



Douglas La Follette
Secretary of State

Jack C. Voight
State Treasurer

Peggy A. Lautenschlager
Attorney General

Tia Nelson
Executive Secretary

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AGENDA

December 12, 2006

2:00 P.M.

Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
Madison, Wisconsin

1. Call to Order
2. Approve Loans
3. Trust Land Sales to the DNR
 - A. Hay Meadow Creek State Natural Area
 - B. Haley Creek State Natural Area
 - C. Squirrel River Pines State Natural Area
 - D. Willow Flowage Property
4. Trust Land Purchases
 - A. American Timberlands Property
 - B. Tyler Property
5. FY07 Timber Sale Report
6. Executive Secretary's Report
7. Commendation for Michael Paus
8. Adjourn

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 2
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Brooklyn County of Dane and Green Application #: 02007060 Purpose: Purchase vehicles, street improvements	Village Rate: 5.25 Filed: November 15, 2006	\$70,359.00
2. Bruce County of Rusk and Sawyer Application #: 02007066 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: November 2, 2006	\$1,065,540.00
3. Chenequa County of Waukesha Application #: 02007058 Purpose: Finance excavation and remediation of dump site	Village Rate: 5.25 Filed: November 20, 2006	\$115,000.00
4. Chetek County of Barron Application #: 02007068 Purpose: Refinance land acquisition loan, industrial park development	City Rate: 5.25 Filed: December 4, 2006	\$280,000.00
5. Eagle County of Waukesha Application #: 02007062 Purpose: Construct park pavilion	Town Rate: 5.00 Filed: October 24, 2006	\$100,000.00
6. Merton County of Waukesha Application #: 02007059 Purpose: Finance bridge project and plow truck	Town Rate: 5.25 Filed: November 21, 2006	\$183,463.76
7. Mondovi County of Buffalo Application #: 02007065 Purpose: Finance improvements to building and lots	City Rate: 5.25 Filed: November 29, 2006	\$530,000.00
8. Niagara County of Marinette Application #: 02007067 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: December 1, 2006	\$500,000.00

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
9. Osseo-Fairchild County of Clark, Eau Claire, Jackson and Trempealeau Application #: 02007061 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: November 24, 2006	\$1,316,655.00
10. Prescott County of Pierce Application #: 02007063 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: November 6, 2006	\$395,000.00
11. Saint Croix Falls County of Polk Application #: 02007064 Purpose: Construct new town hall and shop	Town Rate: 5.25 Filed: November 28, 2006	\$300,000.00
12. Watertown County of Dodge and Jefferson Application #: 02007057 Purpose: Repair dam and rehab old hospital	City Rate: 5.50 Filed: November 14, 2006	\$1,262,018.00
	TOTAL	<hr/> \$6,118,035.76

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3
TRUST LAND SALES TO DNR**

Wisconsin Act 352 was passed unanimously by the Legislature and signed into law by Governor Jim Doyle on April 19, 2006. This legislation sets aside \$2,000,000 of the Knowles-Nelson Stewardship Fund for the DNR to acquire natural area quality Trust Lands and other properties from the BCPL. The BCPL also will sell selected lands outside its “consolidation zone” to other governmental agencies and private entities. All funds derived from land sales will be used to purchase productive timber land in the consolidation zone.

Attached is a spreadsheet which details the Land Bank transactions, including the funds available for purchasing property and the Trust Lands acreage.

CRITERIA FOR EVALUATING BCPL LAND SALES

- 1.) Title to a parcel to be sold should be free and clear from encumbrances.
- 2.) Parcels located outside of the Consolidation Zone or isolated unproductive parcels within the Consolidation Zone are candidates for sale.
- 3.) A parcel to be sold should not provide the only reasonable access to other parcels that BCPL intends to retain unless BCPL retains proper easement rights over the parcel to be sold.
- 4.) Parcels with access problems should be analyzed to determine whether it makes financial sense to pay to acquire access rights prior to selling the parcel.
- 5.) If a parcel is located within a project boundary of another government agency or within or adjacent to a parcel of land owned by another unit of government, the parcel should be offered for direct sale to that government entity. If such government entity does not respond within a reasonable period of time to such offer or rejects such offer, the parcel can then be offered for public sale.

CRITERIA FOR EVALUATING BCPL LAND PURCHASES

- 1.) Forest Fragmentation
 - a.) Average tract size increases
 - b.) The ratio of perimeter to area decreases
 - c.) There is a clear reduction of the threat for conversion from forest to non-forest use.
- 2.) Access
 - a.) Management access to our existing timber tracts is improved
 - b.) There is an increase in the number of BCPL acres open to the public
- 3.) Management Efficiency
 - a.) The percentage of upland on BCPL properties increases
 - b.) The amount of line work per acre decreases
 - c.) The average distance from the tracts to the BCPL field office decreases
- 4.) Timber Character and Value
 - a.) The average site index of forest soils on BCPL property increases
 - b.) Within one cutting cycle there is an increase in the potential high value sawlog volume and growth, on the tract
 - c.) There is an increase in the forest types and species that diversify the BCPL's timber portfolio
 - d.) There is an increase in the number of acres and size of tracts where the BCPL has summer logging opportunities

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3
TRUST LAND SALES TO DNR**

Trust Land Acreage and Cash Availability Report
As of November 29, 2006

		Transaction Amount	Funds Available	Trust Land Acreage	
10/1/2006	Beginning Balance		\$0.00		77,844.79
10/13/2006	Turtle Flambeau Sale	\$560,000.00	\$560,000.00	(1,119.60)	76,725.19
10/13/2006	Wolf River Sale	\$100,500.00	\$660,500.00	(50.64)	76,674.55
10/13/2006	Bear Bluff Sale	\$32,000.00	\$692,500.00	(39.67)	76,634.88
10/13/2006	Musson Sale	\$62,000.00	\$754,500.00	(40.69)	76,594.19
10/17/2006	Jacobson Purchase	\$(140,000.00)	\$614,500.00	80.00	76,674.19
	Data Correction		\$614,500.00	(161.62)	76,512.57
9/18/2006	Marinette County Exchange	\$0.00	\$614,500.00	(75.86)	76,436.71
9/18/2006	Marinette County Exchange	\$0.00	\$614,500.00	81.46	76,518.17
Balance as of November 30, 2006			\$614,500.00		76,518.17
 <i>Anticipated Activity</i>					
	Hay Meadow Creek Sale	\$500,000.00	\$1,114,500.00	(396.27)	76,121.90
	Haley Creek Sale	\$425,700.00	\$1,540,200.00	(475.34)	75,646.56
	Squirrel River Pines Sale	\$288,000.00	\$1,828,200.00	(240.99)	75,405.57
	Willow Flowage Sale	\$38,000.00	\$1,866,200.00	(40.20)	75,365.37
	American Timberlands Purchase	\$(1,467,000.00)	\$399,200.00	1,520.00	76,885.37
	Tyler Purchase	\$(393,000.00)	\$6,200.00	200.00	77,085.37
	Total Activity	\$(608,300.00)		567.20	
	Anticipated Balance		\$6,200.00		77,085.57

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3A
TRUST LAND SALES TO DNR
HAY MEADOW CREEK STATE NATURAL AREA**

Wisconsin Act 352 was passed unanimously by the Legislature and signed into law by Governor Jim Doyle on April 19, 2006. This legislation sets aside \$2,000,000 of the Knowles-Nelson Stewardship Fund for the DNR to acquire natural area quality Trust Lands and other properties from the BCPL.

The following table and the attached materials describe the Natural Areas to be sold:

Property	County	Acres	Sale Price
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000

The property was independently appraised and will be sold to the DNR at the appraised value. This property qualifies for disposition based on the criteria for evaluating BCPL land sales and the Land Consolidation Plan approved by the Board. The proceeds from the sale will be deposited into the Land Bank fund and used to purchase other properties.

Attachments:

- Resolution w/Exhibits*
- BCPL Sale Criteria*
- DNR Board Agenda Item (Green Sheet)*
- BCPL Project Map*

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3A
SALE OF HAY MEADOW PROPERTY IN VILAS COUNTY TO DNR**

RECITALS

- A. The Wisconsin Department of Natural Resources (“DNR”) has determined that certain property located in Vilas County more particularly described as the Northwest Quarter of the Northeast Quarter and the South Half of the Southeast Quarter of Section Twenty-Three (23) and the Northeast Quarter of the Northwest Quarter, the East Half of the Southwest Quarter, the Northwest Quarter of the Southeast Quarter, the Southeast Quarter of the Northeast Quarter and the North Half of the Northeast Quarter all in Township Forty-two North (T42N), Range Ten East (R10E) in the Town of Conover (the “Hay Meadow Property”) is required for state use as a natural area. The DNR has offered to purchase the Hay Meadow Property for the sum of Five Hundred Thousand Dollars (\$500,000).
- B. The Hay Meadow Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Hay Meadow Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Hay Meadow 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 Hay Meadow Property has been independently appraised by Brod Appraisal Services, LLC at a value of Five Hundred Thousand Dollars (\$500,000). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The DNR has been authorized by its board to pay the sum of Five Hundred Thousand Dollars (\$500,000) to acquire the Hay Meadow Property.
- F. The offering 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 Hay Meadow Property to the Wisconsin Department of Natural Resources at the price of Five Hundred Thousand Dollars (\$500,000) 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.

Common Name Haymeadow Creek

Transaction ID 50705

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

Michael Paus
Signature of Forest Land Supervisor

12/01/2006
Date

CERTIFICATION OF THE APPRAISAL

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

I have personally inspected the real estate that is set forth in this appraisal report, and the analysis, conclusions and opinions belong solely to the undersigned appraiser.

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 appraised value represents my best and unbiased judgment with respect to the subject matter of this appraisal report and to the parties involved.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report. Also, I have not discussed the matter of price or value with the owner or his representative.

Neither the employment nor the compensation for this report is contingent upon the value estimated herein.

The statements in this appraisal report are made subject to the assumptions and limiting conditions set forth.

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

Michael Paus, Office Administrator for the Board of Commissioners of Public Lands, was contacted but did not accompany the appraiser on the property inspection. The subject property was inspected on September 02, 2006.

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

\$500,000 as of September 02, 2006.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 9-22-06
Jolene M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

SUBJECT: LAND ACQUISITION - STATEWIDE NATURAL AREA - HAY MEADOW CREEK, VILAS COUNTY, HALEY CREEK, FLORENCE COUNTY AND SQUIRREL RIVER PINES, ONEIDA COUNTY

FOR: DECEMBER 2006 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 1,113 acres of land from the Board of Commissioners of Public Lands (BCPL) for \$1,213,700 for its Statewide Natural Area Program; Hay Meadow Creek in Vilas County, Haley Creek in Florence County, and Squirrel River Pines in Oneida County.

Department ownership of these lands will provide long-term protection of the natural features and values.

Property	County	Acres	Cost
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000
Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Signed into law on April 19, 2006, Wisconsin Act 352 sets aside \$2,000,000 per year from 2007 through 2010 from the Stewardship fund to acquire land from BCPL. This allows the Department to preserve high quality natural area land and consolidate projects. Further, the legislation provides for BCPL's use of the sale proceeds to acquire and protect Wisconsin's working forestland.

RECOMMENDATION: That the Board approve the purchase of 1,113 acres of land for \$1,213,700 for the Statewide Natural Area Program in Vilas, Florence, and Oneida Counties.

LIST OF ATTACHED MATERIALS:

- | | |
|--|--|
| No <input checked="" type="checkbox"/> Fiscal Estimate Required | Yes <input type="checkbox"/> Attached |
| No <input checked="" type="checkbox"/> Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/> Attached |
| No <input type="checkbox"/> Background Memo | Yes <input checked="" type="checkbox"/> Attached |

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6

Date

Administrator, Laurie Osterndorf - AD/5

Date

Secretary, Scott Hassett - AD/5

Date

- cc: S. Miller – LF/6
R. Steffes – LF/6
A. Arthur – AD/5
S. Holtz – ER/6
J. Gozdziwski – NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: February 19, 2010 FILE REF: NA-895 & 896
TO: Governor Doyle
FROM: Scott Hassett
SUBJECT: Proposed Land Acquisition, Board of Commissioners of Public Lands, File # NA-895 & 896
Approval Requested by December 15, 2006

1. PARCEL DESCRIPTION:

Statewide Natural Areas-Hay Meadow Creek
Vilas County

Statewide Natural Areas-Haley Creek
Florence County

Statewide Natural Areas-Squirrel River Pines
Oneida County

Grantor:

Board of Commissioners of Public Lands (BCPL)
c/o Ms. Tia Nelson, Executive Secretary
125 South Webster Street, Room 200
P.O. Box 8943
Madison, WI 53708-8943

Property	County	Acres	Cost
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000
Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Acres: 1,113

Price: \$1,213,700

Appraised Value: \$1,213,700

Interest: Purchase in fee.

Improvements: None

Location:

Hay Meadow Creek Parcels: A total of 400 acres composed of three tracts of land located in the Town of Conover in east-central Vilas County. The community of Conover is located five miles to the southwest.

Haley Creek Parcels: A total of 473 acres composed of four non-contiguous blocks of land located in the Town of Florence in central Florence County. Florence, the county seat, is located 14 miles to the northeast

Squirrel River Pines Parcels: A total of 240 acres composed of three non-contiguous blocks of vacant land all of which are located in north-central Wisconsin. Rhinelander, the Oneida County seat, is 25 miles to the southeast.

Land and Covertype Description:

Hay Meadow Creek Parcels: The topography is level to gently rolling, no major slopes. Cover consists of mostly lowland woodland and one 40-acre parcel of upland woods. Timber types are black spruce, jack and white pines, as well as aspen and balsam fir.

Haley Creek Parcels: The topography is gently rolling with no major slopes. Cover consists of predominately wooded lowland and uplands with scattered areas of marsh. Timber types are tamarack, black spruce, mixed northern hardwoods and cedar.

Squirrel River Pines Parcels: The topography is predominantly level low lands containing some steep upland slopes overlooking the river. The 41 acres of upland woodland cover is primarily composed of northern hardwoods as well as red pine.

Zoning:

Hay Meadow Creek Parcels: Forestry

Haley Creek Parcels: Forestry and Natural Resource Protection District

Squirrel River Pines Parcels: Forestry

Present Use: Currently State owned and managed for sustained yield timber production and public recreation.

Proposed Use: Resource Protection and Public Recreation

Tenure: The BCPL land was acquired at the beginning of statehood and with some subsequent transfers, from the federal government.

Property Taxes: All parcels are tax exempt.

2. JUSTIFICATION:

The Department recommends the acquisition of 1,113 acres of land from the Board of Commissioners of Public Lands for the Statewide Natural Area Program; Hay Meadow Creek in Vilas County, the Haley Creek in Florence County, and the Squirrel River Pines State Natural Area in Oneida County. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, and provide resource protection.

The Statewide Natural Area program was established in 1972 to protect the best remaining examples of Wisconsin's native vegetation as well as habitat for endangered and threatened plants and animals. Natural areas will help protect the natural diversity of the landscape and preserve for future generations a living history of the past. Natural areas are used for study by elementary to college age school groups and researchers as well as the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

Hay Meadow Creek. Swamp is part of one of the largest and least disturbed peatland complexes in north-central Wisconsin. It features a diverse mosaic of lowland community types including northern sedge meadow, muskeg, black spruce swamp, and tamarack swamp. Mature jack pine is a regionally declining forest type that still comprises the primary forest cover in dry upland locations in and around this site. Aquatic features of interest include Wolf Lake, a small 5-acre bog lake, and a spring fed cold-water stream. The site provides habitat for a number of boreal birds including gray jay, boreal chickadee, black-backed woodpecker, Connecticut warbler, and the state-threatened spruce grouse. Of interest are the reported sightings of the federally endangered Kirtland's warbler in close proximity to this area. Plants include the ragged fringed orchid found growing in a wet pool in one of the large sedge meadows. The interior of the swamp is remote with no major roads present, although a snowmobile trail is heavily used during the winter.

The 400-acre subject property consists of three parcels. There is no direct road access to any of the parcels, requiring access from adjacent state and county lands. The subject includes about 200 feet of low frontage on the northern shore of Wolf Lake, a 5-acre lake with a maximum depth of 19 feet. There are some fishery resource found in the lake, including largemouth bass and panfish. The Department owns land on three sides of the northern-most parcel. The largest parcel is adjacent to DNR land to the west and north of the parcels. There are also Vilas County Forest lands and some private in-holdings on all sides of the southern two parcels.

Haley Creek. Swamp represents the most significant natural features complex on State Trust Land within this ecoregion. The undisturbed high-quality wetland complex includes two undeveloped spring ponds, fens, old growth black spruce, white cedar, and tamarack swamp, and a mile-long cold-water stream segment. The site supports many rare plants including showy lady's-slipper, ram's-head lady's-slipper, northern bog sedge, and northern black currant. Rare animals include boreal chickadee and spruce grouse. The uplands feature several good quality stands of select-cut, old growth hemlock-hardwood forest on the periphery of the swamp and some more marginal quality hardwoods occur as swamp islands. If left to mature, these uplands would provide a good buffer to the wetlands.

