



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

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

## AGENDA

July 17, 2012

2:00 P.M.

Board of Commissioners of Public Lands  
101 E. Wilson Street, 2<sup>nd</sup> Floor  
Madison, Wisconsin

1. Call to Order
2. Approve Minutes – July 3, 2012
3. Approve Loans
4. Proposed Land Bank Purchase – Marinette County (P1204)
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING  
JULY 17, 2012**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the July 3, 2012, board meeting.

Board Meeting Minutes  
July 3, 2012

**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 19, 2012**

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

**ITEM 3. APPROVE LOANS**

Executive Secretary Nelson said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Grantsburg Burnett County Application #: 02012147 Purpose: Finance street improvements	Village Rate: 3.00% Term: 10 years	\$170,000.00
2. Grantsburg Burnett County Application #: 02012148 Purpose: Refinance other outstanding debt	Village Rate: 4.00% Term: 15 years	\$860,000.00
3. Hawkins Rusk County Application #: 02012144 Purpose: Finance water main replacement and road reconstruction	Village Rate: 2.75% Term: 5 years	\$200,000.00
4. Hawkins Rusk County Application #: 02012145 Purpose: Finance sewer main replacement and road reconstruction	Village Rate: 4.00% Term: 20 years	\$200,000.00
5. Manawa Waupaca County Application #: 02012149 Purpose: Repair Manawa Dam	City Rate: 3.00% Term: 10 years	\$400,000.00

6.	Mondovi Buffalo County Application #: 02012151 Purpose: Finance building renovations	City Rate: 3.00% Term: 10 years	\$53,800.00
7.	Montello Green Lake and Marquette Counties Application #: 02012146 Purpose: Finance building renovation and new generator	School Rate: 3.00% Term: 10 years	\$497,000.00
8.	Oconto Oconto County Application #: 02012150 Purpose: Construct town hall	Town Rate: 4.00% Term: 20 years	\$300,000.00
9.	Superior Douglas County Application #: 02012152 Purpose: Purchase land	Town Rate: 4.00% Term: 20 years	\$85,000.00
<b>TOTAL</b>			<b>\$2,765,800.00</b>

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

**ITEM 4. REQUEST TO APPROVE CHANGES IN LOAN PROGRAM**

**MOTION:** Commissioner Van Hollen moved to expand the bond purchase authority; Commissioner Schuller seconded the motion. The motion passed 3-0.

**NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands authorizes the elimination of interest rate premiums charged for loans that fund prior service pension liabilities.

**FURTHER RESOLVED,** that the Board of Commissioners of Public Lands authorizes the establishment of a short-term loan program that provides municipalities and school districts with interest-only loans with terms up to two years at an annual interest rate of 2.0%.

**FURTHER RESOLVED,** that these program changes shall be made in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary.

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

Executive Secretary Nelson reported that she and Forest Supervisor Schwarzmann recently convened a meeting with private timberland managers, and federal, state and county forestry managers to discuss timberland management challenges.

**ITEM 6. ADJOURN**

**MOTION:** Commissioner Van Hollen moved to adjourn the meeting; Commissioner Schuller 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, 101 E. Wilson Street, 2<sup>nd</sup> Floor, Madison, Wisconsin.

**BOARD MEETING  
JULY 17, 2012**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Agenda Ashland County Application #: 02012153 Purpose: Finance asphalt paving	Town Rate: 3.00% Term: 9 years	\$59,750.00
2. Agenda Ashland County Application #: 02012154 Purpose: Refinance BCPL Loan #02010032.01	Town Rate: 3.00% Term: 9 years	\$238,097.07
3. Beloit Turner Rock County Application #: 02013001 Purpose: Finance athletic track improvements	School Rate: 3.00% Term: 10 years	\$800,000.00
4. Canton Buffalo County Application #: 02013013 Purpose: Purchase dump truck	Town Rate: 2.75% Term: 5 years	\$55,000.00
5. Hazel Green Grant County Application #: 02013012 Purpose: Purchase snowplow truck	Town Rate: 2.75% Term: 2 years	\$90,000.00
6. Maple Dale-Indian Hill Milwaukee County Application #: 02012155 Purpose: Finance school facility maintenance	School Rate: 3.00% Term: 10 years	\$500,000.00
7. Menasha Calumet and Winnebago Counties Application #: 02013003 Purpose: Refinance Winnebago County loan	City Rate: 2.75% Term: 2 years	\$1,170,000.00

