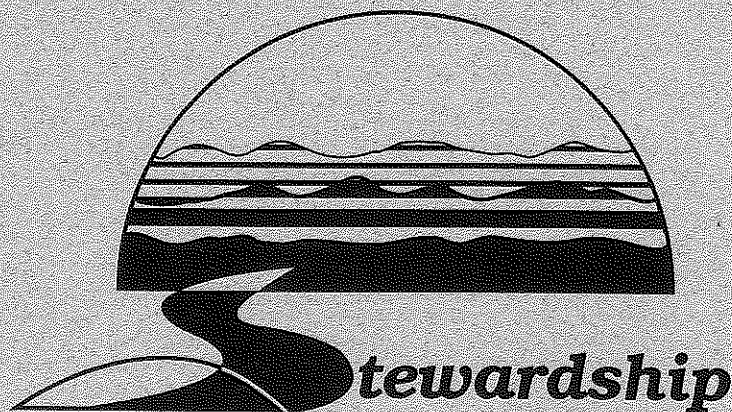


The Knowles-Nelson Stewardship Program

A Legacy for Wisconsin



Report to the Governor
by the
Governor's Blue Ribbon Task Force
on the Stewardship Program

Governor's Blue Ribbon Task Force on the Stewardship Program

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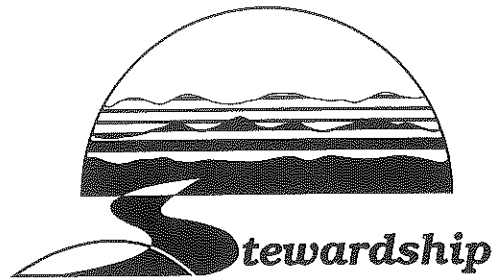
Senator Dale Schultz - Richland Center

Senator Kevin Shibilski - Amherst

Paul E. Skidmore - Madison

Bryce Styza - Waukesha

"Wildness is where we choose to see it, where we take the care to love and nurture it.....
In the end, this seems to me the heart of Wisconsin's environmental tradition. However we
come to our love of the land - whether by caving or farming or hunting or tree-planting or
writing history - the important thing is that we learn to care for it as more than an
abstraction.....The great challenge we face is to do right by the land we have made our own."
William Cronon, *Landscape and Home*, 1990



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February 12, 1999

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Executive Summary

The Governor's Blue Ribbon Task Force on the Stewardship Program was appointed by Governor Tommy G. Thompson to evaluate the Knowles-Nelson Stewardship Program and make recommendations for its future. The ten-year program began in 1990 and will expire on July 1, 2000. The Task Force spent eleven months carrying out its charge, and this report is the result of its efforts.

The Task Force supports a revitalized Stewardship Program that builds on past accomplishments, but also charts a new course for a new millennium. Task Force members made thirty specific recommendations for the new program. Twelve of those recommendations are summarized here:

1. The new Stewardship Program should be a 10-year program that begins on July 1, 2000 and ends on June 30, 2010. The twelve categories of the current program should be consolidated into two components: a Land Heritage Fund and a Recreational Development and Habitat Restoration Fund. The Department of Natural Resources, local governments, and nonprofit conservation organizations (NCOs) should be eligible for both components.
2. The Natural Resources Board should have authority to establish priorities and funding allocations within the two components of the new program.
3. In addition to the Stewardship Program, a Natural Resources Federal Opportunity Fund should be created that complements the program, but is separate from it. The purpose of this fund would be to effectively access federal dollars for projects that are consistent with Stewardship goals and strategies.
4. The Task Force recommends that, at a minimum, the program should be restored to its original 1990 purchasing power. In addition, the new funding plan should automatically increase at least once during the next decade to reflect changing costs.
5. The Stewardship Program should be funded through bonding. In addition, the Department and its partners should vigorously search for and secure donations, grants, and other outside funds in order to maximize the leveraging of state dollars committed to the program.

-
6. Considering the urgency of preserving irreplaceable land resources, at least 75% of Stewardship dollars should be allocated to the Land Heritage Fund, the other 25% to the Recreational Development and Habitat Restoration Fund.
 7. The new program should encourage and facilitate innovative projects, partnerships, and land protection tools that are consistent with program goals and strategies.
 8. The new program should allow the Department to develop buffer zones around selected Department projects to protect the state's investment in those projects from incompatible development.
 9. Partnership and collaboration have been an important part of the current Stewardship Program. Such partnerships may be founded on agreements to take complementary actions or on actual sharing of project costs among partners. The Natural Resources Board should establish a policy strongly encouraging the Department to leverage funds with others where practicable and consistent with program priorities.
 10. In the new program, the Department should have authority to develop administrative rules that provide incentives to local units of government to submit projects that are consistent with a local and/or regional land use plan and zoning.
 11. The Task Force recommends that a separate state funding initiative be authorized to permanently preserve farmland through easements.
 12. The new program should contain a capacity-building grant component to help engage a diverse group of stakeholders and strengthen the long-term ability of small organizations to participate in land and water protection activities.

The cultural, economic and ecological history of Wisconsin is grounded in its landscape, and there is a long history of commitment to conserving the land and water resources of the State. The Task Force has laid out a broad and flexible Stewardship Program for the next decade, one that recognizes the importance of these resources. We can provide no greater gift to the citizens of the 21st century, for the places we preserve will be a permanent and lasting investment in their future.



A Vision for the Wisconsin Landscape at the Bicentennial

We envision a Wisconsin in the year 2048 where our landscape is protected and preserved through a combination of public and private stewardship. This landscape is a mosaic of livable communities, sustainable forests and agricultural lands, rivers and lakes, scenic vistas and secluded valleys. It harbors eagle roosts and bear dens, trout streams and swimming holes, and provides abundant opportunities for outdoor experiences in uncrowded natural settings, both near to home and far away. It is the landscape that makes Wisconsin, Wisconsin.

In this landscape, our rural and urban needs are balanced. We have strong communities, a solid economy, prosperous farms, and a healthy environment, all of which sustain and support each other. Our cities and towns are both workable and livable, and outdoor recreation areas and greenscapes are within easy reach of every family.

The land is important to the social, economic and cultural welfare of our state. It is a source of spiritual and emotional strength, and our sense of Wisconsin flows from it. Protection of our natural resources is the responsibility of everyone who lives, works and plays here; and all citizens and groups have the knowledge, interest and capacity to participate in the conservation and management of our lands and waters. This conservation ethic is part of our cultural heritage. It is an ethic that nurtures both the biological diversity of our natural systems and the economic well-being of our people.

Preceding generations have given us this enduring legacy of the land. It is an endowment we hold in trust, nourish, build upon, and then bequeath to our children. They will reap the dividends of our foresight and continue to preserve this natural heritage for their children. This is the Wisconsin story of land stewardship.

Members of the Governor's Blue Ribbon Task Force on the Stewardship Program

The Stewardship Investment in Our Land Heritage

Achieving this challenging vision for the Wisconsin landscape in 2048 requires a mix of farsighted public and private initiatives that will sustain and enhance our quality of life to the bicentennial and beyond. The Stewardship Program is one of these initiatives, and it is key to permanently preserving Wisconsin's special places for the benefit and enjoyment of the public.

The goals of the Stewardship Program are to:

1. **Preserve Wisconsin's most significant land and water resources for future generations**, including parks and trails, natural areas, forests, wildlife habitat, fisheries, urban green spaces, geological and archaeological features, river and stream corridors, flowages, wild lakes, and Great Lakes bluffs and shorelines.
2. **Provide opportunities for outdoor recreation**, including support facilities, that meet the needs of a growing population.

To accomplish these goals, the Task Force advocates seven strategies that are the basis for specific Task Force recommendations listed on pages 14-18:

1. Continue public investment in land conservation and outdoor recreation at a level adequate to meet the goals listed above; provide funds to the Department of Natural Resources, local units of government and nonprofit conservation organizations (NCOs) for land and easement acquisition, recreational development, and habitat restoration.
2. Continue a balanced and comprehensive program that addresses a broad spectrum of land conservation and outdoor recreation needs throughout the state.
3. Promote and expand opportunities for partnership, collaboration, and leveraging of resources between all levels of government, nonprofit organizations, landowners, businesses, and citizens.
4. Encourage private land conservation so lands in private ownership are preserved.
5. Meet the demand for outdoor recreation close to home by locating adequate recreation areas and green spaces near where people live.
6. Link Stewardship projects with working agricultural and forest lands in rural areas when such linkages are mutually beneficial.
7. Link local government grants to local land use planning by providing an incentive for projects that implement the resource protection and recreation elements of a land use plan and are consistent with local zoning.