The 473-acre subject property consists of four non-contiguous parcels that are bordered by lands purchased by the DNR in the Wild River Legacy Forest (WRLF) acquisition this past year. The land in Section 10 is the last remaining non-DNR fee ownership in this section and includes 1,734 feet of frontage on Dorothy Lake, one of the four wild lakes the Department has proposed to include in a Wild Lake Protection area from the Wild River Legacy Forest Acquisition. Dorothy Lake is a 19-acre lake with a maximum depth of three feet. Fishery resources are limited, but the lake provides habitat resources for wildlife and waterfowl. The remaining parcels are within the easement area of the WRLF purchase and are almost entirely surrounded by the forest legacy easement lands. The largest of the parcels includes 1,520 feet of stream thread on Haley Creek. This creek is classified as a Class I trout stream with Brown Trout present. Access to all parcels is across existing state ownership and easement lands.

Squirrel River Pines. Squirrel River Pines features a fine example of northern dry-mesic forest situated on a narrow, sandy peninsula running northeasterly towards the Squirrel River. The forest is dominated by a stand of old, large red pines while white pines make up roughly 10% of the canopy, but constitute most of the reproduction. Charring on some of the oldest stumps and snags indicates a fire history and probable origin of this stand. Other species include pipsissewa, three-leaved goldthread, round-lobed hepatica, twinflower, and one-sided shinleaf. Surrounding the uplands is a large wetland complex of northern wet forest, northern sedge meadow, and alder thicket associated with the Squirrel River, a slow, warm, hard-water river that flows through the site. The natural area supports a diversity of animals, including characteristic species such as pine warbler, red squirrel, and red-breasted nuthatch. Bald eagles have used the pines as a nesting site. Squirrel River Pines was designated a State Natural Area in 1991.

The subject properties consist of three-non-contiguous parcels that include a total of 7,500 feet of stream thread on the Squirrel River. A majority of the frontage is low and wet areas, with large expanses of wetland complex extending from the banks of the river. The Squirrel River is wide and shallow, which flows through extended wetland complexes from Squirrel Lake to the Willow Flowage. Fishery resources include walleye and pike. There is no direct road access to any of the parcels, requiring access to adjacent lands both public and private. Two of the parcels adjoin existing DNR ownership, bordered on two sides each. The remaining parcel has no adjoining state land but is within one-quarter mile of DNR lands. The Department recommends the purchase of the above described properties to allow wildlife habitat management, to provide public access for recreation, and provide resource protection.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,600,000	\$621,000

4. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA PROGRAM:

Established: 1972
Acres Purchased to Date: 35,273
Acquisition Goal: 41,000 Acres
Percent Complete: 86.03%
Cost to Date: \$18,598,851

5a. APPRAISALS – Hay Meadow Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: September 2, 2006
Appraised Value: \$500,000
Highest and Best Use: Recreation

Allocation of Values:

- a. land: 400 acres @ \$1,250 per acre: \$500,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,004 to \$1,347 per acre

5b. APPRAISAL - Haley Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: August 18, 2006
Appraised Value: \$425,700
Highest and Best Use: Recreation with potential for residential site

Allocation of Values:

- a. land: 473 acres @ \$900 per acre: \$425,700
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$724 to \$1,013 per acre

5c. APPRAISAL – Squirrel River Pines State natural Area Parcels

Appraiser: Phillip Lepinski (Private Appraiser)
Valuation Date: September 20, 2006, 2006
Appraised Value: \$288,000
Highest and Best Use: Recreational seasonal residence with forestry as an ancillary use.
Allocation of Values:

- a. land: 240 acres @ \$1,200 per acre: \$288,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,514 to \$2,044 per acre

Appraisal Reviews: Richard Steffes – October 20, 2006

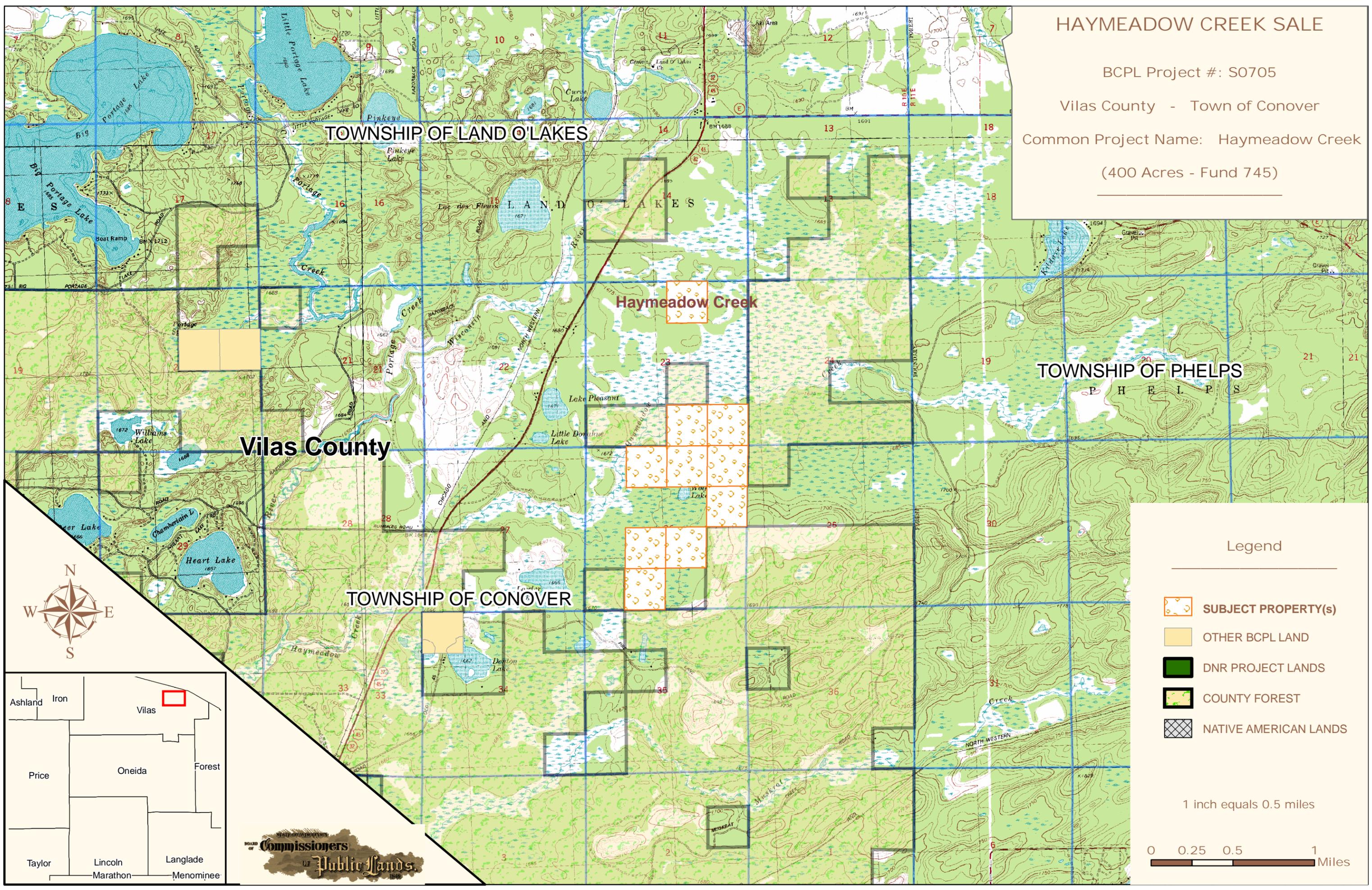
HAYMEADOW CREEK SALE

BCPL Project #: S0705

Vilas County - Town of Conover

Common Project Name: Haymeadow Creek

(400 Acres - Fund 745)



TOWNSHIP OF LAND O' LAKES

TOWNSHIP OF PHELPS

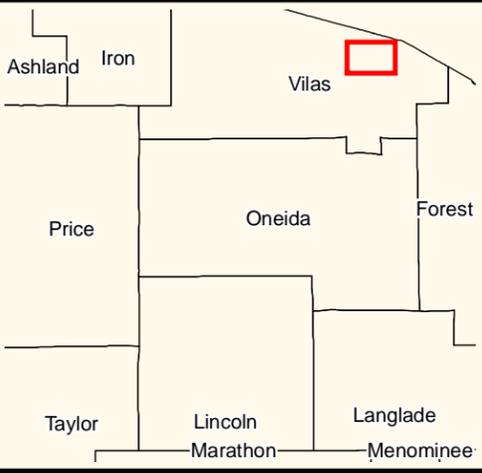
Vilas County

TOWNSHIP OF CONOVER

Legend

-  SUBJECT PROPERTY(s)
-  OTHER BCPL LAND
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  NATIVE AMERICAN LANDS

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3B
TRUST LAND SALES TO DNR
HALEY CREEK STATE NATURAL AREA**

Wisconsin Act 352 was passed unanimously by the Legislature and signed into law by Governor Jim Doyle on April 19, 2006. This legislation sets aside \$2,000,000 of the Knowles-Nelson Stewardship Fund for the DNR to acquire natural area quality Trust Lands and other properties from the BCPL.

The following table and the attached materials describe the Natural Areas to be sold:

Property	County	Acres	Sale Price
Haley Creek State Natural Area	Florence	473	\$ 425,700

The property was independently appraised and will be sold to the DNR at the appraised value. This property qualifies for disposition based on the criteria for evaluating BCPL land sales and the Land Consolidation Plan approved by the Board. The proceeds from the sale will be deposited into the Land Bank fund and used to purchase other properties.

Attachments:

- Resolution w/Exhibits*
- BCPL Sale Criteria*
- DNR Board Agenda Item (Green Sheet)*
- BCPL Project Map*

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3B
SALE OF HALEY CREEK PROPERTY IN FLORENCE COUNTY TO DNR**

RECITALS

- A. The Wisconsin Department of Natural Resources (“DNR”) has determined that certain property located in Florence County more particularly described as Government Lot 5 in Section Ten (10), the Northwest Quarter of the Northwest Quarter of Section Thirteen (13), the Northwest Quarter of the Southwest Quarter of Section Fourteen (14); Government Lots One, Three and Five (1, 3 & 5), the entire Southwest Quarter, the West Half of the Southeast Quarter and the Northeast Quarter of the Southeast Quarter of Section Fifteen (15) all in Township Thirty-Nine North (T39N), Range Sixteen East (R16E) in the Town of Florence (the “Haley Creek Property”) is required for state use as a natural area. The DNR has offered to purchase the Haley Creek Property for the sum of Four Hundred Twenty-Five Thousand Seven Hundred Dollars (\$425,700).
- B. The Haley Creek Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Haley Creek Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Haley Creek 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 Haley Creek Property has been independently appraised by Brod Appraisal Services, LLC at a value of Four Hundred Twenty-Five Thousand Seven Hundred Dollars (\$425,700). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The DNR has been authorized by its board to pay the sum of Four Hundred Twenty-Five Thousand Seven Hundred Dollars (\$425,700) to acquire the Haley Creek Property.
- F. The offering 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 Haley Creek Property to the Wisconsin Department of Natural Resources at the price of Four Hundred Twenty-Five Thousand Seven Hundred Dollars (\$425,700) 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.

Common Name Halcy Lake/Creek

Transaction ID 50706

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

12/01/2006
Date

CERTIFICATION OF THE APPRAISAL

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

I have personally inspected the real estate that is set forth in this appraisal report, and the analysis, conclusions and opinions belong solely to the undersigned appraiser.

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 appraised value represents my best and unbiased judgment with respect to the subject matter of this appraisal report and to the parties involved.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report. Also, I have not discussed the matter of price or value with the owner or his representative.

Neither the employment nor the compensation for this report is contingent upon the value estimated herein.

The statements in this appraisal report are made subject to the assumptions and limiting conditions set forth.

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

Michael Paus, Office Administrator for the Board of Commissioners of Public Lands, was contacted but did not accompany the appraiser on the property inspection. The subject property was inspected on September 18, 2006.

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

\$425,700 as of September 18, 2006.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 10/3/06
Jolene M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

SUBJECT: LAND ACQUISITION - STATEWIDE NATURAL AREA - HAY MEADOW CREEK, VILAS COUNTY, HALEY CREEK, FLORENCE COUNTY AND SQUIRREL RIVER PINES, ONEIDA COUNTY

FOR: DECEMBER 2006 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 1,113 acres of land from the Board of Commissioners of Public Lands (BCPL) for \$1,213,700 for its Statewide Natural Area Program; Hay Meadow Creek in Vilas County, Haley Creek in Florence County, and Squirrel River Pines in Oneida County.

Department ownership of these lands will provide long-term protection of the natural features and values.

Property	County	Acres	Cost
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000
Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Signed into law on April 19, 2006, Wisconsin Act 352 sets aside \$2,000,000 per year from 2007 through 2010 from the Stewardship fund to acquire land from BCPL. This allows the Department to preserve high quality natural area land and consolidate projects. Further, the legislation provides for BCPL's use of the sale proceeds to acquire and protect Wisconsin's working forestland.

RECOMMENDATION: That the Board approve the purchase of 1,113 acres of land for \$1,213,700 for the Statewide Natural Area Program in Vilas, Florence, and Oneida Counties.

LIST OF ATTACHED MATERIALS:

- | | | | |
|--|---|---|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required | Yes <input type="checkbox"/> | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/> | Attached |
| No <input type="checkbox"/> | Background Memo | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6

Date

Administrator, Laurie Osterndorf - AD/5

Date

Secretary, Scott Hassett - AD/5

Date

- cc: S. Miller – LF/6
R. Steffes – LF/6
A. Arthur – AD/5
S. Holtz – ER/6
J. Gozdziwski – NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: February 19, 2010 FILE REF: NA-895 & 896
TO: Governor Doyle
FROM: Scott Hassett
SUBJECT: Proposed Land Acquisition, Board of Commissioners of Public Lands, File # NA-895 & 896
Approval Requested by December 15, 2006

1. PARCEL DESCRIPTION:

Statewide Natural Areas-Hay Meadow Creek
Vilas County

Statewide Natural Areas-Haley Creek
Florence County

Statewide Natural Areas-Squirrel River Pines
Oneida County

Grantor:

Board of Commissioners of Public Lands (BCPL)
c/o Ms. Tia Nelson, Executive Secretary
125 South Webster Street, Room 200
P.O. Box 8943
Madison, WI 53708-8943

Property	County	Acres	Cost
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000
Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Acres: 1,113

Price: \$1,213,700

Appraised Value: \$1,213,700

Interest: Purchase in fee.

Improvements: None

Location:

Hay Meadow Creek Parcels: A total of 400 acres composed of three tracts of land located in the Town of Conover in east-central Vilas County. The community of Conover is located five miles to the southwest.

Haley Creek Parcels: A total of 473 acres composed of four non-contiguous blocks of land located in the Town of Florence in central Florence County. Florence, the county seat, is located 14 miles to the northeast

Squirrel River Pines Parcels: A total of 240 acres composed of three non-contiguous blocks of vacant land all of which are located in north-central Wisconsin. Rhinelander, the Oneida County seat, is 25 miles to the southeast.

Land and Covertype Description:

Hay Meadow Creek Parcels: The topography is level to gently rolling, no major slopes. Cover consists of mostly lowland woodland and one 40-acre parcel of upland woods. Timber types are black spruce, jack and white pines, as well as aspen and balsam fir.

Haley Creek Parcels: The topography is gently rolling with no major slopes. Cover consists of predominately wooded lowland and uplands with scattered areas of marsh. Timber types are tamarack, black spruce, mixed northern hardwoods and cedar.

Squirrel River Pines Parcels: The topography is predominantly level low lands containing some steep upland slopes overlooking the river. The 41 acres of upland woodland cover is primarily composed of northern hardwoods as well as red pine.

Zoning:

Hay Meadow Creek Parcels: Forestry

Haley Creek Parcels: Forestry and Natural Resource Protection District

Squirrel River Pines Parcels: Forestry

Present Use: Currently State owned and managed for sustained yield timber production and public recreation.

Proposed Use: Resource Protection and Public Recreation

Tenure: The BCPL land was acquired at the beginning of statehood and with some subsequent transfers, from the federal government.

Property Taxes: All parcels are tax exempt.

2. JUSTIFICATION:

The Department recommends the acquisition of 1,113 acres of land from the Board of Commissioners of Public Lands for the Statewide Natural Area Program; Hay Meadow Creek in Vilas County, the Haley Creek in Florence County, and the Squirrel River Pines State Natural Area in Oneida County. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, and provide resource protection.

The Statewide Natural Area program was established in 1972 to protect the best remaining examples of Wisconsin's native vegetation as well as habitat for endangered and threatened plants and animals. Natural areas will help protect the natural diversity of the landscape and preserve for future generations a living history of the past. Natural areas are used for study by elementary to college age school groups and researchers as well as the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

Hay Meadow Creek. Swamp is part of one of the largest and least disturbed peatland complexes in north-central Wisconsin. It features a diverse mosaic of lowland community types including northern sedge meadow, muskeg, black spruce swamp, and tamarack swamp. Mature jack pine is a regionally declining forest type that still comprises the primary forest cover in dry upland locations in and around this site. Aquatic features of interest include Wolf Lake, a small 5-acre bog lake, and a spring fed cold-water stream. The site provides habitat for a number of boreal birds including gray jay, boreal chickadee, black-backed woodpecker, Connecticut warbler, and the state-threatened spruce grouse. Of interest are the reported sightings of the federally endangered Kirtland's warbler in close proximity to this area. Plants include the ragged fringed orchid found growing in a wet pool in one of the large sedge meadows. The interior of the swamp is remote with no major roads present, although a snowmobile trail is heavily used during the winter.

