

SUBJECT: LAND ACQUISITION – STATEWIDE NATURAL AREAS – CHIPPEWA AND PEPIN COUNTIES; STATEWIDE FISH HABITAT – PIERCE AND DUNN COUNTIES; ICE AGE TRAIL – CHIPPEWA COUNTY; LOWER CHIPPEWA STATE NATURAL AREA – DUNN COUNTY; STATEWIDE WILDLIFE HABITAT AREA – POLK COUNTY; WESTERN PRAIRIE HABITAT RESTORATION – ST. CROIX COUNTY

FOR: DECEMBER 2010 CONFERENCE CALL MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has reached agreement with West Wisconsin Land Trust, with concurrence of the U.S. Fish and Wildlife Service, to settle an accounts receivable due to the Department in the amount of \$551,000. As settlement, the Department will receive 1,528.17 acres of land meriting protection and needed for conservation projects with a total value of \$3,154,000 (listed in Table 1 below).

The circumstances leading to this settlement are as follows: In 2006, West Wisconsin Land Trust (WWLT) signed an agreement to act as a grant sponsor for federal North American Wetland Conservation Act funds (NAWCA) from the U.S. Fish and Wildlife Service (FWS) to protect wetlands and provide hunting opportunity in the Lower Chippewa River basin. Under terms of the 2006 federal-funding agreement, DNR served as a partner to acquire land in support of the effort. The Department acquired the parcels (listed in Table 2 below) and, based on the WWLT 2006 federal funding agreement, anticipated federal funding as indicated:

WWLT billed the FWS and received federal NAWCA funds to provide DNR with the \$551,000 in match. However, rather than reimbursing the Department, WWLT spent the federal funds elsewhere, primarily on other land purchases. Two independent audits indicate that WWLT, while holding land assets, has no financial capacity to pay the Department the \$551,000 to which it is entitled under the NAWCA grant agreement. Clearly, WWLT mishandled the funds. FWS investigated the matter and issued a final report setting a deadline for resolution of the matter by January 10, 2011. WWLT has changed its management personnel and has made significant and constructive progress on improving its accountability and business practices. However, there will be no way to recover the cash owed to the Department in the foreseeable future. If the Department pursues re-payment in cash, WWLT will in all likelihood be forced into bankruptcy and a bankruptcy court will allocate its remaining land assets.

To arrive at this settlement, DNR land managers reviewed all of the land holdings of WWLT. The parcels identified as suitable for state ownership have high natural resource and recreational values. Additional significant values include blocking with existing Department ownership, improved public access, Ice Age Trail continuation, enhanced restoration and management capacity, and expanded representation of state-owned sites deemed important for inclusion in the State Natural Areas system.

TABLE 1: Lands for Receipt by DNR to Settle Outstanding Debt

File Number	Project	County	Acres
NA 20060	Statewide Natural Areas	Chippewa	720.00
NA 20061	Statewide Natural Areas	Pepin	248.00
PR 40101	Ice Age Trail	Chippewa	125.67
FM 10110	Statewide Fish Habitat Area	Pierce	233.00
FM 10111	Statewide Fish Habitat Area	Dunn	157.00
NA 20062	Lower Chippewa State Natural Area	Dunn	28.00
WM 60125	Statewide Wildlife Habitat Area	Polk	11.50
WM 60126	Western Prairie Habitat Restoration	St. Croix	5.00
		Totals:	1,528.17

TABLE 2: Lands Purchased by DNR under Grant Agreement for Federal NAWCA Funds

Grantor	Project	County	Acres	NAWCA	Stewardship	Date Acquired By DNR
Huntsinger	Lower Chippewa River Natural Area	Eau Claire	324.0	\$290,700	\$290,700	10/6/2006
Zachman	Lower Chippewa River Natural Area	Dunn	106.0	\$105,000	\$105,000	9/27/2007
Edgeberg	Dunnville Wildlife Area	Dunn	66.6	\$100,000	\$ 86,000	11/26/2007
Chitwood	Dunnville Wildlife Area	Dunn	42.0	\$ 47,800	\$ 30,950	4/24/2009
Komro	Lower Chippewa River Natural Area	Pepin	10.0	\$ 7,500	\$ 7,500	11/25/2008
Totals:			548.6	\$551,000	\$520,150	

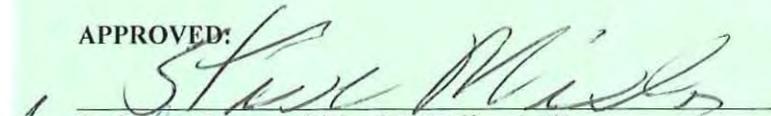
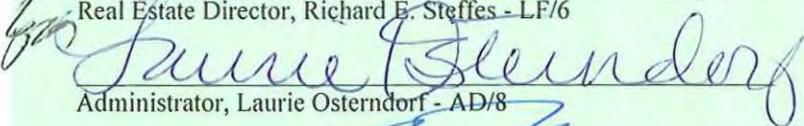
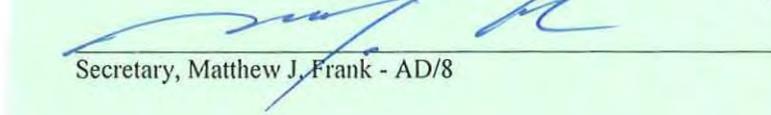
Therefore, the Department proposes to accept 1,528.17 acres of land as settlement for the \$551,000 owed to the Department. While some of the land in Table 1 was acquired by WWLT with Stewardship and NAWCA assistance, the aggregate fair market value is \$ 3,154,000, substantially more than the amount of public funds used (\$1,943,250) to acquire the 1,528.17 acres. Thus, the Department will receive \$659,750 more in equity than the \$551,000 owed. With approval of this settlement, the accounts receivable of \$551,000 will be charged to the Stewardship fund. As indicated in their letter of December 15, 2010, the FWS is in agreement because all of the land (Tables 1 and 2) will be protected and managed by the Department in accordance with the provisions of the NAWCA grant.

RECOMMENDATION: That the Board approve acceptance of 1,528.17 acres of land in the above named project areas from the West Wisconsin Land Trust for settlement of an obligation of \$551,000

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:

 Real Estate Director, Richard E. Steffes - LF/6	12-20-10 Date
 Administrator, Laurie Osterndorf - AD/8	12/20/10 Date
 Secretary, Matthew J. Frank - AD/8	12-20-10 Date

- cc: S. Miller – LF/6
 R. Steffes – LF/6
 L. Ross – AD/8
 D. Schuller – PR/6
 T. Hauge – WM/6
 S. Humrickhouse – SCR/Eau Claire

CORRESPONDENCE/MEMORANDUM

DATE: December 17, 2010

TO: Natural Resources Board

FROM: Matthew J Frank *MJF*

SUBJECT: Proposed Land Acquisition, West Wisconsin Land Trust, File # NA 20060, NA 20061, PR 40101, FM 10110, FM 10111, WM 60125 and WM 60126

The Department has reached a settlement agreement with West Wisconsin Land Trust, with concurrence of the U.S. Fish and Wildlife Service, to settle an accounts receivable due to the Department in the amount of \$551,000. As settlement, the Department will receive 1,528.17 acres of land meriting protection and needed for conservation projects with a total value of \$3,154,000 (listed below). A formal settlement agreement and documentation of concurrence by the U.S. Fish and Wildlife Service are attached.

The circumstances leading to this settlement are as follows: In 2006, West Wisconsin Land Trust (WWLT) signed an agreement to act as a grant sponsor for federal North American Wetland Conservation Act funds (NAWCA) from the U.S. Fish and Wildlife Service (FWS) to protect wetlands and provide hunting opportunity in the Lower Chippewa River basin. Under terms of the 2006 federal-funding agreement, DNR served as a partner to acquire land in support of the effort. The Department acquired the parcels (listed in Table 2 below) and, based on the WWLT 2006 federal funding agreement, anticipated federal funding as indicated:

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To arrive at this settlement, DNR land managers reviewed all of the land holdings of WWLT. The parcels identified as suitable for state ownership have high natural resource and recreational values. Additional significant values include blocking with existing Department ownership, improved public access, Ice Age Trail continuation, enhanced restoration and management capacity, and expanded representation of state-owned sites deemed important for inclusion in the State Natural Areas system.

File Number	Project	County	Acres	Cost
NA 20060	Statewide Natural Areas	Chippewa	720.00	\$259,604.63
NA 20061	Statewide Natural Areas	Pepin	248.00	\$ 89,419.37
PR 40101	Ice Age Trail	Chippewa	125.67	\$ 45,311.82
FM 10110	Statewide Fish Habitat Area	Pierce	233.00	\$ 84,010.94
FM 10111	Statewide Fish Habitat Area	Dunn	157.00	\$ 56,608.23
NA 20062	Lower Chippewa State Natural Area	Dunn	28.00	\$ 10,095.74
WM 60125	Statewide Wildlife Habitat	Polk	11.50	\$ 4,146.46
WM 60126	Western Prairie Habitat Restoration	St. Croix	5.00	\$ 1,802.81
Totals:			1,528.17	\$551,000.00

Grantor:

West Wisconsin Land Trust
 c/o Rick Remington
 500 East Main Street, Suite 307
 Menomonie, WI 54751

Acres: 1,528.17

Price: \$551,000

Interest: Fee Title Acquisition

Stewardship Land Access: The vast majority of the land will be open to the public for all nature-based outdoor recreational activities to include hunting, fishing, trapping, hiking, and cross-country skiing. The 125.67 acre Ice Age Trail parcel will be analyzed for potential public uses under the new administrative code for the Trail.

PARCEL DESCRIPTION:

Statewide Natural Areas - Cedar Creek Wetlands parcel (720 acres, NA 20060):

Location: The subject is located in northern Chippewa County in the Town of Sampson about eight miles from the City of New Auburn.

Land Description: The parcel consists of flat land.

