



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

September 17, 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 – August 28, 2008
3. Approve Loans
4. Proposed Land Exchange in Price County
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING
SEPTEMBER 17, 2008**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the August 28, 2008, board meeting.

Board Meeting Minutes
August 28, 2008

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:00 p.m.

Present were:

- | | |
|------------------------------------|--|
| Doug La Follette, Board Chair | Secretary of State |
| Dawn Marie Sass, Commissioner | State Treasurer |
| J.B. Van Hollen, Commissioner | Attorney General |
| Bob Hunter, Asst. Attorney General | Dept. of Justice |
| 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 |

Board Chair La Follette noted that the next meeting would be held on September 17, 2008, and the September 2 and 16 meetings have been cancelled.

ITEM 2. APPROVE MINUTES – August 19, 2008

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

ITEM 3. APPROVE LOANS

Board Chair La Follette asked if the loans had received legal review. Mr. Hunter replied that they had received legal review and that the loans are for public purpose.

Municipality	Municipal Type	Loan Amount
1. Coloma County of Waushara Application #: 02009042 Purpose: Purchase a new maintenance vehicle	Village Rate: 3.25 Filed: August 18, 2008	\$18,700.00
2. Elk Mound County of Dunn Application #: 02009046 Purpose: Purchase land	Village Rate: 4.75 Filed: August 22, 2008	\$100,000.00
3. Kendall County of Monroe Application #: 02009045 Purpose: Restore community hall	Village Rate: 4.75 Filed: August 21, 2008	\$80,000.00

4.	Plum Lake County of Vilas Application #: 02009043 Purpose: Purchase a new ambulance	Town Rate: 3.25 Filed: August 18, 2008	\$64,650.00
5.	Reedsburg County of Sauk Application #: 02009044 Purpose: Purchase new dump truck	Town Rate: 3.25 Filed: August 21, 2008	\$60,000.00
6.	Sheboygan County of Sheboygan Application #: 02009048 Purpose: Construct a municipal building	Town Rate: 4.25 Filed: August 25, 2008	\$1,200,000.00
7.	Sparta County of Monroe Application #: 02009047 Purpose: Purchase ice rink	City Rate: 4.75 Filed: August 25, 2008	\$825,000.00
TOTAL			\$2,348,350.00

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

ITEM 4. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that staff has observed threats to the health of Trust Lands from a sustained drought in the northern part of the state, the spread of invasive species, and the influence of climatic changes. Staff will be evaluating the timber management guidelines that have been established to determine if modifications are needed. In addition, outside sources will also be consulted to assist in our review of the timber management guidelines.

ITEM 5. 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
SEPTEMBER 17, 2008**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. East Troy County of Walworth Application #: 02009051 Purpose: Complete roadwork projects	Town Rate: 3.25 Filed: August 21, 2008	\$150,000.00
2. Eastern Shores Library System County of ? Application #: 02009050 Purpose: Purchase hardware	Federated Library System Rate: 3.25 Filed: August 27, 2008	\$174,268.00
3. Lebanon County of Waupaca Application #: 02009055 Purpose: Road construction	Town Rate: 3.25 Filed: September 9, 2008	\$200,000.00
4. Legend Lake Pro & Rehab District County of Menominee Application #: 02009049 Purpose: Dam maintenance project	Lake District Rate: 3.25 Filed: August 27, 2008	\$325,000.00
5. Monroe County of Green Application #: 02009054 Purpose: Refinance unfunded pension liability	City Rate: 6.00 Filed: September 4, 2008	\$820,000.00
6. Polk County of Polk Application #: 02009053 Purpose: Finance capital improvements	County Rate: 3.25 Filed: September 2, 2008	\$500,000.00
7. Richfield County of Washington Application #: 02009052 Purpose: Roadway improvement project	Village Rate: 4.75 Filed: August 29, 2008	\$24,500.00
TOTAL		\$2,193,768.00

**BOARD MEETING
SEPTEMBER 17, 2008**

**AGENDA ITEM 4
PROPOSED LAND EXCHANGE IN PRICE COUNTY**

Staff is requesting authority to convey a 40 acre parcel of BCPL land in Price County in exchange for a 40 acre parcel of land located nearby and the release of a claim on another 40 acre parcel owned by BCPL.

BCPL staff recommends the exchange of the property with Alan and Diane Barkstrom for the following reasons:

- The exchange is for approximately equally valued parcels of land;
- The exchange will resolve a title dispute on BCPL lands without litigation;
- Once the exchange is complete, BCPL may be able to sell the properties it receives in the exchange to the WDNR pursuant to land bank authority and Board approval; and
- The exchange and subsequent sale of the properties received in the exchange would provide BCPL with funds to purchase other lands that would provide better access to its existing lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above.

