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: November 1, 2022

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 November 1, 2022.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Friday, November 18, 2022,** 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

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

Tony Evers, Governor
Preston D. Cole, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

October 27, 2022

IN REPLY REFER TO: NF 30298

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

The Honorable Mark Born, Co-Chair
Committee on Joint Finance
Room 308 East
State Capitol
PO Box 8593
Madison, WI 53708-8593

NOV 0 1 2022
JT. Finance

Dear Senator Marklein and Representative Born:

Pursuant to s. 23.0917(6m), Wis. Stats., the department is notifying you as co-chairs of the Committee on Joint Finance of the proposed acquisition of a Forest Legacy Easement on 56,259 acres from Pelican River Forest, LLC, The easement is located within the boundary of the Forest Legacy Program project.

The purchase price of the acquisition is $15,512,000.00, with $10,884,000 being provided by a federal Forest Legacy Grant, $600,000 in donation monies from the National Fish and Wildlife Foundation, and the remaining $4,028,000 being funded by Knowles-Nelson Stewardship Funding, with $3,000,000 allocated toward fiscal year 2023 and the remaining $1,028,000 allocated to fiscal year 2024. In addition, appraisal fees associated with the transaction are $46,450.00 and closing costs are estimated at $21,438.00. There are no prohibitions of 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 forward the proposal to the Governor for his consideration. If there are questions about the proposal, please contact Terry H. Bay at (608) 266-5782.

Thank you for this consideration.

Sincerely,

DocuSigned by:
Sarah Barry
A7D70DC3770842F...
Sarah Barry
Deputy Secretary

C:

Timothy C. Cooke, Internal Services Division Administrator
Terry H. Bay, Director, Bureau of Facilities and Lands
James W. Lemke, Real Estate Section Chief
Pete Wolter, Real Estate Regional Supervisor
Niccole Smith, Real Estate Specialist

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Form 1100-1
Rev. 5-91

AMENDED NATURAL RESOURCES BOARD AGENDA ITEM Item No. _____

SUBJECT: Easement Purchase – Forest Legacy Program– Oneida, Forest and Langlade Counties

FOR: October 2022 BOARD MEETING

TO BE PRESENTED BY: James W. Lemke, Real Estate Section Chief

SUMMARY:

The department is recommending the acquisition of a working forest conservation easement on 56,259 acres for $15,512,000 from Pelican River Forest LLC under authority provided in s. 23.09(2)(d), Wis. Stats., and NR 1.41(1)(a), Wis. Admin Code. The acquisition will be financed with a combination of funds including a $600,000 gift from the National Fish and Wildlife Foundation, a federal forest legacy grant in the amount of $10,884,000, and the remaining $4,028,000 from the Warren Knowles-Gaylord Nelson Stewardship Program, with $3,000,000 of the stewardship funding allocated to fiscal year 2023 and the remaining $1,028,000 to be paid from fiscal year 2024, pursuant to s. 23.0917, Wis. Stats.

The acquisition spans the townships of Pelican, Monico, Schoepke, Stella, Piehl, Pine Lake, Sugar Camp, and Three Lakes in eastern Oneida County, with adjoining locations in the Town of Elcho in Langlade County, and the Town of Crandon in Forest County. The property can be accessed from local roads off STH 17, USH 45, USH 8, CTH B and CTH C. In addition to access from the town road system, the department is acquiring rights for the public to use licensed motorized vehicles on approximately ~~40~~ 50 miles of department designated open-access private woods roads. These additional motorized access rights, along with numerous trails, will ensure the public can reach interior portions of the property for recreational use. A total of $1,000,000 of the purchase price will be set aside and placed in an endowment, with earnings available to pay for road maintenance, repairs, and improvements of the easement's designated open access roads. Not all assigned public access roads may be passable at the time of acquisition, but all will be part of a long-term strategy to continually improve the public access roads. The funds will run with the title to the land in perpetuity.