Improvements: None

Covertypes: The majority of the property is wetland, riparian, lake bed and sphagnum bog, but also includes oak-pine forest and tamarack-black spruce bog.

Present Use: Resource protection and recreation

Proposed Use: Resource protection and public outdoor recreation

Tenure: Purchased in 2009 for \$277,200.

Statewide Natural Areas - Maiden Rock Bluff parcel (248 acres, NA 20061):

Location: The subject is located in Pepin County in the Town of Stockholm approximately three miles from the Villages of Stockholm and Maiden Rock.

Land Description: Topography ranges from Mississippi River frontage to towering bluffs.

Improvements: Small parking area and a two-mile hiking trail.

Covertypes: Ranges from planted tall grass prairie, to both oak savanna and oak woodland and bluff prairie.

Present Use: Resource protection and recreation

Proposed Use: Resource protection and public outdoor recreation

Tenure: Purchased in 2004 for \$1,000,000.

Ice Age Trail - Larabee Lake Wetlands Parcel (125.67 acres, PR 40101):

Location: The subject is located in Chippewa County about eight miles from the City of New Auburn.

Land Description: Topography ranges from relatively flat to gently rolling.

Improvements: None

Covertypes: Old growth red oak, tamarack -black spruce bog.

Present Use: Resource protection and recreation

Proposed Use: Resource protection and public outdoor recreation

Tenure: Acquired in 2006 as a donation.

Statewide Fish Habitat - Pine Creek 1 and 2 (233 acres, FM 10110):

Location: The subject is located in Pierce County about 3 miles from the Village of Maiden Rock.

Land Description: Topography ranges from level at Pine Creek to towering forested bluffs.

Improvements: Stream has been extensively restored by the Department, WWLT, Trout Unlimited and partners. Phase 3 restoration slated for 2011.

Covertypes: Open, old field / riparian, oak woodland, oak savanna.

Present Use: Resource protection and recreation

Proposed Use: Resource protection and public outdoor recreation

Tenure: Purchased in 2002 and 2005 for \$826,000.

Statewide Fish Habitat - Red Cedar Cutoff Parcel (157 acres, NA 20062):

Location: The subject is located in Dunn County about four miles from the City of Menomonie.

Land Description: The parcel is flat.

Improvements: 100 foot x 100 foot parking area, signage, osprey platform, and hiking trail.

Covertypes: Forested, riparian, wetland and lake bed.

Present Use: Resource protection and recreation

Proposed Use: Resource protection and public outdoor recreation

Tenure: Acquired in 2007 for \$290,000.

Lower Chippewa River State Natural Area - Keil Birch Creek Parcel (28 acres, NA 20062):

Location: The subject is located in Dunn County, adjacent to the city of Menomonie.

Land Description: Topography ranges from level bluff top over the Red Cedar River.
Improvements: Small parking spot and hiking trail.
Coverture: Oak woodland and Red Cedar River riparian.
Present Use: Resource protection and recreation
Proposed Use: Resource protection and public outdoor recreation
Tenure: Acquired in 2008 for \$189,000.

Statewide Wildlife Habitat - Alabama Lake Parcel (11.5 acres, WM 60125):

Location: The subject is located in Polk County in the Town of Laketown about eight miles from the Village of Luck.
Land Description: Topography is gently rolling.
Improvements: None
Coverture: Forested, old field, wetland and Alabama Lake riparian zone.
Present Use: Resource protection and recreation
Proposed Use: Resource protection and public outdoor recreation
Tenure: Acquired in 1994 for \$40,000.

Western Prairie Habitat Restoration - Simon Prairie Parcel (5 acres, WM 60126):

Location: The subject is located in St Croix County in the Town of St. Josephs about 5 miles from the City of Somerset.
Land Description: Topography is gently rolling.
Improvements: None
Coverture: Tall grass prairie remnant
Present Use: Resource protection and recreation
Proposed Use: Resource protection and public outdoor recreation
Tenure: Acquired in 2006 as a donation.

2. **JUSTIFICATION:**

The Department proposes to acquire 1,528.17 acres of land from the West Wisconsin Land Trust for the Statewide Natural Areas program in Chippewa and Pepin Counties, for the Ice Age Trail in Chippewa County, for the Statewide Fish Habitat in Pierce and Dunn Counties, for the Lower Chippewa State Natural Area in Dunn County, for the Statewide Wildlife Habitat in Polk County and for Western Prairie Habitat Restoration in St. Croix County. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, block well within project boundaries, and insure long-term resource protection.

Statewide Natural Areas - Cedar Creek Wetlands parcel (720 acres, NA 20060):

The 720-acre wetland parcel occupies a large glacial lake basin between Long Lake and Chain Lake in northern Chippewa County. The Cedar Creek Wetlands property is located in the Chippewa Moraine Lakes Priority Conservation Opportunity Area and Chippewa Glacial Lakes Legacy Place, as defined by the Department. Cedar Creek drains from Long Lake northward to Chain Lake, an Outstanding Resource Water. Access to the property is presently gained through adjacent Chippewa County land near Round Lake County Park, or via Chain Lake. A snowmobile trail crosses the property during winter conditions.

Statewide Natural Areas - Maiden Rock Bluff parcel (248 acres, NA 20061):

This parcel is along the Mississippi River Bluffs and was dedicated a State Natural Area in August of 2004. The 248 acres is roughly half open and half wooded. The former agricultural fields have been planted to prairie, and the oak savanna and bluff prairies are actively being restored. Maiden Rock Bluff protects one of Wisconsin's premiere limestone cliff faces on a bluff high above the Mississippi River overlooking Lake Pepin. Extending nearly a mile, the 400-foot high bluff is especially noteworthy for the presence of nesting peregrine falcons, a state-endangered species. The cliff is one of only six bluffs on the Mississippi River where peregrines are successfully nesting on natural substrate. Situated along the Mississippi River flyway, an important migration corridor for raptors and neo-tropical songbirds, protection of Maiden Rock Bluff will also provide important habitat for other migrating birds. The surrounding uplands, including existing agricultural fields, will be restored to prairie with skiing and hiking trails for the public.

Ice Age Trail - Larabee Lake Wetlands parcel (125.67 acres, PR 40101):

The 125-acre property features high-quality southern dry-mesic and oak woodland forest communities, and an open bog wetland fronting Larabee Lake. The property borders state-owned lands to the south specifically the Chippewa Moraine State Recreation Area and Ice Age Trail and a 215-acre conservation easement held by WWLT to the north and east. The property is a pending candidate for inclusion in the North Shattuck Lake State Natural Area. Articles of Dedication are drafted and ready to sign. The property will provide an important link for the Ice Age Trail corridor.

Statewide Fish Habitat - Pine Creek 1 and 2 (233 acres, FM 10110):

Located within the Mississippi River Bluffs Conservation Opportunity Area as identified in the Land Legacy Plan, the Pine Creek watershed encompasses 9,000 acres and contains a Class I brook trout stream. The majority of the fishable area of the stream is owned by WWLT, as well as a small parcel owned by the Department. A strong coalition has taken an active role in the restoration of Pine Creek, including the Department, WWLT and several Trout Unlimited Chapters. The property is located approximately three miles from the Rush River Delta State Natural Area and three miles from Maiden Rock Bluff.

Statewide Fish Habitat - Red Cedar Cutoff parcel (157 acres, NA 20062):

This parcel is located about ¼-mile from the Red Cedar River Fishery area. Acquired to provide public access and recreational opportunities, this project was actively supported by the greater Dunn County conservation community. The site occupies a large inside bend of the Red Cedar River, and has long been a historic site for ice fishing and waterfowl hunting. Approximately 80 acres of the site is forested, and the remainder is wetland or lakebed.

Lower Chippewa River State Natural Area - Keil Birch Creek parcel (28 acres, NA 20062):

This forested 28-acre property is located at the edge of the City of Menomonie, and contains 1,300 feet of frontage on the Red Cedar River. Birch Creek drains the property through a narrow sandstone gorge containing several small waterfalls. The Wisconsin Wildlife Action Plan identifies this section of the Red Cedar River as a Conservation Opportunity Area of Continental Significance for preserving Large River Corridors. The property is also located within the Lower Chippewa River and Prairies Legacy Place.

Statewide Wildlife Habitat - Alabama Lake parcel (11.5 acres, WM 60125):

This parcel is comprised of a long, forested peninsula on Alabama Lake with 2,100 feet of lake frontage. This small property also contains an approximately two-acre field and small wetlands, and is bordered by 21-acre and 32-acre West Wisconsin Land Trust conservation easements to the north and south. The Department owns two islands on Alabama Lake totaling approximately 20 acres, and holds a conservation easement on approximately 126 acres.

West Prairie Habitat Restoration - Simon Prairie parcel (5 acres, WM 60126):

This parcel protects a high-quality tall grass prairie remnant, and is actively being restored. The Western Prairie Habitat Restoration Area Project was established in 1999 and encompasses 350,000 acres within 15 townships in St. Croix and Polk Counties. The acreage goal of 15,000 acres will permanently protect approximately 10% of the historic grassland acreage within the project. The project area includes prairie remnants from one of the largest prairies found in the state along with a mix of grasslands, potholes and marshes that are extremely conducive to pheasant and waterfowl production. The large, landscape scope of the project is based upon comprehensive research of biodiversity and ecosystem management practices.

The state, local units of government and non-profit conservation organizations currently own approximately 5,000 acres within the project boundary. These groups will continue to partner with the Department to purchase land and ultimately achieve the habitat protection and restoration goals for the project.

