



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

125 S. Webster Street
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Managing Wisconsin's trust assets for public education.

AGENDA

March 15, 2011

2:00 P.M.

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

1. Call to Order
2. Approve Minutes – March 1, 2011
3. Approve Loans
4. Loan Limit Exception for Kenosha Unified School District #1
5. Proposed Land Bank Sales to the Public
 - A. Town of Emery (S1116)
 - B. Wilson Creek (S1117)
 - C. Town of Elk (S1118)
6. Proposed Land Exchange with Douglas Wagner (E1102)
7. Proposed Submerged Land Lease – WE Energies
8. Executive Secretary's Report
9. Adjourn

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the March 1, 2011, board meeting.

Board Meeting Minutes
March 1, 2011

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:00 p.m.

Present were:

Doug La Follette, Board Chair
Kurt Schuller, Commissioner
J.B. Van Hollen, Commissioner
Tia Nelson, Executive Secretary
Tom German, Deputy Secretary
Richard Sneider, Loan Analyst
Erin Probst

Secretary of State
State Treasurer
Attorney General
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
Legislative Fiscal Bureau

ITEM 2. APPROVE MINUTES – February 15, 2011

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

ITEM 3 A – C. PROPOSED LAND BANK SALES TO THE PUBLIC (S1112, S1113 and S1114)

Board Chair La Follette explained that three isolated, unproductive parcels of Trust Lands will be offered for sale to the public via sealed bid.

MOTION: Commissioner Van Hollen moved to approve the public sale of the Trust Lands; Commissioner Schuller seconded the motion. The motion passed, 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the sale of the Properties pursuant to a sealed bid process. The minimum acceptable bid for the Property shall be the appraised value determined by the independent appraisers as set forth above. Such sale(s) shall be conducted 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(s).

ITEM 4. PROPOSED LAND EXCHANGE WITH THE TOWN OF LAKE TOMAHAWK (E1101)

Board Chair La Follette said this exchange would resolve a boundary issue.

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

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the exchange of the Park Parcel with the Town of Lake Tomahawk in return for the Exchange Parcel 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 5. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Holland Sanitary District #1 County of Brown Application #: 02011112 Purpose: Finance sanitary sewer system improvements	Sanitary District Rate: 5.00% Term: 20 years	\$200,000.00
2. Jacksonport County of Door Application #: 02011111 Purpose: Finance the purchase of fire equipment	Town Rate: 3.25% Term: 2 years	\$62,000.00
3. Necedah County of Juneau Application #: 02011114 Purpose: Refinance BCPL Loan #02004206.01	Village Rate: 5.00% Term: 13 years	\$178,580.85
4. Necedah County of Juneau Application #: 02011115 Purpose: Refinance BCPL Loans #02004206.02 and .03	Village Rate: 5.00% Term: 14 years	\$528,740.40
5. Onalaska County of La Crosse Application #: 02011113 Purpose: Purchase police patrol vehicles	City Rate: 3.25% Term: 5 years	\$58,000.00
6. Ontario County of Vernon Application #: 02011106 Purpose: Purchase police vehicle	Village Rate: 3.25% Term: 5 years	\$25,423.00
7. Oshkosh Area County of Winnebago Application #: 02011117 Purpose: Finance school energy efficiency projects	School Rate: 3.75% Term: 10 years	\$1,817,883.00
8. Wyocena County of Columbia Application #: 02011116 Purpose: Refinance village hall loan	Village Rate: 3.75% Term: 10 years	\$433,000.00
	TOTAL	\$3,303,627.25

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

ITEM 6. POTENTIAL BCPL PARTICIPATION IN THE POSSIBLE REFINANCING OF STATE BONDS

The Commissioners agreed that unless the legislature approves a new debt restructuring, there was no action to take at this time. It was also noted that, pursuant to board action taken at the December 20, 2010, board meeting, BCPL staff had authority to purchase an additional \$43 million of state bonds if the opportunity arises.

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that the agency's request to move to the DOA building had been approved by the Building Commission.

ITEM 8. ADJOURN

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



Tia Nelson, Executive Secretary

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

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Columbus Counties of Columbia, Dane and Dodge Application #: 02011123 Purpose: Finance school building renovations	School Rate: 3.75% Term: 10 years	\$425,000.00
2. Manawa County of Waupaca Application #: 02011122 Purpose: Purchase HVAC units	School Rate: 3.25% Term: 5 years	\$85,032.91
3. North Freedom County of Sauk Application #: 02011121 Purpose: Finance lagoon sludge removal and sewer pipe lining	Village Rate: 5.00% Term: 20 years	\$150,000.00
4. Waldo County of Sheboygan Application #: 02011119 Purpose: Refinance sewer project debt	Village Rate: 3.75% Term: 10 years	\$280,000.00
5. West Allis - West Milwaukee, Et. Al. County of Milwaukee and Waukesha Application #: 02011120 Purpose: Refinance other outstanding debt	School Rate: 3.25% Term: 5 years	\$2,500,000.00
6. Wind Lake Management District County of Racine Application #: 02011118 Purpose: Finance lake alum treatment	Lake District Rate: 3.75% Term: 10 years	\$300,000.00
TOTAL		\$3,470,032.91

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 4
LOAN LIMIT EXCEPTION – KENOSHA UNIFIED SCHOOL DISTRICT**

Description of Request

The Kenosha Unified School District (the “District”) has requested an exception to the annual loan limit, which is currently set at \$5 million for total loans to any customer within a calendar year. The District is requesting an exception in order to apply for a \$9.52 million loan. The purpose of the loan is to refinance a general obligation promissory note that funded certain post-employment benefits to the District’s employee and former employees.

The District also received an exception to the loan limit in 2010 for a total of \$18.5 million in loans to finance renovations to Reuther Central High School and an addition to Indian Trails Academy.

Available Funds Analysis

BCPL has approximately \$175 million in unencumbered funds available at this point in time with an additional \$50 million expected later this month in annual principal payments on outstanding BCPL loans. BCPL staff feels that adequate funds are available to honor this request without impairing the ability of other communities to utilize the BCPL State Trust Fund Loan Program. Additionally, unencumbered funds are placed in the State Investment Fund, which is currently paying less than 0.17 % on an annualized basis. The District is requesting a 10 year loan at the current BCPL interest rate 3.75 %. Since this loan would provide far more trust fund income than if the money were left in the State Investment Fund, we believe this loan offers the Board an opportunity to make a prudent investment with a good rate of return.

Additional Background Notes on Borrower

The District is currently involved in a legal dispute. In 2006 the District borrowed \$28.4 million from an overseas bank (DEPFA) through a newly created trust to benefit the District. The DEPFA funds (along with an additional \$9.5 million that the District borrowed separately and would be refinanced through this loan request), were used to purchase complex financial derivatives. The intent of this plan was to earn enough interest on trust investments to cover any loan obligations and also help pay for non-pension retirement benefits. However, these investments sustained significant losses and have become essentially worthless as a direct result of the meltdown in the financial sector.

The overseas bank that made the loan to the District’s trust is seeking to collect unpaid loan obligations. The District, along with four other Wisconsin districts, is suing the advisors who sold the investments and set up the loans, claiming the advisors misrepresented investment risk. At this time, the lawsuits have not been decided or settled.

BCPL staff notes that an unsuccessful outcome of the legal dispute may impact the credit worthiness of the District. However, the impact would be slight as the District is considered to be in excellent financial health. The current borrowing capacity of the District is \$968 million, and outstanding general obligations total \$142 million. Even if the District loses the lawsuits and borrows \$28.4 million to repay the full amount owed, the District would still have used less than 18% of borrowing capacity. As a result,

the District has maintained a credit rating of Aa3 from Moody's rating agency. This investment grade rating is only slightly below the rating held by the State of Wisconsin.