Of the 56,259 acres, approximately 84% is forested (23% aspen, 21% northern hardwood, 20% lowland conifer, 15% pine plantations, and 5% upland conifer) with the remaining 16% being non-forested (roads, lowland, marsh). Water resources include approximately 6,000' frontage of the Wolf River, along with miles of frontage on Gudegast, Pedro, Pollock, Stockley, Mud, Monico, Spring, Hay Meadow, Jennie Webber, Jewel, Lela, and Neptune Creeks.

Acquisition of this 56,259-acre Forest Legacy Easement will protect and preserve the integrity of these important northern forestlands in perpetuity, prevent forest fragmentation and promote the use of sustainable management practices. The property will be open to the public for all five nature-based outdoor recreational activities. The property will be managed by the private landowner with third-party certification through the Forest Stewardship Council, assuring the forests are managed to the highest environmental and social standards. Forestry ranks among the top 10 industries by output and contributions in Wisconsin generating nearly $25 billion annually and creating 60,000 jobs.

The department recommends acquisition of a working forest conservation easement on the property for the Forest Legacy Program and the acceptance of the $600,000 monetary donation towards the purchase price.

RECOMMENDATION: That the Board 1.) approve the purchase of the working forest conservation easement on 56,259 acres and associated woods roads access rights from Pelican River Forest LLC for $15,512,000.00 for the Forest Legacy Program in Oneida, Forest and Langlade Counties; and 2.) approve the acceptance of a monetary donation in the amount of $600,000 from the National Fish and Wildlife Foundation towards the purchase price. Also that the Board establish an official name on the subject property of Pelican River Forest Conservation Easement, under the authority of MC 2281.1, and that a certificate of appreciation be sent to the donor, and that an expression of appreciation be made a part of the official records of the Natural Resources Board.

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LIST OF ATTACHED MATERIALS (Check all that are applicable):

☒ **Background Memo**

☒ **Maps and Documents**

Approved By	Signature	Date
Terry H. Bay Bureau Director	DocuSigned by: Terry H. Bay F21082F00846464...	10/21/2022 | 2:15 PM CDT
Timothy C. Cooke Internal Services Division Administrator	DocuSigned by: Timothy C. Cooke D792C5E7A747460...	10/21/2022 | 2:18 PM CDT
Preston D. Cole, Secretary	DocuSigned by: Sarah Barry A7D70DC3770642F...	10/21/2022 | 2:20 PM CDT

By: Sarah Barry

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Program and reviewer	Signature	Date	Comments
Energy, Transportation and; Environmental Analysis N/A Environmental Analyst N/A Economist			
Management and Budget N/A Budget Analyst			
Legal Services Diane L. Milligan Attorney	DocuSigned by: Diane L. Milligan E031E75D4B9E436...	10/21/2022 | 2:04 PM CDT	
Other reviewers N/A			

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State of Wisconsin

CORRESPONDENCE/MEMORANDUM

DATE: October 21, 2022 FILE REF: NF 30298

TO: Governor Tony Evers

FROM: Secretary Preston D. Cole
Department of Natural Resources

SUBJECT: Proposed Conservation Easement on the Pelican River Forest LLC Tract, File # NF 30298

1. PARCEL DESCRIPTION:

FOREST LEGACY PROGRAM
Oneida County

Grantor:
Pelican River Forest LLC
Attn: Clint Miller
1655 N. Fort Myer Drive, Suite 1300
Arlington VA 22209

Acres: 56,259.00
Price: $15,512,000.00
Interest: Easement
Improvements: None

Location: The tract is located near Rhinelander, Pelican Lake and Monico.

Land Description: The subject land is level to gently rolling.

Covertype Breakdown:

Type	Acreage
Lowland Woodland	9,000
Upland Woodland	47,259
Total:	56,259.00

Zoning: Forest, General use
Present Use: Forest lands
Proposed Use: Forest lands, Public recreation,
Tenure: One year

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. Physical features of the property may not be conducive to all of these activities.