Summary:

The Department recommends the acceptance of all of the above-described properties totaling 1,528.17 acres to allow management for natural areas, wildlife and fisheries habitat, to ensure public access for

recreation, and provide resource and scenic protection. This is an acceptance of land in lieu of debt of \$551,000. The debt is for actual cost of earlier land purchases done by the Department in accordance with a grant from the Federal National Wetland Conservation Act program that West Wisconsin Land Trust had administered. With the approval of this transaction, the Department will establish a 720-acre boundary under the Statewide Natural Areas program, specifically naming the project Cedar Creek Wetlands State Natural Area. Acquiring the properties will allow the Department to provide additional opportunities for public recreation and to better protect the natural and scenic resources of this site by preventing uses incompatible with the goals of the project and by promoting natural resource management.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$50,685,000	\$10,187,422

4. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREAS:

Established: 1972
Acres Purchased to Date: 46,184.00
Acquisition Goal: 41,000.0 Acres
Percent Complete: 112.64%
Cost to Date: \$27,198,447.30

ACQUISITION STATUS OF THE ICE AGE TRAIL:

Established: 1988
Acres Purchased to Date: 7,398.48
Acquisition Goal: 9,673.00
Percent Complete: 76.49 %
Cost to Date: \$13,235,191.82

ACQUISITION STATUS OF THE STATEWIDE FISH HABITAT AREAS:

Established: 1969
Acres Purchased to Date: 6,994.79
Acquisition Goal: 10,172.61
Percent Complete: 68.76 %
Cost to Date: \$7,799,933.97

ACQUISITION STATUS OF THE LOWER CHIPPEWA RIVER STATE NATURAL AREA:

Established: 2000
Acres Purchased to Date: 1,880.29
Acquisition Goal: 15,470.0 Acres
Percent Complete: 12.15%
Cost to Date: \$3,257,785.16

ACQUISITION STATUS OF THE STATEWIDE WILDLIFE HABITAT:

Established: 1991
Acres Purchased to Date: 3,960.38
Acquisition Goal: 6,000.0 Acres
Percent Complete: 66.01%
Cost to Date: \$2,502,393.00

ACQUISITION STATUS OF THE WESTERN PRAIRIE HABITAT RESTORATION:

Established: 1999

Acres Purchased to Date: 1,432.48

Acquisition Goal: 15,000.0 Acres

Percent Complete: 9.55%

Cost to Date: \$2,389,247.52

5. APPRAISALS

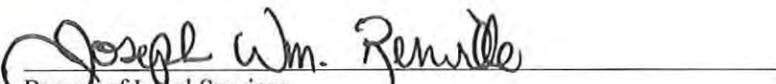
File Number	Project	County	Acres	Appraised Value
NA 20060	Statewide Natural Areas	Chippewa	720.00	\$ 302,000
NA 20061	Statewide Natural Areas	Pepin	248.00	\$1,285,000
PR 40101	Ice Age Trail	Chippewa	125.67	\$ 270,000
FM 10110	Statewide Fish Habitat Area	Pierce	233.00	\$ 635,300
FM 10111	Statewide Fish Habitat Area	Dunn	157.00	\$ 309,000
NA 20062	Lower Chippewa State Natural Area	Dunn	28.00	\$ 289,000
WM 60125	Statewide Wildlife Habitat Area	Polk	11.50	\$ 63,700
WM 60126	Western Prairie Habitat Restoration	St. Croix	5.00	N/A

Totals: 1,528.17 \$3,154,000

RECOMMENDED:


Richard E. Steffes

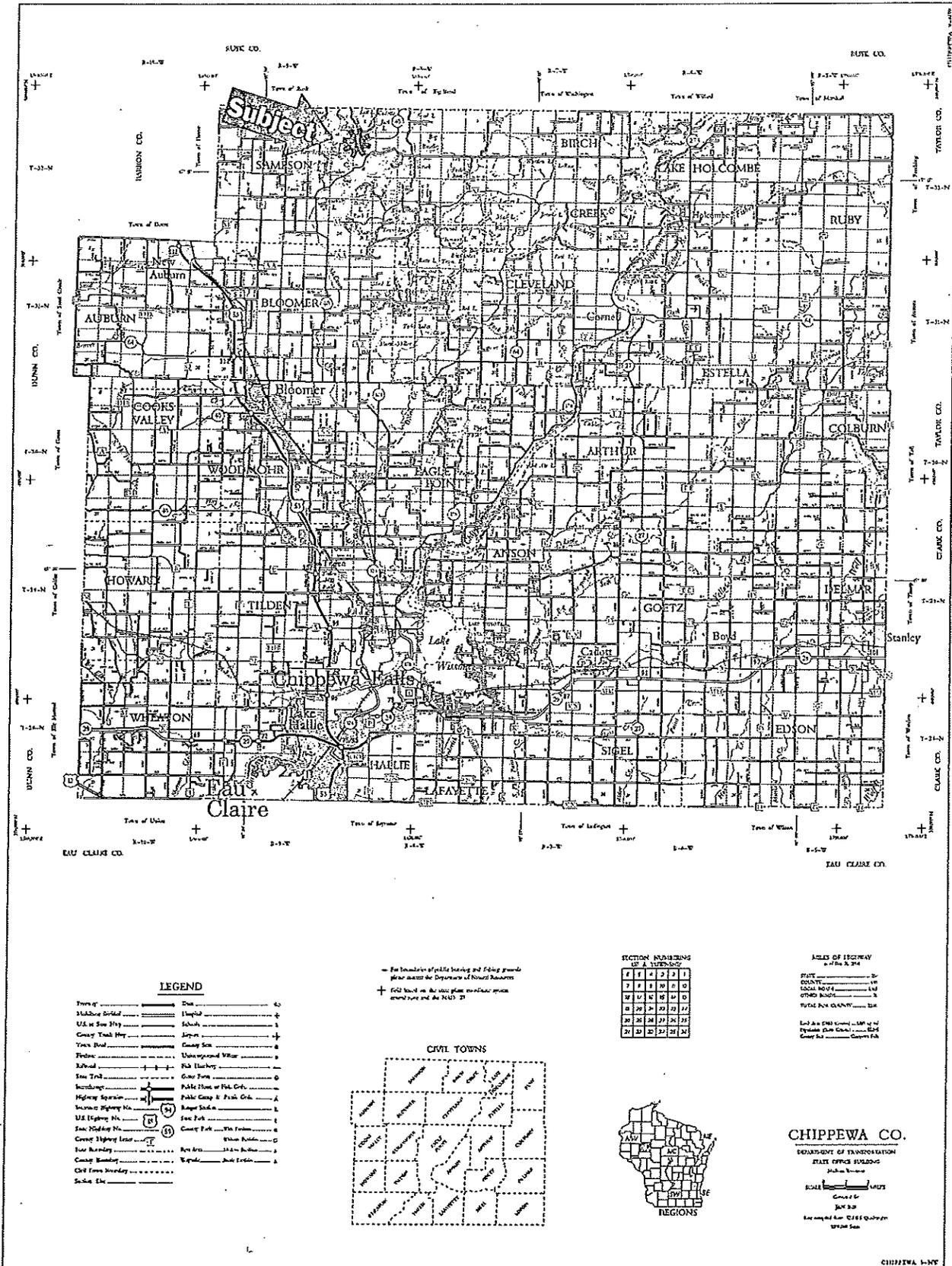
12-20-10
Date


Bureau of Legal Services

12-20-10
Date


Laurie Osterndorf

12/20/10
Date



LEGEND

- Form of _____
- Highway Right-of-Way _____
- U.S. or State Hwy _____
- County Trunk Hwy _____
- Trunk Road _____
- Private _____
- Road _____
- State Trunk _____
- Interchange _____
- Highway Separation _____
- Intersecting Highway No. _____
- U.S. Highway No. _____
- State Highway No. _____
- County Highway Line _____
- State Boundary _____
- County Boundary _____
- City Town Boundary _____
- Section Line _____
- State _____
- County _____
- City _____
- Section _____
- Public Land _____
- Public Camp & Park Grd. _____
- Range Section _____
- State Park _____
- Water Right _____
- Open Area _____
- Reptile _____
- Public Forest _____

— For boundaries of public hearing and fishing grounds
 For boundaries of the Department of Natural Resources
 + Grid based on the Wisconsin meridian system
 established in Act No. 27

**SECTION NUMBERS
 OF A TOWNSHIP**

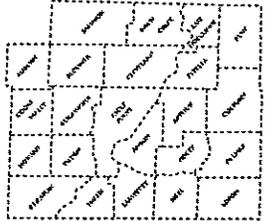
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13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

SCALE OF FEETWAY
 as of Feb. 2, 1904

STATE _____ 30
 COUNTY _____ 100
 TOWNSHIP _____ 1000
 SECTION _____ 36
 RANGE AND QUARTER _____ 144

East and West Lines — 1/2 in. of
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CIVIL TOWNS



