



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

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Room 200  
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Madison, WI 53708-8943

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**Managing Wisconsin's trust assets for public education.**

## AGENDA

July 20, 2010

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 6, 2010
3. Approve Loans
4. Proposed Land Bank Purchase – Plum Creek (P1007)
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING  
JULY 20, 2010**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the July 6, 2010, board meeting.

Board Meeting Minutes  
July 6, 2010

**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                       |
| John Reilly, General Manager             | Depfa Bank, New York                   |
| David Haasey, outside counsel            | Depfa Bank                             |
| Bill Broydrick, outside lobbyist         | Depfa Bank                             |
| Shawn Yde, Director of Business Services | School District of Whitefish Bay       |
| Mary Gavigan, Superintendent             | School District of Whitefish Bay       |
| Jim Rickabaugh, former Superintendent    | School District of Whitefish Bay       |
| Scott Eastwood                           | Private citizen                        |
| Tia Nelson, Executive Secretary          | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary             | Board of Commissioners of Public Lands |

**ITEM 2. APPROVE MINUTES – JUNE 15, 2010**

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

**ITEM 3. REQUESTED LOAN CONDITIONS ON STATE FUND LOAN TO WHITEFISH BAY SCHOOL DISTRICT**

Board Chair La Follette stated that Depfa Bank had requested that the Board place certain conditions on the Whitefish Bay School District loan, which was scheduled for consideration under Agenda Item 4. He noted that BCPL staff had reviewed and analyzed the request from Depfa and had provided a written recommendation to the Board that such conditions should not be applied to the loan. Board Chair La Follette stated that a representative from Depfa Bank and a representative from Whitefish Bay School District would each be allowed five minutes to make an oral presentation.

John Reilly, General Manager for Depfa Bank plc’s New York Branch, thanked the Board for allowing him to speak. He read a prepared statement noting that Depfa Bank and the Whitefish Bay School District are currently involved in a dispute regarding a moral obligation pledge the school district extended to Depfa. Mr. Reilly noted that he was not asking the Commissioners to disapprove the loan to Whitefish Bay but, rather, place conditions on the loan approval; specifically, that the school district enter into an agreement with Depfa to satisfy its moral obligation pledge.

Jim Rickabaugh, former Superintendent of Whitefish Bay School District, said that the dispute with Depfa was unrelated to the Commissioners’ approval of the loan presently under consideration.

Board Chair La Follette asked the other Commissioners if they had questions or comments. Neither Commissioner Van Hollen nor Commissioner Sass did.

The loan conditions requested by Depfa were not approved by the Board.

**ITEM 4. APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Blair County of Trempealeau Application #: 02010211 Purpose: Finance TIF district project	City Rate: 4.25 Filed: June 28, 2010	\$610,000.00
2. Elk Mound County of Dunn Application #: 02010209 Purpose: Finance multiple public works project	Village Rate: 5.25 Filed: June 18, 2010	\$365,000.00
3. Green Bay County of Brown Application #: 02010202 Purpose: Purchase fire apparatus	City Rate: 4.25 Filed: June 9, 2010	\$800,000.00
4. Hobart County of Brown Application #: 02010206 Purpose: Finance economic development project	Village Rate: 5.25 Filed: June 18, 2010	\$348,280.00
5. Jackson County of Washington Application #: 02010208 Purpose: Purchase ambulance and tanker	Village Rate: 3.50 Filed: June 24, 2010	\$175,000.00
6. Kellnersville County of Manitowoc Application #: 02010204 Purpose: Improve village park tennis courts	Village Rate: 3.50 Filed: June 18, 2010	\$26,000.00
7. Marathon City County of Marathon Application #: 02010207 Purpose: Finance library construction and storm sewer projects	Village Rate: 5.25 Filed: June 18, 2010	\$400,000.00
8. Oregon County of Dane Application #: 02010201 Purpose: Finance land purchase, stop light installation and Braun Road construction	Village Rate: 4.25 Filed: June 16, 2010	\$1,000,000.00
9. Somerset County of St. Croix Application #: 02010210 Purpose: Finance building construction	School Rate: 4.25 Filed: June 25, 2010	\$1,000,000.00
10. Sullivan County of Jefferson Application #: 02010203 Purpose: Finance street reconstruction project	Village Rate: 5.25 Filed: June 18, 2010	\$715,000.00

