

**SUBJECT: Easement Purchase – Forest Legacy Program– Douglas County**

**FOR: DECEMBER 2012 BOARD MEETING**

**TO BE PRESENTED BY:** Richard Steffes

**SUMMARY:** The Department proposes to purchase a 2,266.68-acre working forest easement from Futurewood Corporation for \$1,048,500 under the Forest Legacy Program in Douglas County. The item is being submitted because the purchase price exceeds \$150,000.

The property is approximately 88 percent forested and dominated by northern hardwood stands. It has 1,200 feet of frontage on Mirror Lake and includes 5 other lakes and ponds. Mirror Lake has a bass and panfish population while the other lakes have wildlife and recreational value. The easement area blocks with Phase I and proposed Phase II of the Brule-St. Croix Forest Legacy Easement to create an expanse of more than 1 million contiguous acres of land protected for forest resources, water quality, habitat, and recreation, including the Chequamegon-Nicolet National Forest, the Brule River State Forest, County Forests and the Brule-St. Croix Easements.

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 forestry, conservation and public access goals permanently and at lower cost than fee title purchase.

In recent years, a significant amount of land has been sold by industrial forest companies; 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 have a significant negative impact on both the timber and tourism industries in northern Wisconsin. This proposal will ensure that this large block of forestland remains open to the public, on the tax rolls and in private industrial forest management. The easement area fits in well with existing state and county forest holdings and private industrial forestland.

Public outdoor recreation is an important component of this Forest Legacy easement. The entire property will be open for hiking, fishing, hunting, trapping, and cross-country skiing and also includes approximately 1 mile of a designated county snowmobile trail. Access to the easement lands is via the public road system, with an extensive town road system in place. In addition, the easement 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.

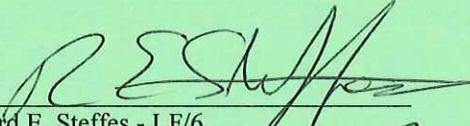
Acquisition of the 2,266.68 acre Forest Legacy easement will help protect and preserve the integrity of these northern forestlands in perpetuity, prevent forest fragmentation and promote the sustainable use of the northern forests. The tracts that comprise the easement area are critical in connecting 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 by the private sector as sustainable forestland with many opportunities for public recreation.

**RECOMMENDATION:** Approve the purchase of a working forest easement on 2,266.68 acres of land at a price of \$1,048,500 for the Forest Legacy Program.

**LIST OF ATTACHED MATERIALS:**

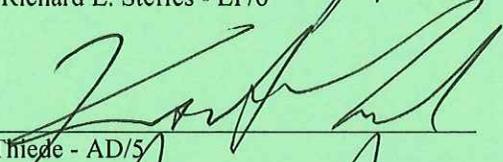
- |                                        |                                                       |                                         |          |
|----------------------------------------|-------------------------------------------------------|-----------------------------------------|----------|
| 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:**



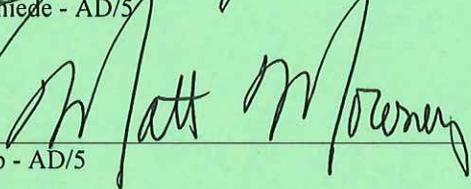
Real Estate Director, Richard E. Steffes - LF/6

11-23-12  
Date



Administrator, Kurt Thiede - AD/5

11/28/12  
Date



Secretary, Cathy Stepp - AD/5

11/28/12  
Date



- cc: S. Miller - LF/6  
R. Steffes - LF/6  
L. Ross - AD/5  
R. Mather - FR/4  
J. Gozdziński - Spooner

CORRESPONDENCE/MEMORANDUM

DATE: November 23, 2012 FILE REF: NF 30078  
 TO: Natural Resources Board  
 FROM: Cathy Stepp  
 SUBJECT: Proposed Easement on the Futurewood Corporation Tract, File # NF 30078