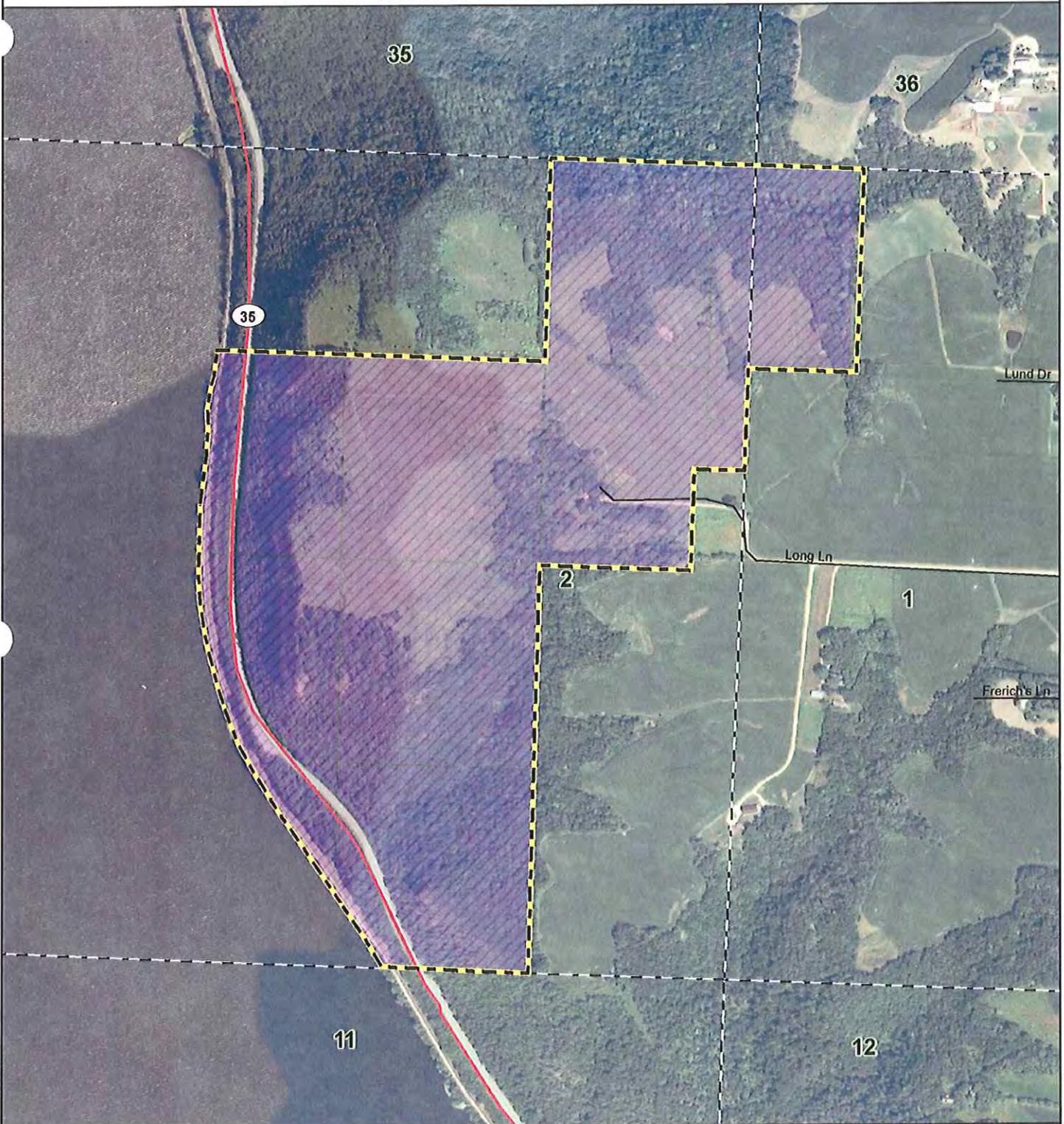
CHIPPewa CO.

DEPARTMENT OF TRANSPORTATION
 STATE OFFICE BUILDING
 MADISON, WISCONSIN

SCALE _____ METERS
 Cont'd to
 JULY 20
 For names of the Cities, Towns and Villages
 within the County

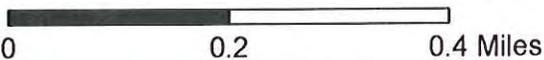
West Wisconsin Land Trust (Maiden Rock Bluff) Parcel

T23N R16W Sections 1 & 2, Town of Stockholm, Pepin County, WI (248.00 Acres)



Legend

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



Subject Property

NA 20061

Statewide Natural Area

- Fee Simple
- Easement
- Ingress/Egress

State of Wisconsin

Dec. 2, 2010
Real Estate Section
Bureau of Facilities and Lands

Use Advisory: Neither the Wisconsin Department of Natural Resources (WDNR) nor any of its employees shall be held liable for any improper or incorrect use of the information and/or contained herein and assumes no responsibility for use of the information. Furthermore, no warranty, expressed or implied, is made regarding accuracy, adequacy, completeness, legality, or reliability of any information. The WDNR provides mapped information on an "as is" basis. The WDNR has made reasonable efforts to provide accurate information, but cannot exclude the possibility of errors or omissions in source information. There is no guarantee the parcel boundaries are defined by a survey. The map user is expected to exercise reasonable use of the map information.

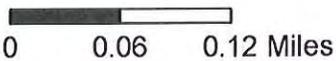
West Wisconsin Land Trust (Larabee Lake Wetlands) Parcel

T32N R9W Sections 24 & 25, Town of Sampson, Chippewa County, WI (125.67 Acres)



Legend

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



Subject Property

PR 40101

Ice Age Trail

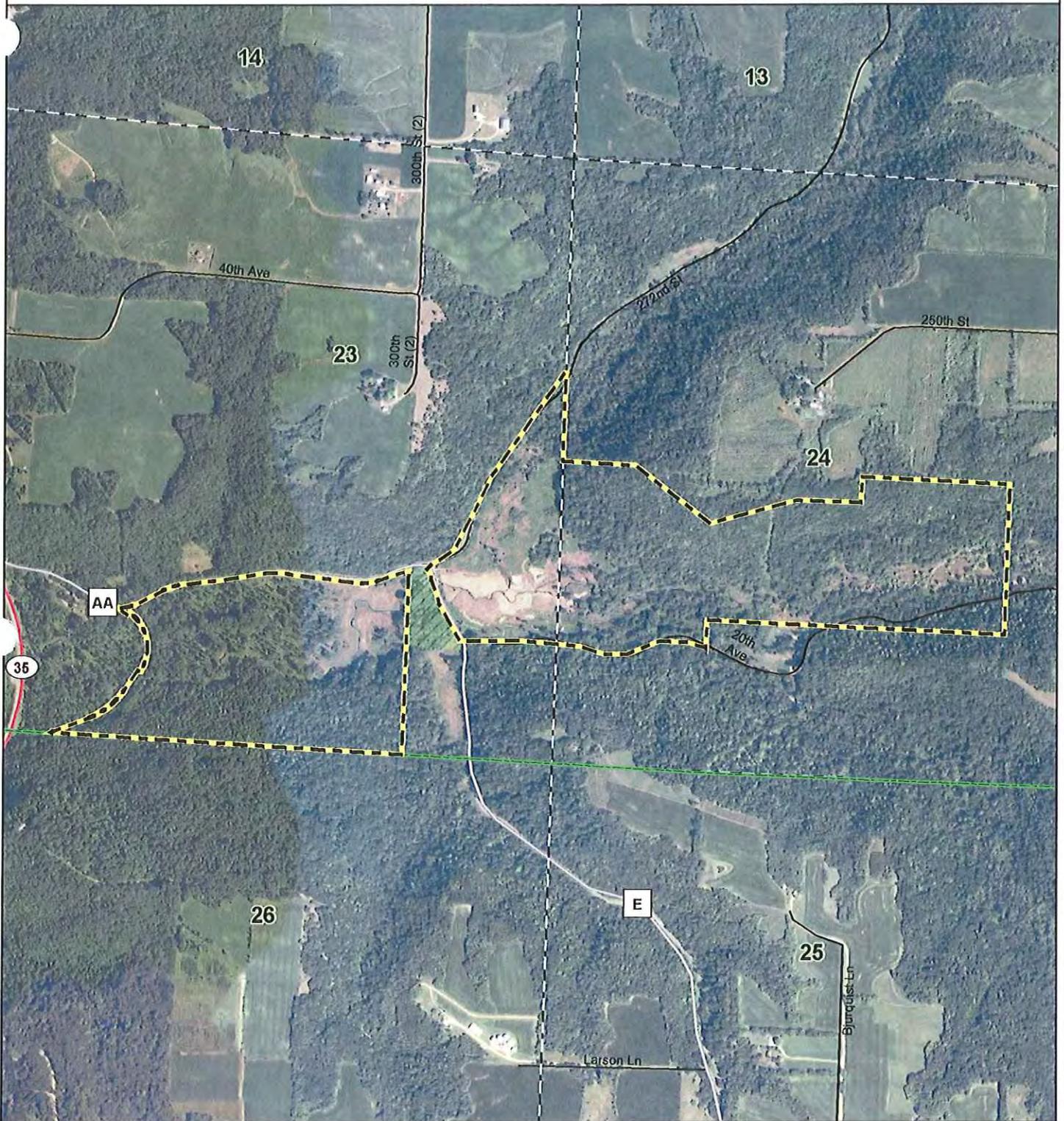
- ▨ Fee Simple
- ▨ Easement
- Ingress/Egress

State of Wisconsin
 Dec. 2, 2010
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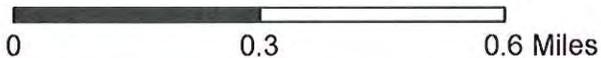
West Wisconsin Land Trust (Pine Creek) Parcel

T24N R16W Sections 23 & 24, Town of Maiden Rock, Pierce County, WI (233.00 Acres)