11. Whitefish Bay	School	\$11,000,000.00
County of Milwaukee	Rate: 5.25	
Application #: 02010205	Filed: June 18, 2010	
Purpose: Finance capital improvements and equipment purchases		_____
	<b>TOTAL</b>	<b>\$16,439,280.00</b>

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

**ITEM 5. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary Nelson had nothing to report.

**ITEM 6. ADJOURN**

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



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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  
JULY 20, 2010**

**AGENDA ITEM 3  
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Barneveld Counties of Dane and Iowa Application #: 02011006 Purpose: Finance building improvements	School Rate: 5.25 Filed: July 7, 2010	\$1,175,000.00
2. Flambeau Counties of Chippewa, Rusk and Taylor Application #: 02011002 Purpose: Finance building construction	School Rate: 4.25 Filed: July 2, 2010	\$400,000.00
3. Jefferson County of Jefferson Application #: 02011011 Purpose: Finance road construction projects	Town Rate: 4.25 Filed: July 13, 2010	\$1,016,000.00
4. Kohler County of Sheboygan Application #: 02011008 Purpose: Finance buildings and grounds projects	School Rate: 4.25 Filed: July 13, 2010	\$1,610,000.00
5. Lake Mills County of Jefferson Application #: 02011004 Purpose: Finance TIF district project	City Rate: 4.25 Filed: July 12, 2010	\$821,071.00
6. Menomonee Falls County of Waukesha Application #: 02011003 Purpose: Finance renovation and improvement projects	School Rate: 4.25 Filed: July 2, 2010	\$1,350,000.00
7. North Fond Du Lac County of Fond Du Lac Application #: 02010212 Purpose: Finance bleacher and track project	School Rate: 4.25 Filed: June 30, 2010	\$400,000.00
8. River Hills County of Milwaukee Application #: 02011001 Purpose: Finance the purchase of capital equipment and vehicles	Village Rate: 4.25 Filed: July 1, 2010	\$471,332.00

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
9. Seymour County of Eau Claire Application #: 02011005 Purpose: Refinance other outstanding debt	Town Rate: 4.50 Filed: June 28, 2010	\$786,615.00
10. Silver Lake J1 County of Kenosha Application #: 02011007 Purpose: Finance boiler project	School Rate: 4.25 Filed: July 1, 2010	\$200,000.00
11. West Allis - West Milwaukee, Et. Al. County of Milwaukee And Waukesha Application #: 02011010 Purpose: Purchase property	School Rate: 4.25 Filed: July 13, 2010	\$2,622,989.00
12. Wittenberg-Birnamwood Counties of Marathon and Shawano Application #: 02011009 Purpose: Finance capital improvement projects	School Rate: 4.25 Filed: July 8, 2010	\$990,100.00
<b>TOTAL</b>		<b>\$11,843,107.00</b>

**BOARD MEETING  
JULY 20, 2010**

**AGENDA ITEM 4  
PROPOSED LAND BANK PURCHASE – PLUM CREEK (P1007)**

Plum Creek Timber Company, Inc. is offering to sell 1,053 acres of land in Forest County.

BCPL staff recommends the purchase of the property from Plum Creek for the following reasons:

- Purchase of the Property would provide BCPL with productive timberland that can be expected to produce revenue for the Trust Funds through future timber harvests;
- Purchase of the Property would improve management efficiency by providing BCPL with a large manageable block of land in reasonable proximity to the Lake Tomahawk Office;
- Purchase of the Property would reduce forest fragmentation as it would keep a sizeable block of forestland from subdivision; and
- The property is available at a discount from its appraised value due to the recent slowdown in the real estate market.

**Attachments:**

*Resolution w/Exhibits*

*Exhibit A - BCPL Purchase Criteria*

*Exhibit B – Appraisal Certification*

*BCPL Project Maps*

**BOARD MEETING  
JULY 20, 2010**

**AGENDA ITEM 4  
PROPOSED LAND BANK PURCHASE - PLUM CREEK (P1007)**

**RECITALS**

- A. Plum Creek Timber Company, Inc. has offered to sell certain property more particularly described as:

The entire Section One (1), except for the Southeast Quarter of the Southeast Quarter (SESE).