Attachments:

Resolution w/Exhibits
Appraisal Certification
BCPL Project Map

**BOARD MEETING
SEPTEMBER 17, 2008**

**AGENDA ITEM 4
PROPOSED LAND EXCHANGE IN PRICE COUNTY**

RECITALS

- A. Alan and Diane Barkstrom (Collectively, "Barkstrom") own a 40 acre parcel of land located in Price County described as the SE1/4NE1/4 of Section 18, Township 38 North, Range 2 West ("Parcel A"). Parcel A has been independently appraised by Gargulak Appraisal Services at a value of \$36,000. A copy of the Certification of Appraisal is attached as Exhibit A.
- B. Barkstrom claims an interest in a 40 acre parcel of land located in Price County described as the SW1/4 NW1/4 of Section 19, Township 38 North, Range 2W ("Parcel B") through a tax deed from Price County dated October 24, 2003. BCPL asserts ownership of Parcel B as BCPL received title to parcel through a federal land patent and BCPL has never conveyed the property to anyone else. The DNR has requested to purchase Parcel B from BCPL along with 200 additional acres near Bass Lake but will not do so until the title dispute on this parcel is cleared up. Parcel B has been independently appraised by Gargulak Appraisal Services at a value of \$11,000. A copy of the Certification of Appraisal is attached as Exhibit B.
- C. BCPL owns a 40 acre parcel of land located in Price County described as the SE1/4 NW1/4 of section 19, Township 38N, Range 2W (Parcel "C"). Parcel C has been independently appraised by Gargulak Appraisal Services at a value of \$40,000. A copy of the Certification of Appraisal is attached as Exhibit C.
- D. Barkstrom has proposed conveying parcel A and releasing their interest in parcel B in exchange for BCPL conveying parcel C.
- E. Parcels A and C are within a 10% difference in value (\$40,000 and \$36,000) and therefore approximately equal in value as defined in Wis. Stat. Section 24.09(1)(bm). In addition, BCPL would receive additional value by the release of Barkstrom's claim on Parcel B without litigation.
- F. BCPL staff has determined that Parcel C is appropriate for sale or exchange.
- G. BCPL staff recommends approval of this proposed exchange. The transaction would involve approximately equal valued parcels of land and would provide BCPL with land that is suitable for timber production. In addition, the transaction would clear up title to a parcel that could be part of a larger transaction with the DNR.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the exchange of Parcels A and B for Parcel C with Alan and Diane Barkstrom 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.

GARGULAK APPRAISAL SERVICES, LLC

3011 South Main Street
Rice Lake Wisconsin 54868
Website www.gargulakappraisals.com

Phone (715) 234-9049
Fax (715) 234-8590
Email gargulak@chibardun.net

August 14, 2008

Board Commissioners of Public Lands
Attn: Mr. Terry Hess
7271 Main Street
P.O. Box 277
Lake Tomahawk, WI 54539-0277

Reference: Summary appraisal report on the fee-simple market value of the 40 acre Barkstrom property located in the Township of Flambeau, Price County, Wisconsin.

Dear Mr. Hess,

As you requested I have performed an appraisal on the above referenced property for the purpose of formulating an opinion on the fee-simple market value, as of April 18, 2008. It is my understanding that the report will be used to assist the client in establishing a market value.

I have conducted the necessary investigation to enable me to form an opinion of fee-simple market value. Based upon the investigation, gathering of necessary data and performing appropriate analyses, I have formed the opinion that as of April 18, 2008, the subject has a probable market value:

Thirty Six Thousand Dollars
\$36,000

Accompanying this letter is a summary appraisal report setting forth the pertinent facts, data and reasoning leading to the formulation of the fee-simple market value conclusions. Please note the section titled Assumptions and Limiting Conditions. This report is made in accordance with the standards outlined in the Uniform Standards of Professional Appraisal Practice (USPAP) and with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice.

I appreciate the opportunity to provide appraisal services to you. Please contact me if you have any questions.

