



Douglas La Follette, *Secretary of State*
Dawn Marie Sass, *State Treasurer*
J.B. Van Hollen, *Attorney General*
Tia Nelson, *Executive Secretary*

125 S. Webster Street
Room 200
PO Box 8943
Madison, WI 53708-8943

608 266-1370 INFORMATION
608 266-0034 LOANS
608 267-2787 FAX
bcpl.state.wi.us

Managing Wisconsin's trust assets for public education.

AGENDA

August 5, 2008

2:00 P.M.

Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
Madison, Wisconsin

1. Call to Order
2. Approve Minutes – July 22, 2008
3. Approve Loans
4. Executive Secretary's Report
5. Adjourn

**BOARD MEETING
AUGUST 5, 2008**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the July 22, 2008, board meeting.

Board Meeting Minutes
July 22, 2008

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 10:00 a.m.

Present were:

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| Doug La Follette, Board Chair | Secretary of State |
| Dawn Marie Sass, Commissioner | State Treasurer |
| J.B. Van Hollen, Commissioner | Attorney General |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Scott Eastwood, Loan Analyst | Board of Commissioners of Public Lands |
| John Schwarzmann, Forest Supervisor | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES – July 1, 2008

MOTION: Commissioner Sass moved to approve the minutes; Commissioner Van Hollen seconded the motion. The motion passed, 3-0.

ITEM 3. APPROVE LOANS

Board Chair La Follette asked if the loans had received legal review. Commissioner Van Hollen replied that they had.

Municipality	Municipal Type	Loan Amount
1. Algoma County of Kewaunee Application #: 02009010 Purpose: Finance new and replacement sanitary sewers	City Rate: 4.75 Filed: July 14, 2008	\$200,000.00
2. Athens County of Marathon and Taylor Application #: 02009014 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: July 7, 2008	\$409,000.00
3. Brillion County of Calumet Application #: 02009004 Purpose: Finance projects in TIF Districts #2 & 4	City Rate: 4.75 Filed: July 7, 2008	\$1,130,700.00
4. Hales Corners County of Milwaukee Application #: 02009013 Purpose: Finance TID #3 redevelopment project	Village Rate: 4.25 Filed: July 17, 2008	\$662,000.00

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| 5. | Juda
County of Green
Application #: 02008113
Purpose: Purchase school buses, boiler replacement and repair | School
Rate: 3.25
Filed: June 25, 2008 | \$100,000.00 |
| 6. | Kewaskum
Counties of Fond du Lac, Sheboygan
and Washington
Application #: 02008116
Purpose: Finance building renovation project | School
Rate: 4.25
Filed: June 18, 2008 | \$711,000.00 |
| 7. | Livingston
Counties of Grant and Iowa
Application #: 02009012
Purpose: Finance improvements to waste water treatment plant | Village
Rate: 4.75
Filed: July 16, 2008 | \$350,000.00 |
| 8. | Manitowoc
County of Manitowoc
Application #: 02009011
Purpose: Finance lift station construction | City
Rate: 4.75
Filed: July 15, 2008 | \$1,000,000.00 |
| 9. | Mondovi
County of Buffalo, Dunn, Eau Claire
and Pepin
Application #: 02009007
Purpose: Replace roof on elementary school | School
Rate: 4.25
Filed: July 14, 2008 | \$453,299.00 |
| 10. | Prescott
County of Pierce
Application #: 02008114
Purpose: Purchase fire truck | City
Rate: 4.75
Filed: June 27, 2008 | \$379,000.00 |
| 11. | River Falls
County of Pierce and St. Croix
Application #: 02009002
Purpose: Restructure and new money for projects in TIF #6 | City
Rate: 4.75
Filed: July 2, 2008 | \$2,329,651.00 |
| 12. | River Falls
County of Pierce and St. Croix
Application #: 02009003
Purpose: Provide financing for TIF #5 projects and new city hall project | City
Rate: 4.25
Filed: July 2, 2008 | \$652,500.00 |
| 13. | Rusk
County of Rusk
Application #: 02009008
Purpose: Finance economic development projects | County
Rate: 4.75
Filed: July 14, 2008 | \$3,000,000.00 |