2. JUSTIFICATION:

The department is recommending the acquisition of a working forest conservation easement on 56,259 acres for $15,512,000 from Pelican River Forest LLC under authority provided in s. 23.09(2)(d), Wis. Stats., and NR 1.41(1)(a), Wis. Admin Code. The acquisition will be financed with a combination of funds including a $600,000 gift from the National Fish and Wildlife Foundation, a federal forest legacy grant in the amount of $10,884,000, and the remaining $4,028,000 from the Warren Knowles-Gaylord Nelson Stewardship Program, with $3,000,000 of the stewardship funding allocated to fiscal year 2023 and the remaining $1,028,000 to be paid from fiscal year 2024, pursuant to s. 23.0917, Wis. Stats.

The acquisition spans the townships of Pelican, Monico, Schoepke, Stella, Piehl, Pine Lake, Sugar Camp, and Three Lakes in eastern Oneida County, with adjoining locations in the Town of Elcho in Langlade County, and the Town of Crandon in Forest County. The property can be accessed from local roads off STH 17, USH 45, USH 8, CTH B and CTH C. In addition to access from the town road system, the department is acquiring rights

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for the public to use licensed motorized vehicles on approximately ~~40~~ 50 miles of department designated open-access private woods roads. These additional motorized access rights, along with numerous trails, will ensure the public can reach interior portions of the property for recreational use. A total of $1,000,000 of the purchase price will be set aside and placed in an endowment, with earnings available to pay for road maintenance, repairs, and improvements of the easement's designated open access roads. Not all assigned public access roads may be passable at the time of acquisition, but all will be part of a long-term strategy to continually improve the public access roads. The funds will run with the title to the land in perpetuity.

Of the 56,259 acres, approximately 84% is forested (23% aspen, 21% northern hardwood, 20% lowland conifer, 15% pine plantations, and 5% upland conifer) with the remaining 16% being non-forested (roads, lowland, marsh). Water resources include approximately 6,000' frontage of the Wolf River, along with miles of frontage on Gudegast, Pedro, Pollock, Stockley, Mud, Monico, Spring, Hay Meadow, Jennie Webber, Jewel, Lela, and Neptune Creeks.

Acquisition of this 56,259-acre Forest Legacy Easement will protect and preserve the integrity of these important northern forestlands in perpetuity, prevent forest fragmentation and promote the use of sustainable management practices. The property will be open to the public for all five nature-based outdoor recreational activities. The property will be managed by the private landowner with third-party certification through the Forest Stewardship Council, assuring the forests are managed to the highest environmental and social standards. Forestry ranks among the top 10 industries by output and contributions in Wisconsin generating nearly $25 billion annually and creating 60,000 jobs.

The department recommends acquisition of a working forest conservation easement on the property for the Forest Legacy Program and the acceptance of the $600,000 monetary donation towards the purchase price.

3. LAND MANAGEMENT:

Management of the property will be the responsibility of the landowner. The landowner will be required to follow the terms of the easement, as well as the department approved forest management plan for the property.

4. FINANCING:

The acquisition will be financed with a combination of funds including a $600,000 gift from the National Fish and Wildlife Foundation, a federal forest legacy grant in the amount of $10,884,000, and the remaining $4,028,000 from the Warren Knowles-Gaylord Nelson Stewardship Program, with $3,000,000 of the stewardship funding allocated to fiscal year 2023 and the remaining $1,028,000 to be paid from fiscal year 2024, pursuant to s. 23.0917, Wis. Stats.

State Stewardship bond funds are anticipated:

Funds allotted to program for 2023:	Balance before this transaction:	Balance after this transaction:
$5,000,000.00	$4,528,333.00	$1,528,333.00

Funds allotted to program for 2024:	Balance before this transaction:	Balance after this transaction:
$5,000,000.00	$5,000,000.00	$3,972,000.00

5. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002
Acres Purchased to Date: 0.00
Acquisition Goal: 112,876.00
Percent Complete: 0.00 %
Cost to Date: $0.00

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6. APPRAISAL 1:

Appraiser: William M. Steigerwaldt
Valuation Date: November 14, 2021
Appraised Value: $14,512,000.00
Highest and Best Use: Timber production and investment