The 400-acre subject property consists of three parcels. There is no direct road access to any of the parcels, requiring access from adjacent state and county lands. The subject includes about 200 feet of low frontage on the northern shore of Wolf Lake, a 5-acre lake with a maximum depth of 19 feet. There are some fishery resource found in the lake, including largemouth bass and panfish. The Department owns land on three sides of the northern-most parcel. The largest parcel is adjacent to DNR land to the west and north of the parcels. There are also Vilas County Forest lands and some private in-holdings on all sides of the southern two parcels.

Haley Creek. Swamp represents the most significant natural features complex on State Trust Land within this ecoregion. The undisturbed high-quality wetland complex includes two undeveloped spring ponds, fens, old growth black spruce, white cedar, and tamarack swamp, and a mile-long cold-water stream segment. The site supports many rare plants including showy lady's-slipper, ram's-head lady's-slipper, northern bog sedge, and northern black currant. Rare animals include boreal chickadee and spruce grouse. The uplands feature several good quality stands of select-cut, old growth hemlock-hardwood forest on the periphery of the swamp and some more marginal quality hardwoods occur as swamp islands. If left to mature, these uplands would provide a good buffer to the wetlands.

The 473-acre subject property consists of four non-contiguous parcels that are bordered by lands purchased by the DNR in the Wild River Legacy Forest (WRLF) acquisition this past year. The land in Section 10 is the last remaining non-DNR fee ownership in this section and includes 1,734 feet of frontage on Dorothy Lake, one of the four wild lakes the Department has proposed to include in a Wild Lake Protection area from the Wild River Legacy Forest Acquisition. Dorothy Lake is a 19-acre lake with a maximum depth of three feet. Fishery resources are limited, but the lake provides habitat resources for wildlife and waterfowl. The remaining parcels are within the easement area of the WRLF purchase and are almost entirely surrounded by the forest legacy easement lands. The largest of the parcels includes 1,520 feet of stream thread on Haley Creek. This creek is classified as a Class I trout stream with Brown Trout present. Access to all parcels is across existing state ownership and easement lands.

Squirrel River Pines. Squirrel River Pines features a fine example of northern dry-mesic forest situated on a narrow, sandy peninsula running northeasterly towards the Squirrel River. The forest is dominated by a stand of old, large red pines while white pines make up roughly 10% of the canopy, but constitute most of the reproduction. Charring on some of the oldest stumps and snags indicates a fire history and probable origin of this stand. Other species include pipsissewa, three-leaved goldthread, round-lobed hepatica, twinflower, and one-sided shinleaf. Surrounding the uplands is a large wetland complex of northern wet forest, northern sedge meadow, and alder thicket associated with the Squirrel River, a slow, warm, hard-water river that flows through the site. The natural area supports a diversity of animals, including characteristic species such as pine warbler, red squirrel, and red-breasted nuthatch. Bald eagles have used the pines as a nesting site. Squirrel River Pines was designated a State Natural Area in 1991.

The subject properties consist of three-non-contiguous parcels that include a total of 7,500 feet of stream thread on the Squirrel River. A majority of the frontage is low and wet areas, with large expanses of wetland complex extending from the banks of the river. The Squirrel River is wide and shallow, which flows through extended wetland complexes from Squirrel Lake to the Willow Flowage. Fishery resources include walleye and pike. There is no direct road access to any of the parcels, requiring access to adjacent lands both public and private. Two of the parcels adjoin existing DNR ownership, bordered on two sides each. The remaining parcel has no adjoining state land but is within one-quarter mile of DNR lands. The Department recommends the purchase of the above described properties to allow wildlife habitat management, to provide public access for recreation, and provide resource protection.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,600,000	\$621,000

4. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA PROGRAM:

Established: 1972
Acres Purchased to Date: 35,273
Acquisition Goal: 41,000 Acres
Percent Complete: 86.03%
Cost to Date: \$18,598,851

5a. APPRAISALS – Hay Meadow Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: September 2, 2006
Appraised Value: \$500,000
Highest and Best Use: Recreation

Allocation of Values:

- a. land: 400 acres @ \$1,250 per acre: \$500,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,004 to \$1,347 per acre

5b. APPRAISAL - Haley Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: August 18, 2006
Appraised Value: \$425,700
Highest and Best Use: Recreation with potential for residential site

Allocation of Values:

- a. land: 473 acres @ \$900 per acre: \$425,700
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$724 to \$1,013 per acre

5c. APPRAISAL – Squirrel River Pines State natural Area Parcels

Appraiser: Phillip Lepinski (Private Appraiser)
Valuation Date: September 20, 2006, 2006
Appraised Value: \$288,000
Highest and Best Use: Recreational seasonal residence with forestry as an ancillary use.
Allocation of Values:

- a. land: 240 acres @ \$1,200 per acre: \$288,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,514 to \$2,044 per acre

Appraisal Reviews: Richard Steffes – October 20, 2006

HALEY CREEK / GOODMAN WILDLAKES

BCPL Project #: S0706

Florence County - Town of Florence

Common Project Name: Haley Creek

(473.51 Acres - Fund 745)

DNR Property Name:
PINE-POPPLE WILD RIVERS

Florence County

TOWNSHIP OF FLORENCE

TOWNSHIP OF FERN

Haley Creek/Goodman Wild Lakes

Legend

-  **SUBJECT PROPERTY(s)**
-  **OTHER BCPL LAND**
-  **DNR PROJECT LANDS**
-  **COUNTY FOREST**
-  **NATIVE AMERICAN LANDS**

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3C
TRUST LAND SALES TO DNR
SQUIRREL RIVER PINES STATE NATURAL AREA**

Wisconsin Act 352 was passed unanimously by the Legislature and signed into law by Governor Jim Doyle on April 19, 2006. This legislation sets aside \$2,000,000 of the Knowles-Nelson Stewardship Fund for the DNR to acquire natural area quality Trust Lands and other properties from the BCPL.

The following table and the attached materials describe the Natural Areas to be sold:

Property	County	Acres	Sale Price
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000

The property was independently appraised and will be sold to the DNR at the appraised value. This property qualifies for disposition based on the criteria for evaluating BCPL land sales and the Land Consolidation Plan approved by the Board. The proceeds from the sale will be deposited into the Land Bank fund and used to purchase other properties.

Attachments:

- Resolution w/Exhibits*
- BCPL Sale Criteria*
- DNR Board Agenda Item (Green Sheet)*
- BCPL Project Map*

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3C
SALE OF SQUIRREL RIVER PROPERTY IN ONEIDA COUNTY TO DNR**

RECITALS

- A. The Wisconsin Department of Natural Resources (“DNR”) has determined that certain property located in Oneida County more particularly described as the South Half of the Southeast Quarter of Section Twenty-Seven (27); the South Half of the Northeast Quarter of Section Twenty-Nine (29); the Northwest Quarter of the Northeast Quarter of Section Thirty-Four (34); and the Northwest Quarter of the Southeast Quarter of Section Thirty-Five (35) all in Township Thirty-Nine North (T39N), Range Five East (R5E) in the Town of Minocqua (the “Squirrel River Property”) is required for state use as a natural area. The DNR has offered to purchase the Squirrel River Property for the sum of Two Hundred Eighty-Eight Thousand Dollars (\$288,000).
- B. The Squirrel River Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Squirrel River Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Squirrel River 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 Squirrel River Property has been independently appraised by Phillip M. Lepinski at a value of Two Hundred Eighty-Eight Thousand Dollars (\$288,000). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The DNR has been authorized by its board to pay the sum of Two Hundred Eighty-Eight Thousand Dollars (\$288,000) to acquire the Squirrel River Property.
- F. The offering 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 Squirrel River Property to the Wisconsin Department of Natural Resources at the price of Two Hundred Eighty-Eight Thousand Dollars (\$288,000) 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.

Common Name Squirrel River Pines

Transaction ID 50707

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

12/01/2006
Date

CERTIFICATION OF APPRAISER

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

- The statements of fact contained in this report are true and correct and I have not knowingly withheld any significant information.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective personal interest in the property appraised 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 the parties involved in this assignment.
- My engagement in this assignment was 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.
- I have made a personal inspection of the property that is the subject of this report.
- The property owner was contacted and offered an opportunity to accompany the appraiser on the inspection of the subject property.
- I have not discussed the price or value of the subject property with the owners or their representatives other than to request information in regard to any current listings, sale agreements, or offers to purchase said property.
- This appraisal was made and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice, the Uniform Appraisal Standards for Federal Land Acquisition, and the Wisconsin Department of Natural Resources Real Estate Appraisal Guidelines.
- No one provided significant real property appraisal assistance to the person signing this certification.

In my opinion, the market value of the stated rights in the described real estate, subject to those conditions stated in this report, is \$288,000.00 as of September 20, 2006.

SIGNED:

Phillip M. Lepinski
Phillip M. Lepinski

Wisconsin Certified General Appraiser
And Licensed Appraiser #429-010

Oct. 19, 2006
Date

SUBJECT: LAND ACQUISITION - STATEWIDE NATURAL AREA - HAY MEADOW CREEK, VILAS COUNTY, HALEY CREEK, FLORENCE COUNTY AND SQUIRREL RIVER PINES, ONEIDA COUNTY

FOR: DECEMBER 2006 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 1,113 acres of land from the Board of Commissioners of Public Lands (BCPL) for \$1,213,700 for its Statewide Natural Area Program; Hay Meadow Creek in Vilas County, Haley Creek in Florence County, and Squirrel River Pines in Oneida County.

Department ownership of these lands will provide long-term protection of the natural features and values.

Property	County	Acres	Cost
Hay Meadow Creek State Natural Area	Vilas	400	\$ 500,000
Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Signed into law on April 19, 2006, Wisconsin Act 352 sets aside \$2,000,000 per year from 2007 through 2010 from the Stewardship fund to acquire land from BCPL. This allows the Department to preserve high quality natural area land and consolidate projects. Further, the legislation provides for BCPL's use of the sale proceeds to acquire and protect Wisconsin's working forestland.

RECOMMENDATION: That the Board approve the purchase of 1,113 acres of land for \$1,213,700 for the Statewide Natural Area Program in Vilas, Florence, and Oneida Counties.

LIST OF ATTACHED MATERIALS:

- | | | | |
|--|---|---|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required | Yes <input type="checkbox"/> | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/> | Attached |
| No <input type="checkbox"/> | Background Memo | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6

Date

Administrator, Laurie Osterndorf - AD/5

Date

Secretary, Scott Hassett - AD/5

Date

- cc: S. Miller – LF/6
R. Steffes – LF/6
A. Arthur – AD/5
S. Holtz – ER/6
J. Gozdziński – NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: March 2, 2010 FILE REF: NA-895 & 896
TO: Governor Doyle
FROM: Scott Hassett
SUBJECT: Proposed Land Acquisition, Board of Commissioners of Public Lands, File # NA-895 & 896
Approval Requested by December 15, 2006

1. PARCEL DESCRIPTION:

Statewide Natural Areas-Hay Meadow Creek
Vilas County

Statewide Natural Areas-Haley Creek
Florence County

Statewide Natural Areas-Squirrel River Pines
Oneida County

Grantor:

Board of Commissioners of Public Lands (BCPL)
c/o Ms. Tia Nelson, Executive Secretary
125 South Webster Street, Room 200
P.O. Box 8943
Madison, WI 53708-8943

Property	County	Acres	Cost
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Haley Creek State Natural Area	Florence	473	\$ 425,700
Squirrel River Pines State Natural Area	Oneida	240	\$ 288,000
Totals		1,113	\$1,213,700

Acres: 1,113

Price: \$1,213,700

Appraised Value: \$1,213,700

Interest: Purchase in fee.

Improvements: None

Location:

Hay Meadow Creek Parcels: A total of 400 acres composed of three tracts of land located in the Town of Conover in east-central Vilas County. The community of Conover is located five miles to the southwest.

Haley Creek Parcels: A total of 473 acres composed of four non-contiguous blocks of land located in the Town of Florence in central Florence County. Florence, the county seat, is located 14 miles to the northeast

Squirrel River Pines Parcels: A total of 240 acres composed of three non-contiguous blocks of vacant land all of which are located in north-central Wisconsin. Rhinelander, the Oneida County seat, is 25 miles to the southeast.

Land and Covertype Description:

Hay Meadow Creek Parcels: The topography is level to gently rolling, no major slopes. Cover consists of mostly lowland woodland and one 40-acre parcel of upland woods. Timber types are black spruce, jack and white pines, as well as aspen and balsam fir.

Haley Creek Parcels: The topography is gently rolling with no major slopes. Cover consists of predominately wooded lowland and uplands with scattered areas of marsh. Timber types are tamarack, black spruce, mixed northern hardwoods and cedar.

Squirrel River Pines Parcels: The topography is predominantly level low lands containing some steep upland slopes overlooking the river. The 41 acres of upland woodland cover is primarily composed of northern hardwoods as well as red pine.

Zoning:

Hay Meadow Creek Parcels: Forestry

Haley Creek Parcels: Forestry and Natural Resource Protection District

Squirrel River Pines Parcels: Forestry

Present Use: Currently State owned and managed for sustained yield timber production and public recreation.

Proposed Use: Resource Protection and Public Recreation

Tenure: The BCPL land was acquired at the beginning of statehood and with some subsequent transfers, from the federal government.

Property Taxes: All parcels are tax exempt.

2. JUSTIFICATION:

The Department recommends the acquisition of 1,113 acres of land from the Board of Commissioners of Public Lands for the Statewide Natural Area Program; Hay Meadow Creek in Vilas County, the Haley Creek in Florence County, and the Squirrel River Pines State Natural Area in Oneida County. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, and provide resource protection.

The Statewide Natural Area program was established in 1972 to protect the best remaining examples of Wisconsin's native vegetation as well as habitat for endangered and threatened plants and animals. Natural areas will help protect the natural diversity of the landscape and preserve for future generations a living history of the past. Natural areas are used for study by elementary to college age school groups and researchers as well as the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

Hay Meadow Creek. Swamp is part of one of the largest and least disturbed peatland complexes in north-central Wisconsin. It features a diverse mosaic of lowland community types including northern sedge meadow, muskeg, black spruce swamp, and tamarack swamp. Mature jack pine is a regionally declining forest type that still comprises the primary forest cover in dry upland locations in and around this site. Aquatic features of interest include Wolf Lake, a small 5-acre bog lake, and a spring fed cold-water stream. The site provides habitat for a number of boreal birds including gray jay, boreal chickadee, black-backed woodpecker, Connecticut warbler, and the state-threatened spruce grouse. Of interest are the reported sightings of the federally endangered Kirtland's warbler in close proximity to this area. Plants include the ragged fringed orchid found growing in a wet pool in one of the large sedge meadows. The interior of the swamp is remote with no major roads present, although a snowmobile trail is heavily used during the winter.

The 400-acre subject property consists of three parcels. There is no direct road access to any of the parcels, requiring access from adjacent state and county lands. The subject includes about 200 feet of low frontage on the northern shore of Wolf Lake, a 5-acre lake with a maximum depth of 19 feet. There are some fishery resource found in the lake, including largemouth bass and panfish. The Department owns land on three sides of the northern-most parcel. The largest parcel is adjacent to DNR land to the west and north of the parcels. There are also Vilas County Forest lands and some private in-holdings on all sides of the southern two parcels.

Haley Creek. Swamp represents the most significant natural features complex on State Trust Land within this ecoregion. The undisturbed high-quality wetland complex includes two undeveloped spring ponds, fens, old growth black spruce, white cedar, and tamarack swamp, and a mile-long cold-water stream segment. The site supports many rare plants including showy lady's-slipper, ram's-head lady's-slipper, northern bog sedge, and northern black currant. Rare animals include boreal chickadee and spruce grouse. The uplands feature several good quality stands of select-cut, old growth hemlock-hardwood forest on the periphery of the swamp and some more marginal quality hardwoods occur as swamp islands. If left to mature, these uplands would provide a good buffer to the wetlands.

The 473-acre subject property consists of four non-contiguous parcels that are bordered by lands purchased by the DNR in the Wild River Legacy Forest (WRLF) acquisition this past year. The land in Section 10 is the last remaining non-DNR fee ownership in this section and includes 1,734 feet of frontage on Dorothy Lake, one of the four wild lakes the Department has proposed to include in a Wild Lake Protection area from the Wild River Legacy Forest Acquisition. Dorothy Lake is a 19-acre lake with a maximum depth of three feet. Fishery resources are limited, but the lake provides habitat resources for wildlife and waterfowl. The remaining parcels are within the easement area of the WRLF purchase and are almost entirely surrounded by the forest legacy easement lands. The largest of the parcels includes 1,520 feet of stream thread on Haley Creek. This creek is classified as a Class I trout stream with Brown Trout present. Access to all parcels is across existing state ownership and easement lands.

Squirrel River Pines. Squirrel River Pines features a fine example of northern dry-mesic forest situated on a narrow, sandy peninsula running northeasterly towards the Squirrel River. The forest is dominated by a stand of old, large red pines while white pines make up roughly 10% of the canopy, but constitute most of the reproduction. Charring on some of the oldest stumps and snags indicates a fire history and probable origin of this stand. Other species include pipsissewa, three-leaved goldthread, round-lobed hepatica, twinflower, and one-sided shinleaf. Surrounding the uplands is a large wetland complex of northern wet forest, northern sedge meadow, and alder thicket associated with the Squirrel River, a slow, warm, hard-water river that flows through the site. The natural area supports a diversity of animals, including characteristic species such as pine warbler, red squirrel, and red-breasted nuthatch. Bald eagles have used the pines as a nesting site. Squirrel River Pines was designated a State Natural Area in 1991.