Legend

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



Subject Property

FM 10110

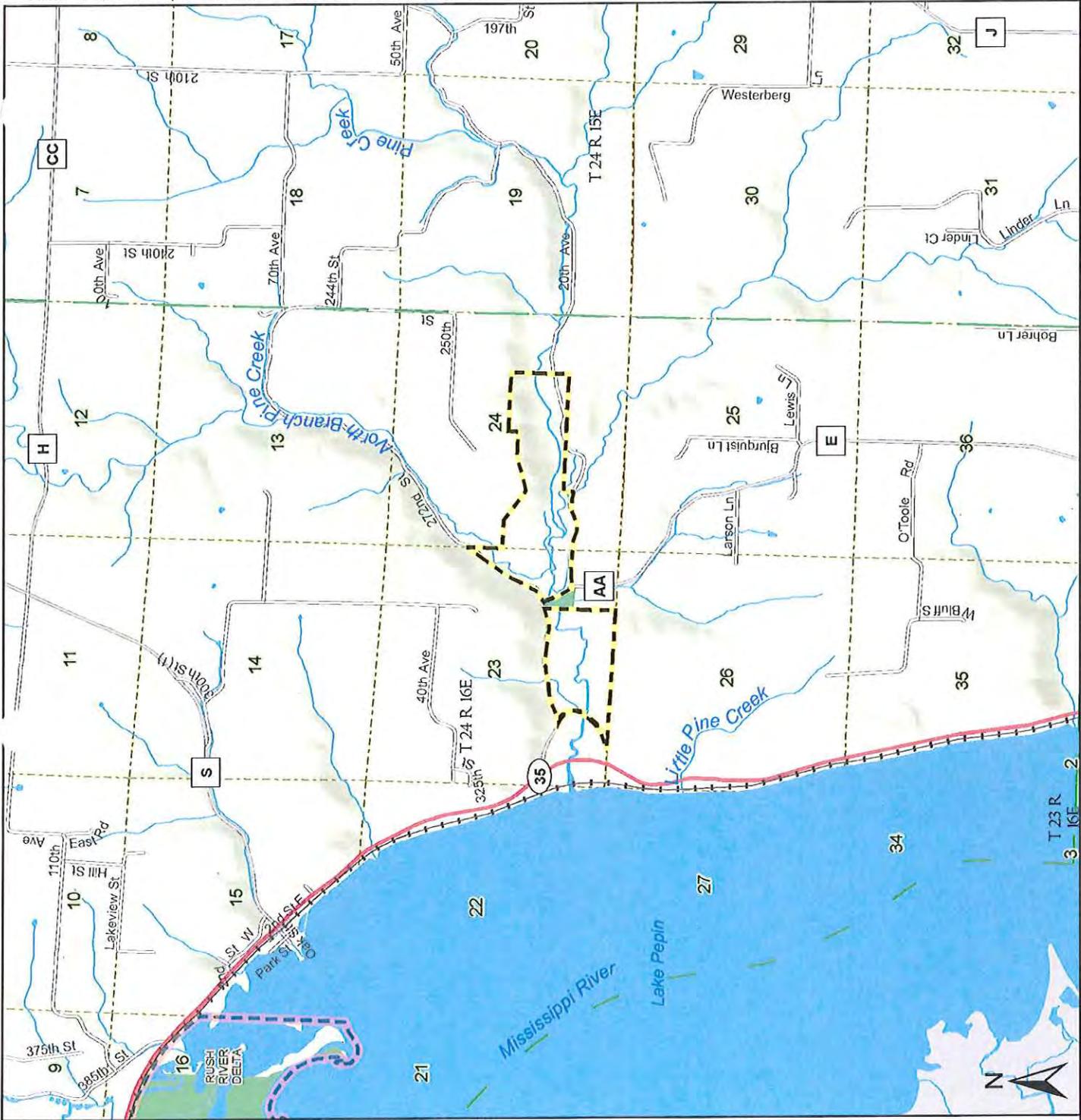
Statewide Habitat Areas

- Fee Simple
- Easement
- Ingress/Egress

State of Wisconsin

Dec. 2, 2010
Real Estate Section
Bureau of Facilities and Lands

User Advisory: Neither the Wisconsin Department of Natural Resources (WDNR) nor any of its employees shall be held liable for any improper or incorrect use of the information and/or contained herein and assume no responsibility for use of the information. Furthermore, no warranty, expressed or implied, is made regarding accuracy, adequacy, completeness, legality, or reliability of any information. The WDNR provides mapped information on an "as is" basis. The WDNR has made reasonable efforts to provide accurate information, but cannot exclude the possibility of errors or omissions in source information. There is no guarantee the parcel boundaries are defined by a survey. The map user is expected to exercise reasonable use of the map information.



W_C Wisconsin Land Trust (Pine Creek) Parcel

FM 10110

Statewide Habitat Areas

T24N R16W S23 & 24
Town of Maiden Rock
Pierce County, WI
(233.00 Acres)

Subject Property

- Fee Simple
- Easement
- Ingress/Egress

Legend

- DNR Project Boundary
- State Natural Area
- PLSS Section Line
- County Boundary
- DNR Owned
- DNR Easement
- National Forest
- County Forest



Subject Property *County View*

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 dataset is a spatial representation of the Credits Land Records System maintained by the DNR, Bureau of Facilities and Lands (LF), and may include errors and/or omissions. This dataset is not intended for use as a land management tool; it is a listing of all DNR real estate transactions that have occurred on these lands over time. 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/oa/r/23servicecenterlocations.htm>. Updates to this data set are ongoing, and will be incorporated into future versions when available.

West Wisconsin Land Trust (Red Cedar Cut-off) Parcel

T28N R12W Sections 7 & 8, Town of Red Cedar, Dunn County, WI (157.00 Acres)



Legend

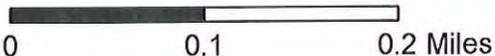
- - - PLSS Section Line
- PLSS Quarter-Quarter
-  DNR Project Boundary
-  County Boundary
-  DNR Eased
-  DNR Owned

Subject Property

FM 10111

Statewide Habitat Areas

-  Fee Simple
-  Easement
-  Ingress/Egress




State of Wisconsin
 Dec. 2, 2010
 Real Estate Section
 Bureau of Facilities and Lands

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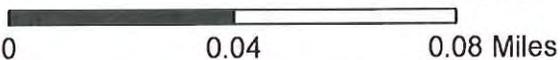
West Wisconsin Land Trust (Keil Birch Creek) Parcel

T27N R13W Section 3, Town of Menomonie, Dunn County, WI (28.00 Acres)



Legend

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



Subject Property

NA 20062

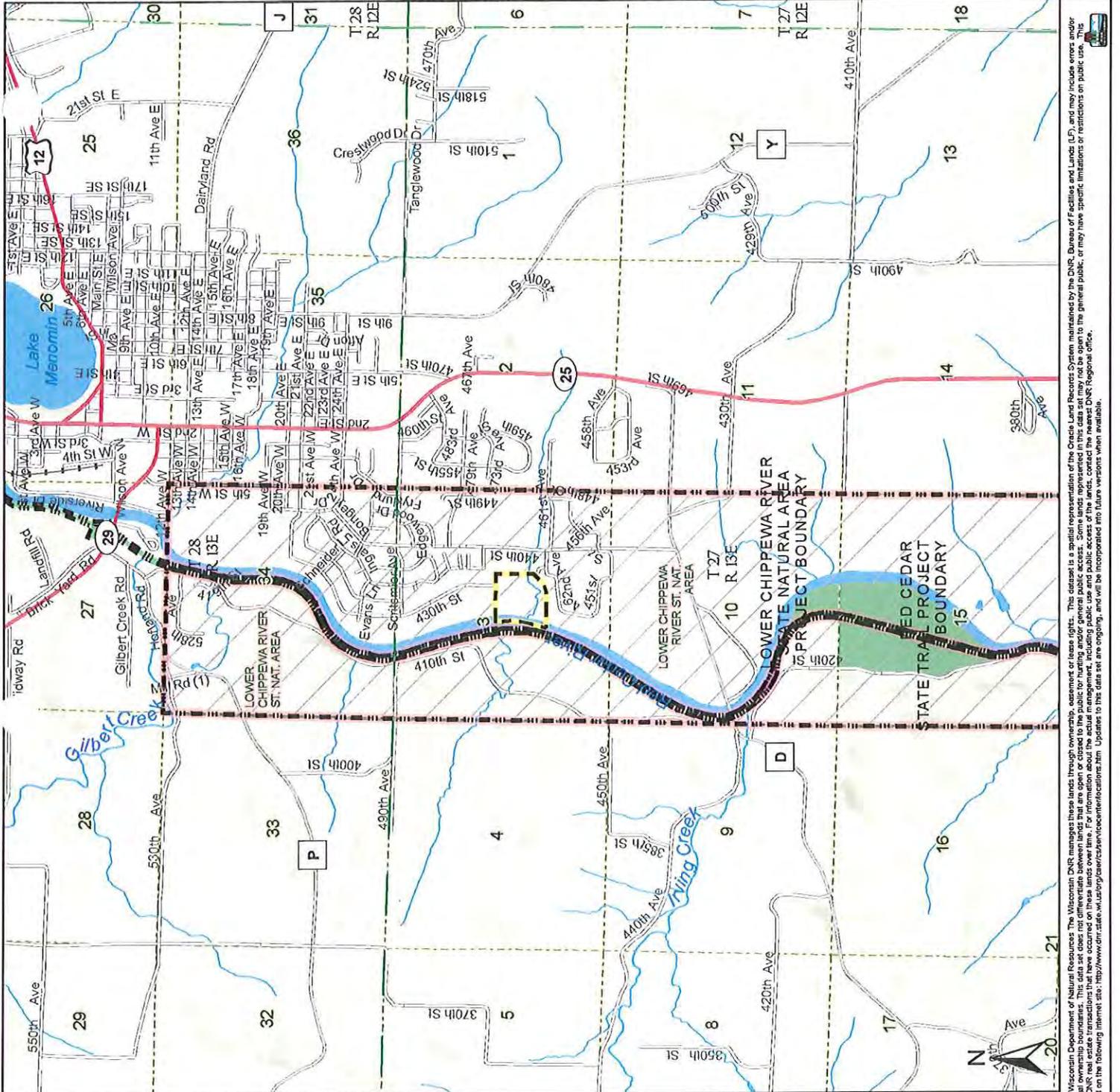
Lower Chippewa River State Natural Area

- ▨ Fee Simple
- ▨ Easement
- ▨ Ingress/Egress

State of Wisconsin

Dec. 2, 2010
Real Estate Section
Bureau of Facilities and Lands

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WL Wisconsin Land Trust (Keil Birch Creek) Parcel
NA 20062
Lower Chippewa River State Natural Area

T27N R13W S3
 Town of Menomonee
 Dunn County, WI
 (28.00 Acres)

