BOARD OF COMMISSIONERS OF PUBLIC LANDS 1848

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

101 E. Wilson Street
2nd Floor
PO Box 8943
Madison, WI 53708-8943

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608 266-0034 LOANS
608 267-2787 FAX
bcpl.wisconsin.gov

Managing Wisconsin's trust assets for public education

AGENDA
September 3, 2013
2:00 P.M.
Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

1) Call to Order

2) Approve Minutes – August 20, 2013

3) Approve Loans

4) Proposed Land Bank Purchase – Crandon Timber/Double Bend Road (P1202)

5) Executive Secretary's Report

6) Adjourn

BOARD MEETING
SEPTEMBER 3, 2013

AGENDA ITEM 2
APPROVE MINUTES

Attached for approval are the minutes from the August 20, 2013, board meeting.

State of Wisconsin **Board of Commissioners of Public Lands**

Board Meeting Minutes
August 20, 2013

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
Richard Sneider, Loan Analyst	Board of Commissioners of Public Lands

ITEM 2. APPROVE MINUTES – AUGUST 6, 2013

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

ITEM 3. APPROVE LOANS

Richard Sneider said the loans had received legal review.

	Municipality	Municipal Type	Loan Amount
1.	Menasha Calumet and Winnebago Counties Application #: 02014032 Purpose: Finance TID #11 development incentives	City Rate: 4.25% Term: 20 years	$786,816.00
2.	Metomen Fond Du Lac County Application #: 02014029 Purpose: Finance town hall addition	Town Rate: 2.75% Term: 10 years	$160,000.00
3.	North Prairie Waukesha County Application #: 02014035 Purpose: Refinance bank debt	Village Rate: 2.00% Term: 2 years	$63,265.00
4.	Ojibwa Sawyer County Application #: 02014030 Purpose: Refinance bank loan	Town Rate: 2.50% Term: 5 years	$346,336.60

5.	Princeton Green Lake and Marquette Counties Application #: 02014037 Purpose: Install new gymnasium floor	School Rate: 3.00% Term: 5 years	$60,000.00
6.	Sevastopol Door County Application #: 02014031 Purpose: Finance energy efficiency performance contract	School Rate: 3.25% Term: 10 years	$999,999.00
7.	Summit Waukesha County Application #: 02014033 Purpose: Finance 2013 capital improvement budget	Village Rate: 3.00% Term: 5 years	$150,000.00
		TOTAL	**$2,566,416.60**

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

ITEM 4. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that she and Forest Supervisor John Schwarzmann led a field trip to two different Trust Land sites in northern Wisconsin. The participants included a State legislator, members of the forest products industry, a DNR board member, a Natural Resources Foundation board member and members of the press in Rhinelander.

ITEM 5. ADJOURN

MOTION: Commissioner Van Hollen moved to adjourn the meeting; Commissioner Schuller 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 recording may do so at the Board of Commissioners of Public Lands, 101 E. Wilson Street, 2nd Floor, Madison, Wisconsin.

BOARD MEETING
SEPTEMBER 3, 2013

AGENDA ITEM 3
APPROVE LOANS

	Municipality	Municipal Type	Loan Amount
1.	Biron Wood County Application #: 02014040 Purpose: Finance Midwest Cold Storage expansion	Village Rate: 4.25% Term: 20 years	$526,700.00
2.	Ingram Rusk County Application #: 02014043 Purpose: Finance village hall completion and road improvements	Village Rate: 4.25% Term: 20 years	$30,000.00
3.	Nichols Outagamie County Application #: 02014042 Purpose: Finance street reconstruction	Village Rate: 3.00% Term: 5 years	$70,000.00
4.	Poplar Douglas County Application #: 02014038 Purpose: Purchase dump truck with plow	Village Rate: 3.25% Term: 10 years	$40,000.00
5.	Tomah Monroe County Application #: 02014039 Purpose: Finance ice arena expansion	City Rate: 3.25% Term: 10 years	$350,000.00
6.	Union Pierce County Application #: 02014041 Purpose: Finance road improvements	Town Rate: 3.00% Term: 5 years	$375,000.00
7.	West Baraboo Sauk County Application #: 02014044 Purpose: Finance TIF district project	Village Rate: 3.25% Term: 10 years	$300,000.00
		TOTAL	**$1,691,700.00**

BOARD MEETING
SEPTEMBER 3, 2013

AGENDA ITEM 4
PROPOSED LAND BANK PURCHASE – DOUBLE BEND ROAD (P1202)

Plum Creek Timberlands, LP is offering to sell 1,080 acres of land in Forest and Oneida Counties.