The West Half of the Northeast Quarter, (NWNE, SWNE), the Northwest Quarter, (NENW, NWNW, SWNW, SENW), the West Half of the Southwest Quarter (NWSW, SWSW), the Northeast Quarter of the Southeast Quarter, (NESE), the Northwest Quarter of the Southeast Quarter, (NWSE), and the Southeast Quarter of the Southeast Quarter (SESE) of Section Twelve (12),

All located in Township Thirty-six (36) North, Range Fifteen (15) East, Town of Laona, Forest County, Wisconsin totaling approximately 1,053 acres (Collectively, the "Property").

- B. The Property has been evaluated by BCPL staff against purchase criteria previously adopted by the Board. The Property has been determined by BCPL staff to be appropriate for purchase according to such criteria. A copy of the summary purchase analysis for the Property is attached to this resolution as Exhibit A.
- C. The Property is comprised of a large productive tract of timberland within BCPL's consolidation zone.
- D. The Property has been appraised at a total value of \$1,457,000. However, Plum Creek is willing to sell the Property at the discounted price of \$1,200 per acre for a total price of \$1,263,600 due to the recent slowdown in the real estate market.
- E. BCPL currently has sufficient land bank funds available for this investment.
- F. BCPL staff recommends the approval of the purchase of the Property from Plum Creek because:
- a. Purchase of the Property would provide BCPL with productive timberland that can be expected to produce revenue for the Trust Funds through future timber harvests;

- b. Purchase of the Property would improve management efficiency by providing BCPL with a large manageable block of land in reasonable proximity to the Lake Tomahawk Office;
- c. Purchase of the Property would reduce forest fragmentation as it would keep a sizeable block of forestland from subdivision; and
- d. The property is available at a discount from its appraised value due to the recent slowdown in the real estate market.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands authorizes the purchase of the Property at a price not to exceed One Million, Two Hundred Sixty-Three Thousand, Six Hundred Dollars (\$1,263,600.00) 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 purchase transaction.

Summary Analysis of Potential Property Purchase  
Transaction ID#: P1007

Purchase Criteria

1. Forest Fragmentation

- Average tract size increases
- The ratio of perimeter to area decreases
- There is a clear reduction of the threat for conversion from forest to non-forest use

2. Access

- Management access to our existing timber tracts is improved
- There is an increase in the number of BCPL acres open to the public

3. Management Efficiency

- The percentage of upland on BCPL properties increases
- The amount of line work per acre decreases
- The average distance from the tracts to the BCPL field office decreases

4. Timber Character and Value

- The average site index of forest soils on BCPL property increases
- Within one cutting cycle there is an increase in the potential high value sawlog volume and growth, on the tract
- There is an increase in the forest types and species that diversify the BCPL's timber portfolio
- There is an increase in the number of acres and size of tracts where the BCPL has summer logging opportunities

I recommend that BCPL purchase the above property on terms and conditions acceptable to BCPL:

- Yes
- No

  
Trust Lands Forestry Supervisor      3/12/2010  
Date

I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
- No

  
Executive Secretary      March 17 2010  
Date

**CERTIFICATION**

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

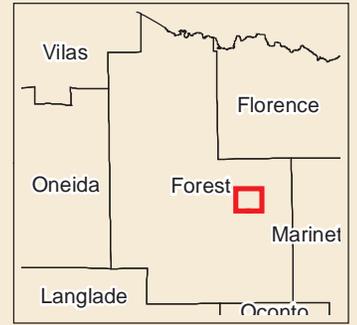
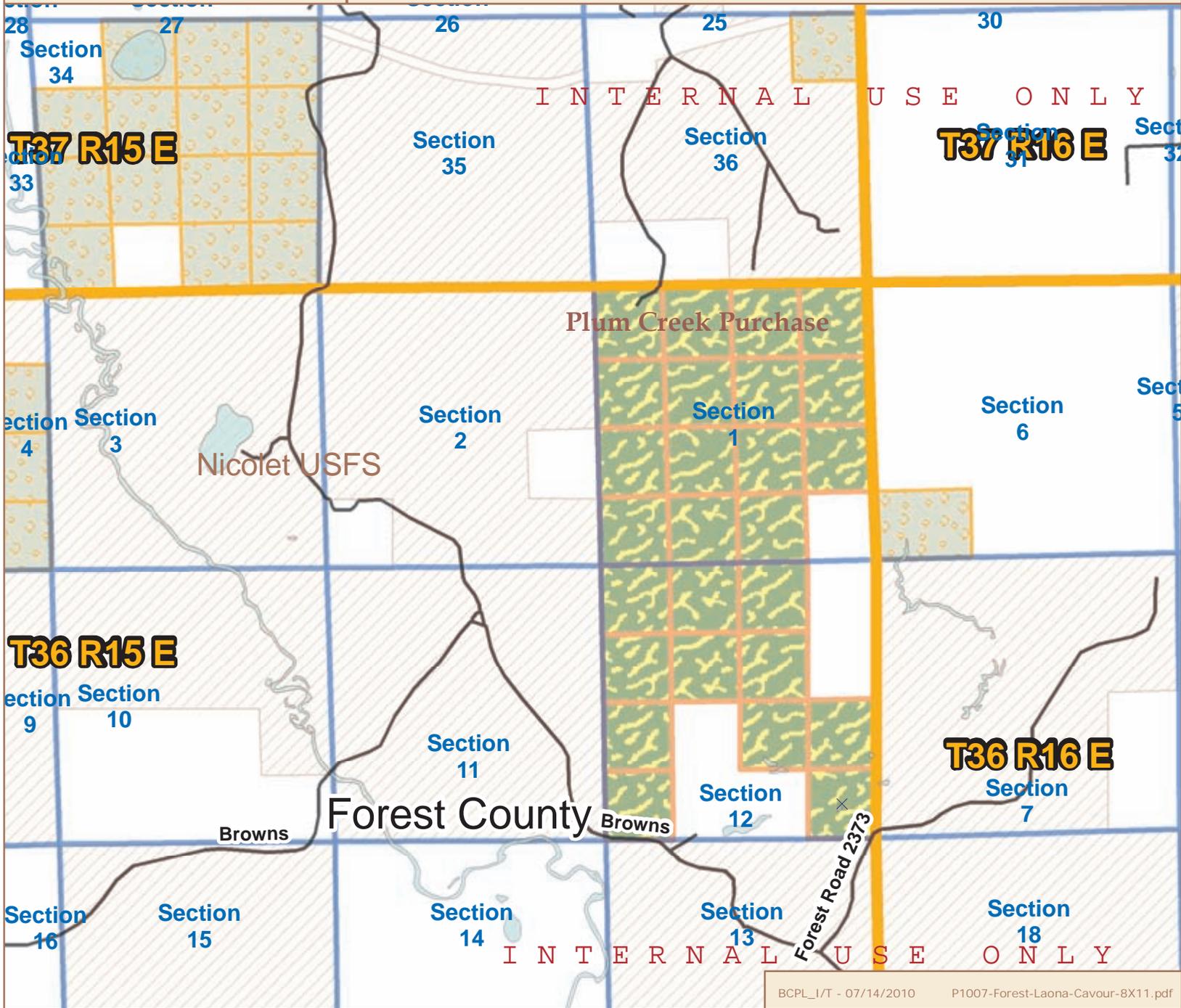
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- I have had no prior engagements involving the subject property of this report.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the property that is the subject of this report, and all comparable sales.
- Sandra L. Steigerwaldt and Renee Duda provided assistance in sales research, and with preparation and editing of the report and exhibits.
- It is my opinion that the subject property has a market value of \$1,457,000 as of June 18, 2010.



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William M. Steigerwaldt  
Real Estate Specialist  
Wisconsin Certified General Appraiser #394-10

PLUM CREEK PURCHASE



BCPL Project #: P1007  
County: Forest  
Town: Laona  
Common Name: Cavour  
Acres - 1053  
Fund 74?



- Incoming
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- Nicolet USFS

