

Board Meeting Minutes
April 15, 2008

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 10:30 a.m.

Present were:

Doug La Follette, Board Chair
Dawn Marie Sass, Commissioner
J.B. Van Hollen, Commissioner
Bob Hunter, Assistant Attorney General
Tia Nelson, Executive Secretary
Tom German, Deputy Secretary
Coletta DeMuth, Loan Analyst
Vicki Halverson, Office Manager

Secretary of State
State Treasurer
Attorney General
WI Department of Justice
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
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ITEM 2. APPROVE MINUTES – April 1, 2008

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

ITEM 3 A-D. LAND BANK SALES TO THE DNR

Board Chair La Follette gave an overview of the land bank program. He stated that the lands being sold to the DNR have been appraised and the supporting documentation was included in the packets.

Commissioner Van Hollen asked how the appraisers are selected. Executive Secretary Nelson replied that future land bank transactions with the DNR will have two appraisals. The BCPL and DNR will each select an appraiser and list the other agency as a co-client. If the appraisals differ, negotiations will take place. If a mutually agreeable price cannot be negotiated, the transaction would be suspended. Previous appraisals for land bank transactions with the DNR were performed using appraisers from the DNR's approved list. It was also noted that BCPL was *authorized* to sell to the DNR but the DNR was *required* to purchase \$2 million of Trust Lands from the BCPL every year.

MOTION ITEM 3A: Commissioner Sass moved to approve the Otter Creek sale; Commissioner Van Hollen seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Otter Creek Property to the Wisconsin Department of Natural Resources at the price of Four Hundred Forty-Eight Thousand Dollars (\$448,000) 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.

MOTION ITEM 3B. Commissioner Van Hollen moved to approve the Spur Lake property sale; Commissioner Sass seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Spur Lake Property to the Wisconsin Department of Natural Resources at the price of Two Hundred Fifty Thousand Dollars (\$250,000) 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.

MOTION ITEM 3C: Commissioner Sass moved to approve the Turtle Flambeau sale; Commissioner Van Hollen seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Turtle Flambeau Property to the Wisconsin Department of Natural Resources at the price of One Hundred Six Thousand Two Hundred Dollars (\$106,200) 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.

MOTION ITEM 3D: Commissioner Sass moved to approve the Willow Flowage sale; Commissioner Van Hollen seconded the motion. The motion passed 3-0.

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 Forty Thousand Dollars (\$40,000) 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.

ITEM 4. SUBMERGED LANDS LEASE #153 – TOWN OF BELL

Board Chair La Follette explained that the Board has authority to execute leases on submerged lands. This item is a renewal of an expired lease that the town of Bell previously had with the Board. The lease authorizes the town to place dredge material on the bed of Lake Superior. The dredging improves harbor facilities and navigation.

Board Chair La Follette questioned whether the rental rate on the lease should be higher in order to provide more revenue for the Common School Fund. It was noted that the lease rental payments are deposited in the General Fund but then credited against expenses of the agency, thereby providing some indirect benefit to the Common School Fund. Commissioner Van Hollen noted the importance of the harbor to the community of the town of Bell. It was also noted that the Board had not previously established a set schedule of lakebed lease rental rates, but that in the past, the Board had allowed municipalities to lease lakebed for a lower rate than private owners. This practice appears to be similar to other states' lakebed leasing programs. Finally, the draft lease attached to the agenda item should have been expressly marked as Exhibit A.

MOTION: Commissioner Van Hollen moved to approve the town of Bell submerged lands lease; Commissioner Sass seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes a renewal of the Submerged Lands Lease with the Town of Bell in accordance with Section 24.39 of the Wisconsin Statutes on the terms and conditions set forth in Exhibit A. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

ITEM 5. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that staff would be producing a report detailing the progress of the land bank consolidation project. She said that she would provide the report to the Board prior to forwarding it to the legislature.

Board Chair La Follette asked if the other Commissioners were in agreement with approving land bank transactions via teleconference. Commissioners Van Hollen and Sass replied yes.

Commissioner Van Hollen asked about the board's obligation to making land available for the DNR's purchase under the land bank legislation. Executive Secretary Nelson replied that the land bank program with the DNR would continue as long as the Stewardship Program were reauthorized and funded. He then asked if the board should be looking to purchase land that not only fits into the board's portfolio but also land that could be resold to the DNR. Executive Secretary Nelson noted that the Board has a significant inventory of lands that the DNR has expressed an interest in obtaining. She said there is approximately 20,000 acres of Trust Lands that are considered Natural Area Quality Lands, which are deferred from timber harvest due to unique ecological features. These lands would be sold to the DNR under the Land Bank Program.

ITEM 6. ADJOURN

MOTION: Commissioner Van Hollen moved to adjourn the meeting; Commissioner Sass seconded the motion. The motion passed 3-0.

A handwritten signature in black ink, appearing to read "Tia Nelson", written over a horizontal line.

Tia Nelson, Executive Secretary

These minutes have been prepared from a tape recording of the meeting. The summaries have not been transcribed verbatim. Anyone wishing to listen to the tape may do so at the Board of Commissioners of Public Lands, 125 S. Webster Street, Suite 200, Madison, Wisconsin.