1. PARCEL DESCRIPTION:

FOREST LEGACY PROGRAM  
 Douglas County

Grantor:

Futurewood Corporation  
 c/o: DJ Alderman  
 9676 North Kruger Road  
 Hayward, WI 54843

Acres: 2,266.68  
Price: \$1,048,500  
Appraised Values: \$1,020,000 & \$1,077,000  
Interest: Easement  
Improvements: None

Location: The tract is located in Douglas County in the of Town of Highland.  
Land Description: The subject land is level to gently rolling

Covertypes Breakdown:

Type	Acreage
Upland Woodland	1,989
Water	57
Wetland	198
Urban / Developed	22.68
Total:	2,266.68

Zoning: Forestry  
Present Use: Timber production  
Proposed Use: Conservation, Forestry and Public Recreation  
Tenure: 15+ years  
Easement Date: November 26, 2012

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 2,266.68-acre conservation easement from Futurewood Corporation for \$1,048,500 the Forest Legacy Program in Douglas County.



The property is approximately 88 percent forested and dominated by northern hardwood stands. It has 1,200 feet of frontage on Mirror Lake - reported to contain panfish and bass - and includes 5 other lakes and ponds. It blocks with Phase I and proposed Phase II of the Brule-St. Croix Forest Legacy Easement to create an expanse of more than 1 million contiguous acres of land protected for forest resources, water quality, habitat, and recreation, including the Chequamegon-Nicolet National Forest, the Brule River State Forest, County Forests and the Brule-St. Croix Easements.

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3. LAND MANAGEMENT:

The easement requires a forest management plan to be approved by the Department. Land management will be done by the underlying fee title landowner (Futurewood Corp.) The easement requires sustainable, professional forestry and that the land be open for public outdoor recreation.

4. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,025,000	\$913,590

5. ACQUISITION STATUS OF THE FOREST LEGACY PROGRAM:

Established: 2002

Acres Purchased to Date: 146,880.47

Acquisition Goal: 112,876\*

Percent Complete: 130.13 %

Cost to Date: \$59,575,239.81

\*Comments: With approval of the transaction, the acreage goal will be increased to 150,000 to include this and other recent easements.

6. APPRAISAL:

Appraiser: Edward Steigerwaldt  
Valuation Date: July 19, 2012  
Appraised Value: \$1,077,000  
Highest and Best Use: Recreation and Timber Production

Allocation of Values:

Before Value: \$2,833,350  
After Value: \$1,756,677  
Easement: \$1,077,000 (rounded)

Appraisal Review: Gregory Markus - 11/7/2012

APPRAISAL 2:

Appraiser: Michael Augustyn  
Valuation Date: September 13, 2012  
Appraised Value: \$1,020,000  
Highest and Best Use: Forestry - Recreation

Allocation of Values:

Before Value: \$2,266,680  
After Value: \$1,246,674  
Easement: \$1,020,000 (rounded)

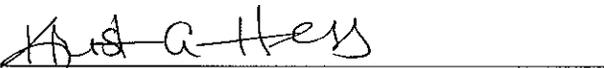
Appraisal Review: Gregory Markus - 11/7/2012

Comments: Price was negotiated at the mid-point of the two appraisal values.

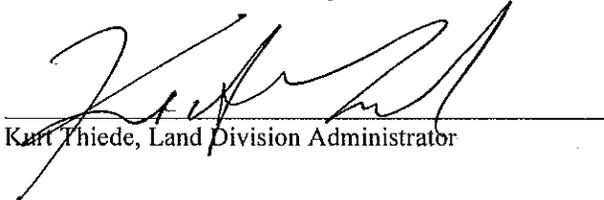
RECOMMENDED:

  
Richard E. Steffes, Real Estate Director

11-23-12  
Date

  
Kristin A. Hess, Bureau of Legal Services

11/26/12  
Date

  
Kurt Thiede, Land Division Administrator

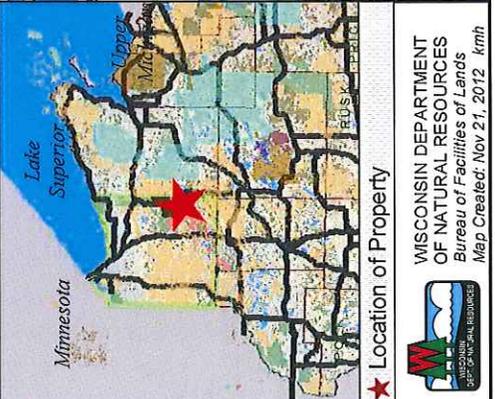
11/28/12  
Date



**Futurewood Corp. - Easement Forest Legacy NF 30078 Program**  
 T45N R10W Sec 25, 26, 34, 35 & 36  
 T44N R10W Sec 3, 4 & 10  
 Town of Highland  
 Douglas County  
 2266.68 Acres  
 **Subject**

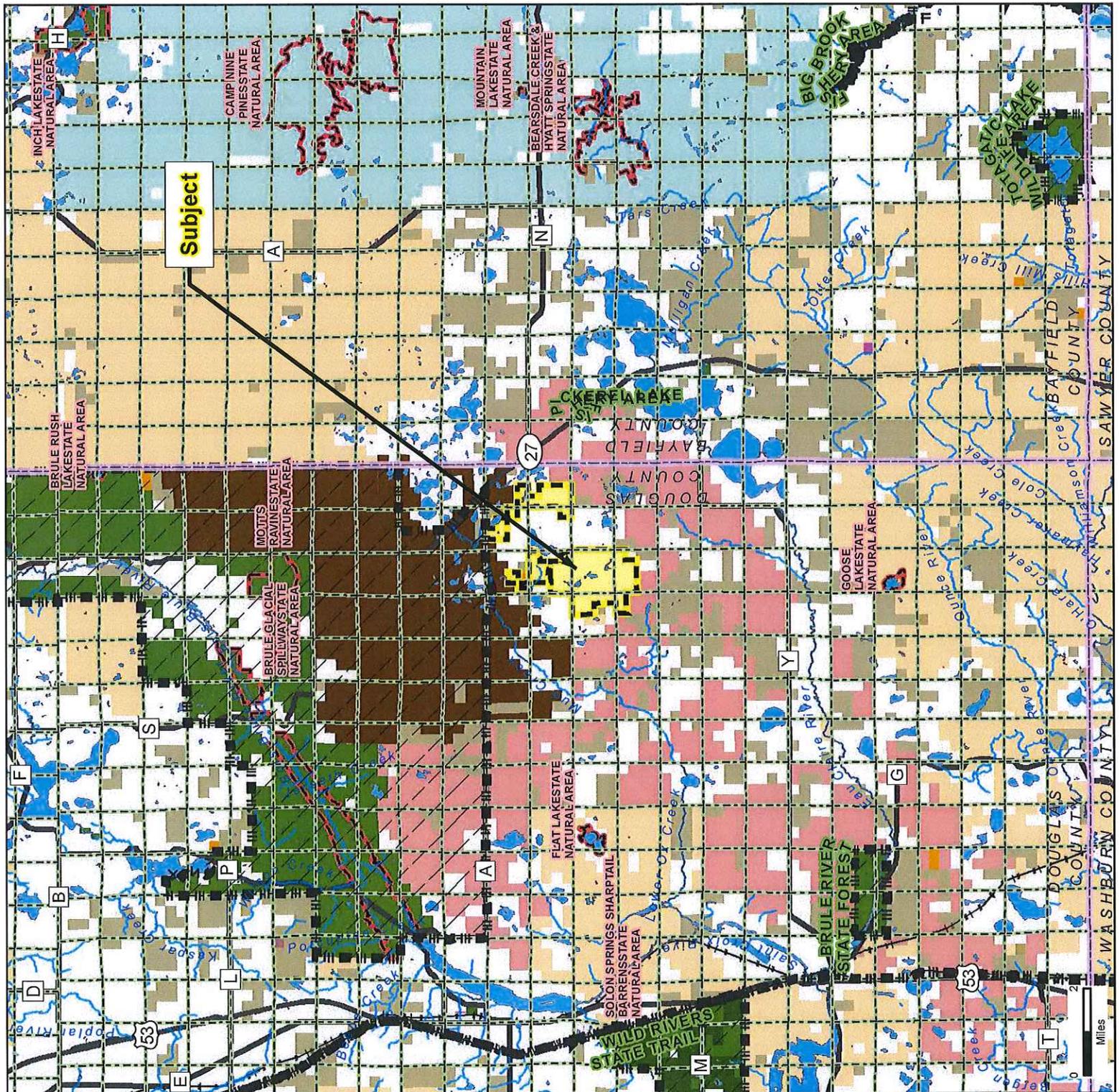
-  WDNR Owned
-  WDNR Easement
-  DNR Project Boundary
-  Federal Land
-  County Forest Land
-  BCPL Ownership
-  State Natural Area
-  PLS Section Line
-  Industrial Forest Land
-  Approved Lyme Phase 1
-  Potential Lyme Phase 2