The subject properties consist of three-non-contiguous parcels that include a total of 7,500 feet of stream thread on the Squirrel River. A majority of the frontage is low and wet areas, with large expanses of wetland complex extending from the banks of the river. The Squirrel River is wide and shallow, which flows through extended wetland complexes from Squirrel Lake to the Willow Flowage. Fishery resources include walleye and pike. There is no direct road access to any of the parcels, requiring access to adjacent lands both public and private. Two of the parcels adjoin existing DNR ownership, bordered on two sides each. The remaining parcel has no adjoining state land but is within one-quarter mile of DNR lands. The Department recommends the purchase of the above described properties to allow wildlife habitat management, to provide public access for recreation, and provide resource protection.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,600,000	\$621,000

4. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA PROGRAM:

Established: 1972
Acres Purchased to Date: 35,273
Acquisition Goal: 41,000 Acres
Percent Complete: 86.03%
Cost to Date: \$18,598,851

5a. APPRAISALS – Hay Meadow Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: September 2, 2006
Appraised Value: \$500,000
Highest and Best Use: Recreation

Allocation of Values:

- a. land: 400 acres @ \$1,250 per acre: \$500,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,004 to \$1,347 per acre

5b. APPRAISAL - Haley Creek Parcel:

Appraiser: Jolene Brod (Private Appraiser)
Valuation Date: August 18, 2006
Appraised Value: \$425,700
Highest and Best Use: Recreation with potential for residential site

Allocation of Values:

- a. land: 473 acres @ \$900 per acre: \$425,700
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$724 to \$1,013 per acre

5c. APPRAISAL – Squirrel River Pines State natural Area Parcels

Appraiser: Phillip Lepinski (Private Appraiser)
Valuation Date: September 20, 2006, 2006
Appraised Value: \$288,000
Highest and Best Use: Recreational seasonal residence with forestry as an ancillary use.
Allocation of Values:

- a. land: 240 acres @ \$1,200 per acre: \$288,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,514 to \$2,044 per acre

Appraisal Reviews: Richard Steffes – October 20, 2006

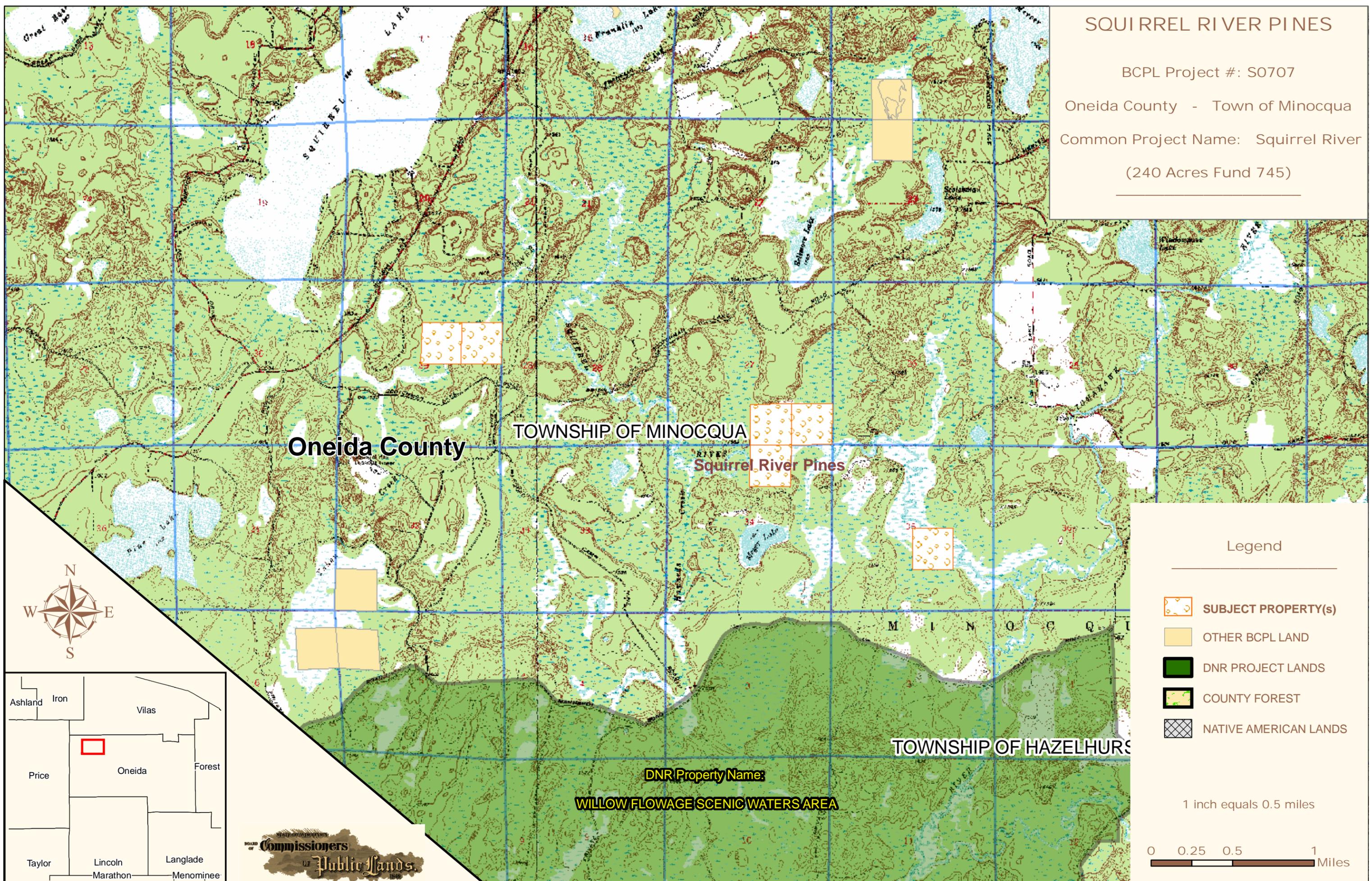
SQUIRREL RIVER PINES

BCPL Project #: S0707

Oneida County - Town of Minocqua

Common Project Name: Squirrel River

(240 Acres Fund 745)



Oneida County

TOWNSHIP OF MINOCQUA

Squirrel River Pines

TOWNSHIP OF HAZELHURST

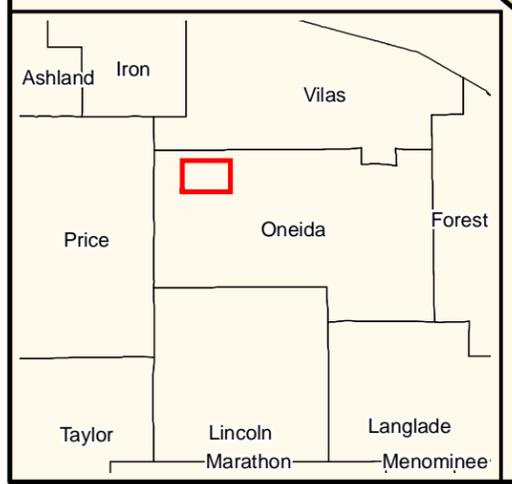
DNR Property Name:

WILLOW FLOWAGE SCENIC WATERS AREA

Legend

-  SUBJECT PROPERTY(s)
-  OTHER BCPL LAND
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  NATIVE AMERICAN LANDS

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3D
TRUST LAND SALES TO THE DNR
WILLOW FLOWAGE PROPERTY**

The sale of this parcel of land described as the SWSW, Section 34, Township 38 North, Range 5 East, Town of Minocqua, Oneida County, will enable the DNR to complete the obligation to purchase \$2,000,000 of BCPL Trust Land from the Stewardship Fund for the FY 2007 fiscal year.

This is an isolated 40 acre parcel that is contained within the boundary of the DNR Willow Flowage Scenic Waters Project Area. The parcel is ancillary to the forestry needs of BCPL and meets the Board's sale criteria. The property was appraised by an independent appraiser and will be sold at the appraised value of \$38,000. The proceeds from the sale will be deposited into the Land Bank fund and used to purchase other properties.

The attached materials more fully describe the property.

Attachments:

Resolution w/Exhibits

BCPL Sale Criteria

BCPL Project Map

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 3D
SALE OF WILLOW FLOWAGE PROPERTY IN ONEIDA COUNTY TO DNR**

RECITALS

- A. The Wisconsin Department of Natural Resources (“DNR”) has determined that certain property located in Oneida County more particularly described as the Southwest Quarter of the Southwest Quarter of Section Thirty-Four (34) in Township Thirty-Eight North (T38N), Range Five East (R5E) in the Town of Minocqua (the “Willow Flowage Property”) is required for state use. The DNR has offered to purchase the Willow Flowage Property for the sum of Thirty-Eight Thousand Dollars (\$38,000).
- B. The Willow Flowage Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Willow Flowage Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Willow Flowage 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 Willow Flowage Property has been independently appraised by Brod Appraisal Services, LLC at a value of Thirty-Eight Thousand Dollars (\$38,000). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The DNR has been authorized by its board to pay the sum of Thirty-Eight Thousand Dollars (\$38,000) to acquire the Willow Flowage 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 Willow Flowage Property to the Wisconsin Department of Natural Resources at the price of Thirty-Eight Thousand Dollars (\$38,000) 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.

Common Name Willow Flowage

Transaction ID 50708

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

12/01/2006
Date

CERTIFICATION OF THE APPRAISAL

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

I have personally inspected the real estate that is set forth in this appraisal report, and the analysis, conclusions and opinions belong solely to the undersigned appraiser.

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 appraised value represents my best and unbiased judgment with respect to the subject matter of this appraisal report and to the parties involved.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report. Also, I have not discussed the matter of price or value with the owner or his representative.

Neither the employment nor the compensation for this report is contingent upon the value estimated herein.

The statements in this appraisal report are made subject to the assumptions and limiting conditions set forth.

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

Michael Paus, Office Administrator for the Board of Commissioners of Public Lands, was contacted but did not accompany the appraiser on the property inspection. Tom Shockley, Willow Flowage Forester and Property Manager for the Department of Natural Resources, accompanied the appraiser on the property inspection. The subject property was inspected on October 16, 2006.

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

\$74,100 as of October 16, 2006.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 10/31/06
Jolene M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

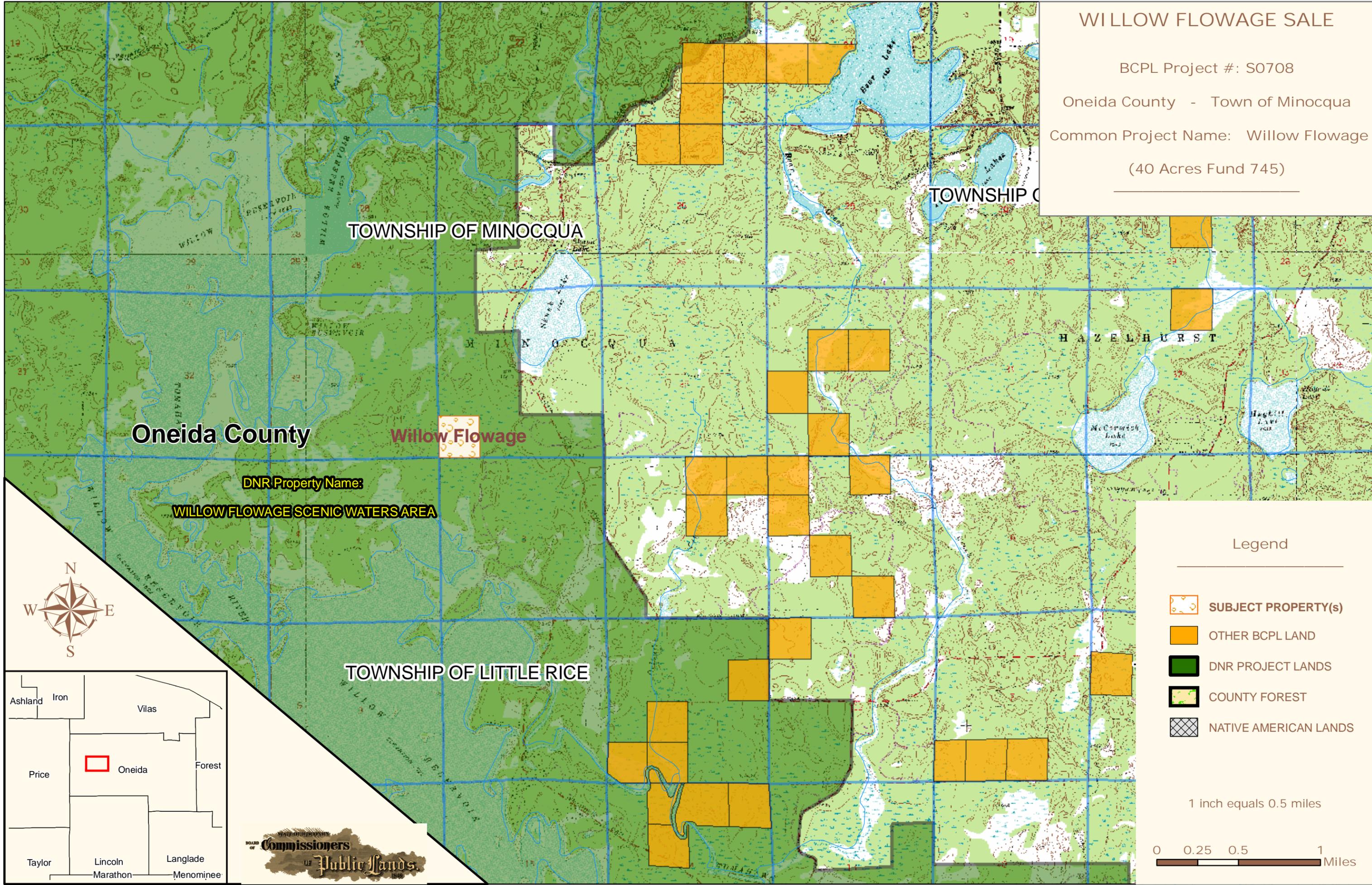
WILLOW FLOWAGE SALE

BCPL Project #: S0708

Oneida County - Town of Minocqua

Common Project Name: Willow Flowage

(40 Acres Fund 745)



Oneida County

TOWNSHIP OF MINOCQUA

TOWNSHIP OF

HAZELHURST

TOWNSHIP OF LITTLE RICE

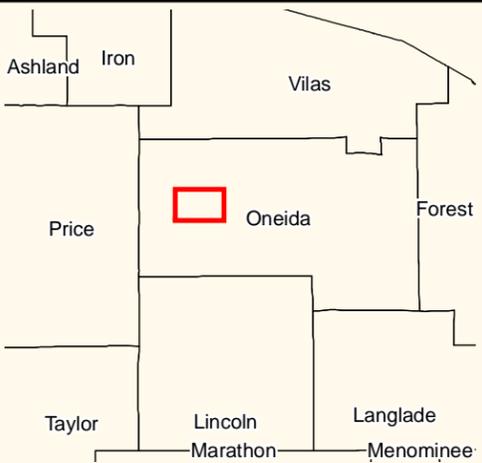
**DNR Property Name:
WILLOW FLOWAGE SCENIC WATERS AREA**

Willow Flowage

Legend

-  **SUBJECT PROPERTY(s)**
-  **OTHER BCPL LAND**
-  **DNR PROJECT LANDS**
-  **COUNTY FOREST**
-  **NATIVE AMERICAN LANDS**

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 4A
TRUST LAND PURCHASES
AMERICAN TIMBERLANDS PROPERTY**

The following property is currently available for purchase from the DNR. It is important from a strategic long-term ownership perspective and conforms to the conditions contained in the Consolidation Plan.

The DNR has requested that the BCPL become partners in a 1520 acre acquisition in the Willow Flowage Scenic Waters Area located in the Town of Minocqua, Oneida County, more accurately described as the S $\frac{1}{2}$ of the SE $\frac{1}{4}$, SESW, Section 26; SESE, Section 27; NE $\frac{1}{4}$, NESE, S $\frac{1}{2}$ of the SE $\frac{1}{4}$, Section 34; N $\frac{1}{2}$ of the NW $\frac{1}{4}$, E $\frac{1}{2}$ of the NE $\frac{1}{4}$, SE $\frac{1}{4}$, NESW, S $\frac{1}{2}$ of the SW $\frac{1}{4}$, Section 35; and all of Section 36, Township 38 North, Range 4 East.

This property lies within the DNR Willow Flowage project boundary. The DNR will purchase an easement from the BCPL for public recreation and to preclude development. This lowers the BCPL's cost to acquire the property from \$2,257,000 to \$1,467,000

This parcel is an important acquisition for the BCPL as it abuts over one thousand acres of existing BCPL Trust Lands. When ranked using the Purchase Criteria for evaluating BCPL land purchases, this property would meet 9 of 12 criteria.