BCPL Staff Recommendation

Based on the above information, BCPL staff recommends that the Board of Commissioners of Public Lands grant the District's request for an exception to the loan limit in an amount sufficient to allow the Kenosha Unified School District to apply for loans totaling up to \$9.52 million at this time.

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEMS 5A - C
PROPOSED LAND BANK SALES TO THE PUBLIC (S1116, S1117 & S1118)**

BCPL owns ten parcels of land in Price County totaling approximately 399 acres.

BCPL staff recommends the sale of the Properties to the public via the sealed bid process for the following reasons:

- The Properties are isolated, unproductive parcels;
- The Properties do not provide access to other BCPL lands;
- Sale of the Properties would provide BCPL with funds to purchase other lands that would provide better access to its existing lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above;
- No governmental entities in Wisconsin have determined that any of the Properties are required for their respective use; and
- Sale of the Properties via sealed bid process is expected to be the best method for maximizing the sales proceeds from the Properties.

Attachments:

Resolution w/Exhibits

Exhibits A – C: Appraisal Certifications

Exhibits D – F: BCPL Sales Analyses

Exhibit G: Public Land Sale Documents

BCPL Project Maps

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 5A - C
PROPOSED LAND BANK SALES TO THE PUBLIC (S1116, S1117, & S1118)**

RECITALS

- A. The Board of Commissioners currently holds title to ten parcels of property located in Price County that comprise approximately 399 acres (collectively, the “Properties”). Eight of the properties were grouped together for appraisal purposes but they will be offered for sale individually. The ten Properties are further described as follows:
- a. **Property A (S1116)** is the Northeast Quarter of the Southwest Quarter in Section Four (S4), Township Thirty-Seven North (T37N), Range Two East (R2E), Price County;
 - b. **Property B (S1117)** is comprised of eight separate parcels. The legal descriptions include the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northwest Quarter in Section Two (S2), Township Thirty-Six North (T36N), Range One West (R1W), and the Southeast Quarter of the Southwest Quarter, the Southwest Quarter of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter in Section Thirty-four (34), and the Northeast Quarter of the Southwest Quarter, the Southwest Quarter of the Southwest Quarter, and the Southeast Quarter of the Southwest Quarter of Section Thirty-five, all located in Township Thirty-Seven North (T37N), Range One West (R1W) Price County;
 - c. **Property C (S1118)** is the Southeast Quarter of the Southeast Quarter in Section Twenty-Six (S26), Township Thirty-Seven North (T37N), Range One West (R1W), Price County;
- B. The Properties have been independently appraised as follows.
- a. **Property A (S1116)** was independently appraised by Brod Appraisal Services, LLC and has been determined to have a value of Twenty-two Thousand Dollars (\$22,000.00). A copy of the appraisal of Property A is attached as Exhibit A.
 - b. **Property B (S1117)** was independently appraised by Brod Appraisal Services, Inc. These eight parcels will be offered to the public as eight individual parcels. A copy of the certification page of the appraisal of Property B and the listing of the eight individual parcels along with their associated valuations is attached as Exhibit B. This 319 acre parcel will be sold as eight individual 40 acre parcels as follows:
 - Parcel B1: The NE ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$18,000.00
 - Parcel B2: The SE ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$14,000.00
 - Parcel B3: The SW ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$18,000.00

Parcel B4: The SE ¼ of the SW ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$24,000.00

Parcel B5: The SE ¼ of the SW ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$24,000.00

Parcel B6: The SE ¼ of the SE ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk. The minimum bid on this parcel is \$18,000.00

Parcel B7: The NW ¼ of the NW ¼ of Section 2, Township 36 North, Range 1 West, Town of Harmony. The minimum bid on this parcel is \$20,000.00

Parcel B8: The NE ¼ of the NW ¼ of Section 2, Township 36 North, Range 1 West, Town of Harmony. The minimum bid on this parcel is \$18,000.00

- c. **Property C (S1118)** was independently appraised by Brod Appraisal Services, LLC and has been determined to have a value of Twenty Thousand Dollars (\$20,000.00). A copy of the certification page of the appraisal of Property C is attached as Exhibit C.
- C. The Properties have been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Properties have been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the sale analysis for each of the respective properties is attached to this resolution as Exhibit D, E, and F.
- D. Price County has determined that none of the Properties are required for their purposes.
- E. The Wisconsin Department of Natural Resources has determined that none of the Properties are required for their purposes.
- F. BCPL staff members assert that to the best of their knowledge, none of the Properties are required by any other governmental unit in Wisconsin.
- G. BCPL staff recommends the sale of the Properties at public sale pursuant to the sealed bid process set forth in Wisconsin Statutes Chapter 24. BCPL staff members propose to use public land sale documents in substantially the formats set forth on Attached Exhibit G.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the sale of the Properties pursuant to a sealed bid process. The minimum acceptable bid for the Property shall be the appraised value determined by the independent appraisers as set forth above. Such sale(s) shall be conducted 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(s).

CERTIFICATION OF THE APPRAISAL

Item 5 A-C
Exhibit A

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

I have made a personal inspection of the appraised property which is the subject of this report. Unless noted, all comparable sales used in developing the opinion of value were personally inspected. The date of inspection for the subject property was November 12, 2010. Inspection of the comparable sales was by aerial photo and topography mapping.

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 reported analyses, opinions and conclusions represent my best and unbiased judgment and the reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report or personal interest or bias with respect to the parties involved. Also, I have not discussed the matter of price or value with the owner or his/her representative.

Neither the employment nor the compensation for this report is contingent upon the analyses, opinions and conclusions contained within this report.

I have not previously performed any prior services regarding the subject property, as an appraiser, or in any other capacity, within the 3-year period immediately preceding acceptance of this appraisal assignment.

The appraisal was made and the appraisal report prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) and the Wisconsin Department of Natural Resources Appraisal Report Guidelines.

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

I did not receive any significant professional assistance in the development of the analyses, opinions and conclusions contained in this report.

Terry Hess, Real Estate Specialist/Forester for WBCPL, accompanied the appraiser on the property inspection. The subject property was inspected on November 12, 2010.

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

\$22,000 as of November 12, 2010.

Appraised Subject Value/Valuation Date

Signed: Jolehe M. Brod 1/19/11
Jolehe M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

CERTIFICATION OF THE APPRAISAL

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

I have made a personal inspection of the appraised property which is the subject of this report. Unless noted, all comparable sales used in developing the opinion of value were personally inspected. The date of inspection for the whole property was November 12, 2010. Inspection of the comparable sales was by aerial photos and topography mapping.

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 reported analyses, opinions and conclusions represent my best and unbiased judgment and the reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report or personal interest or bias with respect to the parties involved. Also, I have not discussed the matter of price or value with the owner or his/her representative.

Neither the employment nor the compensation for this report is contingent upon the analyses, opinions and conclusions contained within this report.

I have not previously performed any prior services regarding the subject property, as an appraiser, or in any other capacity, within the 3-year period immediately preceding acceptance of this appraisal assignment.

The appraisal was made and the appraisal report prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) and the Wisconsin Department of Natural Resources Appraisal Report Guidelines.

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

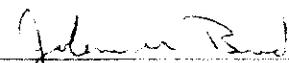
I did not receive any significant professional assistance in the development of the analyses, opinions and conclusions contained in this report.

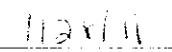
Terry Hess, Real Estate Specialist Forester for WBCPL, accompanied the appraiser on the property inspection. The whole property was inspected on November 12, 2010.

