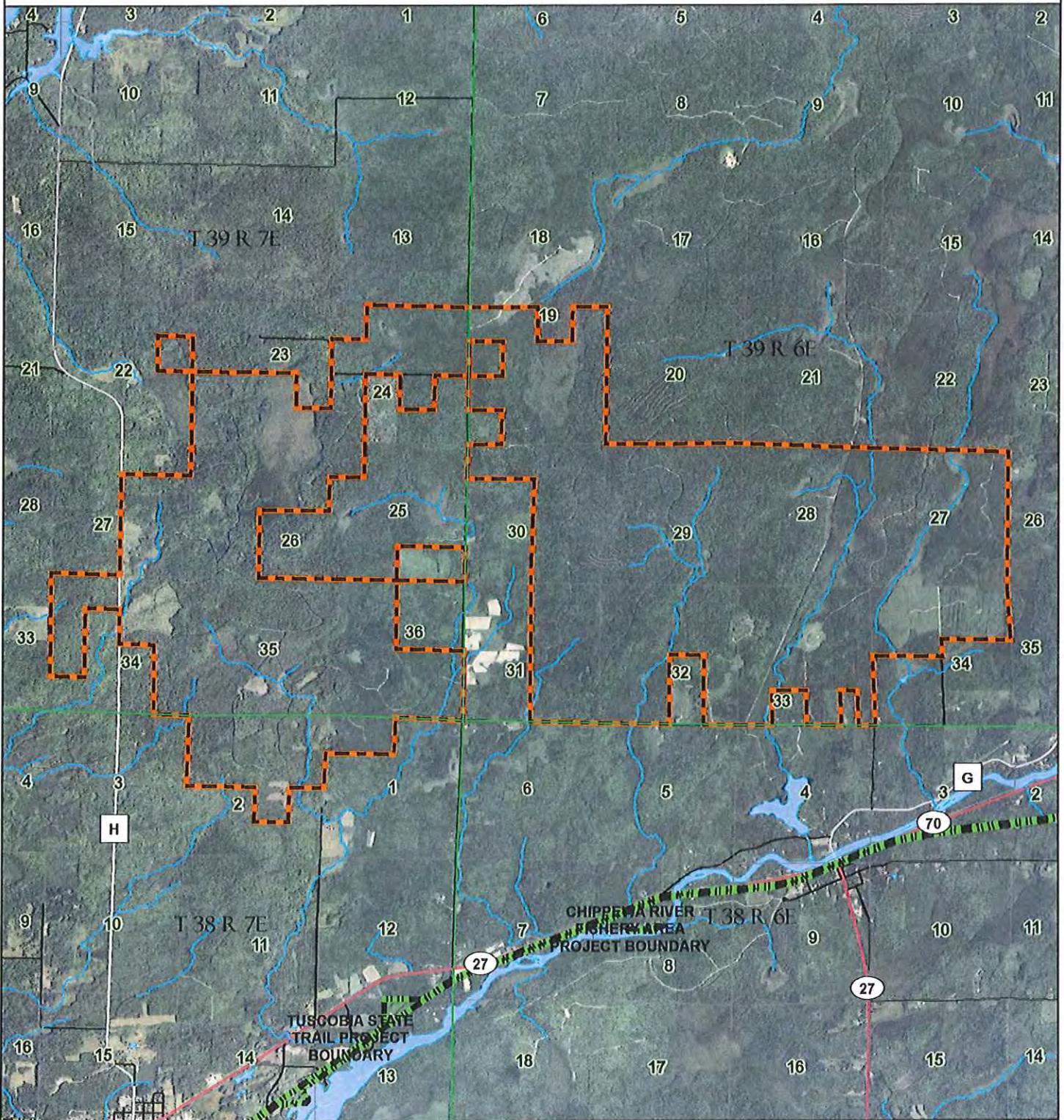
  
Legal Services  
Date 10-14-10

  
Laurie Osterndorf  
Date 10/14/10



# Plum Creek Timberlands, L.P. Parcels

Sections in T39N R6W, T39N R7W, T38N R7W, Ojibwa, Hunter, and Radisson Townships, Sawyer County, WI (8095.78 Acres)



### Legend

- PLSS Section Line
- PLSS Quarter-Quarter
- DNR Project Boundary
- County Boundary
- DNR Eased
- DNR Owned