Attachments:

Resolution w/Exhibits
BCPL Purchase Criteria
DNR Board Agenda Item (Green Sheet)
BCPL Project Map

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 4A
PURCHASE OF AMERICAN TIMBERLANDS PROPERTY FROM DNR
TOWN OF MINOCQUA, ONEIDA COUNTY**

RECITALS

- A. The Department of Natural Resources has offered to sell certain property more particularly described as the South Half of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter in Section Twenty-Six (26); the Southeast Quarter of the Southeast Quarter in Section Twenty-Seven (27); the Northeast Quarter, the Northeast Quarter of the Southeast Quarter and the South Half of the Southeast Quarter in Section Thirty-Four (34); the North Half of the Northwest Quarter, the East Half of the Northeast Quarter, the Southeast Quarter, the Southwest Quarter of the Southwest Quarter and the East Half of the Southwest Quarter in Section Thirty-Five (35); and all of Section Thirty-Six (36) all in Township Thirty-Four North (T38N), Range Four East (R4E), Town of Minocqua, Oneida County Wisconsin (the “American Timberlands Property”).
- B. The American Timberlands Property has been evaluated by BCPL staff against purchase criteria previously adopted by the Board. The American Timberlands Property has been determined by BCPL staff to be appropriate for purchase according to such criteria. A copy of the summary purchase analysis is attached to this resolution as Exhibit A.
- C. The American Timberlands Property is contiguous to 1000 acres currently owned by the Board of Commissioners of Public Lands. Acquisition of the American Timberlands Property will provide better access to BCPL’s current land holdings.
- D. The American Timberlands Property has been appraised at a value of \$2,257,000. A copy of the certification of valuation has been attached to this resolution as Exhibit B.
- E. The DNR purchased the American Timberlands Property earlier in 2006 with the intention of retaining a conservation easement but not fee ownership of such property. The DNR is willing to accept a discount of \$790,000 on the sale price of the American Timberlands Property if BCPL is willing to grant a conservation easement to the DNR. The proposed conservation easement will not interfere with BCPL’s ability to harvest timber from the American Timberlands Property. A copy of the proposed terms of the conservation easement is attached to this resolution as Exhibit C. A copy of the appraisal of the conservation easement is attached to this resolution as Exhibit D. The net cost of the purchase is \$1,467,000. BCPL staff has valued the American Timberlands property subject to the conservation easement encumbrance at an amount equal to or greater than \$1,467,000.

- F. BCPL staff project closing on the sale of more than \$1,467,000 of other lands to the DNR in the near future. Proceeds from the sale of other property to the DNR would provide enough funds to purchase the American Timberlands Property from the DNR under the Land Bank Authority granted to BCPL by the legislature this year.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the purchase of the American Timberlands Property from the DNR at the price of One Million Four Hundred Sixty-Seven Thousand Dollars (\$1,467,000) 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 transaction is contingent upon BCPL having sufficient funds available in land bank accounts to close the purchase. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such purchase transaction.

IT IS FURTHER RESOLVED that the Board of Commissioners of Public Lands approves the granting of a conservation easement on the American Timberlands Property to the DNR on such terms and conditions as the Executive Secretary determines to be reasonable. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to grant such conservation easement to the DNR.

American Timberlands
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

10 of 12

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

- Yes
- No


Signature of Forest Land Supervisor

11-14-2006
Date

CERTIFICATE OF VALUATION

I (We) hereby certify that, to the best of my (our) 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, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions and conclusions of the appraiser or appraisers.

I (We) have no present or prospective interest in the property that is the subject of this report and I (We) have no personal interest or bias with respect to the parties involved.

My (Our) compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate or the attainment of a stipulated result, or the occurrence of a subsequent event.

My (Our) analyses, opinions and conclusions are developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisition (The Yellow Book).

The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception rule, as described in Section D-1 for the Uniform Appraisal Standards for Federal Land Acquisitions.

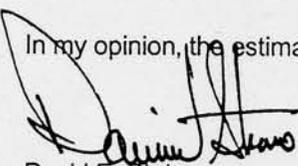
I (We) have made a personal inspection of the property that is the subject of this report. The property owner, or his/her designated representative, was given the opportunity to accompany the appraiser on the property inspection.

No one provided significant professional assistance to the person(s) signing this report.

I (We) have appropriate knowledge of the specific market and relevant experience appraising properties similar in size and complexity to the property under consideration to complete this assignment with competence.

The effective date of the appraisal is March 17, 2006.

In my opinion, the estimated market value of the described subject property is \$2,257,000 on March 17, 2006.



David E. Steiro

Wisconsin Certified General Appraiser #933

CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT (herein the "Easement") is made as of this _____ day of _____, 2006, by the **STATE OF WISCONSIN** acting by and through the **Board of Commissioners of Public Lands** (herein the "GRANTOR") and the **STATE OF WISCONSIN**, acting by and through the **Department of Natural Resources** (herein the "GRANTEE").

WHEREAS, GRANTOR is the owner in fee simple of certain real property which has aesthetic, scientific, educational, ecological, recreational and water resource values in its present state and is located in Oneida County, Wisconsin, and is more particularly described on Exhibit "A" and Exhibit "C" parcel map, attached hereto and by this reference incorporated herein, (hereinafter, the **Protected Property**);

WHEREAS, conservation of the Protected Property in its current state would be in furtherance of GRANTEE's purposes and policies;

WHEREAS, GRANTOR and GRANTEE have a mutual interest to protect, sustain and enhance forest resources, natural resources, air, land, water, wildlife, fish and forests and the ecosystems that sustain life;

WHEREAS, GRANTOR and GRANTEE recognize the natural, scenic, aesthetic, and special character of the Protected Property and have the common purpose of the conservation and protection of the Protected Property in perpetuity by providing for the conveyance of this Conservation Easement;

WHEREAS, GRANTEE is a government entity which is qualified to hold conservation easements pursuant to Section 170(h)(3), Internal Revenue Code and sec. 700.40, Wis. Stats.;

WHEREAS, GRANTEE acknowledges that the management, use and ownership of all timber will be retained by GRANTOR; and

WHEREAS, the goal of this easement is to minimize fragmentation and conversion of significant forested areas to non-forest uses through the wise administration of conservation easements that focus on the sustainable use of forest resources.

NOW, THEREFORE, in consideration of the sum of \$ _____ (\$ _____) Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by GRANTOR, and the consideration of the covenants, mutual agreements, conditions, and promises contained herein, GRANTOR does hereby voluntarily give, grant, bargain, sell and convey unto GRANTEE forever, a conservation easement in perpetuity, the development rights and public outdoor recreation access rights over the Protected Property, subject to the following terms and conditions:

SECTION I
PURPOSE

GRANTOR and GRANTEE agree that the Purposes of this Easement (the "Purposes") are generally described as follows:

a. **Commercial Forest Management; Open Space.** GRANTOR and GRANTEE desire to preserve and protect in perpetuity the right to practice commercial forest and resource management and to maintain the undeveloped character of the Protected Property. Both parties recognize and agree that commercial timber harvesting and resource management, including but not limited to the GRANTOR's Retained Rights as described in **Section IV** hereof, will protect the conservation values of the Protected Property. Both parties further recognize and agree that GRANTOR's management as documented in Baseline Documentation (as hereinafter described in **Sections VI.**) is reflected in the terms, conditions, and purposes of this Conservation Easement and therefore protects the conservation values of the Protected Property.

b. **Commercial Timber Harvesting.** GRANTOR and GRANTEE agree that commercial timber harvesting as generally conducted on the Protected Property by GRANTOR is consistent with the purposes of this Conservation Easement. Therefore, in accordance with the terms hereof and consistent with the Purposes stated herein, the GRANTOR will manage the Protected Property as part of the GRANTOR's commercial timber harvest base, while providing open space.

c. **Public Access.** A further purpose of this Easement is to provide to the GRANTEE, on behalf of the public, the right of reasonable access to the Protected Property for public outdoor recreational uses provided in **Section II**; subject, however, to the provisions of this Conservation Easement.

SECTION II
AFFIRMATIVE RIGHTS OF GRANTEE

To the extent that GRANTEE's exercise of such rights do not unreasonably interfere with the GRANTOR's enjoyment of the Protected Property for Commercial Forestry activities, GRANTOR herein conveys to GRANTEE the following affirmative rights (collectively the "Affirmative Rights"):

a. **Right to Enter.** The GRANTEE has the right to enter the Protected Property at any reasonable time to monitor compliance with this Conservation Easement.

b. **Right to Enter for Management Purposes.** GRANTEE has the right to enter the Protected Property at any reasonable time to carry out recreational management or conservation responsibilities under this Conservation Easement.

c. **Right to Manage and Enhance Fish and Wildlife Habitat.** The GRANTEE shall have the right to manage fish and wildlife habitat on the Protected Property. Such activities

may include, but are not limited to wild rice seeding, installing habitat structures, dredging existing spring ponds or such other natural resources management activity that GRANTEE deems necessary to maintain or enhance fish and wildlife habitat on the Protected Property, provided such activities do not impact adversely on the value of the Protected Property and/or the timber located thereon and that such activities result in no more than 10% of the Protected Property being maintained in a non-forested condition. GRANTEE's right to manage fish and wildlife habitat is not intended to supersede GRANTOR'S rights to use the Protected Property for production of forest products.

d. **Perpetual Right to Permit Public Hunting, Fishing, Skiing, and other Non Motorized Public Outdoor Recreation.** Subject to the restrictions, terms, conditions and specific rights retained by the GRANTOR herein, the GRANTEE shall have the right to permit the general public to access and use the Protected Property including the right to hunt, fish, trap, hike, pick berries, view wildlife and cross country ski and undertake such non-motorized recreational activities which do not interfere with GRANTOR's retained rights. Snowmobiles are permitted only on designated and marked snowmobile trails. No All Terrain Vehicles (ATVs) are permitted on the Protected Property. All future motorized recreational uses and recreational trail development shall be mutually agreed upon by the Grantor and Grantee. The rights of the general public to use the Protected Property are subject to the laws of the State of Wisconsin and shall not supersede the rights of GRANTOR to use the Protected Property for forest management purposes. It is the express intent of the parties hereto that the GRANTEE'S and the public's use of the Protected Property as permitted herein is intended to fall solely within the definition of "Recreation Activities" as defined in sec. 895.52(1)(g), Wis. Stats. and this Conservation Easement and all of the GRANTEE'S and the public's rights hereunder shall be construed in all events in such a manner as to limit GRANTOR'S liability for GRANTEE'S and the public's use of the Protected Property to the greatest extent permitted under sec. 895.52, Wis. Stats.

e. **Right to Clear, Construct, Relocate and Maintain Trails.** Upon the GRANTOR's prior written consent, The GRANTEE may construct, develop, maintain and operate new trails and other recreational facilities. GRANTEE shall have the right to reasonably clear, construct, relocate and maintain existing trails for walking, skiing, snowmobiling, and other non-commercial, non-motorized recreational activities within and across the Protected Property, provided said trails are used and maintained in accordance with the terms of this Conservation Easement and with the baseline documentation on file with GRANTEE and subject to the limitations contained in **Section II.d.** GRANTEE will follow Department of Natural Resources design and construction standards for all trails. Upon the request of the GRANTOR, GRANTEE agrees to close any trail on which the public use interferes with the GRANTOR'S Commercial Forestry operations. GRANTOR and GRANTEE agree to work in good faith to relocate or re-open any closed trails; provided, however such relocation shall be subject to the GRANTOR'S prior written consent. GRANTEE has the right to close trails due to environmental degradations or for public safety. Grantor and Grantee will mutually agree upon developments prior to installation.

f. **Right to Permit Public Motor Vehicle Use.** GRANTEE's right to permit public motor vehicle use shall be limited to roads, identified on the map attached hereto and marked as Exhibit "B" "Public Motorized Use Areas". Upon the request of the GRANTOR, GRANTEE

agrees to close to motor vehicle use any road or snowmobile trail on which the public use interferes with GRANTOR'S Commercial Forestry operations. GRANTOR and GRANTEE agree to work in good faith to relocate or re-open any closed roads or snowmobile trails.

g. **Right to Enforce.** GRANTEE rights and responsibilities contained in this Conservation Easement shall be liberally construed in order to provide sufficient management, supervision and control over the property for the purpose of enforcing Chapters NR 30 & NR 45, Wisconsin Administrative Code, Chapter 26, Wis. Stats., and all other applicable laws, regulations and rules consistent with the GRANTEE's credentialed authority on and within the Protected Property and the availability of future appropriations and resources.

SECTION III **PROHIBITED USES**

GRANTOR, its successors and assigns, do hereby make and impose the following general covenants and restrictions with respect to the Protected Property and with the intent that the same shall run with and bind the Protected Property in perpetuity subject however, in each case, to the GRANTOR's Reserved Rights described in **Section IV** below and GRANTEE's Affirmative Rights in **Section II** (the "Prohibited Uses"):

a. **Uses.** There shall be no commercial or industrial activity (except forestry operations including GRANTOR's signs for sustainable forestry practices) undertaken or allowed on the Protected Property. Furthermore, no portion of the Protected Property shall be rented, leased, transferred or otherwise made available by GRANTOR to any entity for recreational purposes in exchange for a fee or other consideration.

b. **Structural.** There shall be no development of the Protected Property to accommodate or facilitate, the construction of temporary or permanent residences, buildings, facilities, infrastructure, permanent ground blinds, permanent tree stands or utilities, nor placing of mobile homes, cell towers, advertising signs, billboards, or other advertising material, except for general informational or regulatory signs such as "Closed Area, Timber Harvest In Progress" and signs related to the forestry program. There shall be no construction or placing of docks, bridges, piers or other structures on the Protected Property, except for the construction, placing or development of new culverts and permanent bridges in accordance with Wisconsin's Forestry Best Management Practices for Water Quality, or its replacement(s) (hereinafter "BMPs"). Said BMP's are attached to the baseline documentation described in **Section VI** of this Conservation Easement. Provided, however, nothing contained in this paragraph shall prohibit or restrict: (a) the maintenance, repair and replacement of improvements, roads and structures identified in the baseline documentation and in existence on the date of this Conservation Easement which service GRANTOR's Commercial Forestry operations and land management activities or (b) GRANTOR's development, construction and maintenance of roads, infrastructure, or utilities to implement and carry out GRANTOR's rights and policies in regard to the Protected Property, including, but not limited to, commercial forestry when conducted in accordance with this Conservation Easement.

- c. **Surface Waters.** There shall be no dredging of new ponds, dikes or canals, nor any manipulation of natural water courses, nor any activities or uses detrimental to water quantity or quality. Nothing in this section shall prohibit activities reasonably required in connection with GRANTEE's rights to carry out fish and wildlife habitat development and management as outline in **Section II**. Nothing contained in this section shall prohibit activities reasonably required in connection with the maintenance of roads as provided herein or GRANTOR's use of the Protected Property for commercial forestry when conducted in accordance with the terms of the BMPs and this Conservation Easement.
- d. **Subdivision.** GRANTOR may not subdivide the Protected Property. Sales of any portion of the Protected Property to GRANTEE are not subject to this provision.
- e. **Dumping.** GRANTOR shall not dump or store ashes, trash or solid waste as defined in sec. 144.01(15) Wis. Stats. (as currently drafted and not including any subsequent amendments) on or within the Protected Property. Residual bark, treetops and limbs that are the result of on-site forestry activities may be left on the Protected Property.
- f. **Pesticides, Herbicides, Fertilizers.** If pesticides, herbicides and fertilizers are applied to any area of the Protected Property they shall be applied according to BMPs, if applicable. In all circumstances, all pesticides, herbicides and fertilizers, including biosolids classified no lower than Class A, must be applied at rates or in a manner that will protect surface and ground water.
- g. **Agricultural Uses.** Grantor shall not conduct agricultural activity on the Protected Property, except for Forest Management Activities permitted herein. There shall be no livestock or feedlots permitted on the Protected Property
- h. **Dredging.** Grantor shall not ditch, drain, dike, fill, or dredge soil or other materials, nor change the topography of the land in any manner except as reasonably necessary for permitted Forest Management Activities and fish and wildlife habitat management as provided in this Conservation Easement.
- i. **Mining.** Grantor shall not quarry, excavate, explore for, prospect for, drill, mine, develop or extract minerals, peat, gas, oil, or other hydrocarbons, sand, rock, gravel or other deposits by any surface or sub-surface mining or other method, on the Protected Property, except as provided in **Section III.j.**
- j. **Sand and Gravel Mining.** Grantor may extract sand and gravel for use related to Forest Management Activities on the Protected Property in accordance with applicable law, provided the disturbed area for the extraction of sand and gravel does not exceed five (5) acres in size within the Protected Property, at any one time. Any activity described herein shall be subject to the Forest Management Plan. Reclamation of any such site shall be subject to local zoning ordinances and in accordance with the laws of the State of Wisconsin, including but not limited to Chapter NR 135, Wis. Adm. Code.