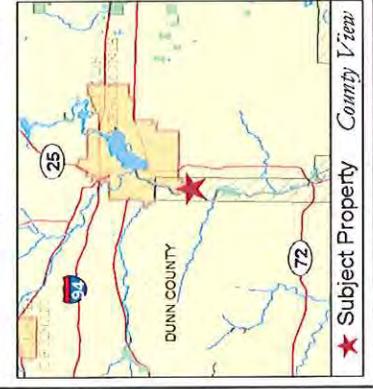
Subject Property

- Free Simple
- Easement
- Ingress/Egress

Legend

- DNR Project Boundary
- State Natural Area
- PLSS Section Line
- County Boundary
- DNR Owned
- DNR Easement
- National Forest
- County Forest

0 0.5 1 Miles



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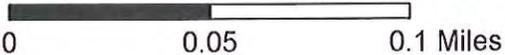
West Wisconsin Land Trust (Alabama Lake) Parcel

T36N R18W Sections 8 & 17, Town of Laketown, Polk County, WI (11.50 Acres)



Legend

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



Subject Property

WM 60125

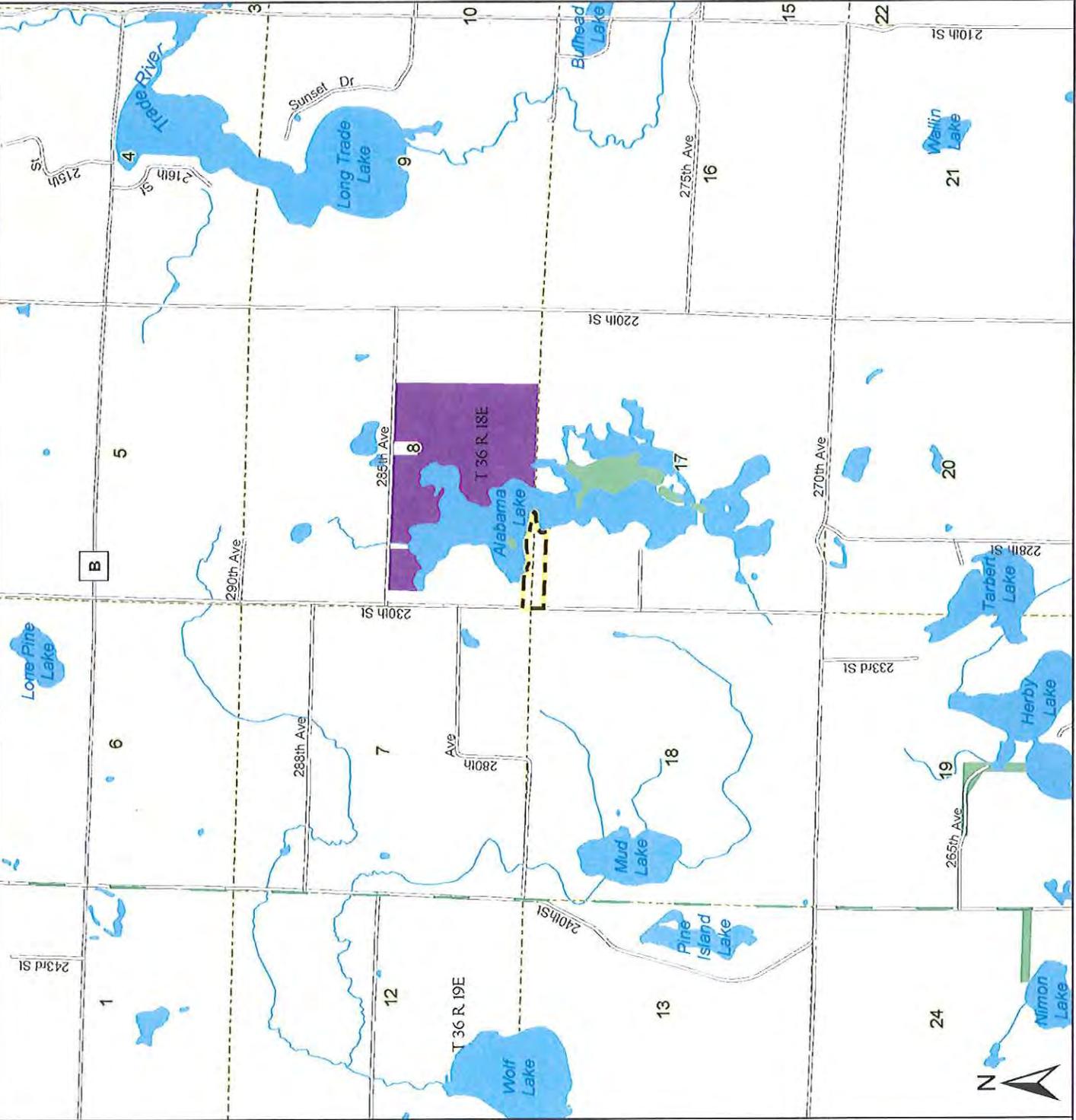
Statewide Wildlife Habitat

- ▨ Fee Simple
- ▨ Easement
- ▨ Ingress/Egress

State of Wisconsin

Dec. 2, 2010
Real Estate Section
Bureau of Facilities and Lands

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Wisconsin Land Trust (Alabama lake) Parcel

WM 60125

Statewide Wildlife Habitat

T36N R18W S8 & 17
Town of Laketown
Polk County, WI
(11.50 Acres)

Subject Property

- Fee Simple
- Easement
- Ingress/Egress

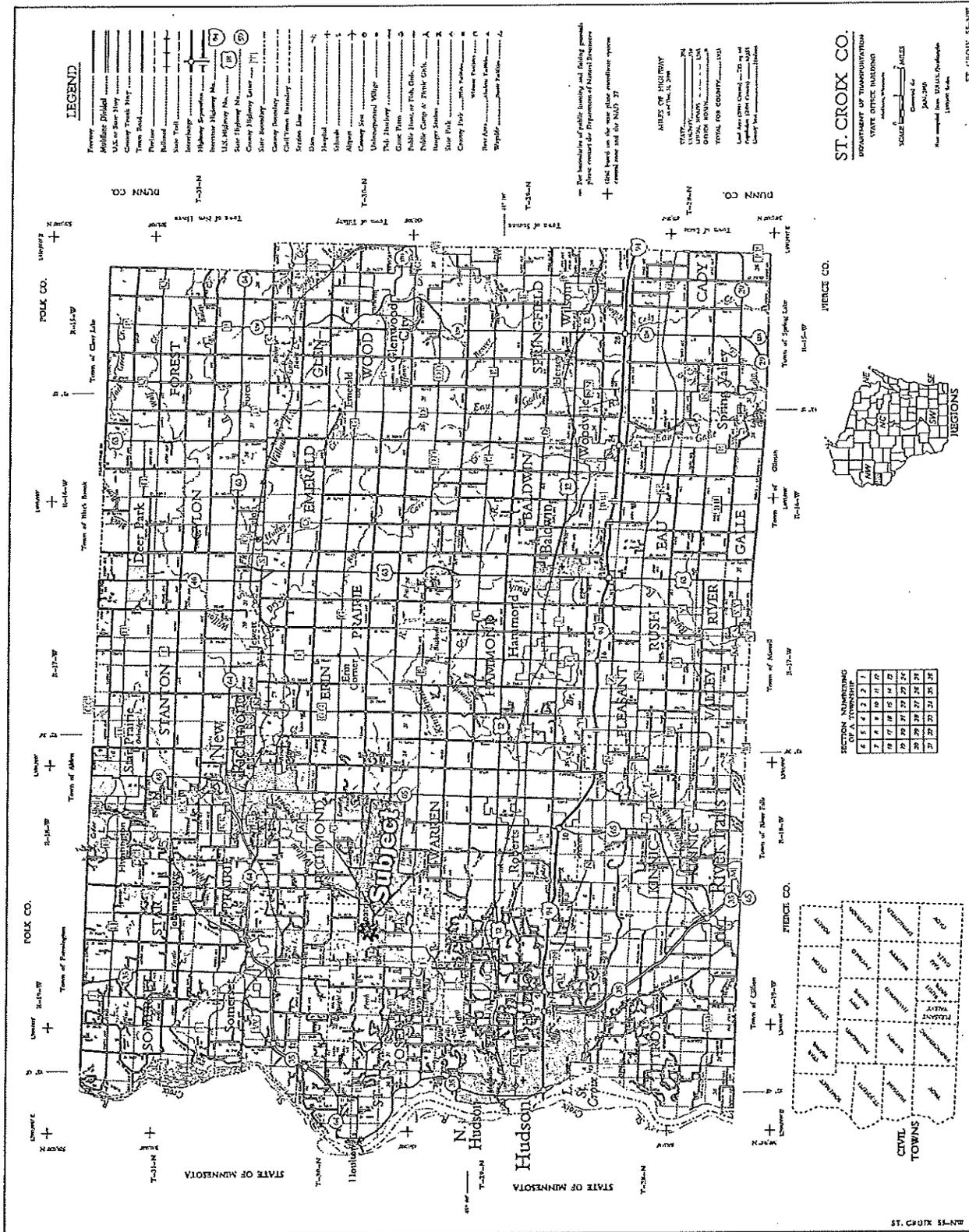
Legend

- DNR Project Boundary
- State Natural Area
- PLSS Section Line
- County Boundary
- DNR Owned
- DNR Easement
- National Forest
- County Forest



Subject Property County View

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 dataset is a spatial representation of the State's Land Records System, established by the DNR, Bureau of Facilities and Lands (BFL), and may include errors and 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, or may have specific limitations or restrictions on public use. This dataset is not intended for use as a land management tool. It is a listing of all DNR real estate transactions that have occurred on these lands over time. 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/oa/care/service/centerlocations.htm>. Updates to this data set are ongoing, and will be incorporated into future versions when available.