In my opinion, the market value of the described real estate as of November 12, 2010, subject to conditions stated in the legal description, is: See chart in reconciliation or letter of transmittal.

Appraised Subject Value Valuation Date

Signed: _____


Jolene M. Brod


Date Report Submitted

Wisconsin Certified General Appraiser #1339

January 28, 2011

Item 5 A-C
Exhibit B
Page 2

State of Wisconsin-Board of Commissioners of Public Lands
ATTN: Terry Hess, Real Estate Specialist/Forester
P.O. Box 277
Lake Tomahawk, Wisconsin 54539

Dear Terry,

Enclosed is the appraisal report estimating the fee simple value of 319.11 acres of unimproved property located in the SE SW, SW SE and SE SE, Section 34, T. 37N., R. 1W., the SW SW, SE SW and NE SW, Section 35, T. 37N., R. 1W., Township of Elk and the NW NW and NE NW, Section 2, T. 36N., R. 1W., Township of Harmony, Price County, Wisconsin. Per the appraisal instructions each individual quarter quarter was valued. The property is owned by the State of Wisconsin-Board of Commissioners of Public Lands.

This appraisal assignment provides an estimate of market value of the subject property in fee simple for the possible sale of the property by public bid. As requested the eight quarter quarter section that comprise the 319.11 acres were appraised individually. This appraisal report has been prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP).

The whole property was inspected on November 12, 2010 and the effective date of the appraisal is the inspection date. Based on the inspection and market analysis, the estimated value of the subject property is:

Parcel	Legal Description	Value
Parcel 1	NE SW Sec 35, T37N, R1W	\$18,000
Parcel 2	SE SW Sec 35, T37N, R1W	\$14,000
Parcel 3	SW SW Sec 35, T37N, R1W	\$18,000
Parcel 4	SE SW Sec 34, T37N, R1W	\$24,000
Parcel 5	SW SE Sec 34, T37N, R1W	\$22,000
Parcel 6	SE SE Sec 34, T37N, R1W	\$18,000
Parcel 7	NW NW Sec 2, T36N, R1W	\$20,000
Parcel 8	NE NW Sec 2, T36N, R1W	\$18,000

I have enjoyed working with you. Please contact me if you have any questions or comments regarding my report.

Sincerely,



Jolene M. Brod

Wisconsin Certified General Appraiser #1339

CERTIFICATION OF THE APPRAISAL

Item 5 A-C
Exhibit C

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

I have made a personal inspection of the appraised property which is the subject of this report. Unless noted, all comparable sales used in developing the opinion of value were personally inspected. The date of inspection for the subject property was January 08, 2011. Inspection of the comparable sales was by aerial photos and topography mapping.

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 reported analyses, opinions and conclusions represent my best and unbiased judgment and the reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report or personal interest or bias with respect to the parties involved. Also, I have not discussed the matter of price or value with the owner or his/her representative.

Neither the employment nor the compensation for this report is contingent upon the analyses, opinions and conclusions contained within this report.

I have not previously performed any prior services regarding the subject property, as an appraiser, or in any other capacity, within the 3-year period immediately preceding acceptance of this appraisal assignment.

The appraisal was made and the appraisal report prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) and the Wisconsin Department of Natural Resources Appraisal Report Guidelines.

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

I did not receive any significant professional assistance in the development of the analyses, opinions and conclusions contained in this report.

Terry Hess, Real Estate Specialist/Forester for WBCPL, accompanied the appraiser on the property inspection. The subject property was inspected on January 08, 2011.

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

\$20,000 as of January 08, 2011.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 1/19/11
Jolene M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 1116

Item 5 A-C
Exhibit D

Common Name for Land Parcel Town of Emery

County Price Township Emery

Legal Description NESW of Section 4, T37N, R2E

GLO Acres 40

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

9/1/2010

Date

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

- Yes
 No



Executive Secretary

9/20/2010

Date

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 1117

Common Name for Land Parcel Wilson Creek

County Price Township Harmony and Elk

Legal Description NENW & the NWNW of S2, T36N, R1W Town of Harmony, the SESW, SWSE, & the SESE of S34, the NESW, the SWSW, & the SESW of S35, T37N, R1W, Town of Elk

GLO Acres 319.11

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

9/1/2010
Date

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

- Yes
- No


Executive Secretary

9/20/2010
Date

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 1118

Common Name for Land Parcel Town of Elk
County Price Township Elk
Legal Description SESE of Section 26, T37N, R1W
GLO Acres 40

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

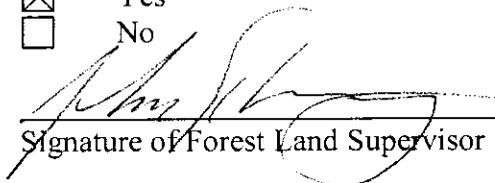
- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
- If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
- Parcel has no current access

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

9/1/2010
Date

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

- Yes
- No



Executive Secretary

9/20/2010
Date

State Sealed Bid Land Sale Advertisement

State of Wisconsin

Board of Commissioners of Public Lands

7271 Main Street, P.O. Box 277

Lake Tomahawk, WI 54539-0277

INSERT BID DATE AND TIME HERE

The State of Wisconsin, Board of Commissioners of Public Lands (BCPL), is offering for sale surplus lands in Vilas, Oneida, Burnett, and Price Counties with the following descriptions. BCPL makes no representations or warranties regarding the properties other than those representations and warranties shown on this document and the Terms and Conditions of Land Sale document. The properties are being sold subject to the reservations described in Wisconsin Statutes Section 24.11(3). The properties are also subject to any state, county or local zoning or building ordinances. BCPL does not warrant or guarantee the usability or access to any of the properties offered. Prospective bidders should do their own research as to the access to and use of the properties for their intended purpose and to make a personal inspection of the properties to determine if it will be suitable for the purposes for which it is being purchased. Land dimensions and acreage may be approximate. Bidders should verify land dimensions and acreage if such information is material to Bidder's decision to bid. All properties are sold "as is." Many of these properties are landlocked. Bidders must obtain permission to access the landlocked parcels through neighboring parcels to inspect the property.

Parcel A: (S1116 Town of Emery) Parcel ID: 50-008-4-37-02-3 01-000-1000
The NE ¼ of the SW ¼ in Section 24, Township 37 North, Range 2 East, Town of Emery, Price County, Wisconsin. This 40 acre landlocked parcel has 25 acres of highland wooded with northern hardwood and aspen. The lowland areas are wooded with cedar and spruce.
The minimum bid on this parcel is \$22,000.00

Parcel B: (S1117 Wilson Creek)
This 319 acre parcel will be sold as eight individual 40 acre parcels as follows:

Parcel B1: Parcel ID: 50-006-2-37-01-35-3 01-000-1000
The NE ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk
The minimum bid on this parcel is \$18,000.00

Parcel B2: Parcel ID: Part of 50-006-2-37-01-35-3 03-000-1000
The SE ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk
The minimum bid on this parcel is \$14,000.00

Parcel B3: Parcel ID: Part of 50-006-2-37-01-35-3 03-000-1000
The SW ¼ of the SW ¼ of Section 35, Township 37 North, Range 1 West, Town of Elk
The minimum bid on this parcel is \$18,000.00

Parcel B4: Parcel ID: 50-006-2-37-01-34-3 04-000-1000
The SE ¼ of the SW ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk
The minimum bid on this parcel is \$24,000.00

Parcel B5: Parcel ID: Part of 50-006-2-37-01-34-3 04-000-1000
The SE ¼ of the SW ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk
The minimum bid on this parcel is \$24,000.00