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 harvest;
- Purchase of the Property would improve management efficiency by creating larger blocks of productive timberland in reasonable proximity to the Lake Tomahawk Office;
- Purchase of the Property would improve public access to existing BCPL parcels; 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
BCPL Project Map - Forest County Parcel
BCPL Project Map – Oneida County Parcel

BOARD MEETING
SEPTEMBER 3, 2013

AGENDA ITEM 4
PROPOSED LAND BANK PURCHASE – DOUBLE BEND ROAD (P1202)

RECITALS

A. Plum Creek Timberlands, LP ("Plum Creek") has offered to sell approximately 1,080 acres of land in Forest and Oneida Counties more particularly described as: the SE 1/4, and the NESW, SWSW, SESW of Section 20, the NE 1/4, NENW, SWNW, SENW, NESW, NWSW, SWSW, NESE, NWSE, and SESE of Section 29, the SE 1/4 and SENE of Section 30, all in T38N, R14E, Town of Ross, Forest County; The NENW, SENW of Section 17, T38N, R10E, Town of Sugar Camp, Oneida County, Wisconsin (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 purchase analysis is attached to this resolution as Exhibit A.

C. The Property is comprised of two tracts of productive timberland with good access within an hour's drive of the Lake Tomahawk office and is located within BCPL's consolidation zone.

D. The Property has been independently appraised by Compass Land Consultants, Inc. at a value of One Thousand Two Hundred Fifty Dollars ($1,250) per acre for a total of One Million Three Hundred Fifty Thousand Dollars ($1,350,000). A copy of the Appraisal Certification has been attached to this resolution as Exhibit B.

E. Plum Creek is asking One Thousand Two Hundred Seventy-five Dollars ($1,275) per acre for a total price of One Million Three Hundred Seventy Seven Thousand Dollars ($1,377,000) for the Property.

F. Although Plum Creek's asking price is slightly higher than the value determined by the independent appraisal for a generic buyer, BCPL staff believes that the slightly higher purchase price is warranted because of the significant value to BCPL of consolidating timber operations and improved public access.

G. BCPL currently has sufficient land bank funds available for this investment.

H. 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 northern hardwood timberland that can be expected to produce revenue in the near future for the Trust Funds through timber harvests;

b. Purchase of the 1,000 acre Forest County parcel would improve management efficiency by creating a 6,000 acre block of land, with few inholdings, in reasonable proximity to the Lake Tomahawk Office;

c. Purchase of the 80 acre Oneida County parcel would enhance public and management access to an existing 2,000 acre block of land within a half hour drive of the Lake Tomahawk Office;

d. Purchase of the Property would improve public access to existing BCPL parcels; and

e. Purchase of the Property would reduce forest fragmentation.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the purchase of the Property from Plum Creek at a price not to exceed One Million Three Hundred Seventy Seven Thousand Dollars ($1,377,000) 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 purchase transaction.

Summary Analysis of Potential Property Purchase
Transaction ID#: P/202

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 — Date: 7/25/13

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

☒ Yes
☐ No

Executive Secretary — Date: 7/31/13

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Purchase
Transaction ID#: P 1202

County: Forest/Oneida Township: Ross/Sugar Camp

Legal Description: The SE 1/4, the NESW, SWSW, SESW of Section 20, the NE 1/4, NENW, SWNW, SENW, NESW, NESW, SWSW, NESE, NWSE, SESE of Section 29, the SE 1/4 and SENE of Section 30, all in T38N, R14E, Town of Ross, Forest County; The NENW, SENW of Section 17, T38N, R10E, Town of Sugar Camp, Oneida County.