Allocation of Values:

Before Value	$44,675,000.00
After Value:	$30,163,000.00
	$14,512,000.00
Road Endowment	$ 1,000,000.00
	$15,512,000.00

APPRAISAL 2:

Appraiser: Scott T. Zaremba
Valuation Date: December 22, 2021
Appraised Value: $17,712,800.00
Highest and Best Use: Timber production and investment

Allocation of Values:

Before Value	$40,736,600.00
After Value:	$23,023,800.00
	$17,712,800.00
Road Endowment	$ 1,000,000.00
	$18,712,800.00

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RECOMMENDED:

DocuSigned by:
Terry H. Bay
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10/21/2022 | 2:15 PM CDT

Terry H. Bay, Bureau Director, Bureau of Facilities and Lands — Date

DocuSigned by:
Diane L. Milligan
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10/21/2022 | 2:04 PM CDT

Diane L. Milligan, Bureau of Legal Services — Date

DocuSigned by:
Timothy C. Cooke
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10/21/2022 | 2:18 PM CDT

Timothy C. Cooke, Internal Services Division Administrator — Date

DocuSigned by:
Sarah Barry
A7B70DC3770642F...

10/21/2022 | 2:20 PM CDT

Preston D. Cole, Secretary By: Sarah Barry — Date

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VILAS CO.

VILAS CO.

Town of Lac du Flambeau

Town of Arbor Vitae

Town of St. Germain

Town of Cloverland

Town of Lincoln

Town of Washington

PRICE CO.

FOREST CO.

Town of Flambeau

Town of Hiles

Town of Emery

Town of Hackett

Town of Knox

Town of Somo

Town of Wilson

Town of Bradley

Town of King

Town of Harrison

Town of Parrish

Town of Elcho

Town of Crandon

Town of Nashville

LINCOLN CO.

LANGLADE CO.

MINOCQUA

WOODRUFF

NEWBOLD

SUGAR CAMP

THREE LAKES

HAZELHURST

LAKE TOMAHAWK

PINE LAKE

STELLA

PIEHL

LYNNE

LITTLE RICE

CASSIAN

NOKOMIS

WOODBORO

CRESCENT

PELICAN

MONICO

ENTERPRISE

SCHOEPKE

Rhinelander

Minocqua

Woodruff

Lake Tomahawk

Hazelhurst

McNaughton

Goodnow

Clifford

Stark

Sugar Camp

Clearwater Lake

Three Lakes

Monico

Pelican Lake

Enterprise

Nicolet National Forest

American Legion State Forest

Northern Highland

SUBJECT

LEGEND

- Freeway
- Multilane Divided
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Firelane
- Railroad
- State Trail
- Interchange
- Highway Separation
- Interstate Highway No. (94)
- U.S. Highway No. (18)
- State Highway No. (59)
- County Highway Letter (T)
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Dam
- Hospital
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt. or Fish. Grds.
- Public Camp & Picnic Grds.
- Ranger Station
- State Park
- County Park — With Facilities
- Without Facilities
- Rest Area — Modern Facilities
- Wayside — Rustic Facilities

CIVIL TOWNS

MINOCQUA; HAZELHURST; LAKE TOMAHAWK; WOODRUFF; NEWBOLD; SUGAR CAMP; THREE LAKES; LYNNE; LITTLE RICE; CASSIAN; NOKOMIS; WOODBORO; CRESCENT; PINE LAKE; PELICAN; STELLA; PIEHL; MONICO; ENTERPRISE; SCHOEPKE

SECTION NUMBERING OF A TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

REGIONS: NW, NC, NE, SW, SE

For boundaries of public hunting and fishing grounds please contact the Department of Natural Resources

MILES OF HIGHWAY
as of Dec. 31, 2019

STATE	160
COUNTY	171
LOCAL ROADS	1352
OTHER ROADS	40
TOTAL FOR COUNTY	1723

Land Area (2010 Census) ..... 1113 sq mi
Population (2010 Census) 35998
County Seat ..... Rhinelander

ONEIDA CO.