SECTION IV
GRANTOR'S RESERVED RIGHTS

Any of the foregoing provisions to the contrary notwithstanding, GRANTOR reserves in perpetuity, and reserves for its successors and assigns in perpetuity, the following reserved rights (“Reserved Rights”), which may be exercised at any time, subject to any notice requirements set forth below:

- a. **Enjoyment and Access.** GRANTOR specifically reserves the right of free and uninhibited access by means of motorized vehicles over and across the Protected Property along with the right to continue to enjoy the full use of the Protected Property for any and all purposes that are not inconsistent with this Conservation Easement.
- b. **Sale of Property.** Except as provided herein, GRANTOR may sell, lease or mortgage the Protected Property, subject to this Conservation Easement; provided, however, the Protected Property may not be subdivided. In any deed conveying an interest in all or part of the Protected Property, GRANTOR shall reference this Conservation Easement and shall indicate that the Conservation Easement is binding on all successors in interest in the Protected Property in perpetuity. All sales of the Protected Property shall be subject to the subdivision restrictions outlined in **Section III. d.** of this easement. GRANTOR shall also notify GRANTEE of the name(s) and address(es) of GRANTOR’s successors in interest.
- c. **Commercial Forestry.** GRANTOR shall have the right to conduct Commercial Forestry operations, including timber harvesting, reforestation, forestry research, road construction and maintenance, the selling of forest products for profit, including stumpage, delivered logs, and timber harvest rights, firewood cutting and removal evergreen bow harvesting, and the harvesting and removal of wood and non-timber products (collectively “Commercial Forestry) on the Protected Property in accordance with BMP’s where applicable and this Conservation Easement. The following provisions shall apply to all Commercial Forestry practices authorized under this Conservation Easement.
- d. **Forest Crop or Managed Forest Land Law.** If the Protected Property or any part thereof, is enrolled in the Forest Crop Law, Chapter 77, subch. I, Wis. Stats., Managed Forest Land program, Chapter 77, subch. VI, Wis. Stats or other forest tax program administered by the GRANTEE and designed to assure sustainable forestry practices (hereinafter Forest Tax Program), GRANTOR’s commercial forestry practices, in conformance with the terms, conditions and standards of those programs, shall be considered an acceptable Management Plan under this Conservation Easement. The GRANTOR retains the right to renew from time to time, Forest Tax Program agreements with the State of Wisconsin.
- e. **Land not in a Forest Tax Program.** If the Protected Property, or any part thereof, is not enrolled in a Forest Tax Program; the GRANTOR’s Commercial Forestry practices shall be consistent with a Forest Stewardship Plan, with the following commitments; **or** a management plan which is a part of and required as an element of a sustainable forestry certification program as administered under the Forest Stewardship Council or Sustainable Forestry Initiative as long as the Protected Property is subject to this certification.

(1) The GRANTOR shall prepare a Forest Stewardship Plan, acceptable to the GRANTEE, on or before September 1, 2008. At a minimum the plan shall contain the following:

(a) Acceptable maps of management or harvest units with brief descriptions of forest type, stocking, age, quality, overall health, stand history, existing access routes, and management objectives for the unit;

(b) The location and description of special or unique plant or wildlife habitats, if known;

(c) The location and condition of roads, trails, undeveloped campsites and other areas used by the public, if known.

(d) Proposed management activities including harvest schedule over the next ten (10) years, or longer, if known.

(e) A provision for reviewing the Forest Stewardship Plan every ten (10) years.

(f) A notice provision to assure that if the Grantor intends to cut merchantable timber on the Protected Property, the Grantor shall at least 21 days before the cutting, on a form provided by the Grantee, file a notice of intent to cut and request approval for cutting. If the cutting does not conform to the management plan, the cutting may not be conducted until the Grantor and the Grantee agree on a cutting proposal. The cutting notice requirement may be waived by the Grantee.

(g) A provision for amending the Forest Stewardship Plan at any time consistent with this terms of this Conservation Easement. This provision shall provide that upon receipt of a proposed amendment by either Party, the other agrees to review and either agree to the amendment or deny it, indicating the reason for denial, within sixty (60) days from receipt of the proposal. If the proposed amendment is not responded to within the sixty (60) days, the amendment shall be considered approved, as long as the proposal is consistent with this Conservation Easement.

(h) A provision for requiring the GRANTOR to provide GRANTEE information from the management plan upon GRANTEE's request in conjunction with a review or audit.

(2) The GRANTOR shall consistently access and utilize competent technical forest management assistance through staff or consultant services.

f. Right to Construct and Operate Roads. GRANTOR may construct, operate and maintain such roads as may reasonably be required in the course of GRANTOR'S Commercial Forestry operations and/or grant rights and/or easements to construct and maintain such roads over and across the Protected Property. All roads shall be constructed in accordance with the BMPs. The maintenance of roads shall include (a) the removal of dead or encroaching

vegetation; (b) necessary pruning or removal of hazardous trees and plants; (c) the application of permeable materials necessary to correct or impede erosion (e.g., sand, gravel, crushed stone); (d) grading; (e) the placement of culverts, water control structures and bridges; and (f) maintenance of roadside ditches.

SECTION V **GENERAL PROVISIONS**

a. **Protection of the Property.** GRANTEE obligates itself to use every reasonable means and precaution to prevent damages to the Protected Property as a result of the exercise of its rights granted herein. In the event the Protected Property (including any personal property of the GRANTOR stored or maintained thereon) is damaged as a result of the GRANTEE'S negligent use of its rights and responsibilities as granted by this Conservation Easement, the GRANTEE shall, at the option of the GRANTOR, be responsible to pay to the GRANTOR all damages resulting there from or to restore or repair such damages at the GRANTEE'S expense to the extent authorized and limited by Wisconsin Law.

b. **Non-native or Invasive Species.** Grantor shall not intentionally plant, introduce, release or broadcast any shrub or herbaceous species which are not native to the Superior Mixed Forest or Great Lakes Regions of North America except in connection with the revegetation of areas for the purposes of erosion control or bank stabilization, provided such activity is conducted so as to minimize adverse impacts on the conservation values of the Protected Property and provided the Grantor shall consult with the Grantee for suggestions regarding seed mixtures that may be available and may contain more native species than the seed mixtures suggested by the Grantor. No genetically modified or replicated organisms may be intentionally planted, introduced, released or broadcasted by the Grantor on the Protected Property except with the prior written permission of the Grantee. Invasive species may be removed by the Grantor or the Grantee. Non-native tree species may be planted upon mutual agreement of the Grantor and Grantee.

c. **GRANTEE'S Remedies.** In the event that GRANTEE becomes aware of a violation of the terms of this Conservation Easement by GRANTOR, GRANTEE shall give notice to GRANTOR within thirty (30) days in accordance with the notice provisions of **Section V.m** hereof. Failure by GRANTOR to cause discontinuance, abatement, or such other corrective action as may be required to cure the violation within one hundred and eighty (180) days after receipt of such notice shall entitle GRANTEE to bring an action at law or equity in a court of competent jurisdiction to: (i) enforce the terms of this Easement; (ii) require the restoration of the Protected Property to the conditions that existed prior to such activity; (iii) enjoin such noncompliance by a temporary or permanent injunction in a court of competent jurisdiction; (iv) seek a mandatory injunction in a court of competent jurisdiction to compel GRANTOR to take such corrective action as required to remedy the violation; and/or (vi) recover any damages arising from noncompliance with this Easement. Such damages, when recovered, may be applied by GRANTEE, in its sole discretion to corrective action on the Protected Property.

(i) If GRANTEE, in its reasonable judgment determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Protected Property, GRANTEE may pursue its remedies under this paragraph following thirty (30) days prior written notice to GRANTOR of the nature of the violation, the GRANTEE'S basis for such remedy and GRANTEE'S intended actions to prevent or mitigate such damages.

(ii) GRANTEE does not waive or forfeit the right to take action as may be necessary to ensure compliance with this Easement by any prior failure to act and GRANTOR hereby waives any defenses of laches with respect to any delay by GRANTEE in acting to enforce any restriction or exercise any rights under this Easement.

(iii) Nothing herein shall be construed to entitle GRANTEE to institute any enforcement proceedings against GRANTOR for any changes to the Protected Property due to causes beyond GRANTOR'S control, such as changes caused by fire, flood, storm, earthquake, major tree disease, acts of God, acts of GRANTEE; provided, however, only such damages or changes to the Protected Property caused by the public shall not be included in the foregoing waiver. In the event of violations of this Easement caused by unauthorized wrongful acts of third persons, if GRANTEE so requests (and in addition to any other remedies the GRANTEE may have), GRANTOR agrees to assign such right of action to GRANTEE, to join in any suit, and/or to appoint GRANTEE as attorney-in-fact of GRANTOR for the purposes of pursuing an action against such third persons provided that if both GRANTOR and GRANTEE are damaged, any recovery will be apportioned between GRANTOR and GRANTEE consistent with their respective interests and injury

d. GRANTOR's Remedies In the event that GRANTOR becomes aware of a violation of the terms of this Conservation Easement, by GRANTEE, GRANTOR shall give notice to GRANTEE within (30) days in accordance with the notice provisions of **Section V.m** hereof. Failure by GRANTEE to cause discontinuance, abatement, or such other corrective action as may be required to cure the violation within one hundred and eighty (180) days after receipt of such notice may entitle the GRANTOR to bring an action at law or equity in a court of competent jurisdiction to the extent provided by law to: (i) enforce the terms of this Easement; (ii) require the restoration of the Protected Property to the conditions that existed prior to such activity; (iii) enjoin such noncompliance by a temporary or permanent injunction in a court of competent jurisdiction; (iv) to seek a mandatory injunction in the court of competent jurisdiction; to compel GRANTEE to take such corrective action as required to remedy the violation; and/or (v) recover any damages arising from noncompliance with this Conservation Easement. Such damages, when recovered, may be applied by GRANTOR, in its sole discretion to corrective action on the Protected Property.

(i) If GRANTOR, in its reasonable judgment, determines that circumstances require immediate action to prevent or mitigate significant damage to the value of the Protected Property, GRANTOR may pursue its remedies under this paragraph following thirty (30) days prior written notice to GRANTEE of the nature of the violation, the

GRANTOR'S basis for such remedy and GRANTOR'S intended actions to prevent or mitigate such damages.

(ii) GRANTOR does not waive or forfeit the right to take action as may be necessary to ensure compliance with this Conservation Easement by any prior failure to act and GRANTEE hereby waives any defenses of laches with respect to any delay by GRANTOR in acting to enforce any restriction or exercise any rights under this Easement.

(iii) Nothing herein shall be construed to entitle GRANTOR to institute any enforcement proceedings against GRANTEE for any changes to the Protected Property due to causes beyond GRANTEE's control, such as changes caused by fire, flood, storm, earthquake, major tree disease, acts of God, acts of GRANTOR or the unauthorized wrongful acts of third persons. In the event of violations of this Conservation Easement caused by unauthorized wrongful acts of third persons, if GRANTOR so requests and in addition to any other remedies to GRANTOR may have. GRANTEE agrees to assign such right of action to GRANTOR, to join in any suit, and/or to appoint GRANTOR as attorney-in-fact of GRANTEE for the purposes of pursuing an action against such third persons provided that if both GRANTOR and GRANTEE are damaged, any recovery will be apportioned between GRANTOR and GRANTEE.

e. **Indemnity.** As a material part of the consideration for GRANTOR'S execution of this easement, GRANTEE, to the extent authorized and limited by Wisconsin law agrees to indemnify and save and hold harmless GRANTOR, its officers and agents and employees from any and all liens, claims, costs, liability and/or damages for or on account of any injury to or death of persons or damage to property (including but not in any way limited to GRANTOR'S property and costs and attorney fees incurred in defense), in whole or in part caused by the negligent acts or omission on the part of GRANTEE, arising or growing out of the conditions of Protected Property, or GRANTEE'S exercise of the rights under this Conservation Easement.

f. **Inspection.** The GRANTEE and its agents, employees and assigns may enter upon, over and across the Protected Property at any reasonable time to inspect for the purpose of ensuring compliance with the terms and conditions hereof so long as such entry does not interfere with the rights and uses of the Protected Property retained by the GRANTOR.

g. **Servitude.** This Conservation Easement shall continue as servitude running in perpetuity with the Protected Property.

h. **Warranty and Title.** GRANTOR and GRANTEE each agrees to warrant and defend the other party's title and interest in the same created by this Conservation Easement against the lawful claims of all persons claiming by, through, or under that party, but none other.

i. **Taxes and Assessments.** GRANTOR agrees to pay when due any real estate taxes or other assessments levied on the Protected Property. GRANTOR shall furnish to GRANTEE upon request annually timely proof of such payment. In the event that GRANTOR fails to pay any tax or assessment on the Protected Property when due, GRANTEE, subject to the

notice and cure provision of **Section V.c.** may, in GRANTEE's absolute discretion, pay such tax and assessment. Such payment by GRANTEE on behalf of GRANTOR shall bear interest at the statutory rate for money judgments then in effect in the State of Wisconsin. GRANTEE's payment, together with interest, shall constitute a lien upon the fee interest of GRANTOR until repaid to GRANTEE with the priority date of such lien being the date of payment of the tax or assessment by GRANTEE. Such lien shall be enforceable by GRANTEE in the manner provided under the law of the State of Wisconsin for the foreclosure of mortgages on real property.

j. **Modification.** The Conservation Easement as herein defined may be modified only by mutual written agreement by and between the GRANTOR and the GRANTEE (or their respective successors, assigns or their respective designees). No such modification shall be effective unless recorded in the Register of Deeds Office for Oneida County, Wisconsin.

k. **Condemnation.** If all or any part of the Protected Property is taken under the power of eminent domain or by an act of adverse condemnation, by or resulting from public authority, or otherwise acquired by such authority through a purchase in lieu of taking, GRANTOR and GRANTEE shall join in appropriate proceedings at the time of such taking to recover the full value of the Protected Property subject to the taking and all incidental or direct damages resulting from the taking. All expenses reasonably incurred by GRANTOR and GRANTEE in connection with such taking shall be paid out of the recovered proceeds or a separate award thereof, as applicable. The net proceeds from the Protected Property acquired under such taking or threat thereof, shall be distributed between the parties with thirty percent (30%) to be paid to GRANTEE and the balance being paid to GRANTOR.

l. **Successors and Assigns.** The terms "GRANTOR" and "GRANTEE" as used herein shall include, without limitation, the successors and assigns of GRANTOR and GRANTEE, respectively, and the covenants, terms, conditions or restrictions of this Conservation Easement shall be binding upon and inure to the benefit of such successors and assigns and shall continue as a servitude running in perpetuity with the Protected Property. In no case shall the GRANTEE sell, transfer or assign its rights and interests herein conveyed to a non-governmental entity.

m. **Notices.** Any notice, demand, consent, or communication that either party is required to give to the other hereunder shall be in writing and either served personally by hand-delivery or by registered or certified mail, postage prepaid, addressed as follows:

To the GRANTOR: Board of Commissioners Public Lands
Executive Secretary, P.O. Box 8943
Madison, WI 53708-8943
Telephone: 608/266-1370
Facsimile: 608/267-2787

To the GRANTEE: Wisconsin Department of Natural Resources
Director of Real Estate, P.O. Box 7921
Madison, WI 53707-7921

Telephone: 608/266-0201
Facsimile: 608/261-0748

and

Administrator, Division of Forestry
P.O. Box 7921
Madison, WI 53707-7921

or, to such other address as any of the above parties shall from time to time designate by written notice delivery pursuant to the terms of this paragraph. All such notice deliver hereunder shall be effective upon delivery, if by hand delivery, or within three (3) days from the date of mailing, if delivered by registered or certified mail.

n. **Negotiation and Mediation.** All disputes arising under this Conservation Easement shall be subject to mandatory negotiation and mediation as provided herein as a prerequisite to litigation or other dispute resolution. Prior to submitting a dispute to mediation or commencing litigation the parties hereto agree to diligently attempt, in good faith, to settle any disputes by negotiation between the parties. If the parties are unable to reach a negotiated settlement with respect to such dispute within thirty (30) days after the commencement of negotiations, the parties may continue to diligently negotiate in good faith with respect to such dispute, or, at the option of either party, the dispute may be submitted to mediation by written demand for mediation delivered to the other party. Any mediation of any dispute under this Conservation Easement shall be conducted by a proprietary mediation service having expertise in the subject matter in dispute and mutually acceptable to the parties to the Claim. Upon selection of the mediation service by parties to the Claim, the parties shall diligently attempt, in good faith, to settle any disputes by mediation and such mediation shall be held no later than thirty (30) days after the request for mediation. If the parties are unable to reach a mediated settlement with respect to such Claim within thirty (30) days after the commencement of mediation, the parties may continue to diligently mediate in good faith with respect to such dispute, or either party may commence litigation with respect to such dispute.

o. **Force Majeure.** For periods of up to 180 days following fires, floods, windstorms, ice storms, or acts of God, resulting in significant loss or damage to timber situated on the Protected Property, GRANTOR may exclude the general public from all or a portion of the Protected Property during the timber salvage operations.

p. **Governing Law.** This Easement Agreement is governed by the currently existing laws, regulations and rules of the State of Wisconsin and is not subject to any changes, modifications or amendments of any such laws.

SECTION VI
BASELINE DOCUMENTATION

Baseline documentation is on file with GRANTOR and GRANTEE and is made part of this Conservation Easement by reference. Baseline documentation is intended to be a record of the Protected Property's condition at the time this Conservation Easement is conveyed from GRANTOR to GRANTEE and is to be used for the Purposes of maintaining and enforcing the terms of this Conservation Easement. Baseline documentation may include aerial or satellite photographs of the Protected Property and identify existing road and trail networks, structures, known locations of invasive species, a map of areas of sensitive species, information on the value of the Protected Property on the date of conveyance of this Conservation Easement, the BMPs and other information as agreed to by the Parties. Baseline documentation may not be amended without the prior written consent of the GRANTOR and GRANTEE.

IN WITNESS WHEREOF, the Parties hereof have duly executed this Conservation Easement this _____ day of _____, 2006.

DRAFT

STATE OF WISCONSIN, acting through the Board of Commissioners of Public Lands.