Municipality	Municipal Type	Loan Amount
8. Menasha Calumet and Winnebago Counties Application #: 02013004 Purpose: Refinance 2003 promissory notes	City Rate: 3.00% Term: 10 years	\$900,000.00
9. Menasha Calumet and Winnebago Counties Application #: 02013005 Purpose: Refinance 2008 Promissory Notes	City Rate: 4.00% Term: 15 years	\$3,920,000.00
10. Menasha Calumet and Winnebago Counties Application #: 02013006 Purpose: Refinance 2003 promissory notes	City Rate: 3.00% Term: 10 years	\$1,480,000.00
11. Menasha Calumet and Winnebago Counties Application #: 02013007 Purpose: Finance road construction	City Rate: 3.00% Term: 10 years	\$350,000.00
12. Menasha Calumet and Winnebago Counties Application #: 02013008 Purpose: Refinance BCPL loans	City Rate: 3.00% Term: 9 years	\$1,170,673.00
13. Menasha Calumet and Winnebago Counties Application #: 02013009 Purpose: Refinance BCPL loans	City Rate: 4.00% Term: 18 years	\$3,656,754.00
14. Menasha Calumet and Winnebago Counties Application #: 02013010 Purpose: Refinance BCPL loans	City Rate: 4.00% Term: 15 years	\$13,463,550.00

Municipality	Municipal Type	Loan Amount
15. Menasha Calumet and Winnebago Counties Application #: 02013011 Purpose: Refinance BCPL Loan #2011131.01	City Rate: 4.00% Term: 19 years	\$2,786,026.00
16. Reedsburg Sauk County Application #: 02013014 Purpose: Finance share of fire truck	Town Rate: 2.75% Term: 3 years	\$60,000.00
17. Scott Crawford County Application #: 02013002 Purpose: Renovate town buildings	Town Rate: 4.00% Term: 15 years	\$160,000.00
	<b>TOTAL</b>	<hr/> <b>\$30,859,850.07</b>

**BOARD MEETING  
JULY 17, 2012**

**AGENDA ITEM 4  
PROPOSED LAND BANK PURCHASE – MARINETTE COUNTY (P1204)**

Marinette County is offering to sell 120 acres of land in Marinette County.

BCPL staff recommends the purchase of the property from Marinette County 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 increase the percentage of upland on BCPL property;
- Purchase of the Property would increase the number of acres and size of tracts where BCPL has summer logging opportunities;
- Purchase of the Property would result in improved management efficiencies as the size of BCPL's block of land would increase and the boundary line work associated with that block would decrease; and
- Purchase of the Property would reduce forest fragmentation and improve and protect public access on a sizeable block of forestland.

Attachments:

*Resolution w/Exhibits*  
*Exhibit A - BCPL Purchase Criteria*  
*Exhibit B – Appraisal Certification*  
*Exhibit C – Appraisal Update*  
*BCPL Project Map*

**BOARD MEETING**

**JULY 17, 2012**

**AGENDA ITEM 4**

**PROPOSED LAND BANK PURCHASE – MARINETTE COUNTY (P1204)**

**RECITALS**

- A. BCPL staff is requesting authority to purchase One Hundred and Twenty (120) acres of land from Marinette County (“Marinette County”) more particularly described as the Northwest Quarter of the Northeast Quarter (NWNE) the Northeast Quarter of the Northwest Quarter (NENW) and the Northwest Quarter of the Northwest Quarter (NWNW) of Section Thirty-five (35), Township Thirty-four (34) North, Range Eighteen (18) East, Town of Silver Cliff, Marinette County, Wisconsin totaling 120 acres in size (the “Marinette County Property”).
- B. The Marinette County Property is adjacent to land currently owned by the Board of Commissioners of Public Lands.
- C. The Marinette County Property has been evaluated by BCPL staff against purchase criteria previously adopted by the Board. The Marinette County Property has been determined by BCPL staff to be appropriate for purchase according to such criteria. A copy of the purchase analysis is attached to this resolution as Exhibit A.
- D. One Hundred and Twenty (120) acres of the Marinette County Property was independently appraised by Compass Land Consulting, LLC in April 2010 as part of a One Hundred and Sixty (160) acre parcel. The entire 160 acres were appraised at a value of Two Thousand Dollars (\$2,000) per acre for a total of \$320,000. Subsequently, Compass Land Consultants, Inc. has updated their appraisal stating that the “value of the subject property remains unchanged.” Copies of the Certification of the Appraisal and Appraisal Update have been attached to this resolution as Exhibit B and Exhibit C, respectively.
- E. Marinette County is asking Two Thousand Dollars (\$2,000) per acre for the Marinette County Property for a total of Two Hundred and Forty Thousand Dollars (\$240,000).
- F. The asking price is equal to the appraised value.
- G. BCPL staff recommends the purchase of the Marinette County Property because purchase of the Property would:
  - a. add 120 acres of productive, upland timber that can be expected to produce revenue for the Trust Funds through future timber harvests;
  - b. provide summer logging opportunities;