Sincerely yours,



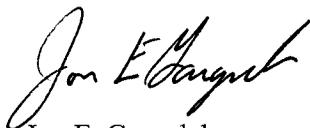
Jon E. Gargulak
Wisconsin Certified General Appraiser 1193

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct;
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased analyses, opinions and conclusions;
- 3) I have no present or prospective interest in the property that is subject of this report and no personal interest with respect to the parties involved;
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment;
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- 7) The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
- 8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions;
- 9) Christopher M. Drost, Wisconsin Licensed Appraiser 1495, assisted with the research and preparation of this report;
- 10) I have the relevant knowledge and experience of the subject's market and property type to complete this appraisal assignment in a competent manner; and
- 11) I am not currently and have not been the defendant in a lawsuit regarding fraud or negligence relating to a real property appraisal;

Gargulak Appraisal Services, LLC



Jon E. Gargulak
Wisconsin Certified General Appraiser 1193



Christopher M. Drost
Wisconsin Licensed Appraiser 1495

GARGULAK APPRAISAL SERVICES, LLC

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Rice Lake Wisconsin 54868
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Phone (715) 234-9049
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Email gargulak@chibardun.net

ITEM 4
Exhibit B

August 14, 2008

Board Commissioners of Public Lands
Attn: Mr. Terry Hess
7271 Main Street
P.O. Box 277
Lake Tomahawk, WI 54539-0277

Reference: Summary appraisal report on the fee-simple market value of the 37.15+/-
acre vacant parcel, located in the Township of Flambeau, Price County,
Wisconsin.

Dear Mr. Hess,

As you requested I have performed an appraisal on the above referenced property for the purpose of formulating an opinion on the fee-simple market value, as of April 18, 2008. It is my understanding that the report will be used to assist the client in establishing a market value.

I have personally inspected the above referenced property and conducted the necessary investigation to enable me to form an opinion of fee-simple market value. Based upon the investigation, gathering of necessary data and performing appropriate analyses, I have formed the opinion that as of April 18, 2008, the subject has a probable market value:

Eleven Thousand Dollars
\$11,000

Accompanying this letter is a summary appraisal report setting forth the pertinent facts, data and reasoning leading to the formulation of the fee-simple market value conclusions. Please note the section titled Assumptions and Limiting Conditions. This report is made in accordance with the standards outlined in the Uniform Standards of Professional Appraisal Practice (USPAP) and with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice.

I appreciate the opportunity to provide appraisal services to you. Please contact me if you have any questions.

Sincerely yours,



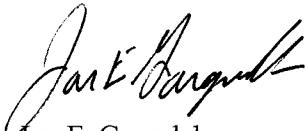
Jon E. Gargulak
Wisconsin Certified General Appraiser 1193

CERTIFICATION

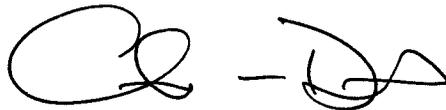
I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct;
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased analyses, opinions and conclusions;
- 3) I have no present or prospective interest in the property that is subject of this report and no personal interest with respect to the parties involved;
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment;
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- 7) The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
- 8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions;
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- 10) I have the relevant knowledge and experience of the subject's market and property type to complete this appraisal assignment in a competent manner; and
- 11) I am not currently and have not been the defendant in a lawsuit regarding fraud or negligence relating to a real property appraisal;

Gargulak Appraisal Services, LLC



Jon E. Gargulak
Wisconsin Certified General Appraiser 1193



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GARGULAK APPRAISAL SERVICES, LLC

ITEM 4
Exhibit C

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August 14, 2008

Board Commissioners of Public Lands
Attn: Mr. Terry Hess
7271 Main Street
P.O. Box 277
Lake Tomahawk, WI 54539-0277

Reference: Summary appraisal report on the fee-simple market value of the State of Wisconsin 40 acre vacant parcel, located in the Township of Flambeau, Price County, Wisconsin.

Dear Mr. Hess,

As you requested I have performed an appraisal on the above referenced property for the purpose of formulating an opinion on the fee-simple market value, as of April 18, 2008. It is my understanding that the report will be used to assist the client in establishing a market value.

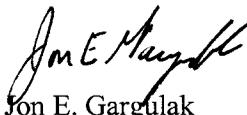
I have personally inspected the above referenced property and conducted the necessary investigation to enable me to form an opinion of fee-simple market value. Based upon the investigation, gathering of necessary data and performing appropriate analyses, I have formed the opinion that as of April 18, 2008, the subject has a probable market value:

Forty Thousand Dollars
\$40,000

Accompanying this letter is a summary appraisal report setting forth the pertinent facts, data and reasoning leading to the formulation of the fee-simple market value conclusions. Please note the section titled Assumptions and Limiting Conditions. This report is made in accordance with the standards outlined in the Uniform Standards of Professional Appraisal Practice (USPAP) and with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice.