Acres: 1080

Parcel ID Number: _____

Previous Year Tax Levy: $723.60

Name(s) of Seller(s): Plum Creek Timberlands

Address of Seller(s): Stonewood Center, 1411 N. 4th Street, Suite 101
Tomahawk, WI 54487

Seller Phone #: (715) 453-7952

Seller's Attorney or Agent: Dan Lemke

Contact Information: Same as above
_____
_____

Seller's Attorney or Agent Phone Number(s): (715) 612-7952

Asking Price: $None Listed

Item 4
Exhibit A
Page 3

Summary Analysis of Potential Property Purchase
Transaction ID#: P 1202

Acres of productive forest land in parcel(s):	1015 acres
Acres of non productive land in parcel(s):	65 acres
Acres of land with public access in parcel(s):	1080 acres
Acres of land without public access in parcel(s):	0 acres
Acres of current BCPL land that will become accessible to the public through parcel(s):	280 acres
Acres of our current BCPL land that will become accessible for timber management purposes through parcel(s):	40 acres

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

The Forest County parcel is a large hardwood block with good stocking and productive soils. It has 86% upland and 14% wetland. It will significantly increase BCPL's percentage of upland forest which is currently at 43%. It provides access to 280 acres of BCPL lands that are currently landlocked. This parcel has good quality pole timber and small sawlogs that will increase in value over the next 15-20 years. There is a timber harvest opportunity within 3-4 years with a regular flow of income after 7-10 years.

The Oneida County parcel is 90% highland with a mix of hardwood, redpine, and aspen timber. This parcel is within a 20 minute drive from the Lake Tomahawk office and blocks with an existing 2400 acre BCPL parcel. It will provide an additional public and management access point to parts of the the existing block that are currently difficult to access.

Item 4
Exhibit B

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 previous appraisal experience on the subject property within three years of the effective date of value.
- 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 on August 8, 2013. The comparable sales were inspected by myself and qualified staff of Compass Land Consultants, Inc. on various dates from 2010 to 2013.
- Daniel T. Schummer provided significant assistance in this appraisal assignment. Mr. Schummer's contributions included statistical analysis, assisting with report preparation, and comparable sales research.
- It is my opinion that the subject property has a value of $1,350,000 as of August 8, 2013.

William M. Steigerwaldt
Real Estate Specialist
WI CGA #394-10
(Expires 12/14/2013)

