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Governor Doyle Announces Largest Land Conservation Purchase in Wisconsin History

Partnership With Forestry Industry and Conservation Will Conserve Nearly 65,000 Acres

MARINETTE – Governor Jim Doyle, along with the Department of Natural Resources, The Nature Conservancy, International Paper, Conservation Forestry LLC, and Forest Investment Associates, today announced an unprecedented partnership that will work to conserve 64,633 acres – 101 square miles – of forest, lakes and rivers in Florence, Forest, and Marinette counties in northeast Wisconsin.

The “Wild Rivers Legacy Forest” project represents the largest land conservation effort in state history and one that will protect working forests, public access for recreation, wildlife habitat, and water quality.

“This purchase permanently protects thousands of acres of forest, wildlife habitat, and shoreland,” Governor Doyle said. “Had we not acted to preserve this land, it may have been sold off, piece by piece, and developed – its unspoiled beauty potentially lost forever to bulldozers and buildings. This purchase ensures that these lands will be forever protected and remain a working, sustainably-managed forest available for the recreational enjoyment of generations to come.”

The Nature Conservancy, together with the Department of Natural Resources, negotiated an agreement in principle with International Paper to purchase 69,000 acres for \$83.675 million. Funding for the acquisition will be through a combination of Wisconsin’s Knowles-Nelson Stewardship Fund, private equity from Conservation Forestry LLC, and its consortium partner, Forest Investment Associates, and private funds raised by The Nature Conservancy.

The agreement is part of a larger effort by International Paper to explore selling as much as 6.8 million acres of forestland in the Midwest, the South, and the Northeast.

The Wild Rivers Legacy Forest encompasses vast acres of forest, more than 48 lakes and ponds,

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and over 70 miles of rivers and streams that flow into and contribute to water quality in Green Bay and the larger Great Lakes system. It provides important habitat for wildlife, including trout and migratory waterfowl and songbirds; rare species such as the pine marten; and wide-ranging mammals such as wolves and bear.

The Wild Rivers Legacy Forest contains some of the richest soils in Wisconsin for growing hardwood trees. The early history of these forests was one of careful management by the Goodman Lumber Company, one of the first companies to practice long-term, sustained yield northern hardwood forestry. Today, the forests on the property continue to produce saw logs and wood fiber for the pulp and paper industry, sustaining local forest-based jobs and the industry around them. The property also offers exceptional recreation opportunities, including hunting, fishing in Class 1, 2 & 3 trout streams, snowmobiling, canoeing, kayaking, cross-country skiing, wildlife watching, and more.

"International Paper is proud to be part of this important transaction in Wisconsin. It comes on the heels of our announcement yesterday to protect 218,000 acres of southern forestland, which was IP's largest conservation agreement ever. Today we continue our legacy of protecting forestlands here in Wisconsin. We applaud The Nature Conservancy and the state of Wisconsin's leaders for taking this important step to protect the nation's forests," said David Liebetreu, International Paper vice president of forest resources.

"This purchase also protects our Wisconsin economy," Governor Doyle said. "Forestry is much more than an industry in Wisconsin – it is a part of who we are. Without a healthy forest industry, it is not possible to sustainably manage the forests in Wisconsin while producing the products that consumers demand, and maintaining the recreational and ecological benefits that make Wisconsin such a great place to live. This piece of land will continue to provide the pulpwood and saw logs that feed local mills, contributing to our economy and producing the products that you and I use every day."

As part of the agreement, Conservation Forestry and Forest Investment Associates will acquire 63,390 acres of forestland from International Paper. An innovative working forest conservation easement, crafted by the Department of Natural Resources and The Nature Conservancy, will keep 59,023 of these acres open to the public for recreation and guide forest management in a sustainable manner, ensuring that the forests remain healthy and diverse and continue to provide forest products and important forest industry jobs. About 4,367 acres purchased by Conservation Forestry and Forest Investment Associates will not be included in the conservation easement.

"We are delighted to participate in this historic transaction," says John Tomlin, co-founder of Conservation Forestry, LLC. "Our strategic alliance with The Nature Conservancy allows us to help conserve the great legacy of the Goodman Forest and also secure a solid return for our investors. We believe you can do good while doing well."