Background and History

Introduction

In 1876, Wisconsin purchased 40 acres near Madison for a fish hatchery, and thus began a remarkable tradition of land conservation in which succeeding generations have built an impressive portfolio of state-owned public lands. Just over 1.3 million acres are now preserved by the State either through ownership or easement. Local governments have also added to the portfolio, acquiring property for local parks, county forests, and other resource areas. The federal government has played a role too, as have a number of nonprofit organizations beginning with the Ridges Sanctuary in 1937. Today approximately 5.6 million acres of the State's 35.7 million acres are conserved by federal, state, and local governments. Nonprofit groups have preserved over 65,000 acres. All of these lands are the cumulative result of 123 years of conservation leadership and strong public support.



The Early Years

In 1907, landscape architect John Nolen was hired to begin planning the state park system for the purpose of protecting outstanding scenic attractions. The Nolen Report recommended four initial state parks: Devil's Lake, Peninsula, Wyalusing, and the Dells of the Wisconsin River. Early conservation was also spurred by interest in hunting, fishing, and reforestation. Through the 1930s, most funding for state land acquisition came from specific allocations of general purpose tax revenue. Forest lands were acquired with receipts from timber harvests, proceeds from the sale of public domain lands, and a forestry mill tax.

In 1937, the State passed a hunting license surcharge that, in combination with a federal excise tax on sporting arms and ammunition and, later, fishing equipment, increased the state's ability to purchase wildlife-related lands. Through the 1950s, land acquisition budgets were funded annually with a mix of conservation funds from hunting and fishing licenses and federal excise taxes and general purpose tax revenue. By 1960, approximately 580,000 acres had been acquired by the State for conservation and outdoor recreation.

ORAP/LAWCON

Wisconsin's first comprehensive, long-term land acquisition and recreational development program was the Outdoor Recreation Action Program (ORAP), enacted in 1961 and then revised in 1969 and 1981. It provided funds to the state and local governments for acquisition of conservation lands and development of recreational facilities.

Funds were originally generated by a penny per pack tax on cigarettes. When revenue failed to meet expectations and average land prices almost tripled between 1961 and 1968, the Legislature modified ORAP in 1969, and bonding became the funding source.

In 1965, the federal government established the Land and Water Conservation Fund (LAWCON), which was funded largely from the sale of offshore oil and mineral leases on federal lands. In Wisconsin, LAWCON dollars were allotted 50% each to state and local governments to acquire and develop public outdoor recreation areas. By 1995, when funding ended, Wisconsin had received over \$61 million from LAWCON.

Between 1961 and 1990, the State acquired approximately 574,000 acres of land for conservation purposes at a cost of about \$166.6 million. Funding came from a number of sources including conservation funds, ORAP, and LAWCON. Park lands jumped from 19,200 to 83,500 acres; wildlife areas expanded from 177,200 to 447,600 acres; and the State Natural Areas Program was initiated and grew to 18,700 acres.

Lake Park, 1890
Interstate State Park, 1900
Brule River State Forest, 1907
Peninsula State Park, 1910
Devil's Lake State Park, 1911
Wyalusing State Park, 1917
Horicon Marsh Wildlife Area, 1927
Whitnall Park, 1928
Northern Highland-American Legion State Forest, 1929
Flambeau River State Forest, 1932
Nicolet National Forest, 1933
Kettle Moraine State Forest, 1937
Ridges Sanctuary, 1937
Crex Meadows, 1946
Cedarburg Bog, 1946
Parfrey's Glen, 1947
Black River State Forest, 1957
Hemlock Draw, 1964
Chiwaukee Prairie, 1965
Elroy-Sparta Bike Trail, 1965
Goose Pond Sanctuary, 1967
Riveredge Nature Center, 1968
St. Croix National Scenic Riverway, 1968
Baxter's Hollow, 1969
Apostle Islands National Lakeshore, 1970
Bay Beach Parkway, 1970
Lake Farm Park, 1971
Glacier Hills Park, 1978
Rush Creek, 1979
Hixon Forest, 1983
Chippewa Flowage, 1988
Turtle-Flambeau Flowage, 1990
Beloit River Walk, 1991
Bugline Trail, 1992
The Dells of the Wisconsin River, 1994
Baileys Harbor Boreal Forest and Wetlands, 1995
Willow Flowage, 1997

"The issue appears plain, is Wisconsin going to look upon its bays and lake shores, its rivers and bluffs, its dells, its inland lakes, its forests, as natural resources to be conserved and some portion at least acquired and held for the benefit of all the people - both for present and future generations?"

1909 Nolen Report to the State Park Board

The Knowles-Nelson Stewardship Program

The 10-year Knowles-Nelson Stewardship Program was created to protect and restore critical wild-life and fish habitat, preserve high quality natural areas, improve water quality, and expand opportunities for outdoor recreation. Each year, \$23.1 million is available in twelve separate program categories described in Appendix A. The Department of Natural Resources, local units of government and, for the first time, nonprofit conservation organizations are eligible to receive funds.

The Stewardship Program began on July 1, 1990 and expires June 30, 2000. In recognition of the importance of Wisconsin's natural resources to the State, Governor Tommy Thompson appointed a 23-member Blue Ribbon Task Force to evaluate the program and propose alternatives for its future. In opening remarks at its first meeting, the Governor laid out a goal and charge for the Task Force:

"Our common goal must be to maintain the State's current effort to protect significant natural resources while the price of land continues to increase. To reach our common goal, I am setting forth a charge for the Task Force with five cornerstones. . .

- First, we must maintain the State's ability to make general land acquisitions. . .
- Second, we must be able to assist local governments and groups in purchasing land that is important for particular communities in the state. . .
- Third, we must ensure that the land we have purchased is appropriately developed to ensure full access and use of these properties. . .
- Fourth, we must think creatively to continue the Stewardship Program into the future. . .
- And lastly, we must complete the projects that have been started by the state."

Task Force members met for eleven months to address issues identified in the Governor's Executive Order establishing the Task Force:

- The effectiveness of the Stewardship Program in preserving, protecting, and providing opportunities for enjoyment of Wisconsin's natural resources
- Identification of long-term natural resource needs
- Funding alternatives
- Enhancement of the state's agricultural and rural economies
- Role of local governments in achieving natural resources objectives
- Role of land trust partnerships
- Role of the Stewardship Program in local land-use decision-making.

Wisconsin is richly endowed with land and water resources. The Stewardship Program caps over one hundred years of commitment by the people of the State to preserving and enhancing those resources.

"Wisconsin is at a moment in time that, if we are properly prepared and committed to our purpose, we will build upon our legacy of conservation and inspire future generations to do the same."

*Tommy G. Thompson, Governor
March, 1998*



Effectiveness of the Stewardship Program

Launched as a bold, new initiative in 1990, the Stewardship Program has been successful beyond all expectations. In eight short years, it has permanently preserved over 157,700 acres of land for future generations. This represents only a small fraction of Wisconsin's 35.7 million acres, yet the program has left a legacy of green across the state for the public to enjoy and appreciate. Among its many accomplishments, Stewardship has:

- **Expanded** the land base for popular outdoor pursuits including wildlife viewing, biking, hiking, hunting, camping, bird watching, picnicking, and all sorts of water-based recreation
- **Safeguarded** four major water resource areas
 - Turtle-Flambeau Flowage Scenic Waters Area
 - Dells of the Wisconsin River State Natural Area
 - Willow Flowage Scenic Waters Area
 - St. Louis River Stream Bank Protection Area
- **Protected** critical wildlife and fish habitat
- **Expanded** State Natural Areas by 34,500 acres and provided habitat for state and federally endangered and threatened species - 22 animal and 33 plant
- **Initiated** large landscape-scale projects including the Glacial Habitat Restoration Area and Quincy Bluffs and Wetlands
- **Acquired** ten abandoned railroad corridors for state trails
- **Begun** a long-term corridor acquisition plan for the Ice Age Trail
- **Improved** visitor amenities in state and local parks by constructing or renovating visitor centers, shelters, restroom and shower buildings, picnic areas, and trails
- **Implemented** priorities contained in statewide and local recreation plans
- **Awarded** over \$44.7 million in Stewardship grants to leverage over \$45 million in matching funds from local government and private sources
- **Provided** funds for urban green spaces and local parks in populated areas and assisted in revitalization of urban river fronts, such as the conversion of Janesville's industrial Rock River corridor into an inviting recreational trail
- **Protected** nearly 15,000 acres of land in the Lower Wisconsin State Riverway

Program Strengths:

Task Force members noted many program strengths, several of which are highlighted below:

1. **Stable funding.** The 10-year length of Stewardship has provided both the Department and grant partners time to develop and implement long-range plans. Because the Department only acquires property from willing sellers, it is important to have funds available when landowners decide to sell property that lies within project boundaries.
2. **Partnership.** Stewardship has been an effective catalyst and incentive for cooperation between the Department, local governments, and NCOs. More has been accomplished by pooling and leveraging resources than would have been possible otherwise.
3. **Public involvement.** Stewardship has energized private citizens to become directly involved in preserving the natural features of their communities.
4. **Broad positive impact.** The positive influences of Stewardship projects extend to the larger community and local economies; there have been strong spin-off effects in local communities.
5. **Balance between acquisition and development.** Land acquisition and development of recreational facilities are both important components of the Stewardship Program. Given the need to

preserve land resources before opportunities are lost, the approximate 75%-25% division of funds has worked well and should be continued.