Parcel B6: Parcel ID: Part of 50-006-2-37-01-34-3 04-000-1000
The SE ¼ of the SE ¼ of Section 34, Township 37 North, Range 1 West, Town of Elk

The minimum bid on this parcel is \$18,000.00

Parcel B7: Parcel ID: Part of 50-018-2-36-01-02-2 01-000-1000
The NW ¼ of the NW ¼ of Section 2, Township 36 North, Range 1 West, Town of Harmony
The minimum bid on this parcel is \$20,000.00

Parcel B8: Parcel ID: Part of 50-018-2-36-01-02-2 01-000-1000
The NE ¼ of the NW ¼ of Section 2, Township 36 North, Range 1 West, Town of Harmony
The minimum bid on this parcel is \$18,000.00

Parcel C: (S1118 Town of Elk) Parcel ID: 50-006-2-37-01-26-4 04-000-10000
The SE ¼ of the SE ¼ of Section 26, Township 37 North, Range 1 West, Town of Elk, Price
County, Wisconsin. This 40 acre landlocked parcel has 25 acres of highland wooded with aspen.
The lowland area is wooded with spruce and alder.
The minimum bid on this parcel is \$20,000.00

**SEALED BIDS must be submitted on BCPL “Land Sale Bid Forms” and will be accepted
until insert bid time and date here , 2011, at 7271 Main Street, Lake
Tomahawk, WI 54539-0277. Bids must be submitted prior to the insert bid time and date
here bid opening in the Lake Tomahawk Ranger Station, second floor conference room.
Persons wanting to bid on more than one parcel of land must submit separate bids for each
parcel. Please specify the parcel number on the outside of the envelope. The Board of
Commissioners of Public Lands reserves the right to reject any or all bids.**

**For terms and conditions, and required bid forms please call the District Office at (715)
277-3366 or write:**

**Board of Commissioners of Public Lands
P.O. Box 277
Lake Tomahawk, WI 54539-0277**

State of Wisconsin
Board of Commissioners of Public Lands

Terms and Conditions of Land Sale

1. Properties Offered – The properties offered for sale are described on the Land Sale Advertisement. BCPL makes no representations or warranties regarding the properties other than those representations and warranties shown on this document and the Land Sale Advertisement. The properties are being sold subject to the reservations described in Wisconsin Statutes Section 24.11(3). The properties are also subject to any state, county or local zoning or building ordinances. BCPL does not warrant or guarantee the usability or access to any of the properties offered. Prospective bidders should do their own research as to the access to and use of the properties for their intended purpose and to make a personal inspection of the properties to determine if it will be suitable for the purposes for which it is being purchased. All properties are sold **“as is.” BCPL may, at its option, provide successful bidders with an owner’s title insurance commitment on the properties.**
2. Minimum Bid Price – The minimum bid prices are as shown on the Land Sale Advertisement. No bids will be accepted and no sales will be made for less than the minimum bid price indicated.
3. Deposit – A deposit of fifteen percent (15%) in the form of a cashier’s check or money order payable to the Board of Commissioners of Public Lands must accompany the bid. Deposits from unsuccessful bidders will be returned within ten (10) business days of the auction date.
4. Deadline for Bid Opening – It shall be the duty of the bidder to see that their bid is delivered to the BCPL Lake Tomahawk office before *~~~insert day and time here~~~*, at 7271 Main Street, Lake Tomahawk, WI. No bids received after this time will be accepted and will be returned unopened. Bidders are welcome to attend the bid opening but attendance is not mandatory.
5. Award of Bid – If a bid is submitted on the Land Sale Bid Form, conforms to the Terms and Conditions of Land Sale and recites the highest dollar value over the stated minimum bid, the BCPL will reserve the parcel in the bidder’s name for a period of 60 days, during which time the bidder shall complete the sale by payment of the outstanding balance and recording fees. In the event that two or more high bids are received that are equal in all respects, the selection will be made by a lottery limited to the tied bidders. The BCPL reserves the right to reject any and all bids and to withdraw the offered parcel from sale anytime prior to the bid opening.

6. Modification or Withdrawal of Bids – The BCPL will not entertain claims from bidders for withdrawal or modification of bids after the bid opening because of ignorance of the condition of the property offered for sale or misinterpretation of the terms and conditions of the sale. Submittal of bid shall constitute knowledge by the bidder of all conditions, requirement and description contained herein.
7. Notice of Acceptance or Rejection of Bids – Bidders will be notified by mail of the acceptance or rejection of their bid within ten (10) business days after the day of bid opening.
8. Contract for Sale – The highest bid, when accepted by the BCPL shall constitute an agreement for sale between the successful bidder and the BCPL. Such agreement shall constitute the whole contract unless modified in writing and signed by both parties, to be fulfilled by the recording of the formal conveyance instrument. Neither oral statements nor representations made by or for or on behalf of either party shall become part of such contract; nor shall the contract or any interest therein be transferred or assigned by the successful bidder without the written consent of the BCPL.
9. Default – In the event of a default by the highest bidder in the performance of the contract for sale created by the BCPL's acceptance of their bid, BCPL shall retain such amounts of the deposit as are authorized by law and take such action as BCPL deems necessary and appropriate to enforce the contract. Those actions may include legal redress, awarding title to the second highest bidder or re-advertising the property for sale.
10. Transfer Instruments – A patent or quit claim deed will be issued to the Purchaser conveying title to the property.
11. Property Taxes – All property taxes and assessments that become due and payable after the sale will be the responsibility of the Purchaser.
12. Recording Fees – The Purchaser is responsible for any recording fees.
13. Possession of Property – Purchasers may not take physical possession of the property bid upon until a patent or deed has been executed and delivered to the Purchaser.
14. BCPL and its employees may not bid – The board, and all persons employed by it or about any of its respective offices, are prohibited from purchasing any of the public lands, directly or indirectly, either in their own name or in the name of any other person in trust for them or either of them.

State of Wisconsin
Board of Commissioners of Public Lands
Land Sale Bid Form

Instructions:

1. Please read the Terms and Conditions of Land Sale.
2. Provide the Parcel ID Number when submitting inquires regarding your bid.
3. Complete this Land Sale Bid Form and submit the completed form to the address below along with the applicable deposit.

Bidder Information: *Please type or print legibly.*

Name of Bidder: _____

Street Address: _____

City, State, Zip: _____

Phone Number: Day () _____ Evening () _____.

I hereby submit a bid to purchase Parcel # _____ **, Parcel ID:** _____.

The amount of my bid is \$ _____.

