

MICHIGAMME HIGHLANDS CONSERVATION EASEMENT: A Conservation Case Study on 73,000 Acres Permanently Protected in Michigan's Upper Peninsula

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Overview

In March 2026, The Lyme Timber Company (Lyme) completed one of the largest working forest conservation transactions in Great Lakes history as the seller of a permanent working forest conservation easement covering 73,000 acres of the Michigamme Highlands in Michigan's Upper Peninsula. The easement, which is now held by the Michigan Department of Natural Resources (DNR), protects the land's ecological and recreational values in perpetuity while Lyme retains ownership of the land and continues sustainable forest management.

The transaction was financed entirely through external grants and donations totaling more than \$20.7 million and secured from federal, state, and private sources. This project demonstrates how conservation and financial discipline can reinforce each other: the property continues generating timber revenue and supporting local economic activity while its long-term ecological value is secured through permanent legal protection.



The Property

The Michigamme Highlands sit in the heart of Michigan’s western Upper Peninsula, within the rugged Huron Mountains, one of the most ecologically intact landscapes remaining in the Great Lakes region. The 73,000-acre tract encompasses an extraordinary range of natural features:

Landscape Features	Wildlife & Fisheries
<ul style="list-style-type: none">• 37 miles of winding rivers and 220 miles of perennial streams• 96 lakes and ponds• 13,600+ acres of wetlands• Michigan’s highest point — Mt. Arvon• +/- 2 miles of Wild & Scenic Yellow Dog River• Adjacent to federal McCormick Wilderness and Craig Lake State Park	<ul style="list-style-type: none">• Coaster brook, brown, brook & rainbow trout• Coho & pink salmon, bass & northern pike• Moose, black bears, pine martens, fishers & wolves• Bald eagles, hawks, owls & boreal chickadees• 4,800 acres of deer wintering complex

Nearly two miles of the Yellow Dog River flow through the property, immediately adjacent to the federal McCormick Wilderness, where the river carries a “Wild and Scenic River” designation. The summit of Mt. Arvon, Michigan’s highest natural point at 1,979 feet, attracts many visitors each year thanks to its sweeping views, and is now permanently open to public access. Finally, the property shares over 70 miles with existing conservation land (state, federal, and private), increasing conservation connectivity and important wildlife corridors.

This property also contributes to the local economy through ongoing sustainable forest management activities and supports many jobs in the regional forest products industry. The lands are in private ownership and maintain local tax revenue. Finally, recreational access to the property, including hunting, fishing, kayaking, biking, skiing, snowmobiling, and hiking, support the UP’s vibrant tourism industry.

The Partners

The Lyme Timber Company

Lyme is a forestland investment and management firm overseeing approximately 1.3 million acres of timberland across the United States. Over the past 50 years, Lyme has conserved over 1 million acres of land through conservation easements, mitigation banking instruments, and 100-year carbon sequestration projects. Through Lyme Great Lakes Timberlands, Lyme manages nearly 625,000 acres across Michigan’s Upper Peninsula and northern Wisconsin.

Michigan Department of Natural Resources

The Michigan DNR is a public agency responsible for managing the state’s natural and cultural resources, including forests, waterways, wildlife habitat and outdoor recreation opportunities. Through its Forest Resources Division, the department works to balance conservation objectives with sustainable economic use of forestland.

The Vision

Like many large, forested lands across the country, the Michigamme Highlands property faced the possibility of future fragmentation, development and restricted public access. To ensure the property remained a working forest in perpetuity and did not get broken up and developed, Lyme Timber approached Michigan DNR to explore a large-scale conservation strategy, a model it has pursued on other large-scale working forestlands in other parts of the US.

Through the sale of a working forest conservation easement to Michigan DNR, the project aimed to:

- Permanently conserve the land
- Maintain private ownership and local tax revenue
- Ensure sustainable forest management
- Protect ecological and water resources
- Guarantee public recreational access
- Prevent future subdivision or development

This structure created alignment among conservation priorities, community interests, and the forest products industry. This vision ensured all the special features on the land are protected forever, and secured the right of the public to use these lands for recreation, including hunting and fishing.

A Working Forest Conservation Easement

A working forest conservation easement is a legally binding agreement between a landowner and a government agency or land trust. It permanently restricts certain uses of the land, specifically those that might degrade the forest, wildlife habitat, or water values, while allowing continued timber production and other compatible uses. Critically, the conservation easement runs with the land regardless of future ownership. Unlike traditional land acquisition models, the conservation easement structure enables the property to remain a working forest in private ownership.