West Wisconsin Land Trust (Simon Prairie) Parcel

T30N R19W Section 26, Town of St. Josph, St. Croix County, WI (5.00 Acres)



Legend

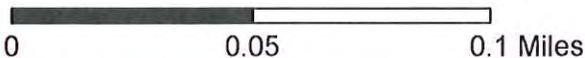
- - - PLSS Section Line
- PLSS Quarter-Quarter
- DNR Project Boundary
- County Boundary
- DNR Eased
- DNR Owned

Subject Property

WM 60126

Western Prairie Habitat Restoration

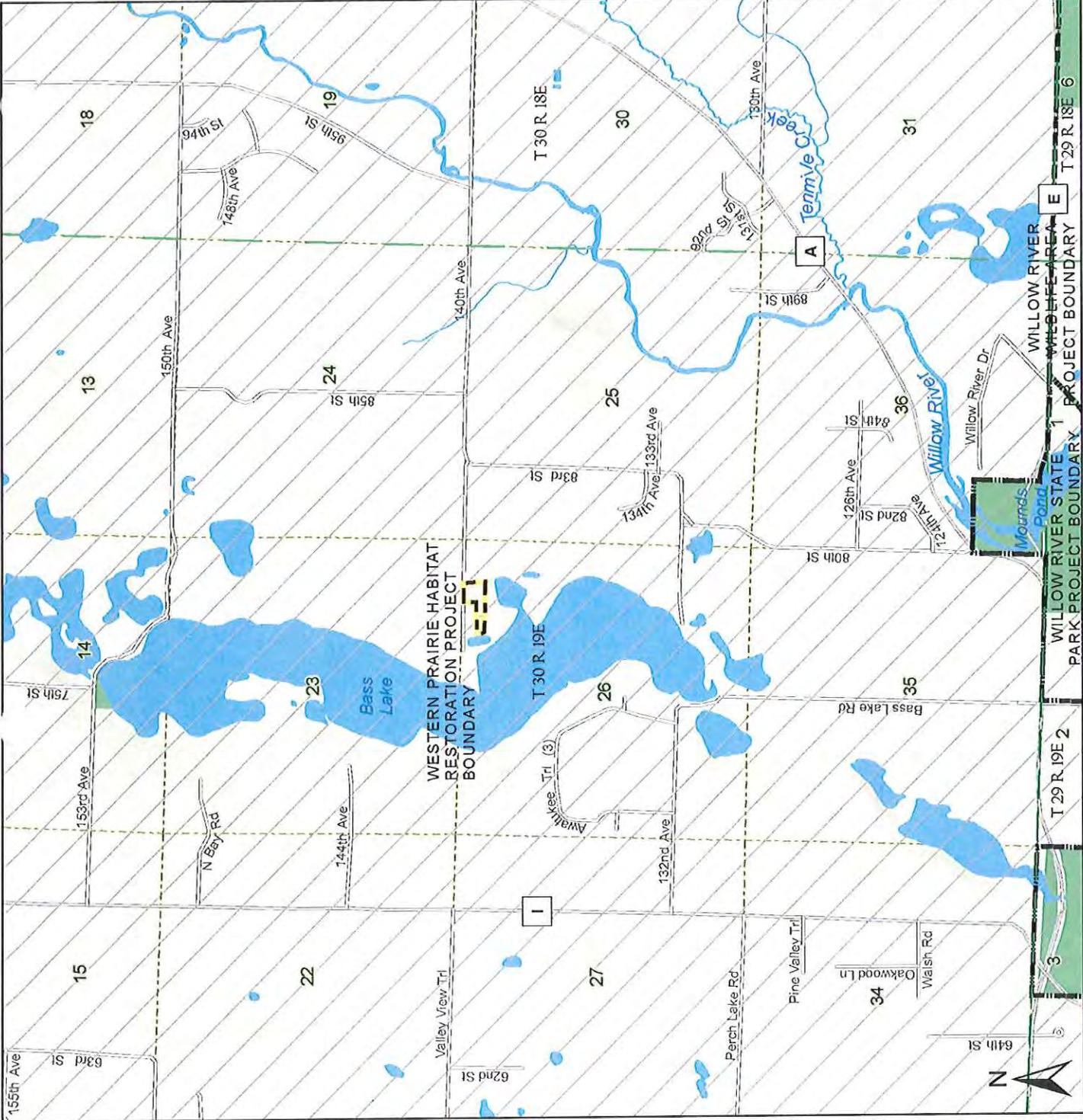
- Fee Simple
- Easement
- Ingress/Egress



State of Wisconsin

Dec. 2, 2010
Real Estate Section
Bureau of Facilities and Lands

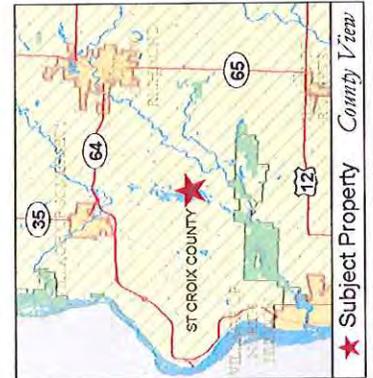
User Advisory: Neither the Wisconsin Department of Natural Resources (WDNR) nor any of its employees shall be held liable for any improper or incorrect use of the information and/or contained herein and assume no responsibility for use of the information. Furthermore, no warranty, expressed or implied, is made regarding accuracy, adequacy, completeness, legality, or reliability of any information. The WDNR provides mapped information on an "as is" basis. The WDNR has made reasonable efforts to provide accurate information, but cannot exclude the possibility of errors or omissions in source information. There is no guarantee the parcel boundaries are defined by a survey. The map user is expected to exercise reasonable use of the map information.



W6 Wisconsin Land Trust (Simon Prairie) Parcel
WM 60126
 Western Prairie Habitat Restoration
 T30N R19W S26
 Town of St. Joseph
 St. Croix County, WI
 (5.00 Acres)

Subject Property
 Fee Simple
 Easement
 Ingress/Egress

Legend
 DNR Project Boundary
 State Natural Area
 PLSS Section Line
 County Boundary
 DNR Owned
 DNR Easement



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United States Department of the Interior



FISH AND WILDLIFE SERVICE
Division of Bird Habitat Conservation
4401 N. Fairfax Drive, MBSP-4075
Arlington, VA 22203
703-358-1784
703-358-2282 (fax)

December 15, 2010

Ms. Jane Prohaska
Interim Executive Director
West Wisconsin Land Trust
500 East Main Street
Menomonie, Wisconsin 54751

Re: NAWCA Lower Chippewa River Wetland Protection Partnership II (WI-NI31)

Dear Ms. Prohaska:

We received your letter dated December 15, 2010 regarding the proposed resolution of outstanding obligations associated with the Lower Chippewa River Wetland Protection Partnership II project, funded in part by a grant from the U.S. Fish and Wildlife Service (Service) under North American Wetlands Conservation Act (NAWCA) Grant Agreement No. WI-NI31.

A project monitoring conducted by the Division of Bird Habitat Conservation found that the West Wisconsin Land Trust (WWLT) had not fulfilled financial commitments made as part of a sub-agreement to the Wisconsin Department of Natural Resources (DNR). Further, WWLT could not account for the use of over \$528,000 in grant funds from this project.

As described in your letter, and as discussed in a conference call yesterday, you are proposing to transfer fee title ownership of 9 properties to the Wisconsin DNR to satisfy the \$551,000 debt arising from the project. WWLT has also requested that this transfer settle the outstanding debt to the Service. Currently, 7 of the properties are already affiliated with NAWCA projects, and, therefore, the transfers require our specific approval for disposition.

The properties included in the settlement are the following:

Property

Cedar Creek Wetlands
Pine Creek 1 (Bjurquist)
Pine Creek 2 (Boher)
Wagner (Red Cedar Cut-Off)
Keil (Birch Creek)
Simon Prairie
Alabama Lake
Larrabee Lake

NAWCA Grant Agreement

Hawk Metals Wetland Acquisition (WI-N211)
Lower Chippewa River I (91100-3-G488)
Lower Chippewa River I
Lower Chippewa River II (WI-NI31)
Lower Chippewa River II
Wisconsin Northwest Pothole V (MI-N321B)
no affiliation
no affiliation

We have reviewed the information in the file, as well as additional information provided as part of the proposed resolution. We have also consulted with the Department of Interior Office of the Solicitor.

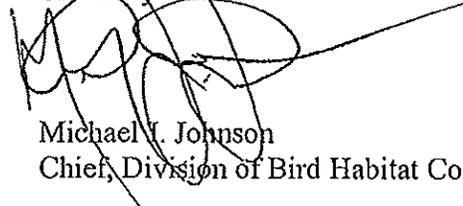
The Service understands that WWLT does not have the financial reserves to liquidate its obligation to the DNR or return Federal grant funds in a reasonable time period. Therefore, the proposed settlement is likely the best possible option for resolving the debts in question. We have determined that the proposed property transfers and disposal treatments are necessary for this specific settlement, but do not fully conform to the standards for administration of NAWCA or other Federal grants and shall not create a precedent for future administration or disposal of properties included in Service grant projects. This settlement also shall not create a precedent for future recovery of grant funds.

The proposed settlement is approved, contingent upon the following conditions:

1. West Wisconsin Land Trust shall submit all remaining outstanding documentation for approved project properties within 30 days. Within 3 business days from this letter, FWS will send WWLT an e-mail listing all missing documentation.
2. Within 30 days of this letter, WWLT shall send a check or money order for \$5,395 to cover documented interest and program income earned from grant activities.
3. The Wisconsin DNR shall send a letter to the Service affirming their willingness to (a) manage the transferred properties for project purposes, (b) maintain the existing Notices of Grant Requirements (NOGRs) on the 7 currently NAWCA-associated properties, and (3) record NOGRs on the properties identified as the Alabama Lake and Larrabee Lake parcels.
4. The Wisconsin DNR shall record complete NOGRs (as described in Section F-14 of the October 2010 Grant Administration Standards – attached) on the deeds for the Alabama Lake and Larrabee Lake properties. The NOGRs should reference the Lower Chippewa River II project.
5. Copies of deeds for all properties transferred to Wisconsin DNR should be returned to this office within 60 days of the deed transfers.