- c. improve management efficiencies by increasing the tract size of an existing Trust Land parcel and reduce boundary line work associated with the tract; and
- d. reduce forest fragmentation while at the same time protecting and improving public access to a sizable block of forestland.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the purchase of the Marinette County Property from Marinette County at the price of Two Hundred and Forty Thousand Dollars (\$240,000) 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 Purchase  
Transaction ID#: P/204

Common Name: Camp 10 Road

County: Marinette Township: Silver Cliff

Legal Description: NWNE, NENW, NWNW of Section 35, T34N, R18E

Acres: 120

Parcel ID Number: 030-01894.000, 030-01897.000, 030-01898.000

Previous Year Tax Levy: \$0

Name(s) of Seller(s): Marinette County Forestry Dept.

Address of Seller(s): 1926 Hall Ave., Marinette, WI 54143

Seller Phone #: (715) 732-7525

Seller's Attorney or Agent: John Scott

Contact Information: Marinette County Forestry Dept

1926 Hall Ave.

Marinette, WI 54143

Seller's Attorney or Agent Phone Number(s): ( )

Asking Price: \$240,000

**Summary Analysis of Potential Property Purchase**  
**Transaction ID#: P1204**

Acres of productive forest land in parcel(s):	<u>120 acres</u>
Acres of non-productive land in parcel(s):	<u>0 acres</u>
Acres of land with public access in parcel(s):	<u>120 acres</u>
Acres of land without public access in parcel(s):	<u>0 acres</u>
Acres of current BCPL land that will become accessible to the public through parcel(s):	<u>0 acres</u>
Acres of our current BCPL land that will become accessible for timber management purposes through parcel(s):	<u>0 acres</u>

Comments (parcel cover type or other attributes of parcel or transaction):

This property blocks well with BCPL's existing 3000 acre Marinette block. It is nicely timbered with red pine, has great access, and has the potential for a timber harvest shortly after purchase.

Summary Analysis of Potential Property Purchase  
Transaction ID#: P1204

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:

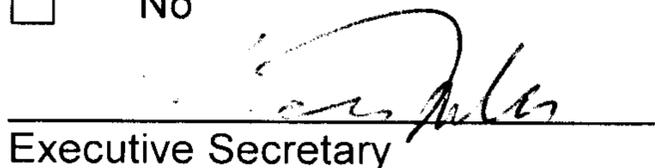
- Yes
- No

  
Trust Lands Forestry Supervisor

5/9/12  
Date

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

- Yes
- No

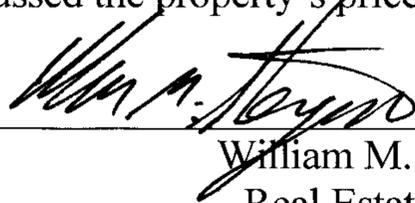
  
Executive Secretary

5/20/12  
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 had no prior engagements involving inspections or appraisals of the subject property.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- 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 subject property and the market sales used in this appraisal. The agent for the landowner, Terry Hess, joined me in the inspection of the subject property on April 28, 2010.
- Based upon the information contained in this report, and upon my general experience as an appraiser, it is my opinion that the market value of the subject property, fee title and unencumbered, is \$320,000 as of April 28, 2010.
- Sandra Steigerwaldt and Renee Duda provided significant assistance to the appraiser in sales research, sales confirmation, and preparation and editing of the appraisal report and exhibits.
- I have not discussed the property's price or value with the landowner.



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William M. Steigerwaldt  
Real Estate Specialist

Wisconsin Certified General Appraiser #394-10

**Appraisal Update  
160 Acres of Marinette County Land  
Town of Silver Cliff  
Marinette County, Wisconsin**

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**Market Conditions**

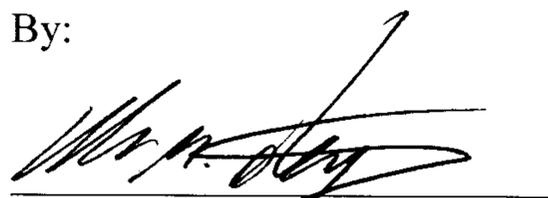
The original appraisal from 2010 indicated a value of the subject property at \$320,000. The land value was estimated at \$2,000 per acre. The appraiser researched the regional market in order to verify any changes in market conditions since the original date of value. Timber markets in northeast Wisconsin appear stable, with no significant changes in the last few years. The pine timber on the subject remains attractive and marketable. There have been some well-stocked timberland sales in northern Wisconsin and Upper Michigan, and those have been between \$1,500 and \$2,500 per acre. The appraiser also investigated vacant recreational land sales in Marinette County, and the average price appears stable and consistent since 2009. The sales are highlighted as follows:

<b>Year</b>	<b>Number of Sales</b>	<b>Price Per Acre</b>
2009	28	\$1,766
2010	41	\$1,798
2011	37	\$1,784

Based on the land sales cited, it is the appraiser's opinion that there has been no significant change in the real estate market since 2010, and the value of the subject property remains unchanged.

