



Douglas La Follette, *Secretary of State*
Kurt Schuller, *State Treasurer*
J.B. Van Hollen, *Attorney General*
Tia Nelson, *Executive Secretary*

125 S. Webster Street
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Madison, WI 53708-8943

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Managing Wisconsin's trust assets for public education.

AGENDA

July 19, 2011

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 5, 2011
3. Approve Loans
4. Extension of Time to Complete Proposed Land Bank Sale to the United States Forest Service (S1001, S1002, S1006, S1007 and S1108)
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING
JULY 19, 2011**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the July 5, 2011, board meeting.

Board Meeting Minutes
July 5, 2011

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 |
| Kurt Schuller, 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 |
| Richard Sneider, Loan Analyst | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES – June 21, 2011

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

ITEM 3. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

Municipality	Municipal Type	Loan Amount
1. Brodhead Green and Rock Counties Application #: 02011165 Purpose: Refinance prior service pension liability	City Rate: 5.50% Term: 20 years	\$284,415.74
2. Campbell La Crosse County Application #: 2011162 Purpose: Purchase land	Town Rate: 5.00% Term: 20 years	\$175,500.00
3. Evansville Rock County Application #: 02011159 Purpose: Refinance STFL #2008047.01	City Rate: 3.75% Term: 6 years	\$144,000.00
4. Evansville Rock County Application #: 02011160 Purpose: Finance bridge replacement	City Rate: 3.75% Term: 10 years	\$159,000.00
5. Little Green Lake Pro & Rehab Dist Green Lake County Application #: 02011158 Purpose: Refinance 2006 and 2007 bank loans	Lake District Rate: 3.75% Term: 10 years	\$178,000.00

6. Poynette Columbia and Dane Counties Application #: 02011163 Purpose: Finance school renovation projects	School Rate: 3.25% Term: 5 years	\$285,000.00
7. Upper & Lower Red Lakes Mgmt Dist Shawano County Application #: 02011161 Purpose: Purchase used dump truck	Lake District Rate: 3.25% Term: 5 years	\$20,000.00
8. Wheatland J1 Kenosha County Application #: 02011164 Purpose: Finance school repairs and technology upgrades	School Rate: 3.75% Term: 10 years	\$500,000.00
TOTAL		\$1,745,915.74

MOTION: Commissioner Schuller 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 had recently invested an additional \$35 million in State of Wisconsin G.O. bonds.

ITEM 5. ADJOURN

MOTION: Commissioner Schuller moved to adjourn the meeting; Commissioner Van Hollen 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
JULY 19, 2011****AGENDA ITEM 3
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Grafton Ozaukee County Application #: 02012001 Purpose: Finance UV disinfection project	Village Rate: 3.75% Term: 10 years	\$600,000.00
2. Greenbush Sheboygan County Application #: 02012002 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	\$350,000.00
3. Union Grove UHS Kenosha and Racine Counties Application #: 02012003 Purpose: Finance school renovation	School Rate: 3.75% Term: 10 years	\$320,000.00
	TOTAL	<hr/> \$1,270,000.00

**BOARD MEETING
JULY 19, 2011**

**AGENDA ITEM 4
EXTENSION OF TIME TO COMPLETE PROPOSED LAND BANK SALE
TO THE UNITED STATES FOREST SERVICE (S1001, S1002, S1006, S1007, S1108)**

The United States Forest Service had previously determined that approximately 1,253.58 acres of BCPL Trust Lands in Forest and Florence Counties was required for Forest Service use.

On August 17, 2010, The Board of Commissioners of Public Lands authorized the sale of these properties to the Forest Service in two phases for a total price of One Million Four Hundred Thousand Seventy-Three Dollars (\$1,473,000). The sales prices were determined pursuant to an appraisal performed by Mr. William Steigerwaldt of Compass Land Consulting.

The first phase included 124.6 acres at a price of Two Hundred Thousand Dollars (\$200,000). The first phase of the transaction was completed on schedule.

The second phase of the sale (the "Second Phase Property") covered 1,128.98 acres described as follows:

- The East Half of the Southeast Quarter and the Southeast Quarter of the Northeast Quarter of Section 4, Township 36 North, Range 15 East, Laona Township in Forest County, Wisconsin;
- The West Half of the Southwest Quarter, the Southwest Quarter of the Northwest Quarter and the Northeast Quarter of the Northwest Quarter of Section 34, Township 37 North Range 15 East, Caswell Township in Forest County, Wisconsin;
- The Southwest Quarter of the Southeast Quarter of Section 24, Township 36 North, Range 15 East, Blackwell Township, Forest County, Wisconsin;
- The Southeast Quarter of the Southwest Quarter of Section 6; The North Half of the Northeast Quarter, the East Half of the Southwest Quarter, the West Half of the Southeast Quarter, The Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 7; the entire Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 8, all in Township 38 North, Range 14 East, Popple River Township, Forest County, Wisconsin;
- The Southeast Quarter of the Northwest Quarter, Government Lots 1, 2, 4, in Section 7; Government Lots 1 and 2 in Section 18, all in Township 39 North, Range 16 East, Florence Township, Florence County Wisconsin.