14.	Sevastopol County of Door Application #: 02009005 Purpose: Finance new town hall	Town Rate: 4.25 Filed: July 7, 2008	\$900,000.00
15.	South Fork County of Rusk Application #: 02009009 Purpose: Purchase motor grader	Town Rate: 3.25 Filed: July 14, 2008	\$85,000.00
16.	Sullivan County of Jefferson Application #: 02008115 Purpose: Purchase new truck and snow plow	Town Rate: 3.25 Filed: June 27, 2008	\$100,000.00
17.	Westfield County of Marquette Application #: 02009006 Purpose: Construction of a sanitary sewer	Village Rate: 4.25 Filed: July 14, 2008	\$381,762.00
18.	Winchester County of Vilas Application #: 02009001 Purpose: Purchase rescue truck	Town Rate: 3.25 Filed: July 2, 2008	\$231,595.00
TOTAL			\$13,075,507.00

MOTION: Commissioner Van Hollen moved to approve the loans; Commissioner Sass seconded the motion. The motion passed, 3-0.

ITEM 4. LOAN LIMIT EXCEPTION – CITY OF GREEN BAY

Board Chair La Follette noted that the city of Green Bay had requested and received an exception to the loan limit in the recent past. The city was requesting an additional \$600,000 exception.

MOTION: Commissioner Van Hollen moved to grant the exception; Commissioner Sass seconded the motion. The motion passed, 3-0.

ITEM 5A-F. PROPOSED LAND BANK SALES TO THE DNR

Board Chair La Follette observed that the property values varied but were in line with the appraised values. He invited a motion to approve all the land sales. Commissioner Van Hollen replied that he had questions about some of the proposed transactions.

ITEM 5C – Edith Lake. Commissioner Van Hollen asked if the parcel of land to be sold was swamp or upland; the subject map did not make a distinction. John Schwarzmann replied that the parcel contained both. Commissioner Van Hollen asked how much upland shoreline and footage there was on the parcel. Mr. Schwarzmann replied approximately 600-700 feet. He replied that an appraisal was done on the property and one issue with the parcel is its limited access due to surrounding wetlands and, thus, the reason for the unspecified per footage valuation on the upland shoreline. It would not be accessible for development. Commissioner Van Hollen felt that the valuation was low considering the amount of shoreline. Executive Secretary Nelson replied that

she and staff felt the initial appraisal was potentially undervaluing the property. Staff analyzed the upland footage issue and renegotiated with the DNR a value that was slightly higher than the appraised value.

ITEM 5D – Brule River State Forest. Commissioner Van Hollen asked the nature of that parcel; highland, lowland, mixture. John Schwarzmann replied that the parcel was upland with rolling hills and a mix of timber from small saplings to mature trees. Commissioner Van Hollen noted that the property was bordered on three sides by DNR property and inquired about the ownership on the Bayfield County side of the property. Mr. Schwarzmann replied that it may be private-industrial land. Commissioner Van Hollen felt that the property may be of considerably more value since it is located on a county road and given its proximity to the Brule River State Forest. Executive Secretary Nelson said that price was based on the independent appraisal and staff also performed an appraisal review. The appraised value on the property was \$1,300 per acre and the four comparables, two of which were recent sales, varied in price from \$1,295 per acre to \$1,875 per acre. Executive Secretary Nelson also noted that three of the four comparables are within \$25 per acre of each other and the price per acre being offered for the subject property of \$1,300. Commissioner Van Hollen stated that he felt the property was under priced. He understands the staff's rationale for selling the property and the DNR's desire to acquire it. The commissioners discussed the value of the property and the probability of DNR paying more for it. Board Chair asked if staff knew why one of the comparables was \$1,875 per acre. Deputy Secretary German replied that the appraiser indicated that that particular sale was at the height of the real estate market and since recent events in the real estate market, that the price no longer reflects the market and should not be weighted as much as the other three comparables. Executive Secretary Nelson recommended renegotiating with DNR the per acre price.