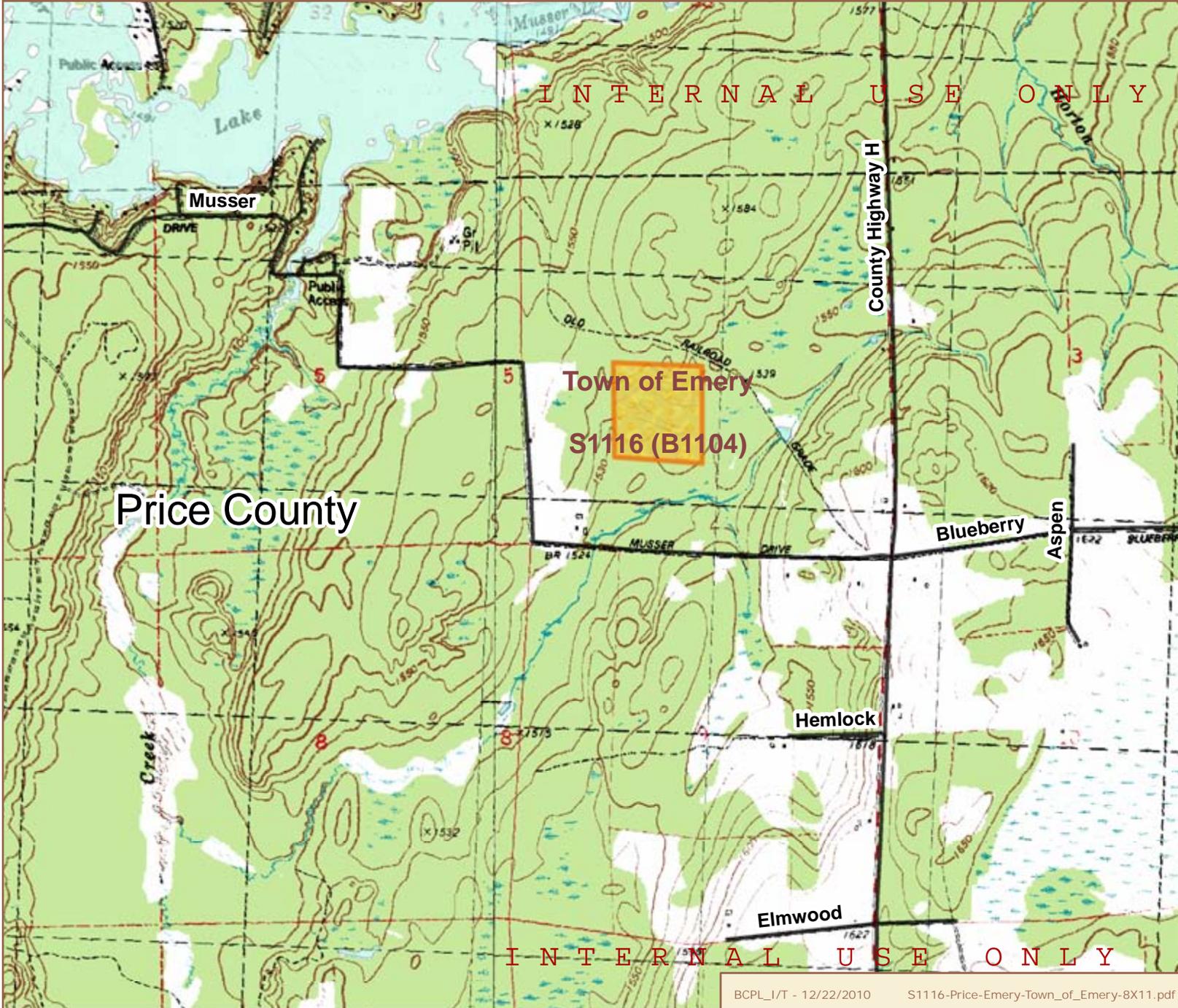
The 15% of my bid amount enclosed is \$ _____.

I hereby certify that I have read and understand the Terms and Conditions of Land Sale for this sealed bid land sale. I acknowledge that such terms and conditions are incorporated into any contract for sale resulting from the acceptance of my bid. If my bid is accepted, I agree to pay the bid price listed above and comply with all other terms and conditions. I certify that I am qualified and authorized to make this bid.

Signature _____ **Date** _____.

Mail To: State of Wisconsin
Board of Commissioners of Public Lands
7271 Main Street, P.O. Box 277
Lake Tomahawk, WI 54539-0277

Price County Bid Sale 1 S1116



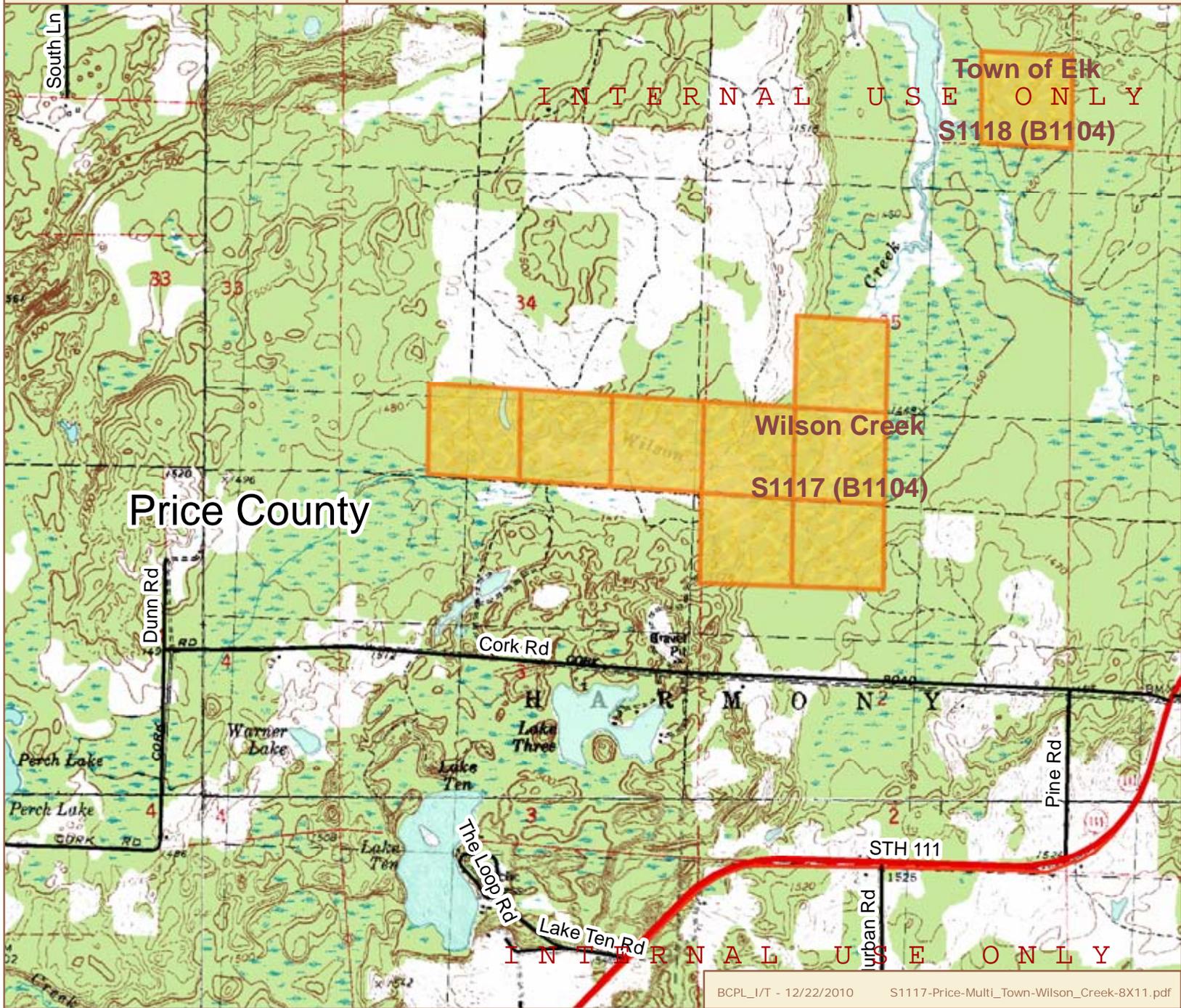
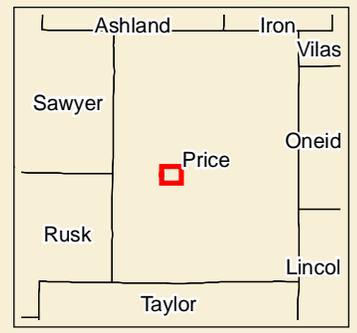
BCPL Project #: S1116 (B1104)
County: Price
Town: Emery
Common Name: Town of Emery
Acres - 40.00
Fund 745