By: _____
Tia Nelson, Secretary

STATE OF WISCONSIN, acting through Department of Natural Resources

By: _____
Richard E. Steffes, WI-DNR Real Estate Director

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

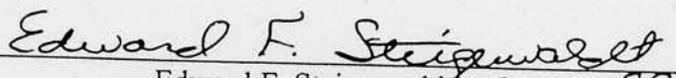
The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by Tia Nelson, Secretary of the State of Wisconsin Board of Commissioners of Public Lands, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Print Name:_____

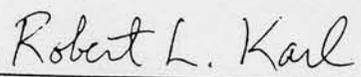
CERTIFICATION

We certify that, to the best of our knowledge and belief:

- a. The statements of fact contained in this report are true and correct.
- b. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- c. We 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.
- d. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- e. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- f. Our 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.
- g. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *"Uniform Standards of Professional Appraisal Practice."*
- h. Robert L. Karl personally inspected the property that is the subject of this report.
- i. No one provided significant real property appraisal assistance to the persons signing this certification.
- j. It is our opinion that the subject property has a "before" condition market value of \$2,257,000.00 as of July 12, 2006. The value of the proposed conservation easement is \$790,000.00, or 35 percent of the "before" value.



Edward F. Steigerwaldt, ACF *ES*
Wisconsin Certified General Appraiser #293



Robert L. Karl, ACF
Wisconsin Certified General Appraiser #1106
STEIGERWALDT LAND SERVICES, INC.

SUBJECT: LAND SALE – WILLOW FLOWAGE SCENIC WATERS – ONEIDA COUNTY

FOR: DECEMBER 2006 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: In August of 2006 the Board approved the Department’s purchase of 1,520 acres of land, in the Willow Flowage Scenic Waters Area in Oneida County, from American Timberlands, LLC. The Department purchased the parcel for \$2,257,000 with the intent of later reselling the entire tract to the Board of Commissioners of Public Lands (BCPL) while retaining deed restrictions on the parcel. The proposed resale of this land to BCPL was described to the Board at the August 2006 meeting.

The 1,520-acre tract lies within the Willow Flowage project boundary. This parcel is also adjacent to a large, contiguous block of existing DNR land to the east and southeast, and to a large block of BCPL land to the north. In a time when forest fragmentation is threatening to change the face of the northwoods, large block, single ownership is increasingly rare, and increasingly valuable. The parcel in question has value because it is itself a large, nearly-contiguous block comprised of a variety of land types, including some high quality upland timber types. Surrounding the uplands is a complex of wetlands, wet forest, and alder thickets associated with the small, slow, warm-water stream that flows through the parcel into the Willow Flowage. The tract has significant ecological value because of its size, landforms, water resources, and proximity to the larger block of existing state ownership. The economic value of the property is also significant, mostly because of the existing timber resources and their future value, but also because of the high recreational land value in this part of Oneida County. Public demand for hunting and recreation land is also high and expected to increase.

The primary goal of the Department for this part of the Willow Flowage project is to maintain the land in sustainable forestry practices, preclude development and to insure it be open to public outdoor recreation. The rights being retained by the Department are equivalent to those of a Forest Legacy Easement. For a net cost of \$790,000, the Department will preserve the parcel’s contiguity and recreational value by maintaining the public’s right to access this parcel hunting and other outdoor recreational purposes. The agreement with BCPL also will prohibit subdivision and development. BCPL will have timber rights.

Subject to approval, the Board of Commissioners of Public Lands will purchase the fee simple title, minus those rights being retained by the Department, on 1,520 acres of DNR land for a price of \$1,467,000. The difference between the \$2,257,000 Department originally paid for the parcel and the \$1,467,000 sale price is \$790,000, which is the net cost the easement rights being retained (35% of the full value of the parcel).

RECOMMENDATION: That the Board find that the 1,520-acre tract, as restricted, is no longer needed for conservation purposes for the Willow Flowage Scenic Waters Area and approve the sale for \$1,467,000.

LIST OF ATTACHED MATERIALS:

- | | | | |
|--|---|---|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required | Yes <input type="checkbox"/> | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/> | Attached |
| No <input type="checkbox"/> | Background Memo | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6

Date

Administrator, Laurie Osterndorf - AD/5

Date

Secretary, Scott Hassett - AD/5

Date

- | | |
|----------------------|-----------------------------|
| cc: S. Miller – LF/6 | R. Mather – FR/4 |
| R. Steffes - LF/6 | J. Gozdziwski – NOR/Spooner |
| A. Lemberger – AD/5 | |

DATE: March 2, 2010

FILE REF: WR-607

TO: Governor Doyle

FROM: Scott Hassett

SUBJECT: Proposed Land Sale – DNR to BCPL, File # WR-607
Approval Requested by December 21, 20061. PARCEL DESCRIPTION:Willow Flowage Scenic Waters Area
Oneida CountyGrantor:State Department of Natural Resources
101 S. Webster Street
Madison, WI 53707Grantee:Board of Commissioners of Public Lands
c/o Tia Nelson, Executive Secretary
125 South Webster Street, Room 200
Madison, WI 53708-8943Acres: 1,520.0Price: \$1,467,000Appraised Value: \$1,467,000Interest: Sale in fee title; forest legacy easement returned by the Department.Improvements: NoneLocation: The tract is located in northwestern Oneida County, 15 miles southwest of the Minocqua/Woodruff area, in the Town of Minocqua.Land Description: The subject area is level to gently rolling.

<u>Covertypes Breakdown:</u>	<u>Type</u>	<u>Acreage</u>
	Wooded Lowland	532
	Wooded Upland	988
	TOTAL	1,520

Zoning: ForestryPresent Use: Forestry/RecreationProposed Use: Scenic Protection and Public RecreationTenure: The Department acquired this parcel for \$2,257,000 in September of 2006 with the intent of later reselling it to BCPL but retaining rights equivalent to a Forest Legacy Easement.Property Taxes: Tax-ExemptAgreement Date: October 20, 20062. JUSTIFICATION:

The 1,520-acre former American Timberlands tract proposed for sale lies within the Willow Flowage project boundary. This parcel is also adjacent to a large, contiguous block of existing DNR land to the east and south, and to a large block of Board of Commissioners of Public Lands (BCPL) land to the north. In a time when forest fragmentation is threatening to change the face of the northwoods, large block, single ownership (and management) is increasingly rare, and increasingly valuable. The parcel in question has value because it is itself a large, nearly-contiguous block comprised of a variety of land types, including some very high quality upland timber types. Surrounding the uplands is a complex of wetlands, wet forest, and alder thickets associated with the small, slow, warm-water stream that flows through the parcel into the Willow Flowage.

The tract has significant ecological value because of its size, landforms, water resources, and proximity to the larger block of existing State land. The economic value of the property is also significant, mostly because of the existing timber resources and their future value, but also because of the value of land in this part of Oneida County. The social value of this property should also not be understated. Even though public land is currently abundant in this portion of the county, public demand for hunting and recreation land is also high and expected to increase. Blocking and avoiding many private inholdings helps perpetuate public outdoor recreation and sustainable forestry procedures.

Management of this parcel would fall under the heading of “Backland Management Unit” and, more specifically, would be included in the “Forest Production Management Area.” These lands are an important backdrop of undeveloped land for the more intensively used core flowage area. The management goal for the Forest Production Area is to establish and maintain a forest community of diverse forest types and age classes for the sustainable production of a variety forest products, wildlife habitat, especially for deer and grouse, and biological diversity and to offer a range of opportunities for dispersed, low-impact recreation in an aesthetic forest setting.

Unless prohibited by rule or statute, all department-managed lands included in the Willow Flowage project are open for hunting, fishing, walking, nature study, and berry picking. Other types of recreation, such as mountain biking and cross country skiing would be allowed on this parcel on all logging roads unless posted closed. Horseback riding and dispersed camping would not be allowed. Motorized access to the parcel would be strictly limited. If the state does not acquire the parcel, the parcel will likely suffer the fate of other ex-industrial lands in the area and be broken into smaller parcels and sold privately. Once this occurs, the state has lost an opportunity to further its mission of implementing landscape-scale resource and recreation management. If the parcel is fragmented and sold privately, future state acquisition will be much more difficult because of the multiple ownerships.

The primary goal of the Department for this part of the Willow Flowage project is to maintain the land in sustainable forestry practices, preclude development and to insure it be open to public outdoor recreation. The rights being retained by the Department are equivalent to those of a Forest Legacy Easement. For a net cost of \$790,000, the Department will preserve the parcel’s contiguity and recreational value by maintaining the public’s right to access and enjoy the trails which traverse this parcel. The Department will have recreational management and enforcement authority.

Subject to approval, the Board of Commissioners of Public Lands will purchase the fee simple title, minus those rights being retained by the Department, on 1,520 acres of DNR land for a price of \$1,467,000. The difference between the \$2,257,000 Department originally paid for the parcel and the \$1,467,000 sale price is \$790,000 which represents the net cost the easement rights being retained

The Department recommends this sale to BCPL to reduce the cost of the earlier acquisition of this parcel, which was originally acquired to allow natural resource management, consolidate state ownership, and prevent development incompatible with the goals of the Willow Flowage project. By reselling the some rights on this land the Department would have achieved its protection goals at a cost equivalent to 35% of full value of the parcel.

3. FINANCING:

No Stewardship funds are needed for this sale.

4. ACQUISITION STATUS OF THE WILLOW FLOWAGE SCENIC WATERS AREA:

Established: 1997

Acres Purchased to Date: 24,692.98 Acres

Acquisition Goal: 34,804.00 Acres

Percent Complete: 71%

Cost to Date: \$18,892,651.34

5. APPRAISAL:

Appraiser: Edward Steigerwaldt (Private Appraiser)

Valuation Date: July 12, 2006

Appraised Value:

Market Value "Before" Condition:	\$2,257,000
Value Impact of Easement (-35%):	<u>\$ 790,000</u>
Net Value of Parcel for Sale:	\$1,467,000

Highest and Best Use: Recreation and Timber Production

Allocation of Values:

- a. land: 1,520 acres @ \$ 520 per acre: \$790,000
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$1,113.91 to \$1,673.78 per acre

Appraisal Review: Richard Steffes – November 6, 2006

RECOMMENDED:

Richard E. Steffes

Date

Bureau of Legal Services

Date

Laurie Osterndorf

Date

RES:sr

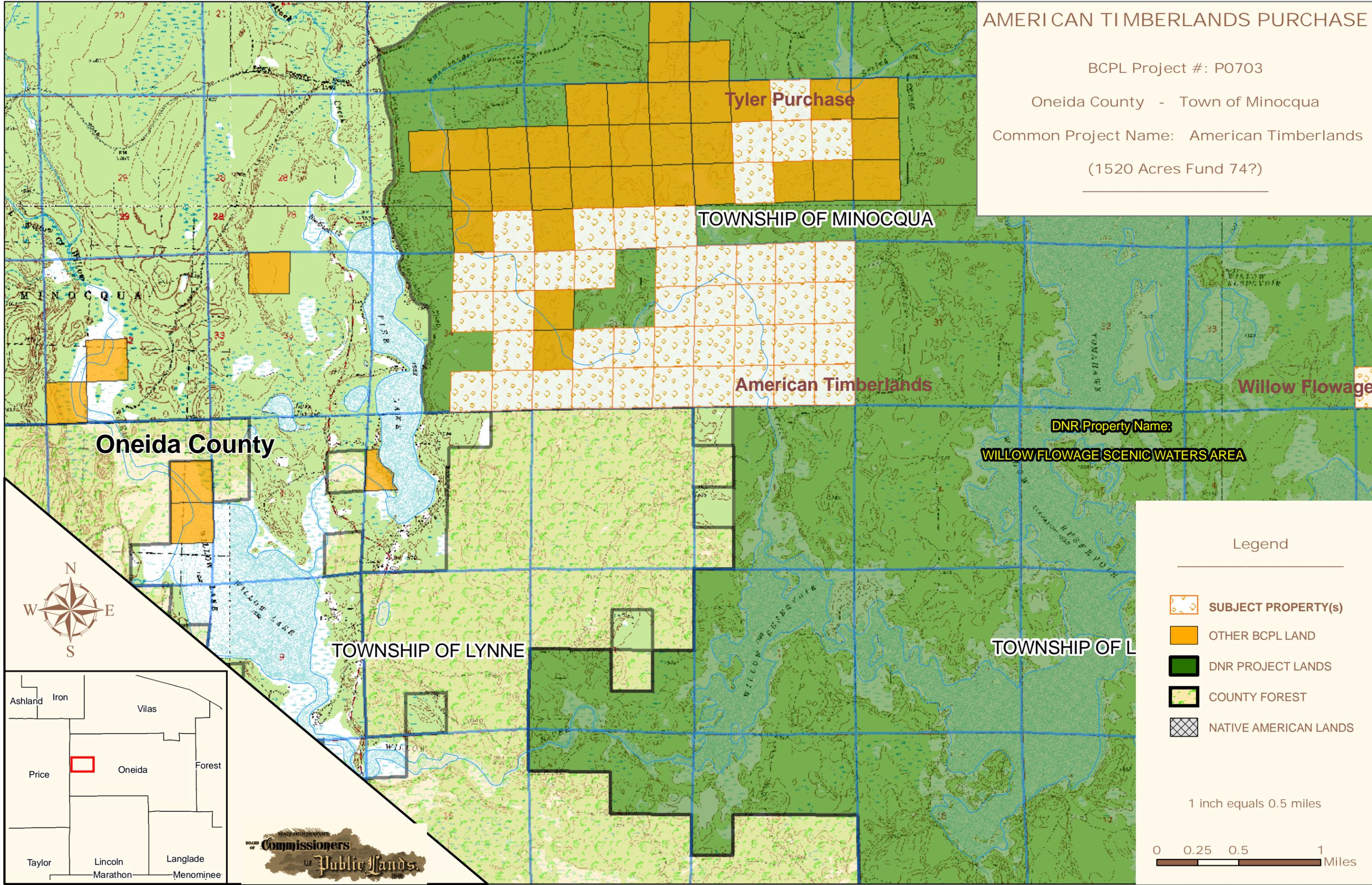
AMERICAN TIMBERLANDS PURCHASE

BCPL Project #: P0703

Oneida County - Town of Minocqua

Common Project Name: American Timberlands

(1520 Acres Fund 74?)



Oneida County

TOWNSHIP OF MINOCQUA

American Timberlands

Willow Flowage

DNR Property Name:

WILLOW FLOWAGE SCENIC WATERS AREA

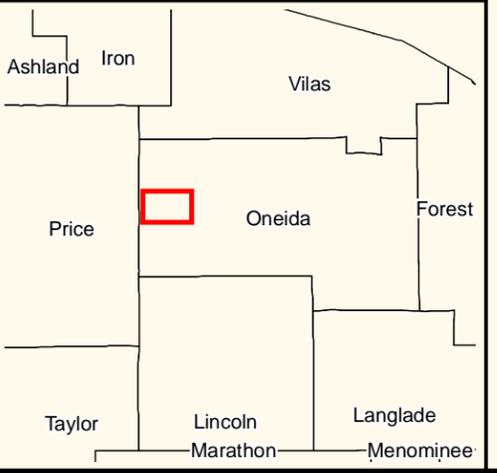
TOWNSHIP OF LYNNE

TOWNSHIP OF L

Legend

-  SUBJECT PROPERTY(s)
-  OTHER BCPL LAND
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  NATIVE AMERICAN LANDS

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 4B
TRUST LAND PURCHASES
TYLER PROPERTY**

The following property is currently available for purchase, important from a strategic long-term ownership perspective, and conforms to the conditions contained in the Consolidation Plan:

The Board has the opportunity to purchase 200 acres of property owned by the Tyler family that is located in the immediate proximity of the American Timberlands property described in agenda item 4A. This property is more accurately described as the NWNE, SWNE, SENE, SENW, NESW of Section 25, Township 38North, Range 4East in the Town of Minocqua, Oneida County.

This purchase would also create a contiguous block with the BCPL parcels to the east and west of the Tyler property. When ranked using the Purchase Criteria for evaluating BCPL land purchases, this property meets 9 of 12 criteria.

The negotiated price for this purchase is \$393,000 from a real estate listing price of \$450,000.

