

**SUMMARY OF DELIBERATIONS  
OF THE  
STEWARDSHIP ADVISORY COUNCIL**

**REGARDING A THIRD PHASE STEWARDSHIP PROGRAM**

**A REPORT TO SECRETARY SCOTT HASSETT**

**By  
The Stewardship Advisory Council**

**Background:**

The Stewardship Advisory Council was established by the Department of Natural Resources in 1994 to promote better communication between the Department and its Stewardship partners and to provide guidance on policy and administrative issues relating to the program. The Council is made up of representatives from the land trust community, local units of government, hunting and fishing organizations, friends groups and other environmental and conservation organizations who directly partner with the Department to conserve land and provide recreational opportunities through the Stewardship program.

One of the early charges to the Stewardship Advisory Council was to "develop a strategy for the future of Stewardship." In 1997 the Council conducted extensive research and adopted a comprehensive set of policy recommendations for Stewardship 2000 most of which were incorporated into the current program.

The Council is honored to once again submit recommendations regarding the next iteration of the Knowles-Nelson Stewardship program. These recommendations were adopted unanimously and with the full support of all members of the Council.

Please note that the following recommendations are not listed in order of importance.

**Recommendations:**

**1. The Stewardship Fund should remain a capital investment program.**

Stewardship is a capital investment program funded through bonds with the primary goal of permanently protecting land and water resources for conservation and recreation purposes. This includes state and local parks, natural areas, forests, wildlife habitat, hunting and fishing lands, trails, water resources, fisheries and urban open spaces. A complimentary goal of the Stewardship program is to develop public recreation facilities so that the public can fully enjoy these places.

Stewardship has worked. It has invested in wild lands, scenic areas, habitat, streambanks, urban green space and increased recreational opportunities. These are non-depreciating assets which grow in value over time.

The demand and need for conservation lands and places to recreate is strong and will continue to increase well into the future as the population grows. At the same time, land is a finite resource and the opportunity to conserve it for future generations disappears with the passage of each year.

*The Council therefore recommends that the Stewardship Fund remain focused on capital investments in land and water resources and recreation infrastructure, and that funding for operations and maintenance continue to come from other sources.*

**2. The primary focus of the Stewardship Fund must remain permanent protection of land for *conservation and recreation purposes* – not for farmland preservation and other goals.**

For the reasons mentioned above, the Council believes that the Stewardship Fund needs to remain focused and that its primary goals of protecting land and water resources for conservation and recreation purposes should not be diluted.

*The Council strongly recommends that Stewardship Funds not be diverted to other purposes such as to protect farmland, clean up brown fields or prevent polluted runoff from entering streams and other waterways.*

We understand that the Governor's Working Lands Initiative Steering Committee has recommended that the state create a new program to provide grants to local governments and non-profit organizations to purchase the development rights (PDR) to working farms. We applaud the committee's efforts and appreciate the importance of protecting farmland, yet believe that Stewardship is an inappropriate source of funding for this type of program.

The mandate of the Stewardship Program is to protect natural areas, wildlife habitat, state forests and parks, and other lands for outdoor recreation and public access. Stewardship protects some of the best remaining natural and recreational gems in the state and provides places for millions of Wisconsin citizens and tourists to enjoy our natural lands.

The mandate of a state Purchase of Development Rights program, on the other hand, must be to protect farms that are valuable from a productive and economic standpoint. A PDR program is not about creating recreational opportunities for the public or about protecting pristine habitat and other lands for their natural values. Given the demand for recreational lands in the state, it is therefore critical that Stewardship Funds not be diverted to a new PDR program.

**3. The percentage of total funds spent on development projects should not exceed 25% of the overall Stewardship Fund.**

Because the need for land protection dollars is so critical, the Council recommends that purchases of land and interest in land continue to be a higher priority under the Stewardship program than development of protected properties. Land conservation is like a continuously closing window. Once the opportunity to purchase a property is gone, the land may be lost forever to development, subdivision and other threats. Furthermore, inflation has had a greater impact on land values than development costs.

*The Council therefore recommends that the ratio of dollars spent on land protection to those spent on development should remain at about 75% to 25%, and that development should not exceed 25% of the total Stewardship Fund.*

**4. The state should maximize partnerships with land trusts and local units of government under the next Stewardship Program as a way to leverage the state's investment and to involve citizens in conservation efforts.**

Land trusts and local units of government have proven to be invaluable partners to the DNR in meeting the state's conservation and recreation needs, and should play an even bigger role in the next Stewardship program. Not only do land trusts and municipalities contribute much needed dollars to match Stewardship grants, but they also involve local citizens in land conservation efforts, cultivate a conservation ethic among the population, and assume long-term management responsibilities for the land they protect.

Land trusts have grown exponentially since the early days of the Stewardship Fund. Today, there are over 50 land trusts with a combined membership of 45,000 individuals and a portfolio of more than 200,000 acres of protected land. Land trusts have received over \$55 million to date in state Stewardship grants which they have matched dollar-for-dollar. They are currently eligible for about \$8 million in Stewardship grants a year, but could easily spend and match \$12 to \$15 million annually.