ITEM 5F – Willow Flowage. Commissioner Van Hollen observed that the parcels in the lower right of the map appeared to be on navigable waters and asked whether that fact was a determining factor in the price per acre. John Schwarzmann replied that it was navigable and Executive Secretary Nelson noted that it was also land locked. Commissioner Van Hollen indicated that his questions had been answered.

MOTION: Commissioner Van Hollen moved to approve for sale to the DNR the lands described in agenda items 5A, B, C, E and F; Commissioner Sass seconded the motion. The motion passed, 3-0. The land transaction described in agenda item 5D was not moved for approval.

5A. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Swamp Creek Fen Property to the Wisconsin Department of Natural Resources at the price of Seventy Six Thousand Dollars (\$76,000.00) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

5B. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Crandon Ribbed Fen Property to the Wisconsin Department of Natural Resources at the price of Ninety Eight Thousand Dollars (\$98,000.00) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

5C. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Edith Lake Property to the Wisconsin Department of Natural Resources at the price of One Hundred Twenty Three Thousand Dollars (\$123,650.00) in

accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

5E. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Turtle Flambeau Flowage Property to the Wisconsin Department of Natural Resources at the price of One Hundred Seven Thousand Dollars (\$107,000.00) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

5F. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Willow Flowage Property to the Wisconsin Department of Natural Resources at the price of One Million, Eight Hundred Sixty Thousand, Eight Hundred Fifty Dollars (\$1,860,850.00) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction

ITEM 6. PROPOSED LAND BANK PURCHASE FROM PATRICK PHALEN

Commissioner Van Hollen inquired about the topography of the property. John Schwarzmann replied that it's half upland and half lowland. Commissioner Van Hollen asked why the agency was purchasing lowland property. Mr. Schwarzmann stated that the owner did not want to subdivide the property. Executive Secretary Nelson added that this purchase would provide legal access to 800 acres of contiguous Trust Lands, which would otherwise be landlocked. Commissioner Van Hollen asked whether the Board could sell the lowland at a later date and Mr. Schwarzmann replied yes. He added that the price was reflective of the mix of uplands and lowlands.

MOTION: Commissioner Van Hollen moved to purchase the Patrick Phalen property; Commissioner Sass seconded the motion. The motion passed, 3-0.

ITEM 7. ADJOURN

MOTION: Commissioner Van Hollen moved to adjourn the meeting; Commissioner Sass seconded the motion. The motion passed, 3-0.



Tia Nelson, Executive Secretary

These minutes have been prepared from a tape recording of the meeting. The summaries have not been transcribed verbatim. Anyone wishing to listen to the tape may do so at the Board of Commissioners of Public Lands, 125 S. Webster Street, Suite 200, Madison, Wisconsin.

**BOARD MEETING
AUGUST 5, 2008**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Bell County of Bayfield Application #: 02009016 Purpose: Purchase new pickup truck with attachments	Town Rate: 3.25 Filed: July 21, 2008	\$28,000.00
2. Dover County of Racine Application #: 02009018 Purpose: Replace collapsed sewer main	Town Rate: 4.25 Filed: July 15, 2008	\$187,000.00
3. Johnstown County of Polk Application #: 02009019 Purpose: Purchase grader	Town Rate: 3.25 Filed: July 16, 2008	\$100,000.00
4. Salem County of Kenosha Application #: 02009017 Purpose: Finance sanitary sewer extensions	Town Rate: 4.25 Filed: July 22, 2008	\$625,000.00
5. Sawyer County of Sawyer Application #: 02009020 Purpose: Construct a vehicle storage building	County Rate: 3.25 Filed: July 28, 2008	\$65,000.00
6. Springwater County of Waushara Application #: 02009015 Purpose: Purchase snowplow truck	Town Rate: 3.25 Filed: July 18, 2008	\$111,639.00
TOTAL		\$1,116,639.00