



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.wisconsin.gov](http://bcpl.wisconsin.gov)

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

## AGENDA

November 16, 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 – November 2, 2010
3. Approve Loans
4. Loan Limit Exception Request – Town of Menasha
5. Proposed Land Bank Sale to DNR - Woods Creek Cedars (S1102)
6. Executive Secretary's Report
7. Adjourn

**BOARD MEETING  
NOVEMBER 16, 2010**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the November 2, 2010, board meeting.

Board Meeting Minutes  
November 2, 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                        |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary    | Board of Commissioners of Public Lands |

**ITEM 2. APPROVE MINUTES – October 19, 2010**

**MOTION:** Commissioner Sass moved to approve the minutes; Board Chair La Follette seconded the motion. The motion passed, 2-0.

**ITEM 3. APPROVE LOANS**

Deputy Secretary German said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Clayton County of Winnebago Application #: 02011062 Purpose: Finance road reconstruction	Town Rate: 3.50 Filed: October 26, 2010	\$500,000.00
2. Coon Valley County of Vernon Application #: 02011060 Purpose: Finance utility and street improvements	Village Rate: 5.25 Filed: October 25, 2010	\$250,000.00
3. Denmark Counties of Brown, Kewaunee and Manitowoc Application #: 02011058 Purpose: Improve school grounds and buildings	School Rate: 4.25 Filed: October 18, 2010	\$850,000.00
4. Mindoro Sanitary District #1 County of La Crosse Application #: 02011059 Purpose: Finance water system improvements	Sanitary District Rate: 5.25 Filed: October 20, 2010	\$568,000.00
<b>TOTAL</b>		<b>\$2,168,000.00</b>

**MOTION:** Commissioner Sass moved to approve the loans; Board Chair La Follette seconded the motion. The motion passed, 2-0.

**ITEM 4. EXECUTIVE SECRETARY'S REPORT**

Nothing to report.

**ITEM 5. ADJOURN**

**MOTION:** Commissioner Sass moved to adjourn the meeting; Board Chair La Follette seconded the motion. The motion passed, 2-0.

A handwritten signature in black ink, appearing to read "Tia Nelson", written in a cursive style.

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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  
NOVEMBER 16, 2010****AGENDA ITEM 3  
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Johnson Creek County of Jefferson Application #: 02011065 Purpose: Refinance prior service pension liability	School Rate: 4.25 Filed: November 2, 2010	\$175,000.00
2. Merrill County of Lincoln Application #: 02011063 Purpose: Finance capital equipment purchase and facility improvements	City Rate: 3.75 Filed: November 8, 2010	\$780,150.00
3. Merrill County of Lincoln Application #: 02011064 Purpose: Finance building improvements and infrastructure projects	City Rate: 5.00 Filed: November 8, 2010	\$737,275.00
4. Roberts County of St Croix Application #: 02011066 Purpose: Finance street improvements	Village Rate: 5.25 Filed: November 8, 2010	\$400,000.00
	<b>TOTAL</b>	<hr/> <b>\$2,092,425.00</b>

**BOARD MEETING  
NOVEMBER 16, 2010**

**AGENDA ITEM 4  
LOAN LIMIT EXCEPTION REQUEST – TOWN OF MENASHA**

**Description of Request**

The Town of Menasha (the “Town”) has requested an exception to the annual loan limit, which is currently set at \$5 million for any customer in a calendar year. This is the Town’s first request for a State Trust Fund Loan in 2010.

The Town is requesting an exception to allow two separate applications totaling \$5,258,995 this year. The first loan request is for \$2,373,875 to refinance water utility debt from a project completed during 2009. The second loan request totals \$2,885,120 and will finance park improvements, installation of fiber optics, road reconstruction/resurfacing, and improvement to pedestrian crossings. If this loan limit exception request is granted, it is anticipated that both loan applications will be processed immediately and presented for Board Approval at the next scheduled meeting on December 7, 2010. The Town desires to have both of these loans approved and disbursed during 2010 because of their desire to qualify for “Build America Bond” federal interest subsidies, which are scheduled to expire at the end of this year.

**Available Funds Analysis**

BCPL has just under \$70 million in unencumbered funds available to lend at this point in time with significant loan prepayments anticipated at the beginning of 2011. BCPL staff feels that adequate funds are available to honor this request without impairing other borrowers’ ability to access the program. Additionally, unencumbered funds in the State Investment Fund are earning less than .25% annually. The loan requests by the Town are for 19 year and 10 year terms, at rates of 5.00% and 3.75%, respectively. Since these loans would provide far more income to the Trust Fund than if the money were left in the State Investment Fund, we believe that this loan will offer the Board an opportunity to make a prudent investment with a good rate of return.

**Background Notes on Borrower**

The town of Menasha is in good financial position, and prior debt issued by the Town has been rated between Aa2 and A1 by Moody’s Investment Services. Current general obligation borrowing capacity is over \$70 million, while outstanding debt totals \$17,659,232. The Town’s total debt of 1.25% of 2010 Equalized Value is well below the 5% statutory limitation.