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Sincerely yours,



Jon E. Gargulak
Wisconsin Certified General Appraiser 1193

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct;
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased analyses, opinions and conclusions;
- 3) I have no present or prospective interest in the property that is subject of this report and no personal interest with respect to the parties involved;
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment;
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- 7) The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
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Gargulak Appraisal Services, LLC



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Christopher M. Drost
Wisconsin Licensed Appraiser 1495

BASS LAKE MUSKEG EXCHANGE

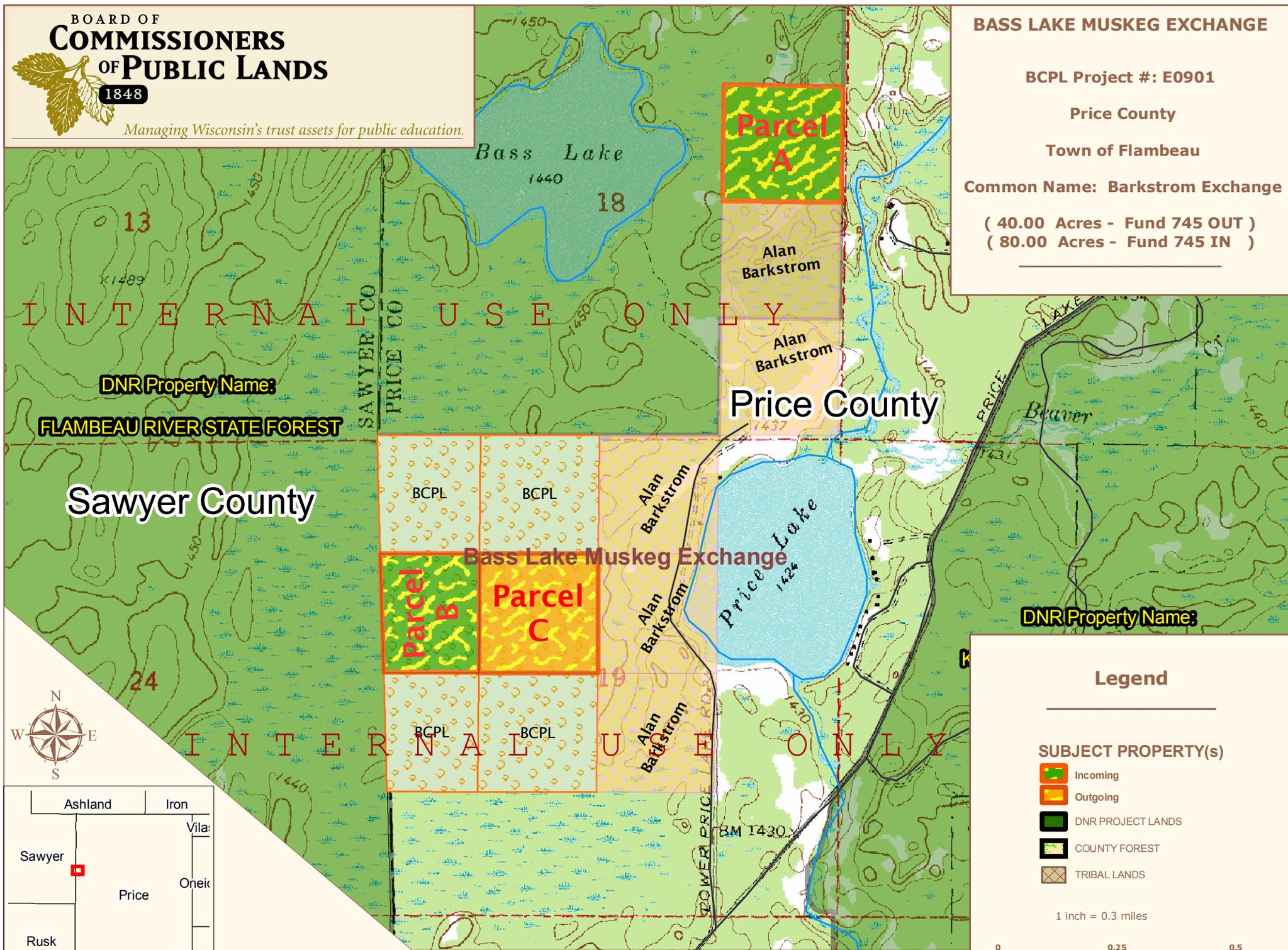
BCPL Project #: E0901

Price County

Town of Flambeau

Common Name: Barkstrom Exchange

(40.00 Acres - Fund 745 OUT)
 (80.00 Acres - Fund 745 IN)



Sawyer County

Price County

DNR Property Name:
FLAMBEAU RIVER STATE FOREST

DNR Property Name:



Legend

SUBJECT PROPERTY(s)

- Incoming
- Outgoing
- DNR PROJECT LANDS
- COUNTY FOREST
- TRIBAL LANDS

1 inch = 0.3 miles