Attachments:

Resolution w/Exhibits
BCPL Purchase Criteria
BCPL Project Map

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 4B
PURCHASE OF TYLER PROPERTY
TOWN OF MINOCQUA, ONEIDA COUNTY**

- A. Daniel K. Tyler and Mary K. Tyler and Thomas E. Lawrence II and Natalie A. Tyler (collectively, “Tylers”) have agreed to sell certain property more particularly described as the Northwest Quarter of the Northeast Quarter, the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northeast Quarter; the Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter in Section Twenty-five (25), Township Thirty-Eight North (T38N), Range Four East (R4E), Town of Minocqua, Oneida County Wisconsin (the “Tyler Property”).
- B. The Tyler Property has been evaluated by BCPL staff against purchase criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for purchase according to such criteria. A copy of the summary purchase analysis is attached to this resolution as Exhibit A.
- C. The Tyler Property consists of 200 acres that are contiguous to 1000 acres currently owned by the Board of Commissioners of Public Lands (BCPL). Acquisition of the Tyler Property will provide better access to BCPL’s current land holdings.
- D. Tylers have agreed to accept the sum of Three Hundred Ninety Three Thousand Dollars (\$393,000) as payment in full for the Tyler Property. BCPL staff has valued the Tyler Property at an amount equal to or greater than \$393,000.
- E. Proceeds from the sale of property to the DNR will provide enough funds to purchase the Tyler Property under the Land Bank Authority granted to BCPL by the legislature this year.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the purchase of the Tyler Property at the price of Three Hundred Ninety-Three Thousand Dollars (\$393,000) 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 transaction is contingent upon BCPL having sufficient funds available in land bank accounts to close the purchase. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

P0701
Tyler - Oreida Co.
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**

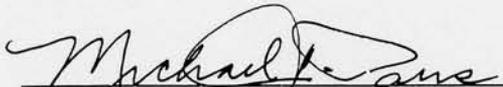
- The average site index of forest soils on BCPL property increases
- Within one cutting cycle there is an increase in the potential high value sawlog volume and growth, on the tract
- There is an increase in the forest types and species that diversify the BCPL's timber portfolio
- There is an increase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

from
May 5, 2006
Ranking
document

Total 9/12

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

- Yes
- No


Signature of Forest Land Supervisor

11-09-06
Date

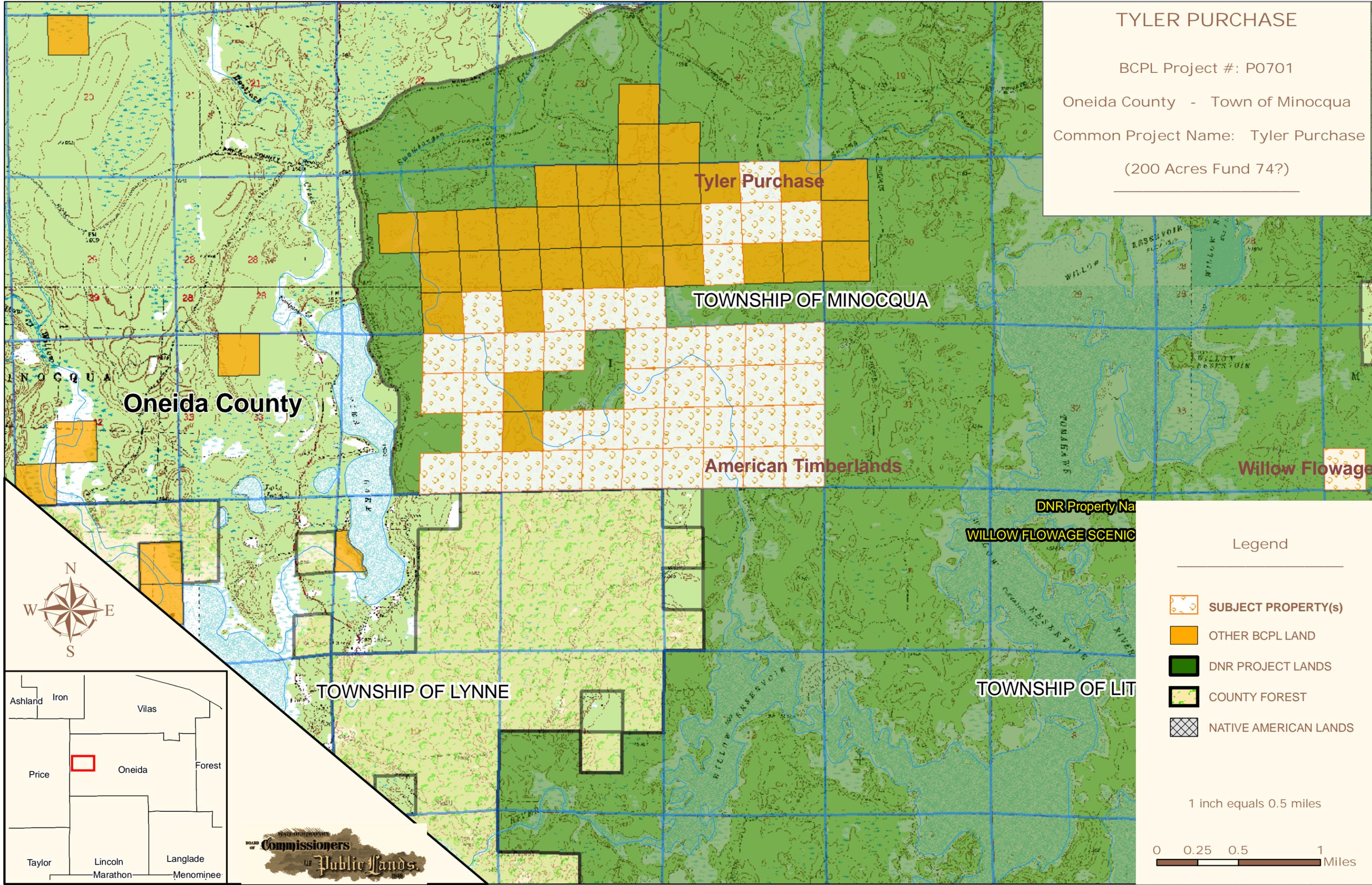
TYLER PURCHASE

BCPL Project #: P0701

Oneida County - Town of Minocqua

Common Project Name: Tyler Purchase

(200 Acres Fund 74?)



Oneida County

Tyler Purchase

TOWNSHIP OF MINOCQUA

American Timberlands

Willow Flowage

DNR Property Name

WILLOW FLOWAGE SCENIC

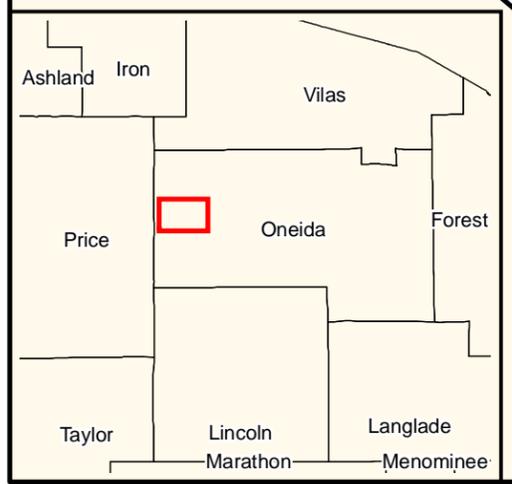
TOWNSHIP OF LYNNE

TOWNSHIP OF LIT

Legend

- SUBJECT PROPERTY(s)
- OTHER BCPL LAND
- DNR PROJECT LANDS
- COUNTY FOREST
- NATIVE AMERICAN LANDS

1 inch equals 0.5 miles



**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 5
FY07 TIMBER SALE REPORT**

On October 26, 2006, the BCPL sold eight timber sales in six counties for a total value of \$415,321.14. The total timber volume offered on the eight sealed-bid sales was approximately 3.8 million board feet on 800 acres. The total number of sealed bids (51) and the total dollar amount of timber sold decreased by approximately 30% over the previous year. The number of bids and timber sale values are more in line, however, with long-term averages. These decreases were due to falling prices for almost all pulpwood and sawtimber products. In addition, the BCPL chose to market several sales with larger proportions of lower-value pulpwood because current sawtimber prices are depressed by the slowing housing market.

BOARD ACTION _____

Board of Commissioners of Public Lands Fiscal Year 2007 Timber Sale - 10-26-2006
Lake Tomahawk Ranger Station

TS-200701 Marinette County Lump Sum - 41 Acres	Pulpwood				Sawtimber									
	Aspen	Jack Pine	Oak	Scrub Oak										
	Minimum Bid	\$25.00	\$40.00	\$20.00	\$100.00									
	Estimated Volume	450	205	150	17									
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF									
Wild Rivers Forestry	\$35,715.75	41.10	43.15	41.10	130.00									
Franks, Inc.	\$34,565.00	44.00	33.00	42.00	100.00									
Stora Enso North America	\$33,453.75	42.00	42.75	25.00	120.00									
Pomeroy Forest Products	\$31,160.30	35.26	41.26	33.10	110.00									
Lynn Mckee	\$27,100.00	28.00	45.00	21.00	125.00									
Olson Brothers Enterprises	\$26,435.00	27.50	42.00	25.00	100.00									
TS-200702 Marinette County Lump Sum - 80 Acres	Pulpwood				Sawtimber									
	Aspen	Jack Pine	Oak	Red Pine	Scrub Oak	Red Pine								
	Minimum Bid	\$25.00	\$40.00	\$20.00	\$40.00	\$100.00	\$125.00							
	Estimated Volume	240	290	310	210	27	10							
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF	Bid Per MBF							
Wild Rivers Forestry	\$53,365.00	43.10	45.10	35.10	68.10	130.00	125.00							
Franks, Inc.	\$48,092.50	38.95	33.05	34.00	62.00	150.00	155.00							
Pomeroy Forest Products	\$44,852.40	33.55	41.26	33.50	50.00	100.00	125.00							
Lynn Mckee	\$41,375.00	29.00	46.00	21.50	47.00	120.00	130.00							
Olson Brothers Enterprises	\$36,236.00	25.01	40.01	20.02	40.05	102.00	126.00							
TS-200703 Forest County 110 Acres	Pulpwood				Sawtimber									
	Aspen	Hardwood	Misc. Softwood	Red Pine	White Pine	Sugar Maple	White Pine	Red Pine	Red Maple	Basswood	Yellow Birch	White Ash	Black Ash	
	Minimum Bid	\$20.00	\$20.00	\$12.00	\$40.00	\$15.00	\$500.00	\$130.00	\$125.00	\$200.00	\$175.00	\$250.00	\$100.00	\$100.00
	Estimated Volume	8	410	6	25	25	34	33	23	17	6	4	2	1
Contractor	Total Bid	Bid Per Cord	Bid Per MBF											
Ken Mihalko & Sons Logging	48,574.74	30.01	25.01	25.01	50.01	18.01	600.00	165.00	150.00	225.00	190.00	380.00	150.00	150.00
G & G Lumber	48,477.00	36.00	28.10	18.00	41.00	21.00	545.00	160.00	130.00	300.00	260.00	310.00	100.00	110.00
Tauer Brothers Logging	46,557.00	20.00	25.00	12.00	40.00	15.00	600.00	150.00	150.00	200.00	200.00	250.00	100.00	100.00
Niel Schallock	45,987.00	26.50	26.50	12.50	40.00	15.00	560.00	150.00	130.00	240.00	175.00	255.00	110.00	110.00
Eric Tatro	45,166.00	28.00	23.00	12.00	40.00	16.00	550.00	150.00	150.00	260.00	200.00	255.00	100.00	100.00
Ted Frank LLC	42,378.90	21.50	22.50	12.15	40.15	15.15	502.50	155.00	152.50	202.50	176.50	252.50	102.50	102.50
TS-200704 Ashland County 200 Acres	Pulpwood				Sawtimber									
	Aspen	Basswood	Balsam Fir	Hardwood	Basswood	Misc. Hardwood	Red Maple	Red Oak	Sugar Maple	Yellow Birch				
	Minimum Bid	\$20	\$3	\$15.00	\$20.00	\$175.00	\$100.00	\$200.00	\$300.00	\$400.00	\$250.00			
	Estimated Volume	50	50	2	1620	23	2	36	3	93	3			
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF			
Park Falls Hardwoods	\$109,365.00	24.00	34.00	15.00	34.00	175.00	100.00	230.00	300.00	400.00	250.00			
Carpentier Logging	\$107,487.00	26.00	31.00	26.00	31.00	200.00	200.00	225.00	325.00	425.00	255.00			
Snow Ridge Lumber, Inc.	\$107,141.00	21.05	3.00	15.00	25.10	181.00	100.00	406.00	401.00	476.50	250.00			
Northwest Hardwoods	\$101,819.00	22.00	5.00	17.00	25.00	190.00	100.00	235.00	350.00	485.00	250.00			
David Radlinger	\$93,920.00	31.00	20.00	25.00	25.00	175.00	125.00	200.00	310.00	405.00	250.00			
Allen Bay	\$89,816.60	20.00	3.00	15.00	23.68	175.00	100.00	200.00	300.00	400.00	250.00			
G & G Lumber	\$83,986.00	20.00	4.00	15.00	20.05	175.00	100.00	200.00	300.00	400.00	250.00			
Tri-State Lumber & Land, Inc.	\$83,857.00	20.00	3.00	16.00	20.00	175.00	100.00	200.00	300.00	400.00	250.00			
TS-200705 Langlade County 130 Acres	Pulpwood				Sawtimber									
	Aspen	Hardwood	Mixed Pine	White Birch	White Pine	Red Pine	Red Maple	Misc. Hardwood	Red Oak	Sugar Maple	White Birch			
	Minimum Bid	\$20.00	\$20.00	\$20.00	\$22.00	\$130.00	\$120.00	\$200.00	\$100.00	\$300.00	\$500.00	\$150.00		
	Estimated Volume	20	610	20	80	17	3	55	1	22	10	5		
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF	Bid Per MBF			
Robert Torgerson	\$56,335.10	25.37	31.37	20.37	31.37	150.00	150.00	275.00	100.00	400.00	600.00	150.00		
Park Falls Hardwoods	\$51,320.00	31.50	28.00	20.00	28.00	130.00	120.00	230.00	100.00	450.00	500.00	150.00		
Ken Mihalko & Sons Logging	\$49,872.30	30.01	25.01	30.01	25.01	165.00	150.00	225.00	175.00	380.00	600.00	250.00		
C & H Walentowski, Inc.	\$49,510.40	26.05	26.26	25.00	26.26	140.00	140.00	235.00	175.00	380.00	511.00	200.00		
G & G Lumber	\$49,109.00	24.20	24.60	23.00	23.60	152.00	123.00	260.00	100.00	365.00	501.00	175.60		
Lynn Mckee	\$46,185.00	25.00	22.00	25.00	25.00	145.00	125.00	210.00	125.00	375.00	600.00	200.00		
Krueger Brothers	\$44,920.00	25.00	25.00	20.00	25.00	135.00	150.00	200.00	125.00	325.00	500.00	150.00		
Tauer Brothers Logging	\$43,530.00	20.00	22.00	20.00	22.00	150.00	150.00	200.00	100.00	350.00	500.00	150.00		
Central Wisconsin Lumber, Inc.	\$41,670.00	21.00	21.00	25.00	24.00	130.00	120.00	200.00	100.00	300.00	500.00	150.00		

TS-200706 Vilas County 120 Acres	Pulpwood					Sawtimber						
	Aspen	Balsam Fir	Hardwood	White Birch	Basswood	Black Ash	Red Maple	Sugar Maple	Misc. Hardwood	White Birch	Yellow Birch	
	Minimum Bid	\$20.00	\$12.00	\$20.00	\$20.00	\$150.00	\$100.00	\$150.00	\$400.00	\$100.00	\$150.00	\$300.00
	Estimated Volume	10	40	465	25	1	3	9	35	1	3	12
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF						
G & G Lumber	\$35,509.00	24.60	16.00	23.60	25.80	160.00	105.00	205.00	465.00	101.00	172.00	316.00
Stora Enso North America	\$31,319.00	21.00	13.00	21.10	21.10	151.00	101.00	155.00	405.00	101.00	155.00	305.00

TS-200707 Oneida County 33 Acres	Pulpwood				Sawtimber	
	Aspen	Balsam Fir	Hardwood	White Birch	White Birch	White Birch
	Minimum Bid	\$25.00	\$12.00	\$15.00	\$20.00	\$150.00
	Estimated Volume	260	180	105	205	8
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF
G & G Lumber	\$23,934.00	31.05	30.00	29.05	28.15	205.00
Carpentier Logging	\$23,830.00	33.00	21.00	33.00	33.00	155.00
Ken Mihalko & Sons Logging	\$20,462.50	30.01	15.01	25.01	26.01	250.00
Futurewood Corporation	\$20,077.50	26.67	13.67	24.67	31.67	200.00
Ted Frank LLC	\$20,070.00	28.56	15.56	22.56	28.56	202.50
Lynn Mckee	\$18,767.50	29.75	13.50	17.00	23.50	250.00
Ed Holtorp Logging	\$17,490.00	25.25	12.25	24.00	24.00	160.00
Tauer Brothers Logging	\$17,085.00	25.00	12.00	20.00	25.00	150.00
Alan Brandenburg	\$16,028.00	25.05	12.50	16.00	21.00	160.00

TS200708 Oneida County 95 Acres	Pulpwood				Sawtimber	
	Aspen	Balsam Fir	Hardwood	White Birch	White Birch	White Birch
	Minimum Bid	\$25.00	\$15.00	\$15.00	\$22.00	\$150.00
	Estimated Volume	440	350	135	840	8
Contractor	Total Bid	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per Cord	Bid Per MBF
Futurewood corporation	\$52,522.55	26.67	15.67	22.67	36.67	180.00
G & G Lumber	\$49,359.50	25.05	31.50	15.50	28.50	160.00
Ken Mihalko & Sons Logging	\$47,602.65	30.01	15.01	25.01	28.01	280.00
Carpentier Logging	\$43,630.00	26.00	16.00	26.00	26.00	155.00
Ted Frank LLC	\$42,864.40	25.76	15.76	15.76	26.76	176.00
Pomeroy Forest Products	\$40,145.00	26.00	20.00	15.00	22.00	150.00

**BOARD MEETING
DECEMBER 12, 2006**

**AGENDA ITEM 7
RECOGNITION OF MICHAEL PAUS**

WHEREAS Michael Paus is retiring in January of 2007 after more than 20 years of dedicated service to the Board of Commissioners of Public Lands;

WHEREAS Mr. Paus began his state service in October of 1978 and transferred to the Board of Commissioners of Public Lands in October of 1986;

WHEREAS Mr. Paus ably served the Board of Commissioners of Public Lands in a number of different capacities over the years; and

WHEREAS the hard work and dedication of Mr. Paus contributed significantly to many of the accomplishments of the Board of Commissioners of Public Lands over those years.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands hereby recognizes **MICHAEL PAUS** with gratitude for his many years of dedicated service and makes this action a part of the official record.