DEPARTMENT OF TRANSPORTATION
Madison, Wisconsin

SCALE 0 1 2 MILES

Corrected for JAN. 2021

Base compiled from U.S.G.S. Quadrangles 1:100,000 Series

ONEIDA 43-NC

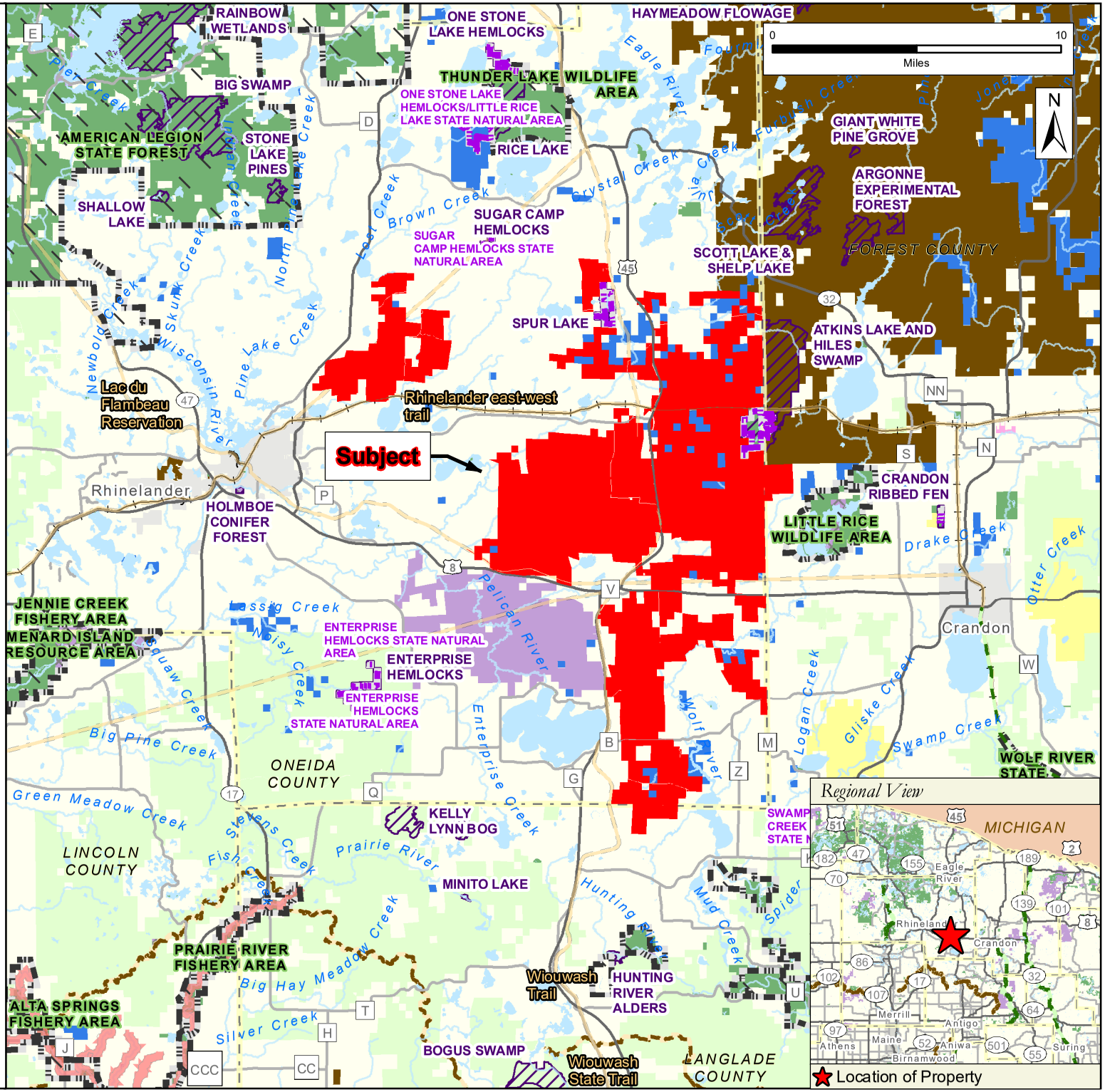
NRB Item: Pelican River Forest LLC -- Easement