-  **Outgoing**
-  Other BCPL Land
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  USFS_NICH_OWN_P_24K



Price County Bid Sale 2 S1117



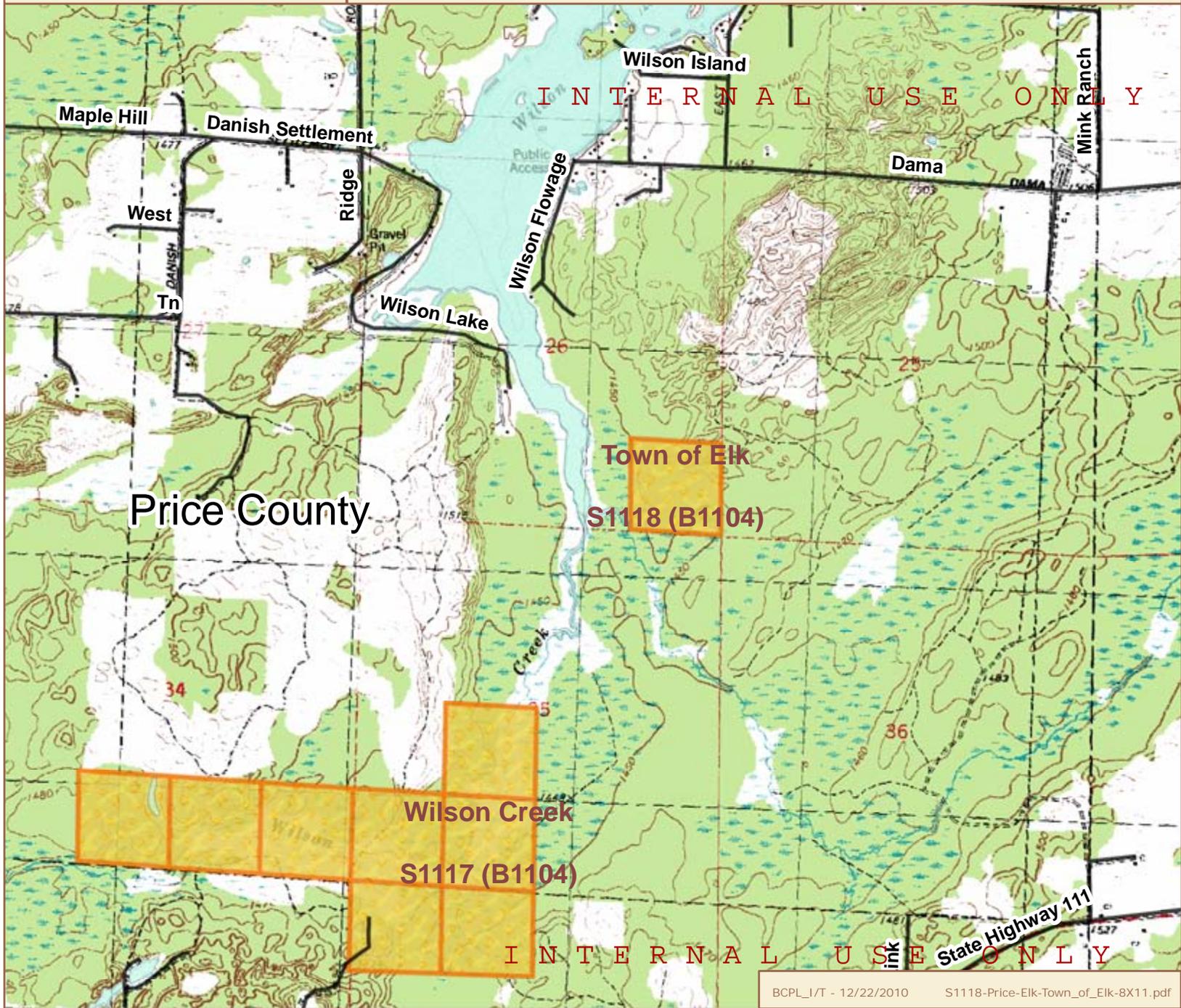
BCPL Project #: S1117 (B1104)
County: Price
Town: Harmony and Elk
Common Name: Wilson Creek
Acres - 319.11
Fund 745



-  **Outgoing**
-  Other BCPL Land
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  USFS_NICH_OWN_P_24K



Price County Bid Sale 3 S1118



BCPL Project #: S1118 (B1104)
 County: Price
 Town: Elk
 Common Name: Town of Elk
 Acres - 40.00
 Fund 745



-  **Outgoing**
-  Other BCPL Land
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  USFS_NICH_OWN_P_24K



**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 6
PROPOSED LAND EXCHANGE WITH DOUGLAS WAGNER (E1102)**

Staff is requesting authority to convey an isolated 40 acre parcel of BCPL land in Marinette County to Douglas Wagner in exchange for a 40 acre in-holding within BCPL's main 3,000 acre Marinette County block.

BCPL staff recommends the exchange with Douglas Wagner for the following reasons:

- The BCPL property that would be conveyed to Douglas Wagner in the exchange is an isolated, moderately productive parcel.
- The exchange would result in an improvement in BCPL's timber portfolio.
- The property that would be acquired in the exchange:
 - Would increase the number of summer logging opportunities.
 - Would reduce the threat from forest fragmentation.
 - Would provide additional timber revenue and species diversification.
 - Eliminate an in-holding in an existing BCPL block of land thereby improving management efficiency.

The properties to be exchanged have been appraised at approximately equal values.

Attachments:

Resolution w/Exhibits

Exhibit A: Incoming Property Summary Analysis

Exhibit B: Incoming Property Appraisal Certification

Exhibit C: Outgoing Property Summary Analysis

Exhibit D: Outgoing Property Appraisal Certification

BCPL Project Map

**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 6
PROPOSED LAND EXCHANGE WITH DOUGLAS WAGNER (E1102)**

RECITALS

- A. Mr. Douglas Wagner has asked BCPL to participate in a land exchange transaction in Marinette County.
- B. Mr. Wagner has offered to exchange 40 acres of land in Marinette County more particularly described as the SESW of Section 27, T34N, R18E, Town of Silver Cliff, Marinette County, Wisconsin (the "Fruit Forty") that lies within the boundary of the existing BCPL property in Marinette County. The Fruit Forty is the only in-holding within BCPL's 3,000 acre Marinette County block.
- C. The Fruit Forty has been evaluated by BCPL staff against acquisition criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for acquisition according to such criteria. A copy of the summary analysis for the incoming property is attached to this resolution as Exhibit A.
- D. The Fruit Forty has been independently appraised by Compass Land Consulting, LLC at \$2,000 per acre for a total value of \$80,000. A copy of the Certification of Appraisal is attached as Exhibit B.
- E. BCPL currently owns the NESW of Section 4, T32N, R18E, Town of Stephenson, Marinette County, Wisconsin (the "BCPL Property"). The BCPL Property has been evaluated by BCPL staff against sales criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for sale or exchange according to such criteria. A copy of the summary analysis of the outgoing BCPL Property is attached to this resolution as Exhibit C.
- F. The BCPL Property was independently appraised by Compass Land Consulting, LLC on April 28, 2010, as an 80 acre parcel with a total value of \$160,000. Therefore, the value of the 40 acre parcel being exchanged would be \$80,000. A copy of the Certification of Appraisal is attached as Exhibit D.
- G. BCPL staff members recommend exchanging the BCPL Property for the Fruit Forty.
- H. BCPL staff recommends approval of this transaction for the following reasons:
 - a. BCPL staff has determined that the BCPL lands are appropriate for sale or exchange.