A municipality with this investment grade credit rating might be able to obtain a lower interest rate by issuing general obligation municipal bonds. However, there is some name confusion between the town of Menasha, which is seeking this loan limit exception, and the city of Menasha, which defaulted on certain revenue bonds last year. The Town has no involvement in the project involving the revenue bonds, which are still in default.

**BCPL Staff Recommendation**

Based on the above information, BCPL staff recommends that the Board of Commissioners of Public Lands grant the town of Menasha’s request for an exception to the loan limit in an amount sufficient to allow the municipality to apply for two loans totaling \$5,258,995 for the 2010 calendar year.

**BOARD MEETING  
NOVEMBER 16, 2010**

**AGENDA ITEM 5  
PROPOSED LAND BANK SALE TO DNR – WOODS CREEK CEDARS (S1102)**

The Wisconsin Department of Natural Resources (“DNR”) has determined that 55.25 acres of BCPL land in Florence County is required for state use.

BCPL staff recommends the sale of the property to the DNR for the following reasons:

- The Property is a small, isolated, deferred natural area inside the Consolidated Zone.
- More than 69% of the Property is natural area quality cedar swamp.
- The Property has frontage on Woods Creek, a class I trout stream.
- The Property has limited access through the Chequamegon Nicolet National Forest adjacent to the Property;
- Sale of the Property 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; and
- Sale of the Property to the DNR would allow the DNR to protect a diverse natural area containing a Class I trout stream and a variety of rare species.

Attachments:

*Resolution w/Exhibits*

*Exhibit A - BCPL Sale Criteria*

*Exhibit B - Appraisal Certification*

*BCPL Project Map*

**BOARD MEETING  
NOVEMBER 16, 2010**

**AGENDA ITEM 5  
PROPOSED LAND BANK SALE TO DNR – WOODS CREEK CEDARS (S1102)**

**RECITALS**

- A. The Wisconsin Department of Natural Resources (“DNR”) has determined that certain property more particularly described as the Southwest ¼ of the Southwest ¼ (SWSW) of Section Nineteen (19), located in Township Thirty-nine (39) North, Range Sixteen (16) East, Town of Florence, Florence County, Wisconsin totaling 55.25 acres in size (the “Woods Creek Cedars Property”) is required for state use.
- B. The Woods Creek Cedars Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Woods Creek Cedars Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Woods Creek Cedars Property has been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the sale analysis is attached to this resolution as Exhibit A.
- D. The Woods Creek Cedars Property has been independently appraised by Brod Appraisal Services, LLC at a value of Fourteen Hundred Dollars (\$1,400) per acre for a total of Seventy-seven Thousand Dollars (\$77,000). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The DNR has offered to pay the sum of Seventy-seven Thousand Dollars (\$77,000) to acquire the Woods Creek Cedars Property.
- F. The offered price is equal to the appraised value.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Woods Creek Cedars Property to the Wisconsin Department of Natural Resources at the price of Seventy-seven Thousand Dollars (\$77,000) 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.

Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Sale  
Transaction ID#: S 1102

Common Name for Land Parcel Woods Creek Cedars

County Florence Township Florence

Legal Description The SWSW of Section 19, T39N, R16E, Town of Florence, Florence  
County

GLO Acres 55.25

Sale Criteria

1. Title

- Ownership verified with Register of Deeds
- Title appears merchantable

2. Timber Management

- Parcel is located outside of Consolidation Zone
- Parcel is an isolated or unproductive parcel within the Consolidation Zone
- Parcel is a deferred natural area

3. Access

- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
- If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
- Parcel has no current access

4. Parcel Required By Other Government Entity

- The parcel is located within a project boundary of another government agency or adjacent to a parcel of land owned by another unit of government.
- Parcel is otherwise required by another unit of government.

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

- Yes
- No

  
Signature of Forest Land Supervisor

6/14/2010  
Date

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

- Yes
- No

  
Executive Secretary

6-18-2010  
Date

# CERTIFICATION OF THE APPRAISAL

Item 5  
Exhibit B

The undersigned appraiser does hereby certify that, except as otherwise noted in the appraisal report:

I have made a personal inspection of the appraised property which is the subject of this report. Unless noted, all comparable sales used in developing the opinion of value were personally inspected. The date of inspection for the subject property and all comparable sales was August 11, 2010, unless otherwise noted.

To the best of my knowledge and belief, the facts and data cited in this report, upon which the analysis, conclusions and opinions expressed herein are based, are true and correct.

The reported analyses, opinions and conclusions represent my best and unbiased judgment and the reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report or personal interest or bias with respect to the parties involved. Also, I have not discussed the matter of price or value with the owner or his/her representative.

Neither the employment nor the compensation for this report is contingent upon the analyses, opinions and conclusions contained within this report.

I have not previously performed any prior services regarding the subject property, as an appraiser, or in any other capacity, within the 3-year period immediately preceding acceptance of this appraisal assignment.