*County View*



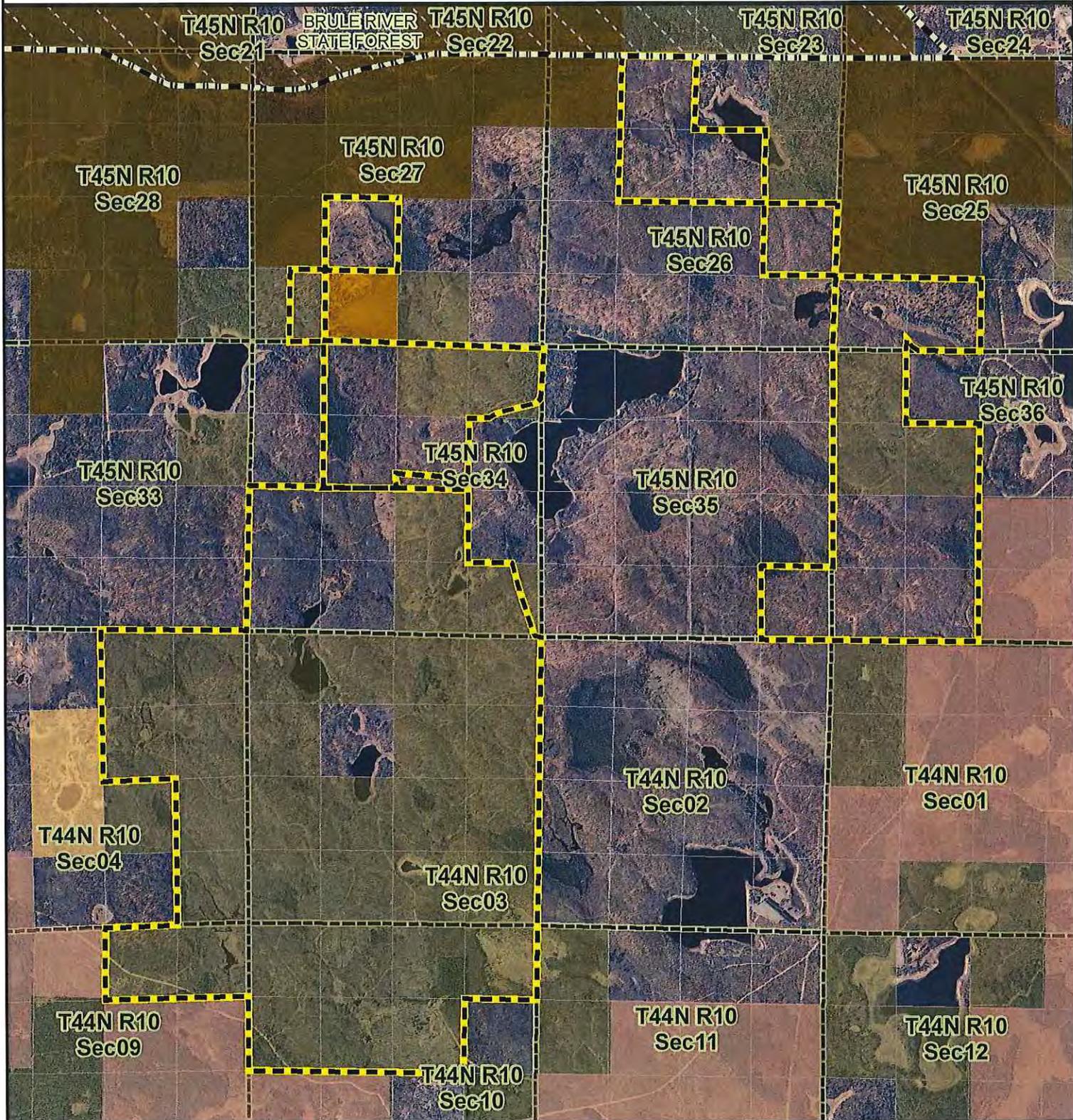
★ Location of Property

WISCONSIN DEPARTMENT OF NATURAL RESOURCES  
 Bureau of Facilities of Lands  
 Map Created: Nov 21, 2012 kmh



# Futurewood Corp. - Easement

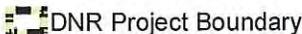
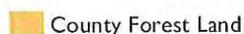
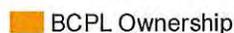
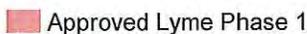
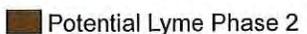
T45N R10W Sec 26, 27, 34, 35 & 36, T44N 10W Sec 3, 4, 9 & 10, Town of Highland, Douglas County