**Subject Property**  
**NF 30047**

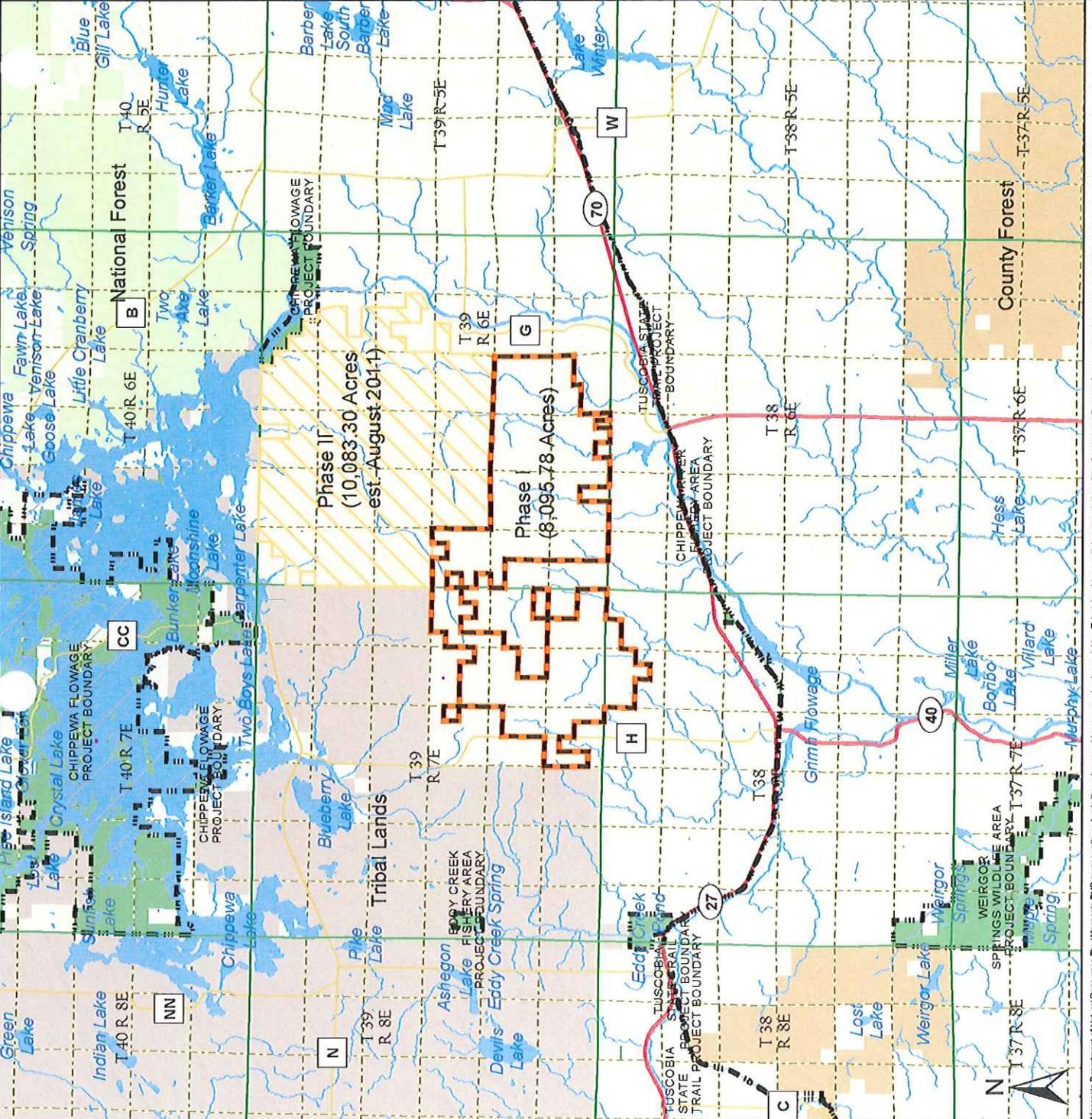
- Fee Simple
- Easement
- Ingress/Egress

Forest Legacy Program

State of Wisconsin

September 10, 2010  
 Real Estate Section  
 Bureau of Facilities and Lands

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**Plum Creek Timberlands L.P. Parcels**  
**NF 30047**  
 Forest Legacy Program  
 Sections in T39N R6W,  
 T39N R7W, T38N R7W  
 Towns of Ojibwa, Hunter, Radisson  
 Sawyer County, WI  
 (8,095.78 Acres)

**Subject Property**  
 Easement

- Legend**
-  Plum Creek Phase II
  -  DNR Project Boundary
  -  State Natural Area
  -  PLSS Section Line
  -  County Boundary
  -  DNR Owned
  -  DNR Easement
  -  National Forest
  -  Approx. Tribal Lands
  -  County Forest



The DNR Managed Lands represent the boundaries of lands managed by the Wisconsin Department of Natural Resources. This dataset 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 data should not be interpreted as a legal representation of legal ownership boundaries. This data set does not differentiate between lands that are open or closed to the public for hunting and/or general public access. Some lands represented in this data set may not be open to the general public. This data set may not be open to the general public. For more information on public access to lands, contact the nearest DNR Regional Office. Updates to this data set are ongoing, and will be incorporated into future versions when available. Contact information for DNR Regional Offices and Service Centers is provided on the following internet site: <http://www.dnr.state.wi.us/org/land/records/interactions.htm>