Areas for Improvement:

The Task Force identified several areas where it felt the Stewardship Program could be improved:

1. **Number of categories.** The program would have more flexibility if it were streamlined to include fewer categories.
2. **Buffer zones.** Buffer zones around core resource areas would protect those areas from incompatible land uses, particularly urban sprawl.
3. **Land acquisition in areas with high populations.** People want to recreate near where they live. Purchasing more land in heavily-populated areas, despite the cost, would increase opportunities for outdoor recreation in those areas.
4. **Role of nonprofit conservation organizations.** Participation by NCOs has not reached expected levels and ways should be found to increase their involvement:
 - a. Nonprofit participation in long-term land conservation is still relatively new to Wisconsin, and some NCOs lack the organizational capacity needed to acquire and hold land.
 - b. Land acquisition is expensive and many NCOs have not been able to raise the funds necessary to meet the 50% match requirement.
5. **Nonprofit eligibility.** Under the current program, only 501(c)(3) nonprofit organizations are eligible for Stewardship grants. There needs to be a way for non-501(c)(3) groups to participate.
6. **Local government eligibility.** Local units of government should be eligible for all Stewardship categories. Currently they are eligible for only four of the 12 categories, which has reduced the partnership potential of the program. This problem has been especially acute in the Ice Age Trail and State Trails categories where local government eligibility would be particularly helpful.
7. **Land use planning.** There is currently no relationship between the Stewardship Program and land use planning. However, the program could provide an incentive for local governments to do land use planning and acquire conservation lands that are consistent with their plans and zoning.


For a more detailed analysis of the current Stewardship Program, see the summary contained in Appendix B or call the Department at 608-266-0868 for a copy of its 38-page *A Staff Evaluation of the Stewardship Program*.

Long-Term Natural Resource and Outdoor Recreation Needs and Opportunities

The Stewardship Program has been an outstanding success, yet it is clear the conservation work of the program is not done. Indeed the threat to our natural resources seems greater than ever, and it is difficult to keep pace with emerging needs while completing existing projects.

So when is the job done? Several Task Force members asked how much land the state should ultimately own to meet the needs of future generations. How much land must we protect to maintain our reputation as a good place to live and play? There is no easy answer.

Experts who made presentations to the Task Force on a variety of subjects were willing to project only 6 to 20 years into the future in their areas of expertise, but the bicentennial vision for the Wisconsin landscape is a 50-year vision. Task Force members recognized that population will grow, recreational needs will expand, and many other factors will impact resource protection needs in the 21st century. Perhaps enough land will be conserved when recreational demands are no longer expanding or when the state's critical habitats are preserved. Since public concern has been the



driving force behind all efforts to conserve land and water resources, perhaps it will be when that concern has been satisfied and there is no longer the political will to conserve additional lands.

Several Task Force members would prefer a more quantifiable answer to the question. Both the biological and social sciences play a role in identifying natural resource and outdoor recreation needs and quantifying those needs. Scientific knowledge about natural communities has grown exponentially in the past century, and there now exists a large and growing database of biological information to assess natural resource needs.

Social scientists, on the other hand, measure the opinions and values people have about natural resources and outdoor experiences. They also gauge recreation needs by analyzing how people use their leisure time and spend their money. Population trends are another key indicator they track.

There is ample evidence that people know and understand the value of natural places and want to recreate in those places. The Wisconsin landscape is changing rapidly, and with those changes has come an increasing sense of urgency about preserving our most threatened and critical natural resources and the scenic character of our landscape. Intuitively, people see what the biologists study: finite resources are being gobbled up, and fragmentation is destroying our landscape. **The window of opportunity for acquisition of some critical properties will likely be lost forever in the next decade.**

Natural resource and cultural needs intermingle in the Stewardship Program, and both resource and social needs are addressed. Projects have multiple benefits; significant ecological values are protected at the same time that quality aesthetic and recreational opportunities are provided.

A number of special needs and opportunities were identified that should be addressed in the next Stewardship Program:

General:

- Completing existing Department projects - the state has a large investment in existing projects and priority should be given to completing those projects
- Protecting the current investment in state lands by establishing buffer zones in targeted areas that are threatened by incompatible development
- Taking advantage of unique, irreplaceable opportunities that will come only once
- Accomplishing the resource protection and outdoor recreation goals identified in local land use plans, resource inventories, and comprehensive outdoor recreation plans
- Reaching out to landowners to permanently preserve privately-owned conservation lands with easements

Specific Resources:

- Protecting and restoring water resources including wild lakes, river corridors, streams, and Great Lakes shoreline habitats
- Preserving rare natural communities and endangered and threatened animals and plants
- Establishing a number of large, landscape-scale projects
- Preserving large blocks of forest now in industrial ownership
- Protecting key bluff areas on the Great Lakes and elsewhere
- Providing habitat for migratory birds
- Linking resource areas through greenway corridors

Recreational Needs:

- Providing opportunities for outdoor recreation near where people live

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- Providing access for water-based recreation including boating, swimming, fishing, and places to just sit and enjoy the view
 - Providing opportunities for a variety of different kinds of recreational experiences, both active and quiet
 - Building and renovating recreation support facilities including restroom/shower buildings, shelters, campgrounds, entrance stations, wastewater systems, picnic areas, piers, etc.
 - Constructing state and local trails
 - Providing accessibility for people of all capabilities

Forces and Trends Shaping the Future

The Task Force engaged in several months of fact-finding to gather information that would assist in analyzing resource and recreation needs. Noted experts in agriculture, demographics, and economics made presentations. The Task Force also heard from the secretaries of Tourism, Transportation, Natural Resources, and Agriculture, Trade and Consumer Protection as well as the Bond Investment Board, members of the Natural Resources Board, and a Legislator. In addition, they received briefings from Department of Natural Resources staff and representatives from nonprofit organizations, local units of government, the Stewardship Advisory Council, business, and agriculture.

The following major forces and trends were identified during these presentations:

Demands on land, natural resources, and recreational facilities will increase in the next 20 years:

- Population is projected to increase 20% by 2020 (from approximately 4.9 million to 5.9 million).
- The largest increases will occur in Southeast Wisconsin (excluding the City of Milwaukee), Dane County, the Lower Fox and Central Wisconsin River Valleys, and the Minneapolis-St. Paul metro area (which includes Wisconsin counties near the Twin Cities).
- Age distribution of the population is changing with increases in the 45-64 and 65+ age brackets. More retired citizens will have more leisure time to recreate outdoors.

The Wisconsin economy is strong and likely will remain strong:

- From 1990-96, real per capita personal income rose 5% nationally; in Wisconsin, it rose 8.1%, which is 61% more than the national average.
- From 1990-96, every major sector of the State's economy had a greater average growth of employment than the national average.
- From 1990-95, Wisconsin's total wages and salaries rose 33% which was 1.33 times the national rate of increase.
- Farm income is the only area of concern. From 1990-95, farmers saw their total receipts decline while production expenses continued to rise.
- From an economic perspective, quality of life should be Wisconsin's theme.