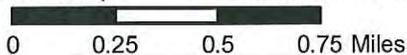


## Forest Legacy Program

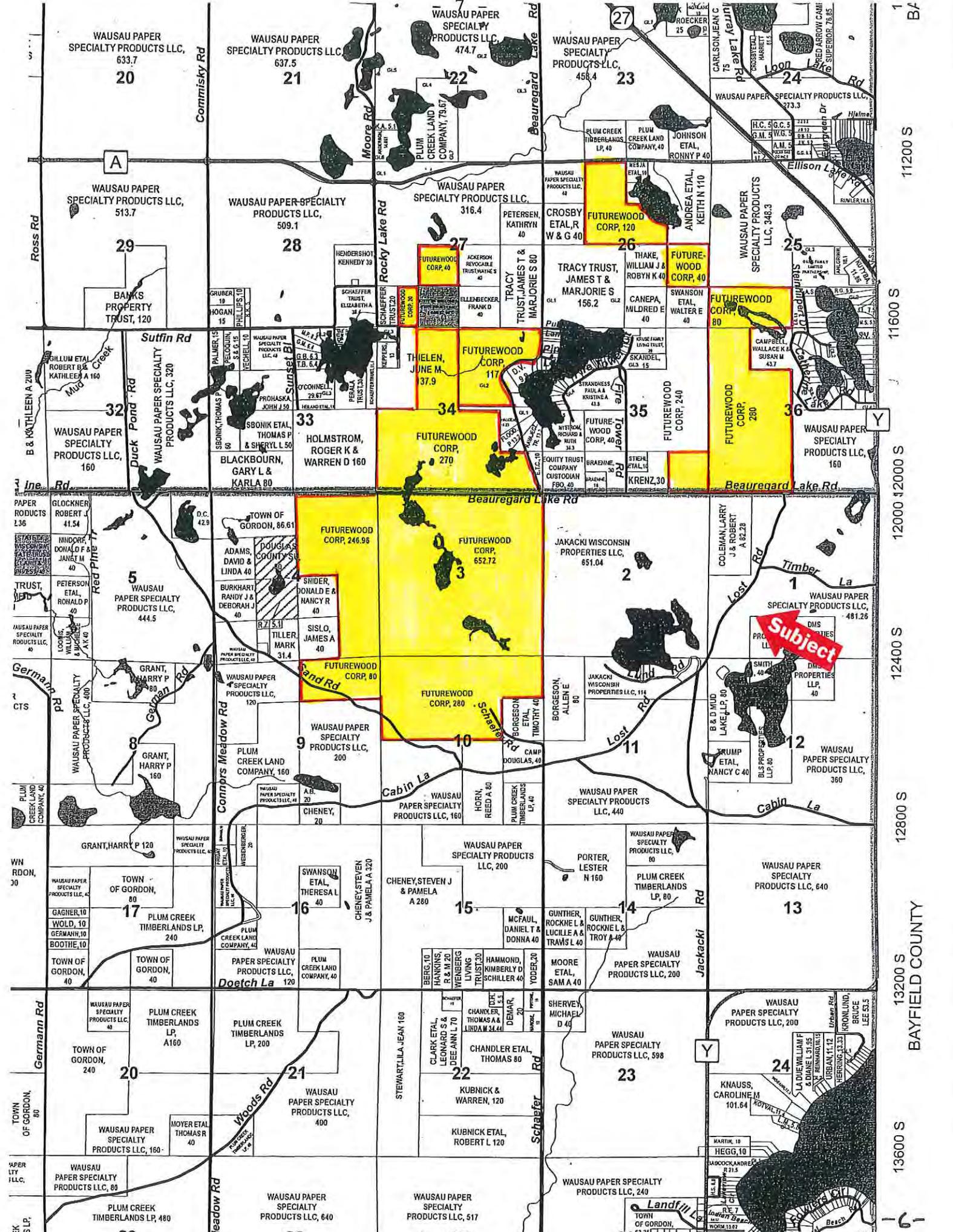


Subject

-  DNR Owned
-  DNR Eased
-  DNR Project Boundary
-  County Forest Land
-  BCPL Ownership
-  Section Line
-  QQ Section Lines
-  Approved Lyme Phase 1
-  Potential Lyme Phase 2
-  Industrial Forest Land



Nov 21, 2012 kmh  
 Real Estate Section  
 Bureau of Facilities and Lands



11200 S  
11600 S  
12000 S  
12400 S  
12800 S  
13200 S  
13600 S  
BAYFIELD COUNTY

**Subject**

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 633.7  
20

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 637.5  
21

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 474.7  
22

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 458.4  
23

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 273.3  
24

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 513.7  
29

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 509.1  
28

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 316.4  
27

FUTUREWOOD CORP, 120  
26

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 348.3  
25

BANKS PROPERTY TRUST, 120  
32

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 320  
33

FUTUREWOOD CORP, 40  
27

TRACY TRUST, JAMES T & MARJORIE S, 156.2  
26

FUTUREWOOD CORP, 80  
25

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 160  
32

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 320  
33

FUTUREWOOD CORP, 117  
34

FUTUREWOOD CORP, 240  
35

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 160  
36

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 444.5  
5

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 120  
9

FUTUREWOOD CORP, 246.98  
3

FUTUREWOOD CORP, 652.72  
3

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 481.25  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 400  
8

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 120  
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FUTUREWOOD CORP, 80  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 160  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 360  
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GRANT, HARRY P, 160  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 160  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 440  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 640  
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GRANT, HARRY P, 120  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 40  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 80  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
13

PLUM CREEK TIMBERLANDS LP, 240  
17

WAUSAU PAPER SPECIALTY PRODUCTS LLC, 120  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 200  
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PLUM CREEK TIMBERLANDS LP, A160  
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WAUSAU PAPER SPECIALTY PRODUCTS LLC, 400  
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