The sales price for the Second Phase Property was set at One Million Two Hundred Seventy-Three Thousand Dollars (\$1,273,000). The Forest Service had proposed that both phases of the sale be completed by the end of September 2011.

However, the sale of the Second Phase Property has not yet been completed and the Forest Service does not believe it will be able to complete the transaction by the end of September 2011. The Forest Service has proposed extending the time to complete the transaction for an additional two years until the end of September 2013. The sales price would remain the same.

Pursuant to a request from BCPL staff, Mr. Steigerwaldt, who performed the 2010 appraisal, has provided BCPL with an update with respect to local land values in Florence and Forest Counties. He has concluded that there has been no appreciation in the value of local vacant land since the 2010 appraisal. Please see attached Exhibit A.

BCPL Staff recommends that the Forest Service be allowed to extend the time for closing the sale of the Second Phase Property until September 30, 2013, for the following reasons:

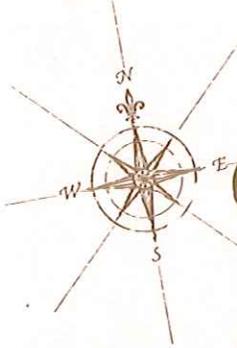
- The Sales price is supported by updated land value information;
- The Second Phase Property contains significant amounts of wetlands and other non-timber producing parcels;
- The Second Phase Property is comprised of several isolated, landlocked, and deferred parcels located within the Forest Service project boundary. Sale of the Second Phase Property would allow the Forest Service to eliminate some in-holdings within their forest boundaries and block in existing Forest Service lands.
- The sale 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

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands ratifies the sale of the Second Phase Property to the United States Forest Service at a total purchase price of One Million Two Hundred Seventy-Three Thousand Dollars (\$1,273,000).

BE IT FURTHER RESOLVED, that the sale to the USFS shall be completed by September 30, 2013. Such sale shall be conducted 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.

Attachment:

Exhibit A - Appraisal Update from Compass Land Consultants



Compass Land Consultants INC

Item 4
Exhibit A
Page 1

Get Started In The Right Direction

June 29, 2011

Tom German, Deputy Secretary
State of Wisconsin - BCPL
P.O. Box 8943
Madison, WI 53708-8943

RE: USFS/BCPL Appraisal

Dear Tom:

The purpose of this letter is to provide you with current market information for forestland property in Forest and Florence counties, Wisconsin. Compass Land Consultants, Inc. provided appraisal services for the United States Forest Service (USFS) and the Board of Commissioners of Public Lands (BCPL) in June of 2010. Since that time, the USFS closed on a portion of their purchase of BCPL land, but has now requested a time extension from BCPL in order to obtain additional funding to complete the total acquisition.

At your request, I have investigated the vacant land market in Forest and Florence counties to identify significant value changes since 2010. Our initial research provided in the 2010 appraisal revealed the following trend in value:

Vacant Land Sales in Forest and Florence Counties

Year	Number of Tracts Sold (40-500 Acres)	Acres	Sales Price	Average Price/Acre
2005	48	3,337	\$5,311,371	\$1,592
2006	58	4,530	\$6,912,820	\$1,526
2007	70	4,849	\$7,938,585	\$1,637
2008	30	2,348	\$3,817,971	\$1,626
2009/2010	32	2,834	\$3,819,049	\$1,348

This analysis provided last year clearly shows a declining market. An updated search in the same market reveals the following for 2009, and 2010/2011:

Vacant Land Sales in Forest and Florence Counties

Year	Number of Tracts Sold (40-500 Acres)	Acres	Sales Price	Average Price/Acre
2005	48	3,337	\$5,311,371	\$1,592
2006	58	4,530	\$6,912,820	\$1,526
2007	70	4,849	\$7,938,585	\$1,637
2008	30	2,348	\$3,817,971	\$1,626
*2009	26	2,194	\$3,493,035	\$1,592
*2010/2011	37	3,063	\$4,342,204	\$1,418

**Updated since the 2010 appraisal.*

As indicated in the new research, the land market remains soft and exhibits a decline in the number of sales, along with a slight decline in the average per-acre price of recreational land. This information shows no appreciation in the market and in fact, provides evidence of a slight decline since 2010.

In summary, my investigation of this market finds no appreciation since the 2010 appraisal. Please do not hesitate to call if you have any questions.

Sincerely,



William M. Steigerwaldt
Real Estate Specialist

WMS/sh