- b. BCPL staff has also determined that the acquisition of the Fruit Forty would produce timber revenue for the trust fund, improve timberland management efficiency and reduce the threat of forest fragmentation.
- c. The values of the properties in the proposed exchange are “approximately equal” as that term is defined in Wis. Stat. Section 24.09

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the exchange of the BCPL Property with Mr. Douglas Wagner in return for the Fruit Forty in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Exchange
Transaction ID#: E 1102

Incoming Property

Common Name for Land Parcel: **Fruit 40**

County: Marinette Township: Silver Cliff

Legal Description: SESW of S27, T34N, R18E

Acres: 40

Parcel ID Number: 030-01569.000

Previous Year Tax Levy: \$1245.80

Name(s) of Seller(s): Mark S and Natalie C Kleefisch

Address of Seller(s): 13819 S Quail Run Dr.

Plainfield, IL 60544-3725

Seller Phone #: ()

Seller's Attorney or Agent:

Contact Information:

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

Asking Price: \$80,000

Summary Analysis of Potential Property Exchange
Transaction ID#: E 1102

Incoming Property

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

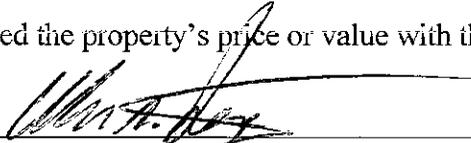
Comments (parcel cover type or other attributes of parcel or transaction):

This parcel is the only inholding on the Marinette County block, the acquisition of this parcel will improve management efficiency, reduce fragmentation and improve public access.

Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have had no prior engagements involving inspections or appraisals of the subject property.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the subject property and the market sales used in this appraisal.
- Based upon the information contained in this report, and upon my general experience as an appraiser, it is my opinion that the market value of the subject property, fee title and unencumbered, is \$80,000 as of February 6, 2011.
- I have not discussed the property's price or value with the landowner.

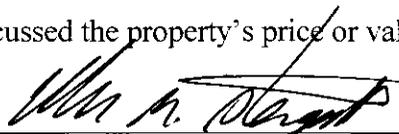


William M. Steigerwaldt
Real Estate Specialist
Wisconsin Certified General Appraiser #394-10
(Expires 12/14/2011)

Certification

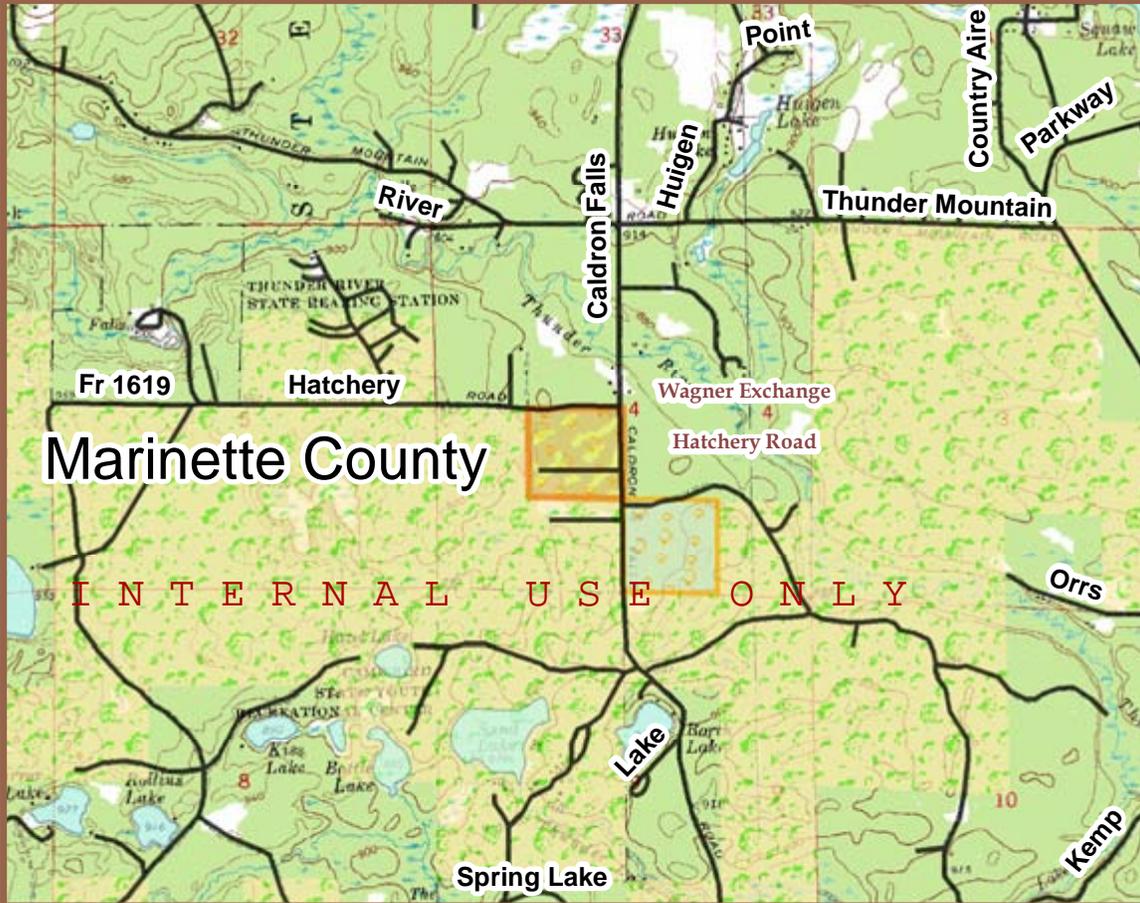
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have had no prior engagements involving inspections or appraisals of the subject property.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the subject property and the market sales used in this appraisal. The agent for the landowner, Terry Hess, joined me in the inspection of the subject property on April 28, 2010.
- Based upon the information contained in this report, and upon my general experience as an appraiser, it is my opinion that the market value of the subject property, fee title and unencumbered, is \$160,000 as of April 28, 2010.
- Sandra Steigerwaldt and Renee Duda provided significant assistance to the appraiser in sales research, sales confirmation, and preparation and editing of the appraisal report and exhibits.
- I have not discussed the property's price or value with the landowner.



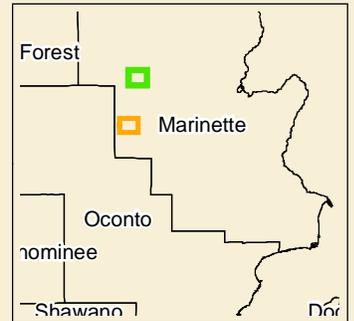
William M. Steigerwaldt
Real Estate Specialist