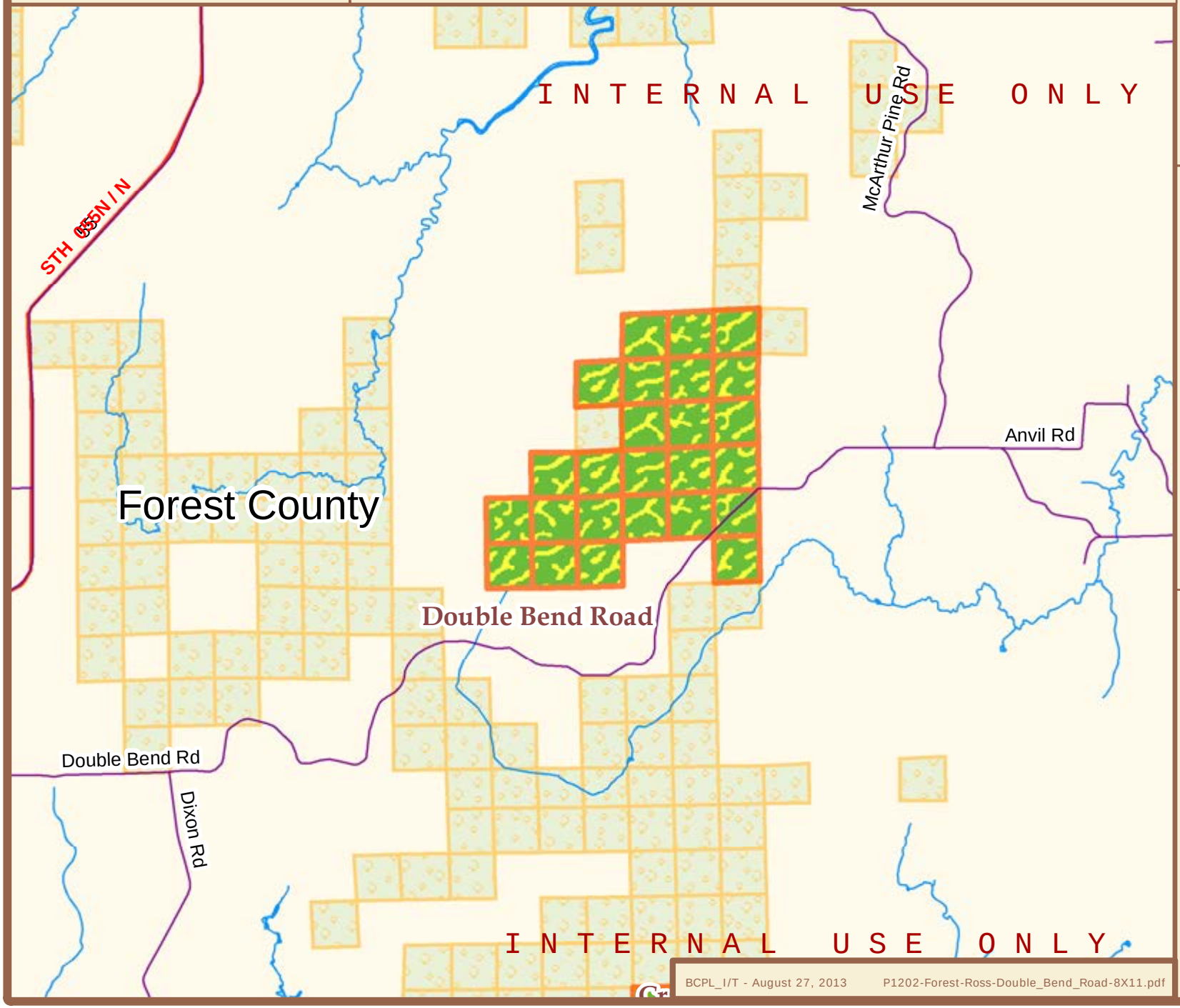
Daniel T. Schummer
Appraisal Assistant

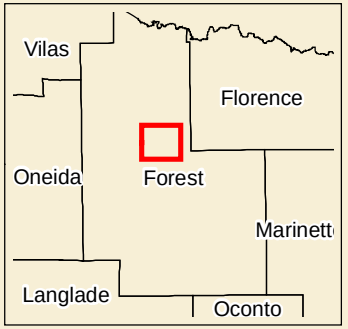
BOARD OF COMMISSIONERS OF PUBLIC LANDS 1848

Managing Wisconsin's trust assets for public education

PLUM CREEK TIMBERLANDS PURCHASE

Ross Township Property





BCPL Project #: P1202

County: Forest

Town: Ross

Common Name

Double Bend Road

Acres - 1000.00

Fund 74?