In this transaction:

- **Lyme retains full ownership** of the 73,000 acres and continues sustainable timber management, maintaining local tax revenue and economic activity.
- **Sustainable harvest levels are legally required** in perpetuity, ensuring the forest remains a working landscape.
- **Michigan DNR holds the easement rights** on behalf of the public, including rights for public recreational access across the entire property.
- **Public access is permanently secured** — including 77+ miles for snowmobiling, 70 miles for ORV use, 61 miles of previously unsecured vehicle roads, 7 miles of non-motorized trail, and 3 miles of equestrian trail.
- **Fragmentation is prohibited:** the property cannot be subdivided or developed under Lyme's ownership or any future ownership.

For Lyme's investors, capital is returned from the sale of the conservation easement, and cash flows from sustainable timber harvesting continue. This structure exemplifies Lyme's broader conservation

investment thesis: permanent protection of working forests can benefit both the environment and financial returns to investors.

Funding: \$20.7M+ from Four Partners

Over five years, Lyme and the DNR assembled a coalition of federal, state, and private funders. The project ranked second nationally among applications to the federal Forest Legacy Program, a competitive signal of its ecological and public significance.

Funding Partner	Amount	Program/Purpose
USDA Forest Service – Forest Legacy Program	\$15M+	The purpose of the Forest Legacy Program (FLP) is to provide federal grant funding to states to protect environmentally important forestland from being converted to non-forest uses. Funding for the program, which is administered by the US Department of Agriculture’s Forest Service, is provided through the Land and Water Conservation Fund, which is revenue the federal government receives from offshore oil and gas leases.
Michigan Natural Resources Trust Fund	\$4.2M	In 1976, to resolve concerns related to oil and gas development on state forest land in the Pigeon River Country State Forest, the Michigan Natural Resources Trust Fund (MNRTF) was established. The intent of the MNRTF was to use mineral royalties earned from the development of state-owned minerals to acquire land for public recreation and natural resources protection.
National Fish & Wildlife Foundation: Acres for America	\$550,000	The National Fish & Wildlife Foundation (NFWF) was established by Congress in 1984 as a non-profit organization to act as a bridge between public agencies and private entities to support the conservation of fish, wildlife, plants, and their habitats. NFWF works to leverage federal funding with private donations to further benefit conservation work and is the nation’s largest private conservation foundation.
National Fish & Wildlife Foundation: Life Time Foundation	\$450,000	NFWF partnered with Walmart in 2005 to establish the Acres for America program, which is focused on conserving wildlife habitat. In 2023, in collaboration with Acres for America, the Life Time Foundation committed funding to support the permanent protection of forests.
Total	\$20.7M+	

Economic and Community Impact

Conservation and economic activity are well aligned in this transaction. The conservation easement enables continued sustainable timber management, which supports an estimated \$4 million in annual

economic benefit to Baraga, Iron, and Marquette counties through direct forest management activities and the broader forest products supply chain.



Lyme Great Lakes Forest Management, Lyme’s local operating company in the Upper Peninsula and northern Wisconsin, employs 25 foresters and other professionals and works with more than 42 contractors and 55 sawmill customers in the region. The Michigamme Highlands conservation easement supports the conditions that keep this economic ecosystem functioning.

Public recreational access for hunting, fishing, snowmobiling, hiking, mountain biking, and kayaking adds further economic value to surrounding communities. The permanent securing of access to Mt. Arvon’s summit opens one of Michigan’s most spectacular viewpoints to a wider public for the first time.

“The Michigamme Highlands conservation easement will leave a lasting legacy that benefits Michigan’s forests, the public, the regional forest products economy and the environment — at scale.”

— Sarah Kitz, Managing Director, The Lyme Timber Company

Why this Matters

The Michigamme Highlands conservation easement demonstrates how conservation, recreation and economic development can coexist through innovative partnership models. By combining public and private investment with a long-term view of the future, stakeholders successfully protected one of Michigan’s most valuable natural landscapes without sacrificing sustainable economic use.

The project establishes a scalable framework for future conservation efforts nationwide, proving that permanent land protection and working forest economies are not competing priorities, but mutually reinforcing objectives. As climate pressures, land development and habitat fragmentation continue to intensify, the Michigamme Highlands project is a concrete illustration of how Lyme’s conservation-oriented investment approach creates value while benefiting forests, the public, the regional forest products economy and the environment.

For more information about The Lyme Timber Company and our investment approach, please contact us at investorrelations@lymetimber.com | www.lymetimber.com