Natural resources and outdoor recreation are of critical importance to local economies and the tourism industry:

- Parks and other natural areas are popular destinations that bring people to rural areas and result in more spending in local communities.
- 80-85% of leisure travel is in rural areas, and a high percentage of travelers use public lands at some time while on vacation.
- Hunting and fishing are important to many local economies. Sport fishing alone provides \$750 million per year to the Wisconsin economy.
- Owners of open space lands typically pay more in local taxes than they cost local government to



provide services; open space lands generate a fiscal surplus to help offset the shortfall created by residential demand for services.

- Parks and green spaces enhance the livability and attractiveness of urban areas, which increases property values.

The demand for outdoor recreation remains strong and is growing:

- Wisconsin consistently ranks above the national average for participation in nature-based recreation.
- People desire to recreate in scenic areas that have a high degree of "naturalness."
- The most popular outdoor activities include outdoor fairs, walking, viewing wildlife, fishing, swimming, pleasure driving, nature study and bird watching, biking, tent camping, picnicking, boating and hunting.
- Hunters experience crowded conditions on public lands and fewer hunting opportunities on private lands. Hunters are a declining percentage of the total population; however, the number of hunters is projected to hold steady until 2020 before it begins to decline in real numbers.
- People want access to outdoor recreation within one hour of where they live. Limited opportunities close to home is a major factor restricting participation in outdoor recreation.

Stewardship investments will be protected better over time in areas that are responsibly addressing the future through sound land use planning:

- Land use planning and zoning can positively protect property values because they restrict conflicting uses from being next to each other. When Stewardship projects are part of a comprehensive long-term strategy for a community, they are more likely to be protected from incompatible adjacent land uses.
- Planned greenway corridors that link parks and open spaces significantly increase the ecological values of those open spaces. Together they provide the green infrastructure that makes a community livable.
- In general, infrastructure improvements, such as sewers, that support development increase the value of the properties that will be serviced by that infrastructure. Proactive land use planning and zoning should prevent infrastructure improvements from being built in areas planned for conservation purposes; this may reduce price escalation in those areas.
- Most land is and will remain in private ownership and private landowners will continue to be the primary land use decision-makers.

Agriculture is changing, but will still be a dominant land use in the year 2020:

- Wisconsin is steadily losing farmland to other uses at an average rate of 100,000 acres each year.
- In the future, there will be a significant drop in the number of farms as well as a drop in total farm acreage, but an expansion in the size of the average farm.
- The biggest causes of farmland loss are the lack of new entrants into farming, the cost-price squeeze, and urban sprawl.
- Farm income is affected by local, national, and international factors. Farmers face economic trends that cannot be reversed by the state.

Resource conservation and agriculture complement one another:

- Fragmentation of agricultural landscapes by residential development makes farming difficult. Sprawl also degrades the value of Stewardship projects when it results in incompatible uses on bordering lands. Agriculture and resource conservation, on the other hand, can be good neighbors.
- Easement acquisitions have enabled farmers to be paid for assets that are best not farmed, such as riparian buffers.

- Many conservation projects benefit both agriculture and natural resources and have been instrumental in stopping soil erosion, mitigating flooding, safeguarding surface and ground water, and improving terrestrial and aquatic habitat.
- Agricultural buffers around core conservation areas can protect the core area from incompatible development. Agricultural buffers should be large enough to be economically viable for farming.
- Some local communities and nonprofit conservation organizations are initiating "purchase of development rights" programs to permanently preserve farmland. The landowner receives compensation for the development rights, and is able to continue living on and using the land as before.

People are becoming more concerned about loss of land and water resources and urban sprawl, and their effect on community character, and they want to be involved:

- There has been phenomenal growth in private land conservation initiatives and land trusts in the last decade. Nationally the number of local and regional land trusts has increased 63% in the last 10 years, from 743 to 1213. In Wisconsin, 24 new land trusts have been established since 1992.
- Individuals are also becoming more active in long-term care of state and local government lands. There has been a dramatic increase in state park Friends groups since 1989, from less than 15 to over 60.
- There are a growing number of individuals who are taking responsibility for protecting and managing their own lands in ways that will preserve the resource values of those lands.

Most state government capital investment programs are funded from the sale of bonds:

- Bonding is an appropriate way to invest in public land and facilities because it is a broad-based funding mechanism and spreads the cost over time so it can be shared with future beneficiaries.
- The state debt service is considered to be "moderate," ranking between the median and the mean of all states.
- The state has, in consultation with the bond rating services, set a limit of 3.5% of GPR (General Purpose Revenue) for bonding, with an absolute limit of 4%.
- Bonding authority for FY (Fiscal Year) 98/99 will be 3.2%; in FY 00/01 it is projected to be 3.31%
- Rough calculations put the Stewardship share of the debt service at approximately \$4.00 per person per year.
- The partnership aspects of the Stewardship Program have enabled significant leveraging of state bond funds. Approximately \$45 million dollars was contributed by Stewardship partners during the first eight years of the program.
- User fees are used to fund operations and maintenance of public lands and facilities and are not adequate to also fund capital investment.

Highway access has an impact on both ease of reaching recreation areas and level of use of those areas:

- The Department of Transportation is in the middle of completing a six-year transportation plan. It does not include major new highways, but does include upgrades to Highways 29, 53, and 151.
- DOT priorities include system maintenance, congestion management, and safety improvements.



Stewardship Task Force Recommendations

After considering all of the facts contained in this report, plus other information it received, the Governor's Blue Ribbon Task Force on the Stewardship Program recommends:

General Recommendations:

1. The new Stewardship Program should be a 10-year program that begins on July 1, 2000 and ends on June 30, 2010. The twelve categories of the current program should be consolidated into the two components outlined below. This would increase flexibility and streamline the program. The Department of Natural Resources, local units of government, and NCOs should be eligible for both components.
 - (a) Land Heritage Fund

To acquire land and land rights for resource conservation and outdoor recreation sites of national, statewide, regional, and local significance including:
parks and trails, natural areas, forests, wildlife habitat, fisheries, urban green spaces, geological and archaeological features, river and stream corridors, wild lakes, flowages, and Great Lakes bluffs and shorelines.
 - (b) Recreational Development and Habitat Restoration Fund

To develop or renovate state and local recreation areas and facilities and to restore wildlife habitat and natural communities.
2. The Natural Resources Board should have authority to establish priorities and funding allocations within the two components of the new Stewardship Program. Target amounts may be desirable when advance commitments from the State are needed for a specific program (e.g. Ice Age Trail) or for administrative purposes. The Department, with approval of the Natural Resources Board, should have authority to reallocate unobligated funds within a component after April 1st of each year.
3. In addition to the Stewardship Program, a Natural Resources Federal Opportunity Fund should be created that complements the Stewardship Program, but is separate from it. The purpose of this Fund would be to effectively access federal dollars for projects that are consistent with Stewardship goals and strategies (see Appendix C). Because federal programs are variable and uncertain, the Natural Resources Federal Opportunity Fund should be funded biennially depending on opportunities available at any given time. In contrast, the 10-year Stewardship Program requires a stable, ongoing source of funds for a broader range of projects and partners.
4. The Governor and Legislature will determine the funding level for the new Stewardship Program in light of the economic conditions of the state and other budgetary needs. In Table 1, on page 15, the Task Force offers information relating to four funding alternatives. The Task Force recommends that, at a minimum, the program should be restored to its original 1990 purchasing power. In addition, the new funding plan should automatically increase at least once during the next decade to reflect changing costs.
5. The Stewardship Program should be funded through bonding. In addition, the Department and its partners should vigorously search for and secure donations, grants, and other outside funds in order to maximize the leveraging of state dollars committed to the program. Efforts should also be made to attract private donations and grants for funding for operation, management, and maintenance of Department lands and facilities.
6. The Department should continue to have authority to carry over unspent funds from one year to the next. The Department should also continue to have authority to "borrow" funds from the succeeding fiscal year with approval of the Natural Resources Board.

Table 1. Four Funding Alternatives

Funding level #1: Maintain the current state funding level of \$23.1 million per year for a total of \$231 million over the next 10 years¹

Due to inflation and changes in land values statewide, the original purchasing power of the \$23.1 million dollar program in 1990, when it began, will be reduced by at least 43% to \$13.1 million by July 1, 2000. If current trends continue, by the year 2010, the purchasing power will be reduced to less than \$9.8 million.

At this funding level, the effectiveness of the Stewardship Program will continue to decline significantly in its second decade. Fewer acres will be preserved each year and the number of recreational development projects will drop while the backlog rises. It will become increasingly necessary to make difficult choices between different types of projects, such as fisheries or parks; projects of statewide or local significance; completion of existing projects or preserving an irreplaceable large property; smaller, high-priced properties in heavily populated areas or larger, less expensive properties in more rural areas.

