

Board Meeting Minutes
July 22, 2008

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 10:00 a.m.

Present were:

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| Doug La Follette, Board Chair | Secretary of State |
| Dawn Marie Sass, Commissioner | State Treasurer |
| J.B. Van Hollen, Commissioner | Attorney General |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Scott Eastwood, Loan Analyst | Board of Commissioners of Public Lands |
| John Schwarzmann, Forest Supervisor | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES – July 1, 2008

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

ITEM 3. APPROVE LOANS

Board Chair La Follette asked if the loans had received legal review. Commissioner Van Hollen replied that they had.

Municipality	Municipal Type	Loan Amount
1. Algoma County of Kewaunee Application #: 02009010 Purpose: Finance new and replacement sanitary sewers	City Rate: 4.75 Filed: July 14, 2008	\$200,000.00
2. Athens County of Marathon and Taylor Application #: 02009014 Purpose: Finance unfunded pension liability	School Rate: 6.00 Filed: July 7, 2008	\$409,000.00
3. Brillion County of Calumet Application #: 02009004 Purpose: Finance projects in TIF Districts #2 & 4	City Rate: 4.75 Filed: July 7, 2008	\$1,130,700.00
4. Hales Corners County of Milwaukee Application #: 02009013 Purpose: Finance TID #3 redevelopment project	Village Rate: 4.25 Filed: July 17, 2008	\$662,000.00

5. Juda School \$100,000.00
County of Green Rate: 3.25
Application #: 02008113 Filed: June 25, 2008
Purpose: Purchase school buses, boiler replacement and repair
6. Kewaskum School \$711,000.00
Counties of Fond du Lac, Sheboygan and Washington Rate: 4.25
Application #: 02008116 Filed: June 18, 2008
Purpose: Finance building renovation project
7. Livingston Village \$350,000.00
Counties of Grant and Iowa Rate: 4.75
Application #: 02009012 Filed: July 16, 2008
Purpose: Finance improvements to waste water treatment plant
8. Manitowoc City \$1,000,000.00
County of Manitowoc Rate: 4.75
Application #: 02009011 Filed: July 15, 2008
Purpose: Finance lift station construction
9. Mondovi School \$453,299.00
County of Buffalo, Dunn, Eau Claire and Pepin Rate: 4.25
Application #: 02009007 Filed: July 14, 2008
Purpose: Replace roof on elementary school
10. Prescott City \$379,000.00
County of Pierce Rate: 4.75
Application #: 02008114 Filed: June 27, 2008
Purpose: Purchase fire truck
11. River Falls City \$2,329,651.00
County of Pierce and St. Croix Rate: 4.75
Application #: 02009002 Filed: July 2, 2008
Purpose: Restructure and new money for projects in TIF #6
12. River Falls City \$652,500.00
County of Pierce and St. Croix Rate: 4.25
Application #: 02009003 Filed: July 2, 2008
Purpose: Provide financing for TIF #5 projects and new city hall project
13. Rusk County \$3,000,000.00
County of Rusk Rate: 4.75
Application #: 02009008 Filed: July 14, 2008
Purpose: Finance economic development projects

14.	Sevastopol County of Door Application #: 02009005 Purpose: Finance new town hall	Town Rate: 4.25 Filed: July 7, 2008	\$900,000.00
15.	South Fork County of Rusk Application #: 02009009 Purpose: Purchase motor grader	Town Rate: 3.25 Filed: July 14, 2008	\$85,000.00
16.	Sullivan County of Jefferson Application #: 02008115 Purpose: Purchase new truck and snow plow	Town Rate: 3.25 Filed: June 27, 2008	\$100,000.00
17.	Westfield County of Marquette Application #: 02009006 Purpose: Construction of a sanitary sewer	Village Rate: 4.25 Filed: July 14, 2008	\$381,762.00
18.	Winchester County of Vilas Application #: 02009001 Purpose: Purchase rescue truck	Town Rate: 3.25 Filed: July 2, 2008	\$231,595.00
TOTAL			\$13,075,507.00

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

ITEM 4. LOAN LIMIT EXCEPTION – CITY OF GREEN BAY

Board Chair La Follette noted that the city of Green Bay had requested and received an exception to the loan limit in the recent past. The city was requesting an additional \$600,000 exception.

MOTION: Commissioner Van Hollen moved to grant the exception; Commissioner Sass seconded the motion. The motion passed, 3-0.

ITEM 5A-F. PROPOSED LAND BANK SALES TO THE DNR

Board Chair La Follette observed that the property values varied but were in line with the appraised values. He invited a motion to approve all the land sales. Commissioner Van Hollen replied that he had questions about some of the proposed transactions.