Please send us a copy of the final agreement with the Wisconsin DNR and keep us apprised of progress in the settlement. Please contact Ms. Leakhena Au at 703-358-2563 with any questions.

Sincerely



Michael T. Johnson
Chief, Division of Bird Habitat Conservation

Enclosure

cc: FWS, Assistant Director, Migratory Birds, Washington, DC
FWS, Director, Region 3, Ft. Snelling, MN
DOI, Office of the Solicitor, Washington, DC Attn: Larry Mellinger
Wisconsin DNR, Madison, WI Attn: Mary Rose Teves



United States Department of the Interior



FISH AND WILDLIFE SERVICE
Division of Bird Habitat Conservation
4401 N. Fairfax Drive, MBSP-4075
Arlington, VA 22203
703-358-1784
703-358-2282 (fax)

November 9, 2010

Mr. John Goetz
President, Board of Directors
West Wisconsin Land Trust
500 Main Street, Suite 307
Menomonie, Wisconsin 54751

Re: Monitoring of North American Wetlands Conservation Act Grant Agreement No. WI-N131 (Lower Chippewa River Wetland Protection Partnership II) – Final Report

Dear Mr. Goetz:

Attached is the final report for the financial monitoring of the Lower Chippewa River Wetland Protection Partnership II project, funded by the U.S. Fish and Wildlife Service (Service) under the North American Wetlands Conservation Act (NAWCA) grant program.

We found that the West Wisconsin Land Trust (WWLT) had an inadequate system of controls to ensure proper management and expenditure of grant and match funds. The Project Officer repeatedly ignored Federal regulations governing management of Federal grant funds and did not obtain the consent of partners or grantors for changes in project activities. Further, we found that WWLT records could not substantiate a majority of claimed grant expenditures, nor account for the use of program and interest income.

We understand that you have taken some initial steps to address problems with the management of state and Federal grants, including replacement of the Executive Director and the auditors. However, until significant problems identified in this and any other NAWCA projects are eliminated, WWLT will not be eligible to receive additional grants from the Division of Bird Habitat Conservation.

The Department of Interior Offices of the Solicitor and the Inspector General (OIG) have been notified of our findings. Assuming outstanding grant obligations are resolved satisfactorily, we do not anticipate further OIG investigations of WWLT associated with this project, although we may pursue further action against the former Executive Director. The Division of Bird Habitat Conservation, in consultation with the Solicitor, will work with you and the WWLT staff to attempt to resolve repayment of grant funds as quickly as possible. As noted in the final report, the deadline for this resolution is January 10, 2011.

We appreciate the time you have taken to respond to the draft monitoring report and meet with us regarding this project. Please contact Ms. Leakhena Au at 703-358-2463 or by e-mail at leakhena_au@fws.gov with questions about this report or to discuss the outstanding obligations associated with this project.

We look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink that reads "Sarah P. Mott". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sarah Mott
Chief, Grants Branch
Division of Bird Habitat Conservation

Attachment

cc: FWS, Assistant Director, Migratory Birds
FWS, Division of Bird Habitat Conservation, Attn: Michael J. Johnson
DOI, Office of the Inspector General, Attn: Edward Nasiatka
DOI, Office of the Solicitor, Attn: Anthony Conte
FWS, UMRGL Joint Venture, Attn: Barb Pardo
West Wisconsin Land Trust, Menomonie, WI, Attn: Jane Prohaska

AGREEMENT

This is an agreement between West Wisconsin Land Trust, Inc., a non-profit organization established under the laws of the State of Wisconsin, (WWLT) and the Wisconsin Department of Natural Resources, an agency of the State of Wisconsin (WDNR) regarding funds owed to WDNR by WWLT pursuant to North American Conservation Act Grant Agreement No. WI-N131, which grant provided federal funding to WWLT and others for the Lower Chippewa River Wetland Protection Partnership II project, and the related North American Wetlands Conservation Act Grant Partner Agreement between WWLT and WDNR.

BACKGROUND

- A. The North American Wetlands Conservation Act (NAWCA) provides federal grants to conserve wetland and associated upland for the benefit of migrating waterfowl, shorebirds and other wildlife.
- B. The Lower Chippewa River Wetland Protection Partnership II (the Project) proposal was submitted to U.S. Fish and Wildlife Service (USFWS) by WWLT on its own behalf and on behalf of other project partners named in the proposal, including WDNR, to be considered for NAWCA funding.
- C. The Project was approved for NAWCA funding by the Migratory Bird Council on May 8, 2006 and USFWS awarded a \$1,000,000 grant to WWLT pursuant to North American Conservation Act Grant Agreement No. WI-N131 dated May 9, 2006 (Grant Agreement) and later revised on April 9, 2008 to extend the time within which to finish the Project.
- D. WWLT was identified in the Grant Agreement as the grant manager for the Project. As grant manager, WWLT received NAWCA funds and was to administer those funds in accordance with the Grant Agreement.
- E. WDNR was named as a partner and an intended sub-recipient of NAWCA funds in the Project. As a sub-recipient, WDNR was to receive a portion of the NAWCA funds through WWLT. These funds were intended to cover the cost of purchasing identified tracts of land. Additionally, WDNR was to provide other lands to be used as match in the project.
- F. WWLT and WDNR entered into a written agreement regarding this arrangement, the North American Wetlands Conservation Act Grant Partner Agreement—Lower Chippewa River Wetland Protection Partnership (Partner Agreement).
- G. Pursuant to the Grant Agreement and the Partner Agreement, WDNR did in fact purchase five parcels of land, anticipating that all or a part of the purchase price of each parcel would be reimbursed by WWLT under the Grant Agreement. These five parcels are as follows:

Project	Acres	Total Purchase Price	NAWCA Reimbursement Amount
Huntsinger Property Eau Claire County Lower Chippewa River Natural Area	324	\$580,000	\$290,700
Zachman Property Dunn County Lower Chippewa River Natural Area	106	\$210,000	\$105,000
Edgeberg Property Dunn County Dunnville Wildlife Area	66.6	\$186,000	\$100,000
Chitwood Property Dunn County Dunnville Wildlife Area	42	\$78,750	\$47,800
Komro Property Pepin County Lower Chippewa River Natural Area	10	\$15,000	\$7,500
Total	548.6	\$1,069,750	\$551,000

WDNR also acquired three other parcels to be used to meet match requirements for the Project under the Grant Agreement. These parcels are as follows:

Match Project	Acres	Funded from other Sources
Swenson Property Dunn County Dunnville Wildlife Area	119	\$149,700
Webb Property Dunn County Dunnville Wildlife Area	26	\$41,600
Bryce Property Dunn County Dunnville Wildlife Area	463	\$800,000
Total	608	\$991,300

- H. Under the terms of the Grant Agreement and the Partner Agreement and as otherwise agreed to by WWLT, WDNR, and USFWS, WDNR was entitled to be reimbursed for the \$551,000 attributed to the purchase of these parcels of land from the NAWCA funds.
- I. In 2009, WDNR presented Invoice No. 138905 to WWLT requesting payment of \$551,000. WDNR reasserted its claim in letters to WWLT dated January 7, 2010 and January 19, 2010.
- J. To date, WDNR has not been paid by WWLT.

- K. WWLT does not have, and is not likely in the foreseeable future to secure, financial resources sufficient to pay WDNR the amount owed.
- L. WWLT does have extensive land holdings. WDNR has reviewed information on all of the land currently owned in fee by WWLT and has identified a suite of parcels that WDNR believes are appropriate for ownership and management by WDNR. These parcels are listed on the "Schedule of Properties" attached to this agreement and incorporated by this reference.
- M. WWLT has offered these lands to WDNR in satisfaction of its obligations to WDNR under the Grant Agreement and the Partner Agreement.
- N. WDNR agrees that the value of these lands exceeds the amount owed it by WWLT as set out above.
- O. USFWS has reviewed this proposal by WWLT to transfer land to WDNR in satisfaction of WWLT's Grant Agreement obligations and agrees that this would be a satisfactory solution to the outstanding obligations.

NOW THEREFORE, WWLT and WDNR agree as follows:

1. As soon as possible following execution of this Agreement, WWLT will convey to WDNR title to those properties identified on the attached Schedule of Properties.
2. WWLT will convey these properties subject to all rights, restrictions and easements of record and any accrued but unpaid property taxes or assessments.
3. WWLT will provide to WDNR copies of any and all title insurance policies or other title work which WWLT possess on these properties. Any other title work desired by WDNR will be completed at WDNR's expense. Any and all closing expenses, including but not limited to deed preparation, transfer taxes and recording fees, will be paid by WDNR.
4. WDNR understands that these properties are all subject to NAWCA grant requirements and restrictions and WDNR agrees to comply with those requirements and restrictions in the use and management of the property. This includes filing Notice of Grant Requirements where necessary.
5. Conveyance of these properties to WDNR by WWLT will fully and completely satisfy any and all WWLT obligations to WDNR, financial or otherwise, under the Grant Agreement, the Partner Agreement and any other agreements between the parties related to the Project. Upon acceptance of title to these properties, WDNR releases WWLT from any and all obligations under the Grant Agreement, the Partner Agreement and any other agreements between the parties related to the Project, specifically including WDNR's request for reimbursement in the amount of \$551,000.

6. This document sets forth the entire agreement of the parties with respect to this matter and supersedes all prior discussions or understandings.
7. This agreement becomes effective when signed by the parties. It may be signed in counterparts, each of which shall be considered an original and all of which when taken together shall be considered a single document. Each of the undersigned individuals represents that he or she has authority to represent and bind that respective party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

WEST WISCONSIN
LAND TRUST, INC.

WISCONSIN DEPARTMENT OF
NATURAL RESOURCES

BY: _____

BY: _____

John Goetz
President,
West Wisconsin Board of Directors

Name
Title

Date: _____

Date: _____