Funding level #2: Increase the funding level to \$40.4 million per year for a total of \$404 million over the next 10 years

At \$40.4 million per year, the program will be restored to its original 1990 purchasing power at the outset. It will be possible to fund a broad spectrum of projects across the state, involve a diverse group of partners, continue a steady pace toward completing existing projects, take advantage of at least one or two rare opportunities, and perhaps begin one or more new initiatives at the demonstration level. This ability would, however, be reduced by at least 25% over the ten years of the program.

At \$40 million per year, the program would maintain the same percentage of General Purpose Revenue as it did when created in 1989, which was .38%.


Funding level #3: Increase the funding level to \$40.4 million per year for the first 5 years and to \$46.4 million for the last 5 years for a total of \$434.1 million over the next 10 years

At this level, Stewardship will be restored to its original 1990 purchasing power on July 1, 2000, plus there will be an adjustment for inflation midway through the 10-year program. It will be possible to make significant progress over the entire life of the program without experiencing the large drop in purchasing power that has occurred in the current program.

Funding level #4: Increase the funding level to \$62 million per year for a total of \$620 million over the next 10 years

At this level, there will be an expansion of the program, enabling the Department and Stewardship partners to complete existing projects, take advantage of several rare opportunities, and also begin a number of new initiatives. These could include: purchase of easements on significant river frontage parcels owned by utilities (including some of the most scenic areas of the state); development of buffer zones around key projects; and purchase of sustainable forestry easements on large acreages.

¹ For more details on how inflationary effects were calculated, see Appendix D.

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7. Considering the urgency of preserving irreplaceable land resources, at least 75% of Stewardship dollars should be allocated to the Land Heritage Fund, the other 25% to the Recreational Development and Habitat Restoration Fund.
 8. The new program should encourage and facilitate innovative projects, partnerships, and land protection tools that are consistent with program goals and strategies.
 9. There should be enough flexibility in administration of the program to act quickly and take advantage of opportunities for preservation of large, unique properties and large blocks of unfragmented habitat as they become available.
 10. The Natural Resources Board should promulgate administrative rules that define outdoor recreational activities that are consistent with the new vision statement of the Stewardship Program and are eligible for funding.
 11. Because water resources are a defining element of the State and a popular recreation destination under severe development pressure, the new Stewardship Program should place a premium on preservation of natural communities adjacent to Great Lakes shorelines, wild lakes, and river and stream corridors.
 12. The cost of land should not be a deterrent from fully considering new and ongoing opportunities near heavily-populated areas.

The Department:

1. The Department should give priority to completing existing projects, including those in the current five-year plan; however, it should also investigate and establish new projects as appropriate.
2. The new program should allow the Department to develop buffer zones around selected Department projects to protect the State's investment in those projects from incompatible development. Land within a buffer zone could remain in private ownership, and easements or other land protection tools would be employed to ensure that the land is used for compatible purposes.

Partnerships:

1. Partnership and collaboration have been an important part of the current Stewardship Program. Such partnerships may be founded on agreements to take complementary actions or on actual sharing of project costs among partners. The Natural Resources Board should establish a policy strongly encouraging the Department to leverage funds with others where practicable and consistent with program priorities.
2. The new program should continue to provide grants to local units of government and nonprofit conservation organizations to leverage resources and enable them to assume greater responsibility for resource protection and outdoor recreation.
3. In order to maximize opportunities for public participation in the Stewardship Program, particularly by small groups doing locally important conservation projects, the new Program should have an option where a non-501(c)(3) group may enter into a partnership with a qualified 501(c)(3) organization in order to apply for a grant. The 501(c)(3) partner would be designated by the Department as the fiscal agent for the grant, and as such, would be responsible for the proper use of all project funds and for seeing that the conditions of the grant contract were met. Both habitat restoration and land acquisition projects would be grant eligible. Land rights purchased would be held by the 501(c)(3) organization with a reversion to the Department. Grants should be limited to no more than \$20,000, and a non-501(c)(3) group should be eligible for only one grant.
4. In the new program, the Department should have authority to develop administrative rules that provide incentives to local units of government to submit projects that are consistent with a local and/or regional land use plan and zoning.


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5. In calculating grant amounts for local units of government in the new Stewardship Program:
 - (a) Except as provided in paragraph (b), grants to local units of government should be based on the lesser of either
 - (i) a property's appraised value,
 - (ii) a property's purchase price, or
 - (iii) one and one-half times the average of the sum of the lesser of (i) or (ii) plus the equalized assessed values for the most recent two years.
 - (b) Grants to local units of government for the purchase of land zoned for agricultural use should be based on the lesser of
 - (i) the property's appraised value, or
 - (ii) the property's purchase price.
 6. Grants to NCOs for the purchase of land or land rights should be based on the property's appraised value.
 7. All properties acquired with Stewardship funds that have public access should be identified by an adequate number of signs that notify the public that the property has been purchased in part with state funds and is available for public use, including the purposes for which it can be used. There is a presumption of multiple use on Stewardship properties, as appropriate for the project. Public use should continue to be included as a component of property land management plans which are approved by the Department.

Stewardship and Agriculture:

1. The loss of farmland to development is generally outside the scope of the Stewardship Program, yet this problem has a significant bearing on achievement of the Task Force's vision for the Wisconsin landscape and on the long-term viability of some Stewardship projects. The Task Force recommends that a separate state funding initiative be authorized to permanently preserve farmland through easements. Such a program could challenge local governments and NCOs to become active in farmland preservation.
2. There are many situations where agriculture and Stewardship complement each other and where Stewardship projects and farming make good neighbors. Permanent preservation of agricultural buffers around core resource conservation areas is one example. Department acquisition of land rights for buffers is discussed in the second recommendation for the Department. The Task Force also recommends that grant partners be able to use Stewardship grant funds to acquire conservation easements for agricultural buffers if there is a direct, definable tie to a resource conservation project that meets the goals of the Stewardship Program. The property should be within a buffer boundary that has been approved by the Department.
3. The Natural Resources Federal Opportunity Fund would take advantage of federal land protection programs that integrate agriculture and natural resource protection objectives. The Department should work with other agencies and project partners to fully utilize these opportunities.

Other Recommendations:

1. The new program should contain a capacity-building grant component to help engage a diverse group of stakeholders and strengthen the long-term ability of small organizations to participate in land and water protection activities. Small groups need assistance with membership development, Board of Directors' training, volunteer coordination, fundraising, public information and education, etc. Because capacity building is not a capital expenditure, this component of the program needs a source of funding other than bonding.

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2. By July 1, 2001, the Department should complete a study to develop specific recommendations that would guide long-term Department acquisition of land and land rights. The study should evaluate and prioritize the entire state landscape using the best available technology and data, combined with the professional judgment of Department staff, to identify lands that potentially should be in protective ownership based on resource protection, management, and recreation needs. The study should also establish acquisition priorities and review boundaries of existing projects and buffer needs. The Department should seek assistance from other state, local, and federal agencies and offer opportunities for public input into the planning process. The final report should be adopted by the Natural Resources Board and help guide future Department land acquisition under the Stewardship Program. Study results should be incorporated into a plan that is updated periodically. The study could also include recommendations regarding the role of the federal government, other state agencies, and local communities as well as individuals and nonprofit organizations in protection of lands with important natural resource and/or recreational values.
 3. To encourage voluntary land conservation on private lands, the legislature should consider options that would strengthen property tax incentives for private land conservation.
 4. Recognizing that there are ongoing operations and land management costs associated with our public lands, the Task Force recommends that user charges be employed to the maximum practicable extent to equitably recapture those costs from the broad spectrum of users of public lands.
 5. The Task Force believes there needs to be more consistency in management of conservation lands. For this reason, the Task Force recommends that legislation be drafted that designates the Department of Natural Resources as the agency responsible for managing State Public Trust lands.
 6. The Task Force recommends that the Department may:
 - Allow a seller to retain specific property rights and conduct activities on a property that the Department purchases if those activities are not inconsistent with the purpose for which the Department purchased a property (e.g. in Minnesota, the state purchased a farm inside a state park; the landowner continues to farm and the park sponsors educational programs at the farm). With this option, the Department may be able to purchase and protect more in-holdings.
 - Sell rights in land that are not necessary to accomplish the purposes for which the land was purchased, pursuant to s. 23.09(10), Stats. The monies obtained from the sale of these rights should be returned to the Land Heritage Fund of the Stewardship Program to be used for purchase of additional conservation lands. There should be no requirement for these monies to be appropriated.
 - Sell rights in land for a grantee that receives a Stewardship grant for acquisition of property for a federal national scenic trail, including the Ice Age Trail and North Country Trail, if those land rights are not necessary to accomplish the purposes for which a grant was given. The grantee should receive a pro rata share of the monies obtained from such sale of these rights. The pro rata share received by the Department should be returned to the Land Heritage Fund of the Stewardship Program to be used for purchase of additional conservation lands. There should be no requirement for these monies to be appropriated.