ITEM 5C – Edith Lake. Commissioner Van Hollen asked if the parcel of land to be sold was swamp or upland; the subject map did not make a distinction. John Schwarzmans replied that the parcel contained both. Commissioner Van Hollen asked how much upland shoreline and footage there was on the parcel. Mr. Schwarzmans replied approximately 600-700 feet. He replied that an appraisal was done on the property and one issue with the parcel is its limited access due to surrounding wetlands and, thus, the reason for the unspecified per footage valuation on the upland shoreline. It would not be accessible for development. Commissioner Van Hollen felt that the

valuation was low considering the amount of shoreline. Executive Secretary Nelson replied that she and staff felt the initial appraisal was potentially undervaluing the property. Staff analyzed the upland footage issue and renegotiated with the DNR a value that was slightly higher than the appraised value.

ITEM 5D – Brule River State Forest. Commissioner Van Hollen asked the nature of that parcel; highland, lowland, mixture. John Schwarzmans replied that the parcel was upland with rolling hills and a mix of timber from small saplings to mature trees. Commissioner Van Hollen noted that the property was bordered on three sides by DNR property and inquired about the ownership on the Bayfield County side of the property. Mr. Schwarzmans replied that it may be private-industrial land. Commissioner Van Hollen felt that the property may be of considerably more value since it is located on a county road and given its proximity to the Brule River State Forest. Executive Secretary Nelson said that price was based on the independent appraisal and staff also performed an appraisal review. The appraised value on the property was \$1,300 per acre and the four comparables, two of which were recent sales, varied in price from \$1,295 per acre to \$1,875 per acre. Executive Secretary Nelson also noted that three of the four comparables are within \$25 per acre of each other and the price per acre being offered for the subject property of \$1,300. Commissioner Van Hollen stated that he felt the property was under priced. He understands the staff's rationale for selling the property and the DNR's desire to acquire it. The commissioners discussed the value of the property and the probability of DNR paying more for it. Board Chair asked if staff knew why one of the comparables was \$1,875 per acre. Deputy Secretary German replied that the appraiser indicated that that particular sale was at the height of the real estate market and since recent events in the real estate market, that the price no longer reflects the market and should not be weighted as much as the other three comparables. Executive Secretary Nelson recommended renegotiating with DNR the per acre price.

ITEM 5F – Willow Flowage. Commissioner Van Hollen observed that the parcels in the lower right of the map appeared to be on navigable waters and asked whether that fact was a determining factor in the price per acre. John Schwarzmans replied that it was navigable and Executive Secretary Nelson noted that it was also land locked. Commissioner Van Hollen indicated that his questions had been answered.

MOTION: Commissioner Van Hollen moved to approve for sale to the DNR the lands described in agenda items 5A, B, C, E and F; Commissioner Sass seconded the motion. The motion passed, 3-0. The land transaction described in agenda item 5D was not moved for approval.

5A. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Swamp Creek Fen Property to the Wisconsin Department of Natural Resources at the price of Seventy Six Thousand Dollars (\$76,000.00) 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.

5B. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Crandon Ribbed Fen Property to the Wisconsin Department of Natural Resources at the price of Ninety Eight Thousand Dollars (\$98,000.00) 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.

5C. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Edith Lake Property to the Wisconsin Department of Natural Resources at the price of One Hundred Twenty Three Thousand Dollars (\$123,650.00) 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.

5E. NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Turtle Flambeau Flowage Property to the Wisconsin Department of Natural Resources at the price of One Hundred Seven Thousand Dollars (\$107,000.00) 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.

5F. 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 One Million, Eight Hundred Sixty Thousand, Eight Hundred Fifty Dollars (\$1,860,850.00) 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 6. PROPOSED LAND BANK PURCHASE FROM PATRICK PHALEN

Commissioner Van Hollen inquired about the topography of the property. John Schwarzmann replied that it's half upland and half lowland. Commissioner Van Hollen asked why the agency was purchasing lowland property. Mr. Schwarzmann stated that the owner did not want to subdivide the property. Executive Secretary Nelson added that this purchase would provide legal access to 800 acres of contiguous Trust Lands, which would otherwise be landlocked. Commissioner Van Hollen asked whether the Board could sell the lowland at a later date and Mr. Schwarzmann replied yes. He added that the price was reflective of the mix of uplands and lowlands.

MOTION: Commissioner Van Hollen moved to purchase the Patrick Phalen property; Commissioner Sass seconded the motion. The motion passed, 3-0.

ITEM 7. ADJOURN

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



Tia Nelson, Executive Secretary

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