Forest Legacy Program

Towns of Crandon, Elcho, Hiles, Monico, Pelican, Piehl, Pine Lake, Schoepke, Stella, Sugar Camp, and Three Lakes; Oneida, Forest, and Langlade Counties

Subject

NF 30298



- Current DNR Project Boundary
- Current State Natural Area Project Boundary
- State Natural Area
- County Boundary
- DNR Fee Title
- DNR Easement
- DNR Easement (Closed to Public Access)
- Board of Commissioners of Public Lands
- Tribal Land
- County Forest Lands
- National Forest
- U.S. Fish & Wildlife Service
- State Trail Network Project Boundary (approx. location)
- State Recreation Trail
- Ice Age Trail
- Streambank Eligible Stream

WISCONSIN DEPARTMENT OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Sep 16, 2022 cjm

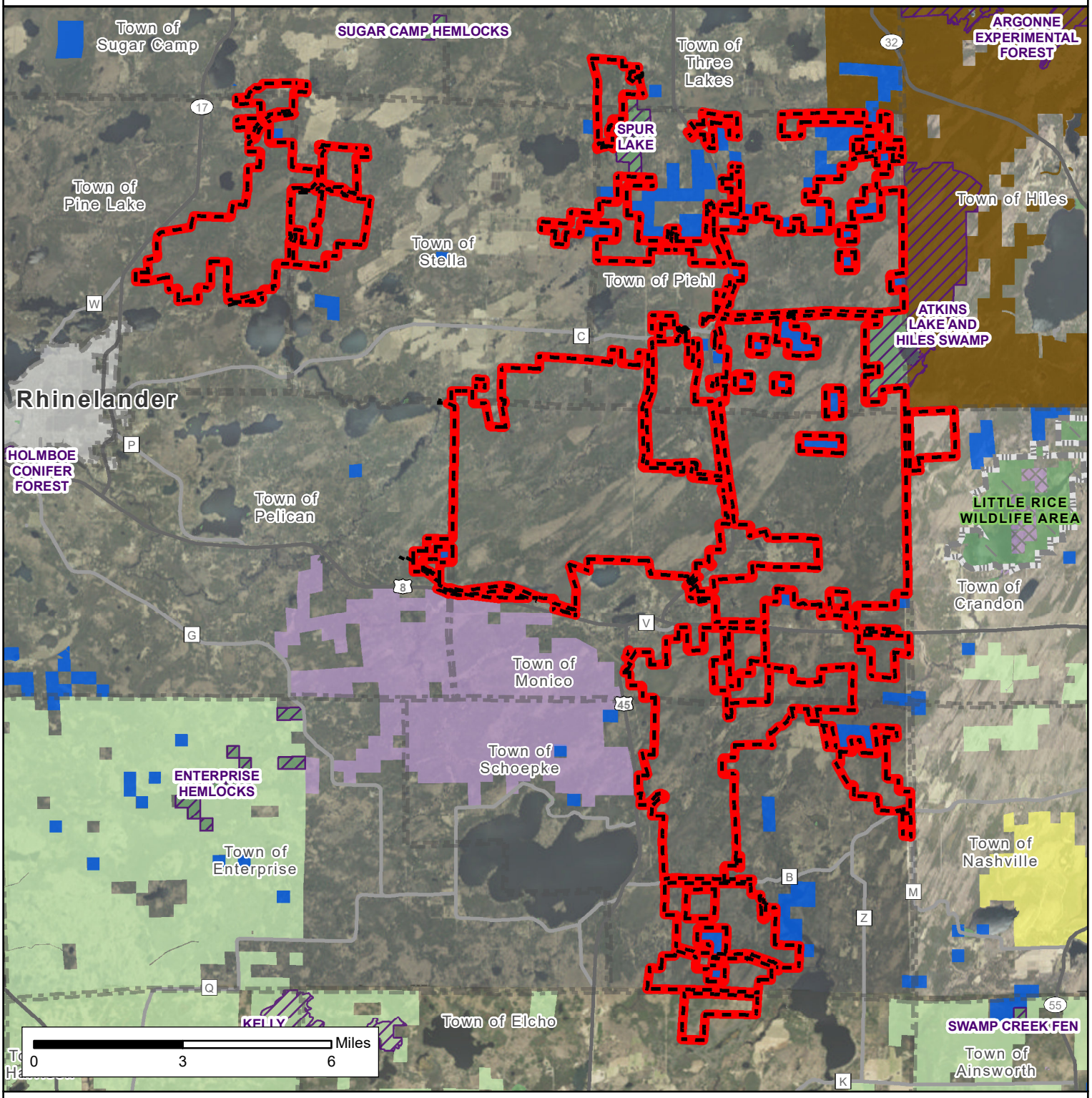
The data shown on this map have been obtained from various sources, and are of varying age, reliability and resolution. This map is not intended to be used for navigation, nor is this map an authoritative source of information about legal land ownership or public access. Users of this map should confirm the ownership of land through other means in order to avoid trespassing. No warranty, expressed or implied, is made regarding accuracy, applicability for a particular use, completeness, or legality of the information depicted on this map.