APPENDIX A

A Synopsis of Stewardships's Twelve Categories

- **General Land Acquisition** - acquire land and easements for state parks and recreational areas, state trails, state forests, wildlife areas, fishery areas, wild rivers and other state projects. \$6.7 million/year for Department of Natural Resources (DNR) projects.
- **General Property Development** - develop and improve recreational facilities in state parks and other state properties. \$3.5 million/year including \$200,000 for grants to state Friends groups.
- **Lower Wisconsin State Riverway** - purchase land and easements for recreation, scenic beauty and resource protection along the Lower Wisconsin River from Prairie du Sac to Prairie du Chien. \$2 million/year for DNR projects.
- **Natural Areas** - preserve Wisconsin's outstanding biotic communities, habitats with rare species, and highly significant geological and archaeological sites. \$1.5 million/year for DNR projects and grants to NCOs.
- **Natural Areas Heritage Match** - matches donations of land or money for natural areas. \$500,000/year for DNR projects and grants to NCOs.
- **Habitat Areas** - protect, enhance and restore wildlife habitat by acquiring land and easements and doing restoration work. \$1.5 million/year for DNR projects and grants to NCOs.
- **Stream Bank Protection** - protect surface water quality and fish habitat by acquiring land and easements for natural buffers along streams to reduce agricultural and urban runoff. \$1 million/year for DNR projects and grants to NCOs and local units of government.
- **Acquisition and Development of Local Parks** - purchase and develop community parks and local trails for outdoor recreation. \$2.25 million/year for grants to local units of government and NCOs.
- **Urban Green Space** - acquire land and easements to preserve scenic, ecological or other natural features in urban areas; provide land for noncommercial gardening. \$750,000/year for grants to local units of government and NCOs.
- **Urban Rivers** - acquire land to revitalize riverfronts and provide recreational opportunities along rivers in urban areas. \$1.9 million/year for grants to local units of government and NCOs.
- **State Trails** - provide a comprehensive state trails system with recreational opportunities for hikers, equestrians, bicyclists and cross country skiers. \$1 million/year for DNR development projects and grants to NCOs for land and easement acquisition.
- **Ice Age Trail** - acquire land and easements to permanently preserve a corridor for the National Scenic Ice Age Trail. \$500,000/year for DNR acquisitions and grants to NCOs.



APPENDIX B

A Summary of Stewardship Accomplishments by Project Sponsor and Category

This Appendix is a summary of Stewardship activity during the first eight years of the program. The first section is organized by project sponsor, the second by category. For a more in-depth evaluation, call the Department of Natural Resources at 608-266-0868 for a copy of *A Staff Evaluation of the Stewardship Program*.

Accomplishments by Project Sponsor

Department of Natural Resources

The Stewardship Program has provided core funding for all Department of Natural Resources land acquisition since the program was begun in 1990. The Department has acquired 139,850 acres in 69 of the state's 72 counties, an investment valued at \$99.6 million. This includes well-publicized, one-of-a-kind opportunities such as the Turtle-Flambeau and Willow Flowages and Dells of the Wisconsin River, and also many hundreds of smaller, less prominent properties critical to filling in ownership gaps in existing state parks and trails, wildlife areas, state forests, and other sites. Because the Department only acquires property from willing sellers, it may take many years or even decades to complete a project. Yet completing projects is important to prevent inappropriate development within state properties. Millions of people use these lands each year.

Another \$35.6 million was allocated to the Department for recreational development projects on state lands. These funds are used to update existing recreational facilities and build new ones, assure public health and safety, extend the useful life of facilities, protect resources and investment, provide revenue producing facilities, and provide unique recreational experiences.

Local Units of Government

Following in the footsteps of both ORAP and LAWCON, the Stewardship Program provides cost-share grants to local units of government for a variety of conservation and outdoor recreation purposes. Local units of government are eligible for funding in four of the twelve Stewardship categories. In the first eight years of the program, more than 320 local units of government received approximately \$35 million in grants for acquisition or development projects in 71 of Wisconsin's 72 counties. Stewardship funds were leveraged against local funds for a total investment of well over \$70 million dollars. Over 8,000 acres have been acquired for local parks, green spaces, urban river corridors, and stream bank protection. In addition, more than 500 recreational development projects have been completed.

Local government grants have been very popular. On average, Stewardship is oversubscribed by approximately \$3 in grant requests to every \$1 of funded projects. Local governments would like to be eligible for more categories, particularly the Ice Age Trail and State Trails.

Nonprofit Conservation Organizations

Stewardship has been a pioneering initiative in Wisconsin for it marks the first time in this state that public grant funds have been available as an incentive to private nonprofit organizations to become involved in land conservation. NCOs are an excellent community-based complement to state and local government because they provide an organized framework for citizen participation. NCOs have received \$9.2 million in grants to acquire 9,800 acres, some of which were purchased in partnership with local governments. NCOs have also received \$115,245 for habitat restoration projects, primarily grassland and wetland restorations.

NCOs sponsor a variety of project types, but they tend to concentrate on sites that protect wildlife habitat and rare natural communities. These sites provide low impact nature-based recreation such as hiking, cross country skiing, nature study, environmental education, and hunting.

Nonprofit participation in Stewardship has grown from two groups the first year of the program to a cumulative total of 25 groups in 1998. Still, NCO participation has not reached the levels expected. Compared with some other states, particularly those on the east and west coasts where there are more well-established land trusts, this initiative is in its infancy in Wisconsin, and many NCOs still lack the "organizational capacity" needed to acquire and hold land. In addition, it is difficult for NCOs to raise the 50% grant match.

Friends groups

Over the last ten years, there has been incredible growth in state Friends groups from approximately 10-15 in 1989 to almost 60 today. These groups provide an organized means for individuals to become active supporters of state parks and other state lands.

Friends groups are eligible for grants under the General Development category. More than \$340,000 has been disbursed through 80 grants to nonprofit Friends groups. This has been matched with \$340,000 in private donations raised by the groups for a total investment of over \$680,000. Groups sponsor many different types of projects, from restoration of the Rock Island Lighthouse to a Kohler-Andre wildlife garden interpretive display.

By Program Category

General Land Acquisition

This category is the backbone of Wisconsin's public lands program. Funds from General Land Acquisition are used to acquire land within the boundaries of 547 existing projects. Over 83,900 acres have been purchased for \$66.7 million through the first eight years of the program. Projects vary greatly in size from the 8,720-acre Willow Flowage in Lincoln County to a .06-acre tract in Point Beach State Forest in Manitowoc County. Investments include 11,440 acres of fishery lands; 6,010 acres for state parks and trails; 4,350 acres for northern forests; 3,070 acres for southern forests; 23,180 acres in wildlife projects and 33,870 acres for flowages and wild rivers.

Over 240,000 acres remain to be acquired in existing projects covered by the General Acquisition category.

General Property Development

The Department owns approximately 3,100 buildings with a replacement value in excess of \$180 million. Additions and improvements to buildings and other recreational facilities are funded by General Property Development. The annual Stewardship allocation for this component is \$3.5 million. The entire allotment has been spent or obligated each year for a total of \$28 million through the first eight years of the program. The most common development projects in ranked order of money spent include facility repair, new toilet/shower buildings, dam repair/removal, sewage treatment facilities, new park entrances, and new park visitor stations. Over \$340,000 has been awarded to Friends groups out of this category.

Stewardship funds account for about one-third of all funds available to the Department for development of state properties. At the rate of \$3.5 million per year, it will take at least 12 more years to complete projects already identified in approved property master plans.