**Updated Property Value: \$320,000**

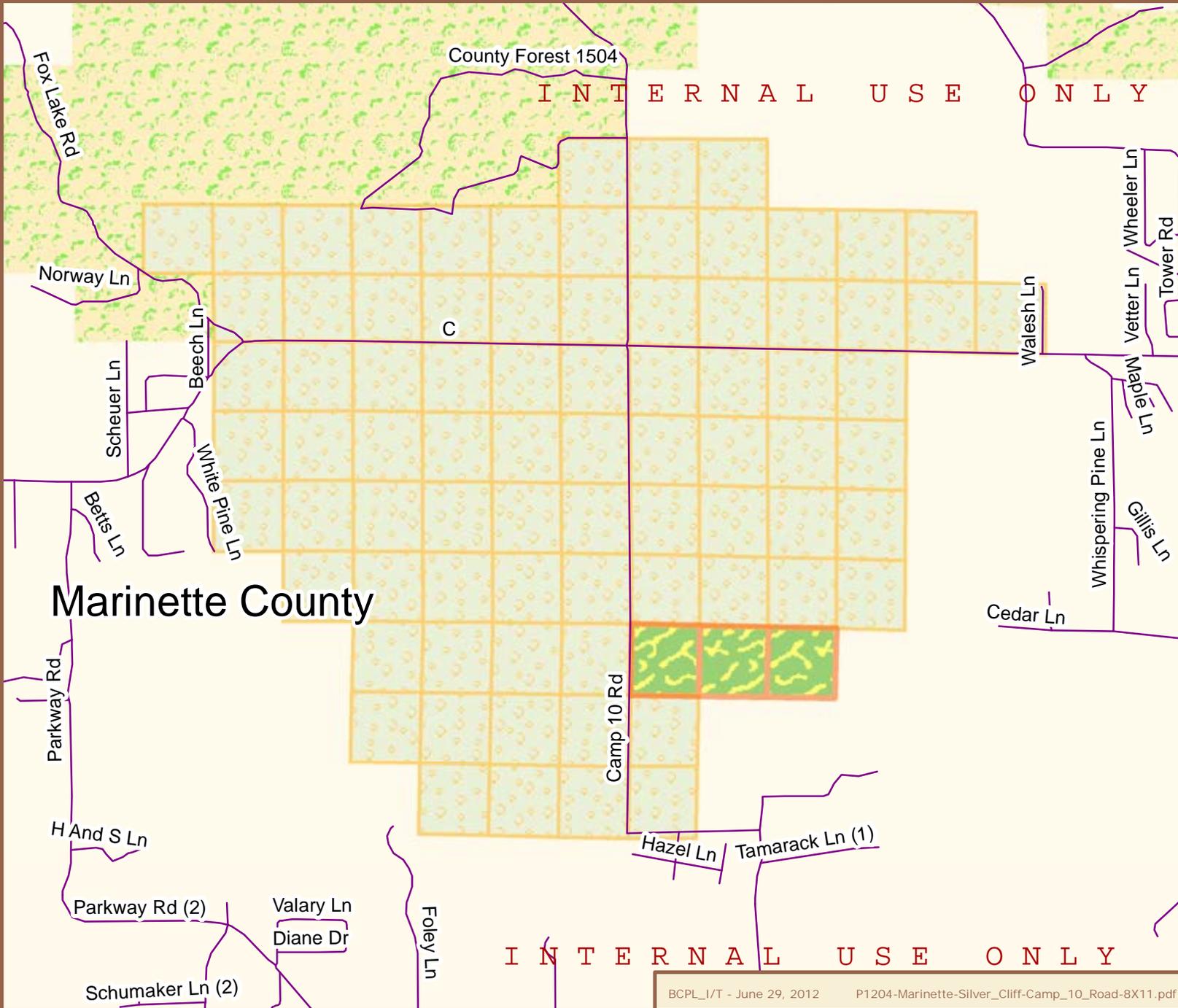
By:



William M. Steigerwaldt  
Real Estate Specialist

Wisconsin Certified General Appraiser #394-10

# Camp 10 Road Purchase from Marinette County



BCPL Project #:  
P1204

County: Marinette

Town: Silver Cliff

Common Name  
Camp 10 Road

Acres - 120.00

Fund 74?



-  Incoming
-  Other BCPL Land
-  COUNTY FOREST