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NRB Item: Pelican River Forest LLC -- Easement

Towns of Crandon, Elcho, Hiles, Monico, Pelican, Piehl, Pine Lake, Schoepke, Stella, Sugar Camp, and Three Lakes; Oneida, Forest, and Langlade Counties



Forest Legacy Program

Subject

- Original Pre-2013 Project Boundary - Not Subject to JFC Review
- DNR Fee Title
- DNR Easement
- DNR Easement Closed to Public Access
- State Natural Area
- Tribal Reservation
- Board of Commissioners of Public Lands
- County Forest
- National Forest
- City or Village

N

Sep 16, 2022 cjm

Real Estate Section
Bureau of Facilities and Lands

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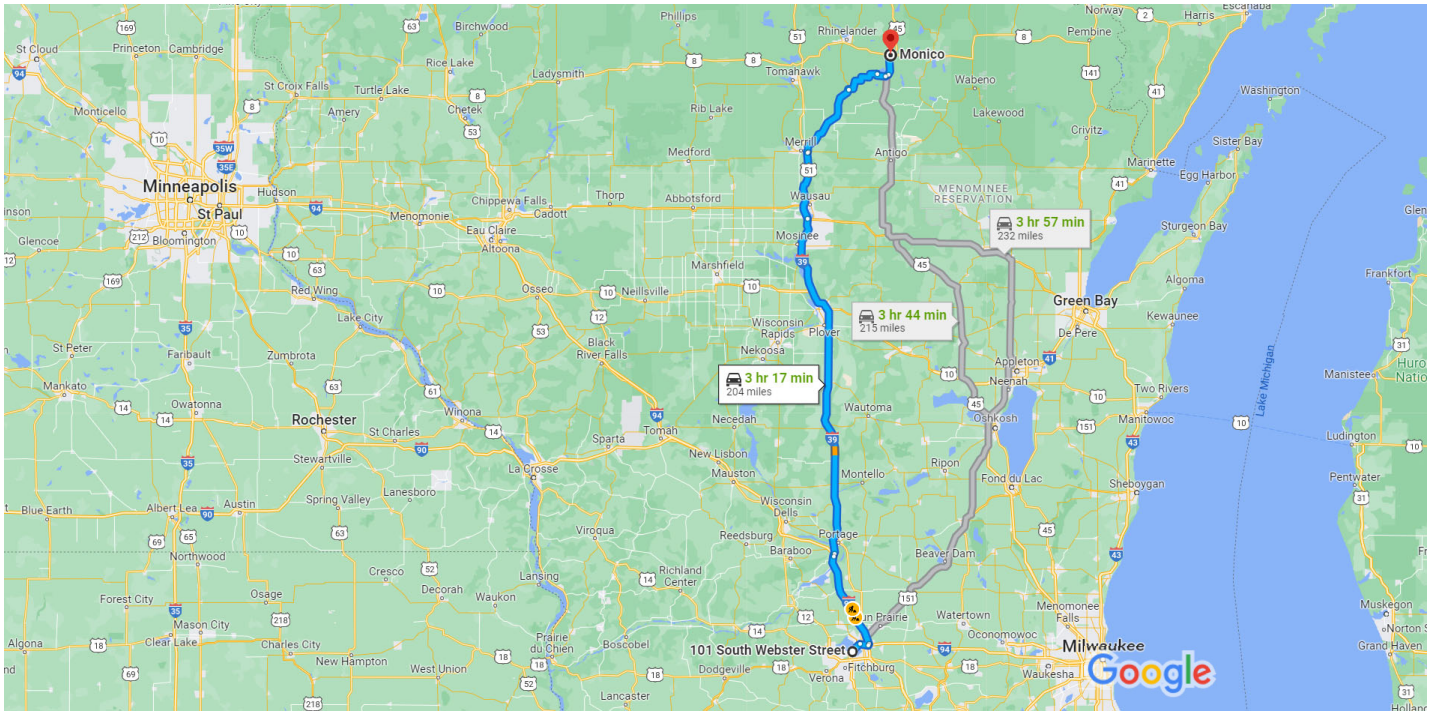
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Google Maps