Lower Wisconsin State Riverway

The Lower Wisconsin State Riverway extends 92.3 miles from the Prairie du Sac dam to the confluence with the Mississippi River. It is the longest, free flowing (dam free) stretch of river east of



the Mississippi River. The project is a joint partnership between the Department and a locally-based body, the Lower Wisconsin State Riverway Board, which is under the jurisdiction of the Department of Tourism. Coupled with earlier purchases using fish and wildlife funding, Riverway ownership totals 43,253 acres: 40,748 in fee title and 2,505 in easements. This acreage is 55% of the 79,275 acre goal for the project.

Over half of 13,000 acres in scenic bluffs have been permanently protected by fee and easement purchases. Most of the 6,000 plus acres of unique habitat located within its boundaries has also been protected within 16 State Natural Areas. The remaining state ownership contains scenic river frontage and a diverse mix of habitat that is highly attractive to wildlife. Sixty-two plant and animal species classified as endangered, threatened, or of special concern are present.

Natural Areas and Natural Areas Heritage Match Grant

The Wisconsin Natural Areas Program was established by legislation in 1951 as the first statewide natural area protection program in the nation. The Department administers 326 State Natural Areas encompassing more than 120,000 acres of land and water. Through the eighth year of the Stewardship Program, \$13.9 million has been invested by the Department to acquire, by fee or easement, more than 22,530 acres of land in 60 State Natural Areas. In addition, \$2.3 million in Stewardship grants has been committed to ten NCOs to acquire 4,500 acres. Grants have been matched with over \$2 million in private funds. Through the Natural Areas Heritage Match Grant component of Stewardship, NCOs and others have dedicated easements and donated gifts of natural area land totaling over 7,500 acres at 21 sites with a value of over \$3.75 million. This has triggered a dollar-for-dollar match of state funds for natural area purchases.

The Department has identified 177,000 acres of high quality natural areas still in need of protection. This includes 32,000 acres within existing projects; 100,000 acres of potential landscape-scale projects; and 45,000 acres identified in the Department's report, *Wisconsin's Biodiversity as a Management Issue*.

Habitat Areas

The primary goal of the Habitat Areas component is to enhance wildlife-based recreation through habitat protection and restoration. The Department has acquired 7,750 acres in fee and easements in its landscape-scale Glacial Habitat Restoration Area (GHRA) Project at a cost of \$5.8 million. It has also acquired another 1,220 acres through a statewide Habitat Area project. The GHRA investment has leveraged over \$1 million federal dollars to purchase, restore, and enhance wildlife habitat. Ducks Unlimited and Pheasants Forever partnered with the Department in the federal grant applications and provided an additional \$289,000 of their funds to support work qualifying for the grant. These dollars attracted another \$180,000 in federal funds.

In addition, 3,934 acres have been protected by NCOs using \$2.8 million in grants. Another \$115,245 has been committed to nonprofits for habitat restoration work. These grants have been leveraged with over \$2.5 million from project sponsors.

The Department has recently proposed establishment of a new project in western Wisconsin entitled the Western Prairie Habitat Restoration Area. It has a land acquisition goal of 15,000 acres. At least one other large, landscape-scale project is also in the planning stage.

Stream Bank Protection

This Stewardship component is designed to protect water quality and fish habitat on high quality streams most threatened by agriculture and urban development. The Department has invested \$4.5 million to acquire 8,910 acres in fee title and easements. Additionally, NCOs and local units of government have received \$1.3 million in grants to acquire 761 acres.

Some of the most active Stream Bank Protection streams include the Little Lemonweir River (Juneau and Monroe Counties), Milwaukee River (Ozaukee County), Kinnickinnic River (Pierce and St. Croix Counties), and the Onion River (Sheboygan County).

Aid for the Acquisition and Development of Local Parks

The goal of this category is to expand opportunities for outdoor recreation in local park and recreation areas. Grants are available for both acquisition and development projects. Selection criteria are based on the priorities contained in the most recent State Comprehensive Outdoor Recreation Plan (SCORP), which is developed with public input. Funds are apportioned on a Department regional allocation system, with 70% of the funds distributed on the basis of county proportionate share of the state population and 30% divided equally between the counties. This allows even the smallest community to compete for funds.

A total of \$18 million has been distributed in grants for over 500 projects. This was leveraged against a greater amount from project sponsors for a total investment in local parks and recreation areas of over \$36 million. Over 2200 acres have been acquired and hundreds of development projects completed. Projects range from installation of play equipment to development of sanitary facilities, and from construction of fishing piers to renovation of parks to comply with the Americans with Disabilities Act. Development of local multi-purpose trails accounts for approximately 45% of funds.

Urban Green Space

The Urban Green Space category provides grants to local governments and NCOs to preserve natural open space within or in proximity to urban development; to protect naturally-formed features that have scenic, ecological, or other natural values in urban areas; and to provide land for noncommercial gardening. In the 1997-99 budget, the Legislature added a provision that requires the Department to give a higher priority for projects related to brownfields redevelopment.

Through the eighth year of the Stewardship program, \$6 million had been awarded for 79 grants totaling almost 2900 acres of land. This was leveraged against an equal amount provided by project sponsors for a total investment of \$12 million.

Typical projects include a City of Menasha acquisition of 8 acres to expand an existing 43 acres conservancy that will be part of a planned regional greenway, a City of Madison acquisition of 82 acres for a green space buffer between two communities, and a Sheboygan County acquisition of 108 acres to preserve three lakes for nature study and water access.

Urban Rivers

This component provides grants to local governments and NCOs to acquire land or easements adjacent to rivers that flow through urban areas. The goals of the program are to preserve or restore urban waterways and riverfronts, encourage economic revitalization, and expand outdoor recreation opportunities including fishing, wildlife observation, enjoyment of scenic beauty, canoeing, hiking, boating, and bicycling.

Ninety project sponsors, from the cities of Janesville and Beloit to Baraboo and Boscobel, have been awarded \$10.9 million in grants to purchase 2,675 acres of land. Project acquisitions range from a small city lot for public access to the Wolf River, to 161 acres next to the City of Waukesha for a riverfront parkway and trail along the Fox River.

State Trails

Wisconsin's State Trails system began in 1965 with acquisition of the Elroy-Sparta State Trail, one of the first rail trails in the nation. Now there are 28 designated state trails in the state park system. The first trails were acquired, developed, and operated by the Department. Today, most of the new trails



are acquired by the Department and developed, and operated by counties. Twenty counties are involved in trail partnerships with the DNR.

The Department acquires abandoned rail grades primarily with Stewardship funds through the General Land Acquisition category. The State Trails category may only be used to fund Department development projects on Department-owned State Trails or as grants to NCOs to acquire land for designated State Trails.

Almost all of the funds have been used by the Department for development projects such as trail surfacing, parking areas, rest rooms, fencing, and other improvements. The provision to provide matching dollars to NCOs to acquire lands for State Trails has only been used by the Green Circle Trail Committee in Stevens Point. Acquiring an abandoned rail grade is not typically something a nonprofit would undertake.

Ice Age Trail

The Ice Age National Scenic Trail is one of only eight National Scenic Trails in the United States. It is also the first legislatively designated state Scenic Trail. When complete, the Trail will be a 1000-mile public greenway that winds through and connects 31 of Wisconsin's 72 counties.

The goal of this category is to acquire land and easements to complete the Trail according to national and state standards. Approximately \$2.76 million has been spent or obligated in grants, leveraged against over \$2.5 million from the Ice Age Park and Trail Foundation and local units of government for a total investment of over \$5 million. Stewardship grants have helped protect 828 acres along the route of the Trail. In addition, many miles of Trail have been added through Department and local government acquisitions for other projects through which the Trail passes.

A key feature of the Trail is local involvement. The project is a large, complex public-private partnership including the Ice Age Park and Trail Foundation, National Park Service, U.S. Forest Service, Department, county and municipal park and forestry departments, businesses, private landowners, and many conservation, civic, and youth organizations.

APPENDIX C

The Natural Resources Federal Opportunity Fund

The Governor's Blue Ribbon Task Force on the Stewardship Program recommends creation of a new program called the Natural Resources Federal Opportunity Fund, which would complement the Stewardship Program but be separate from it.

Purpose of Fund

The purpose of the Natural Resources Federal Opportunity Fund would be to provide state funds to match or otherwise leverage federal funds for projects that are consistent with Stewardship goals and strategies, including natural resource conservation; water quality management; habitat improvement, protection, or restoration; riparian corridor establishment; and outdoor recreation. Funds are needed for (a) permanent easements, fee simple acquisition or long-term land rental agreements with land-owners and (b) cost-sharing for necessary management practices, as defined by administrative rule.