Local governments have received another \$75 million in matching grants through the Stewardship program which they have used to provide critical recreation opportunities in some of our most populated areas. Under the current statute, local governments can receive no more than \$8 million in Stewardship grants a year. This means that the DNR is only able to fund roughly 25% of grant dollars requested by municipalities.

*The Stewardship Advisory Council strongly recommends that more grant money be made available to both land trusts and local units of government as part of the new Stewardship program.*

Based on current demand, land trusts and municipalities could easily match and spend \$15 million each a year in Stewardship grants. Furthermore, grants are an important and effective way to stretch limited state dollars in tough budget times.

The Stewardship Advisory Council recommends several other changes to the current Stewardship program to maximize the incredible opportunities that these partners offer:

- a. *Local units of government and non-profit conservation organizations should be eligible for both the Land Acquisition and Property Development and Local Assistance Subprograms of the Stewardship Program provided that their projects meet established criteria for each category.* Local units of government are not eligible under statute for the Land Acquisition Subprogram, and the Council believes that it will be necessary to develop additional criteria for funding municipal projects under this subprogram through Administrative Rule.
- b. The Council recommends that the Stewardship program maintain the requirement that grants under the Property Development and Local Assistance Subprogram be used for nature-based outdoor recreation. *The Council does believe, however, that there are serious challenges with the way that the nature-based outdoor recreation requirement is administered and recommends that these concerns be addressed and remedied through Administrative Rule.*
- c. *The statutory requirement that the DNR conduct a second appraisal for grant projects that are valued at over \$200,000 should be changed to require that the grant sponsor conduct a second appraisal for properties valued at over \$500,000.* Given increases in land values, the \$200,000 threshold for requiring a second appraisal by the DNR is far too low. Furthermore, this requirement may delay a project by as much as six to eight months and significantly increases carrying costs for partners. To further expedite the appraisal review process, the Council recommends that the sponsor rather than the DNR be responsible for attaining the second appraisal with the understanding that it will be reviewed by the Department.
- d. *The 50% statutory cap on matching grants should be eliminated or increased to 75%.* A set grant percentage of 50% of acquisition costs limits the ability of partners from participating in the Stewardship Program. Flexible grant percentages based on a project's significance would enable partners to play a larger role in the Stewardship Program. Guidelines for flexible percentages should be established by Administrative Rule. The Council does believe, however, that the project sponsor should provide a minimum of 25% match in order to qualify for a Stewardship grant.

- e. *The Council recommends that grant sponsors be allowed to use land management expenses and activities as eligible match for Stewardship grants.* Allowing such match would encourage citizens to get involved in restoration activities and would help ensure that properties are properly managed. This could be capped at 25% of project costs.
- f. *In an effort to further promote sound land management, the Council recommends that there be clarification in how project sponsors can use income derived from a property purchased with Stewardship dollars.* The current complicated requirements regarding how a sponsor may use income derived from such practices as timber harvesting may actually discourage appropriate land management activities.
- g. In general, priority should be given to projects that involve multiple partners (e.g. a local unit of government *and* a non-profit organization). Where partners work together, they should be able to transfer eligible match amongst themselves to advance conservation goals within a given project area.

**5. The Stewardship program should balance the opportunities to purchase large tracts of land in the north with the need to protect and provide access to recreational lands and natural areas close to where people live.**

Numerous reports and studies (including the recent Land Legacy Report and State Comprehensive Outdoor Recreation Plan) have consistently shown that the public values having natural areas and recreational lands close to home. This is increasingly important as people's lives become more scheduled and structured, and residents and visitors to the state have less time to drive long distances or take extended vacations. At the same time, business leaders have indicated that one of the attractions that draws and keeps employers and employees in Wisconsin is having easy access to open space and nature-based recreation.

A goal of the next Stewardship program should be to ensure that all Wisconsinites are never more than a short distance away from a Stewardship property.

*The Council recommends that the next Stewardship program place an increased emphasis on conserving land and providing recreational opportunities near Wisconsin's largest cities (e.g. Appleton, Eau Claire, Green Bay, Janesville, Kenosha, La Crosse, Madison, Milwaukee, Oshkosh, Racine, Waukesha, etc.) as well as close to population centers in neighboring states.*

Protecting these lands, which are under increasing development pressure and getting more expensive every year, is critical to our tourist economy and quality of life here in Wisconsin.

It is important to note that land trusts and municipalities seeking Stewardship grants are very active in these areas and will continue to play an important role in helping the state meet conservation needs close to where the majority of citizens live.

**6. The Stewardship program should continue to employ and encourage a variety of conservation tools and innovative techniques to achieve its objectives.**

There are many land protection tools, in addition to fee acquisition, which can be utilized by the Department, local units of government and nonprofits to accomplish program goals. Over the past several years, the state has effectively used conservation easements to protect large tracts of working forests, most notably the 65,000-acre Wild Rivers Legacy Forest, the largest conservation deal in state history, at a fraction of what it would cost to purchase these lands outright while leaving the property on the local tax rolls.