101 S Webster St, Madison, WI 53703 to Monico, Wisconsin 54501

Drive 204 miles, 3 hr 17 min

Pelican River Forest LLC Property



Map data ©2 Google 20 mi

101 S Webster St
Madison, WI 53703

Drive from E Washington Ave and WI-30 E to Burke. Take exit 3 B from WI-30 E

12 min (6.4 mi)

1. Head northwest on S Webster St toward E Main St

0.1 mi

2. Turn right at the 2nd cross street onto E Washington Ave

Pass by Burger King (on the right in 2.5 mi)

2.9 mi

3. Take the WI-30 E exit toward I-90/I-94

0.2 mi

4. Continue onto WI-30 E

2.5 mi

5. Use the left lane to take exit 3 B to merge onto I-39 N/I-90 W/I-94 W toward I-94 W/Wis Dells

0.6 mi

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Continue on I-39 N to Pine River. Take exit 208 from US-51 N

2 hr 11 min (153 mi)

6. Merge onto I-39 N/I-90 W/I-94 W

28.7 mi

7. Take exit 108 A-B for I-39 N toward US-51/Portage/Wausau

0.8 mi

8. Continue onto I-39 N

103 mi

9. Continue onto US-51 N

19.9 mi

10. Take exit 208 for WI-64 toward WI-17/Merrill/Antigo

0.4 mi

Follow State Rd 17 N, County Q and US-45 N to 3rd St in Monico

53 min (45.4 mi)

11. Turn right onto WI-64 E

0.2 mi

12. Turn left onto State Rd 17 N

23.1 mi

13. Turn right onto County Q

11.8 mi

14. Turn right onto County Rd G

3.1 mi

15. Turn left onto Co Hwy B

1.0 mi

16. Turn left onto US-45 N

5.7 mi

17. Turn right onto US-45 N/US-8 E

0.5 mi

18. Turn right onto C St

305 ft

19. C St turns right and becomes 3rd St

187 ft

Monico
Wisconsin 54501

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Acknowledgment of Gift

This is to certify that at its October 2022 meeting, the Wisconsin Natural Resources Board gratefully acknowledged a gift of money towards the purchase of an easement for the Forest Legacy Program from:

National Fish and Wildlife Foundation

Our expression of appreciation on behalf of Wisconsin's citizens is hereby recorded in the official records of the Wisconsin Natural Resources Board. We acknowledge this generous contribution.

Wisconsin Natural Resources Board

Greg Kazmierski, Chair