Funding

Due to annual funding of federal programs, state funding for the Natural Resources Federal Opportunity Fund should be determined on a biennial basis depending on available federal program dollars. This contrasts with the Stewardship Program, which requires a stable, ongoing source of funds for a broader range of projects and partners.

Initial annual funding of \$15 to \$20 million could be needed to take full advantage of federal funds available to Wisconsin.

Examples of Federal Programs

1. Conservation Reserve Enhancement Program (CREP)

The U. S. Department of Agriculture (USDA) has offered Wisconsin up to \$200 million in federal funds for enrolling up to 100,000 acres in this program. The acreage must be targeted to address high priority water quality, soil erosion, or wildlife habitat needs of national and state significance. Wisconsin must submit a program proposal identifying targeted areas, eligible practices, and other program components. In addition, the state must make a 20% financial commitment. CREP is authorized through September 2002.

An Interagency Development Team is preparing a proposal to be submitted by the Governor to the USDA in the spring of 1999. This proposal will likely include riparian buffer projects that focus on impaired waters and areas contributing significant amounts of pollutants to the Mississippi River and Lake Michigan. These projects will assist farmers in complying with state nonpoint source performance standards, such as the Animal Waste Advisory Committee animal waste prohibitions, and potential federal regulations. In addition, this proposal should include grassland restoration with the intent of restoring threatened species and songbird species with substantially declined populations.

2. Wetland Reserve Program (WRP)

USDA, working in partnership with state agencies, local governments and others, restores drained wetlands to provide wildlife habitat and improve water quality. Landowners receive cost sharing to restore wetlands and may enroll the land in 30-year agreements or perpetual easements. Congress instructed USDA to focus on the 30-year option to provide an opportunity for the partners to stretch such agreements into perpetuity with easements or buy the underlying fee with the bulk of the cost being borne by USDA.



3. Forest Legacy Program

The goal of the Forest Legacy Program, a U.S. Forest Service program, is to protect and manage for future generations environmentally important forest areas that are threatened by conversion to non-forest uses. Conservation easements are purchased to achieve this goal. Priority is given to lands having important scenic or recreational values, riparian areas, fish and wildlife values, or other ecological values. The State can choose the State Grant Program option and receive funding that must be matched at a 3:1 (federal:state) basis.

4. Conservation and Reinvestment Act (CARA)

The Conservation and Reinvestment Act would dedicate a portion of federal income from, off-shore oil and natural gas leases for a variety of purposes, including wildlife conservation, education, and recreation. Funds could be used for projects like water quality improvements; conservation of fish, wildlife, and wetlands; wildlife education; and wildlife-associated recreation. In addition, this bill would fund the Land and Water Conservation Fund. Each state dollar would be matched by three federal dollars. The program would be administered by the U. S. Fish and Wildlife Service.

APPENDIX D

Effects of Inflation on \$23.1 Million/Year Funding Level

To describe inflationary effects on a new Stewardship program, the historic funding split between the Department of Natural Resources and the grant programs had to be projected into the future even though no particular split is being recommended by the Task Force. In addition, this analysis is based on past experience, but changing conditions, such as the potential for land value decreases, could significantly alter the predicted outcome.

Impact on Land Acquisition (Land Heritage Fund)

Between 1960 and 1990, the Department averaged 250 transactions and 19,000 acres purchased in one year. During the current Stewardship program, these averages have been 250 transactions and 17,000 acres. More recently, the Department is completing about 200 transactions per year, resulting in about 11,000 acres purchased.

The present DNR acquisition categories of Stewardship involve \$11.55 million in 1990 dollars. If the new program were to continue at this level, it would start out with purchasing power of about 50% of its 1990 value. This would be further reduced to about 37% of initial value in 2010. This decline in purchasing power would reduce the number of transactions and acres purchased in the new program accordingly. This would foreclose some critical opportunities within existing projects. There would be few opportunities for new projects.

Because the Department's partners face the same conditions of increasing land costs, the acquisition grant programs would be affected in a similar manner.

Impacts on Recreational Development and Habitat Restoration

The effects of inflation on the development component of the new program would be similar to that described for acquisition. The rate of inflation has been less for construction than for acquisition, averaging 3.0% annually from 1990 through 1998. The priorities for development projects are health and safety, code compliance, and maintenance and repair needs; new or enhanced facilities are only built with funds left over after meeting these higher priorities. The effects of increased construction costs would be to gradually reduce, and ultimately eliminate, the ability to add new or enhanced facilities on State properties.

Increased construction costs are also faced by the Department's partners, and thus similar effects would be experienced in the grant programs.



Effects Of Inflation On \$23.1 Million/Year Stewardship Program

Current Stewardship Program

| Actual Change in Cost/Acre of DNR Purchases ³ | Calendar Year | Acquisition | | Development | | TOTAL |
|----------------------------------------------------------|---------------|-------------------------------|----------------------------------------|-------------------------------|----------------------------------------|---------------|
| | | Annual Inflation ¹ | Estimated Acquisition Purchasing Power | Annual Inflation ² | Estimated Development Purchasing Power | |
| 20.0% | 1990 | 6.8% | 16,632,000 | 3.6% | 6,468,000 | \$ 23,100,000 |
| -13.0% | 1991 | 5.9% | 15,501,024 | 1.2% | 6,235,152 | \$ 21,736,176 |
| -18.0% | 1992 | 7.6% | 14,586,464 | 3.2% | 6,160,330 | \$ 20,746,794 |
| 3.0% | 1993 | 8.1% | 13,477,892 | 6.8% | 5,963,200 | \$ 19,441,092 |
| 29.0% | 1994 | 9.1% | 12,386,183 | 2.3% | 5,557,702 | \$ 17,943,885 |
| 33.0% | 1995 | 8.0% | 11,259,040 | 0.2% | 5,429,875 | \$ 16,688,915 |
| 7.0% | 1996 | 8.5% | 10,358,317 | 2.8% | 5,419,015 | \$ 15,777,332 |
| 15.0% | 1997 | 7.6% | 9,477,860 | 2.7% | 5,267,283 | \$ 14,745,143 |
| 15.0% | 1998 | 2.8% | 8,757,543 | 2.8% | 5,125,066 | \$ 13,882,609 |
| 27.0% | 1999 | 2.8% | 8,512,332 | 3.0% | 4,981,564 | \$ 13,493,896 |

New Stewardship Program

| | | | | | |
|------|------|-----------|------|-----------|---------------|
| 2000 | 2.8% | 8,273,986 | 3.0% | 4,832,117 | \$ 13,106,103 |
| 2001 | 2.8% | 8,042,315 | 3.0% | 4,687,154 | \$ 12,729,469 |
| 2002 | 2.8% | 7,817,130 | 3.0% | 4,546,539 | \$ 12,363,669 |
| 2003 | 2.8% | 7,598,250 | 3.0% | 4,410,143 | \$ 12,008,393 |
| 2004 | 2.8% | 7,385,499 | 3.0% | 4,277,839 | \$ 11,663,338 |
| 2005 | 2.8% | 7,178,705 | 3.0% | 4,149,504 | \$ 11,328,209 |
| 2006 | 2.8% | 6,977,702 | 3.0% | 4,025,018 | \$ 11,002,720 |
| 2007 | 2.8% | 6,782,326 | 3.0% | 3,904,268 | \$ 10,686,594 |
| 2008 | 2.8% | 6,592,421 | 3.0% | 3,787,140 | \$ 10,379,561 |
| 2009 | 2.8% | 6,407,833 | 3.0% | 3,673,526 | \$ 10,081,359 |
| 2010 | 2.8% | 6,228,414 | 3.0% | 3,563,320 | \$ 9,791,734 |

¹ Through 1997, the figures are the actual changes in Wisconsin Department of Revenue equalized assessed values for land. Beginning with 1998, annual changes in value are assumed to be the average of the Consumer Price Index from 1990 through 1997.

² Through 1998, the figures are from the Engineering News Record (ENR) Building Cost Index for inflation. Beginning with 1999, the figures are the average of the ENR Index from 1990 through 1998.

³ These figures are actual changes in price per acre paid by the Department in the indicated State fiscal year, e.g. 1990 means the State fiscal year beginning July 1, 1989 and ending June 30, 1990. These figures reflect the unique character of the types of land which the Department purchased, whereas the Department of Revenue figures reflect statewide averages covering a variety of types of property. Figure for FY 1999 is a projection based on experience through December, 1998.