As part of the agreement, the State of Wisconsin will acquire 5,610 acres of land in Florence County that encompasses portions of the Pine and Popple rivers – two of Wisconsin's designated Wild Rivers – and a pristine area around wild Savage, Robago, Dorothy, and Mud lakes. The Department of Natural Resources will manage the land for its natural and recreation values.

Conservation of the property by the partnership will ensure that:

- Working forestland is protected, sustaining forest-based jobs and the industry around them well into the future;
- Current and future generations will continue to enjoy access to the property for recreation;
- The majority of the land stays in private ownership;

- The forests are well-managed, remaining healthy and intact, contributing to clean water in the lakes and rivers, and providing habitat for wildlife; and
- Rare ecological lands are added to state ownership and protected for future generations.

“In a time of tight budgets and other pressing needs, conservation of this property takes a balanced approach to conservation,” said Mary Jean Huston, state director for The Nature Conservancy in Wisconsin. “This landmark project – which maintains working forests and recreation opportunities, while still conserving essential wildlife habitat — is only possible because of the leadership and commitment of Governor Doyle, the Wisconsin Natural Resources Board, Department of Natural Resources staff, and our forest products industry partners who have taken a giant step for conservation in Wisconsin today.”

Today’s announcement represents the beginning of this landmark conservation project. The partners are now working to secure the necessary public and private funding to meet the financial requirements of the agreement.

The agreement speaks to a larger trend facing the nation’s industrial forestland owners. The rapidly changing economics of the forest products industry are forcing an unparalleled change in ownership of the forests across the United States, including Wisconsin. From 1997 to 2002, 94 percent of Wisconsin’s private industrial forest lands, or about one million acres, changed hands. Some of these lands have later been subdivided into small parcels and re-sold, putting jobs, wildlife habitat and public access at risk.

Yesterday, International Paper, The Nature Conservancy, and The Conservation Fund announced a 218,000-acre, 10-state conservation project, which represents the largest single private conservation transaction in the history of the South. The \$300 million project protects key lands clustered around some of the South’s most ecologically important rivers and estuaries.

Private and non-profit conservation groups continue to express interest in additional International Paper land holdings, and the company will continue to explore those opportunities.

About International Paper

Headquartered in the United States, International Paper businesses include paper, packaging and forest products. As one of the largest private landowners in the world, IP professional foresters and wildlife biologists manage its forests with great care in compliance with the rigorous standards of the Sustainable Forestry Initiative® program. The SFI® program is an independent forest certification system that ensures the perpetual planting, growing and harvesting of trees while protecting biodiversity, wildlife, plants, soil, water and air quality. The company also has a long-standing policy of using no wood from endangered forests. On the Web at internationalpaper.com.

About The Nature Conservancy

The Nature Conservancy is a leading international, nonprofit organization that preserves plants, animals and natural communities representing the diversity of life on Earth by protecting the lands and waters they need to survive. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 15 million acres in the United States and have helped preserve more than 102 million acres in Latin America, the Caribbean, Asia and the Pacific. In Wisconsin, the Conservancy has helped conserve more than 85,300 acres since 1960. On the Web at nature.org/wisconsin.

About the Wisconsin Department of Natural Resources

The Wisconsin Department of Natural Resources, in cooperation with its many partners, is dedicated to conserving and managing Wisconsin’s natural resources, environment and outdoor heritage to sustain us and the generations that follow. On the Web at dnr.state.wi.us.

About Conservation Forestry, LLC

Conservation Forestry, LLC is a timber investment fund based in Woburn, Massachusetts with a strategy of investing in conservation related transactions while achieving its investment goals. On the Web at conservationforestry.net.

About Forest Investment Associates

Forest Investment Associates is in its twentieth year of providing investment management services to institutional and private investors in timberland. Operating out of its Atlanta, Georgia headquarters, the staff of FIA manages timberland portfolios for major corporate pension plans, state and municipal retirement systems, charitable trusts and endowment funds. On the Web at forestinvest.com.

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