The appraisal was made and the appraisal report prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) and the Wisconsin Department of Natural Resources Appraisal Report Guidelines.

The interest appraised in this report is fee simple. Subject to known reversions and/or limiting conditions as stated in this report.

I did not receive any significant professional assistance in the development of the analyses, opinions and conclusions contained in this report.

Terry Hess, Real Estate Specialist/Forester for WBCPL, accompanied the appraiser on the property inspection. The subject property was inspected on August 11, 2010.

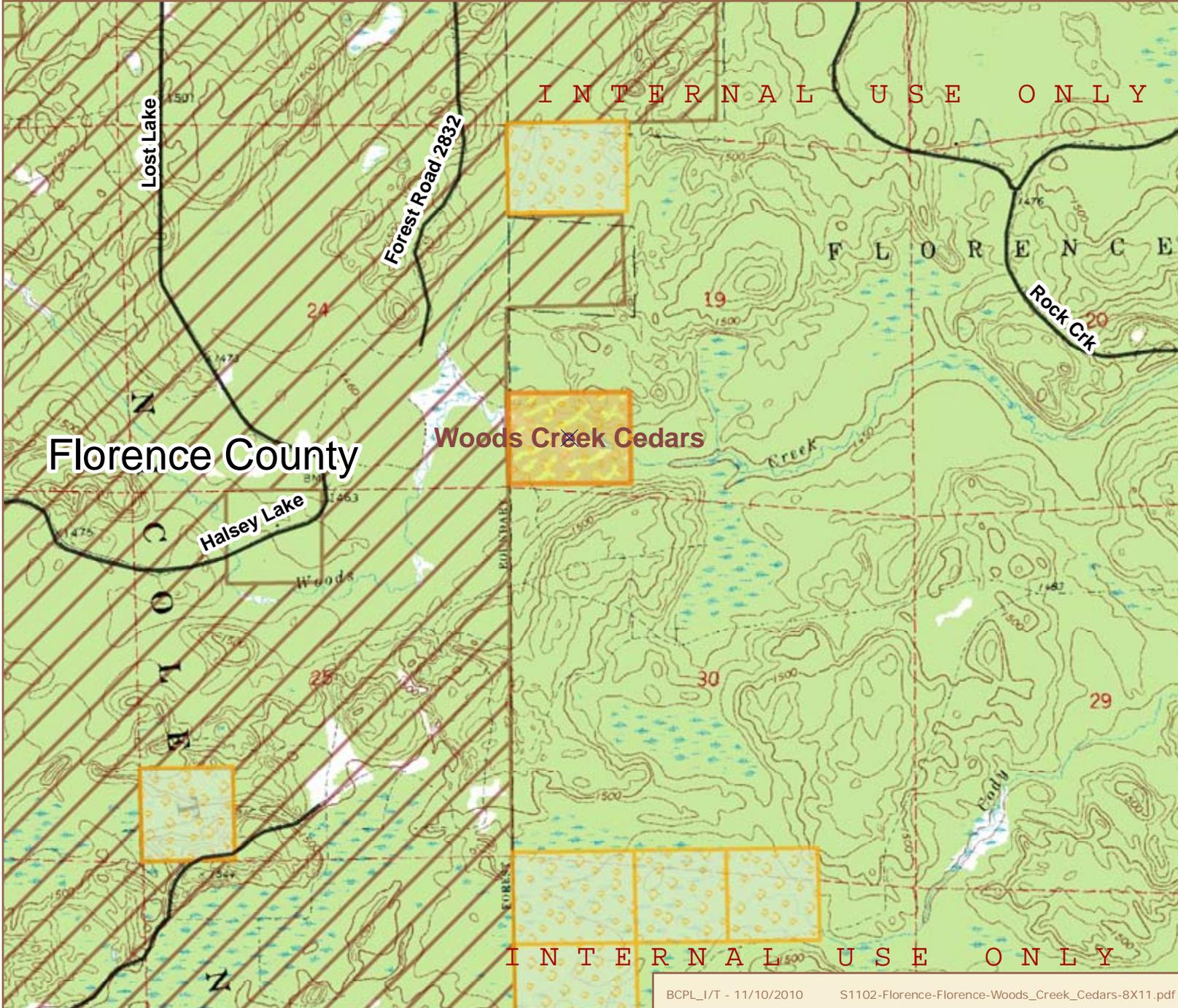
In my opinion, the market value of the described real estate, subject to conditions stated in the legal description, is:

**\$77,000** as of August 11, 2010.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 9/23/10  
Jolene M. Brod Date Report Submitted  
Wisconsin Certified General Appraiser #1339

# Woods Creek Cedars



BCPL Project #: S1102  
 County: Florence  
 Town: Florence  
 Common Name: Woods Creek Cedars  
 Acres - 55.25  
 Fund 745



- Outgoing**
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- USFS\_NICH\_OWN\_P\_24K