Furthermore, several reports and studies acknowledge that it is impossible and impractical for the state to own all the lands necessary to meet Wisconsin's conservation goals and recreation needs. The Land Legacy Report in particular emphasizes that meeting our state's conservation needs through 2050 will require the participation of multiple partners (municipalities, land trusts, tribes, private landowners, etc.) using a range of conservation tools (from fee purchase to conservation easements to planning and zoning to voluntary management practices on private lands).

At the same time, however, the Council notes that there is a lack of clarity and consensus in the Department about the appropriateness of providing Stewardship grants for the purchase of conservation easements. *The Council recommends that clear policies be adopted, with input from Council members and other stakeholders, about when conservation easements are deemed an appropriate tool worthy of receiving funding through the Stewardship program and what sort of provisions must be included in those easements.*

**7. Where possible, Stewardship funding should be coordinated with long-range conservation plans and comprehensive land use plans which identify natural resource land protection priorities.**

The Council notes that the federal, state and local governments as well as partners in the non-profit community have undertaken extensive planning, and that these plans should guide and direct our conservation efforts. These include, but are not limited to: the Land Legacy Report, the State Wildlife Action Plan: "Species of Greatest Conservation Concern", the State Comprehensive Outdoor Recreation Plan, the Natural Heritage Inventory, The Nature Conservancy's Eco-Regional Plans, and comprehensive plans being completed by municipalities at the local and regional level.

*The Council believes that priority should be given to projects that conform to these plans when possible. As an example, projects sponsored by local units of government which are related to a comprehensive land use plan should receive higher priority than projects which are not.*

**8. Council members favor a funding mechanism which spreads the financing of the program equitably among all citizens.**

One advantage of general purpose bonds, the funding source for the current program, is that it reflects the benefits of Stewardship to both this generation and future ones. *The Council recommends that the Stewardship program continued to be funded through bonds.*

**9. The level of funding for the next phase of the Stewardship program must be adequate to meet identified needs which are accelerating in the face of rapid development. At a minimum, the Stewardship Fund should be funded at a level which maintains the historic purchasing power of the program.**

*The Council recommends that, at a minimum, the level of investment in the next phase of Stewardship should be based on the program's current level of funding adjusted to reflect the effect of inflation in land values compounded over the 10 years of the program.*

Land price inflation has reduced our capacity to permanently protect our land resources through the Stewardship Program. Increasing the funding level to offset the impact of land price inflation would mitigate the pervasive influence of rising land prices.

*The Council urges the Administration to conduct a careful analysis to determine the true impact of rising land values on the program.*

A calculation of the Fund's purchasing power based solely on equalized value will result in a number that is artificially low. Equalized value takes into account all real estate types including many, such as urban commercial lands, which are declining in value and would be very unlikely candidates for purchase with Stewardship Funds. In contrast, analysis generated by the Department of Revenue consistently shows that the price of agricultural and forest lands is growing exponentially. The Legislative Fiscal Bureau estimates that forest land has appreciated twice as fast as equalized value.

Clearly, if we are to maintain the true purchasing power of the Stewardship program we need to understand how the types of land typically purchased with Stewardship dollars (forest land, agricultural land, undeveloped land, etc.) have appreciated and will continue to appreciate into the future.

The members of the Stewardship Advisory Council are united in their belief that a strong and vigorous renewed commitment to Stewardship will endow the quality of life for all Wisconsin citizens for generations to come, strengthen economic vitality, build strong communities and yield an enduring legacy for this generation to leave its heirs.

### **Members of the Stewardship Advisory Council**

Vicki Elkin, Chair  
Gathering Waters Conservancy

Jeff Gaska  
Pheasants Forever

Rick Gauger \*  
West Wisconsin Land Trust

Ellen Gennrich  
Waukesha Land Conservancy  
Waukesha Parks and Planning Commission

Kimberly Gleffe  
River Revitalization Foundation

Laura Guyer  
Dane County Land Conservation

Drew Hanson  
Ice Age Park and Trail Foundation

Mark Heil  
Clark County Forestry  
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Jim Hlaban  
Trout Unlimited

Todd Holschbach  
The Nature Conservancy

Tim Jacobson  
Mississippi Valley Conservancy

Sue Kinde  
Northeast Wisconsin Land Trust  
Outagamie County Greenway Commission  
Fox Cities Greenway

Dave Ladd  
Member, 1989 Blue Ribbon Task Force on the Stewardship Program  
Co-Chair, 1998 Blue Ribbon Task Force on the Stewardship Program

Bill Lecker  
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Sharon Schmeling \*  
Chair, Jefferson County Board

Tom Schrader  
Stevens Point Parks and Recreation

Steve Thompson \*  
Wisconsin Parks and Recreation Association

Jan Zimmermann  
The Conservation Fund

(\* These members were not in attendance at our December 12 meeting when we developed these policy recommendations. Most did, however, provide the Chair with written and/or verbal comments and suggestions prior to the meeting which were incorporated into our discussion and recommendations)