N
W E
S

Incoming

Other BCPL Land

0 0.225 0.45 Miles

BCPL_I/T - August 27, 2013 P1202-Forest-Ross-Double_Bend_Road-8X11.pdf

BOARD OF COMMISSIONERS OF PUBLIC LANDS 1848

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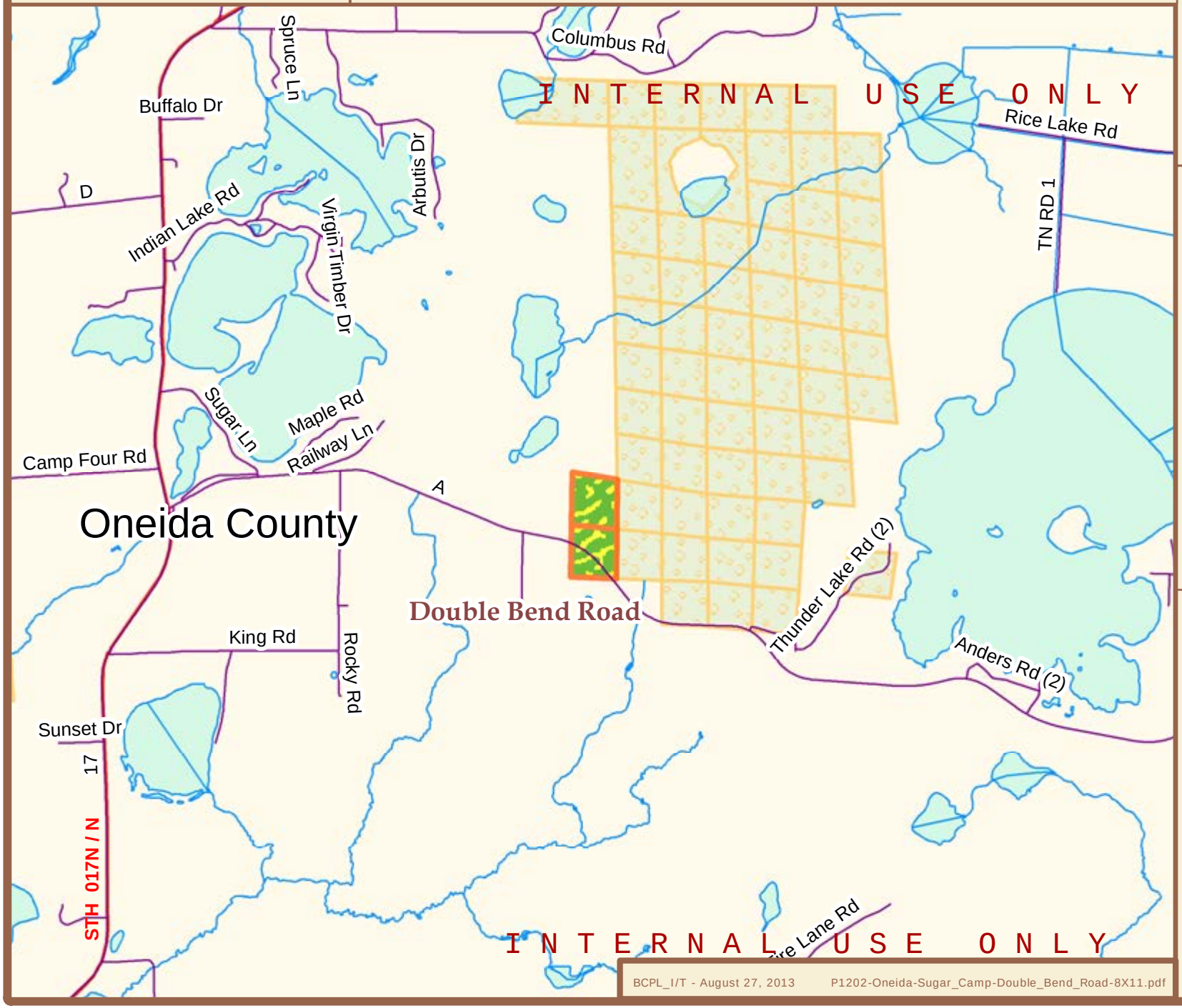
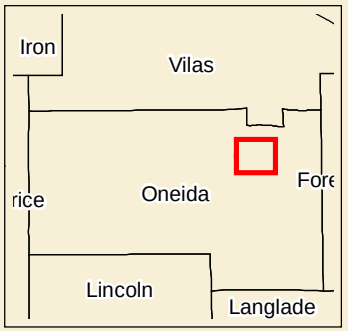
PLUM CREEK TIMBERLANDS PURCHASE

Sugar Camp Property





BCPL Project #: P1202

County: Oneida

Town: Sugar Camp

Common Name

Double Bend Road

Acres - 80.00

Fund 74?

Incoming

Other BCPL Land

0 0.225 0.45 Miles

BCPL_I/T - August 27, 2013 P1202-Oneida-Sugar_Camp-Double_Bend_Road-8X11.pdf