Wisconsin Certified General Appraiser #394-10



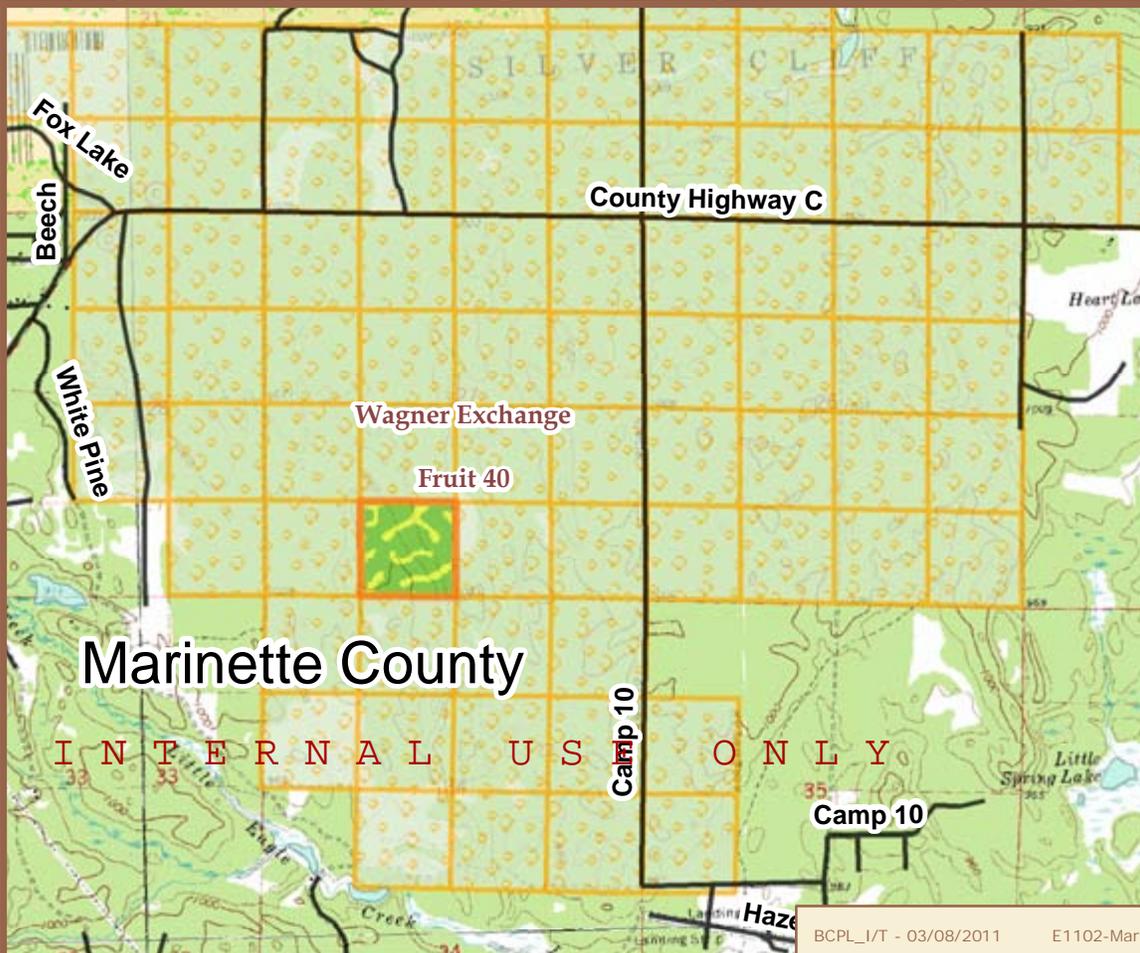
Outgoing Lands:

County: Marinette
Town: Stephenson
Common Name: Hatchery Road
Acres - 40.00
Fund 745



- Incoming
- Outgoing
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- USFS_NICH_OWN_P_24K

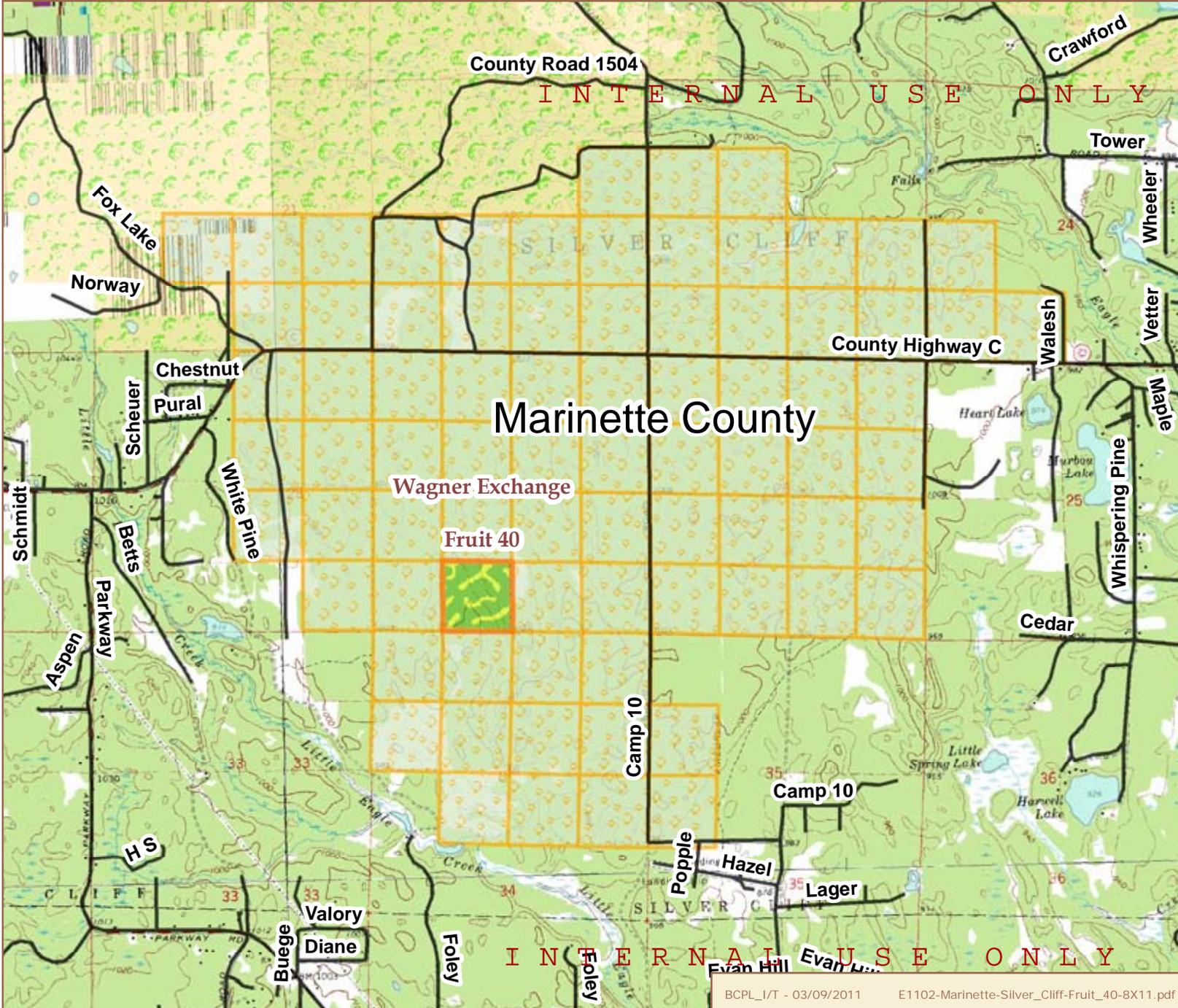
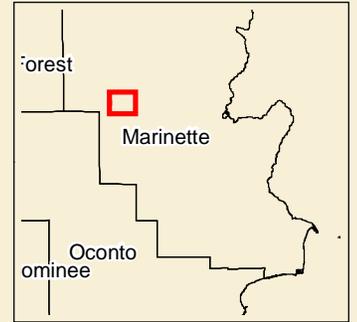
0.087575 Miles



Incoming Lands:

County: Marinette
Town: Silver Cliff
Common Name: Fruit 40
Acres - 40.00
Fund 745

WAGNER EXCHANGE - Incoming: Fruit 40



BCPL Project #:
E1102

County: Marinette

Town: Silver Cliff

Common Name
Fruit 40

Acres - 40.00

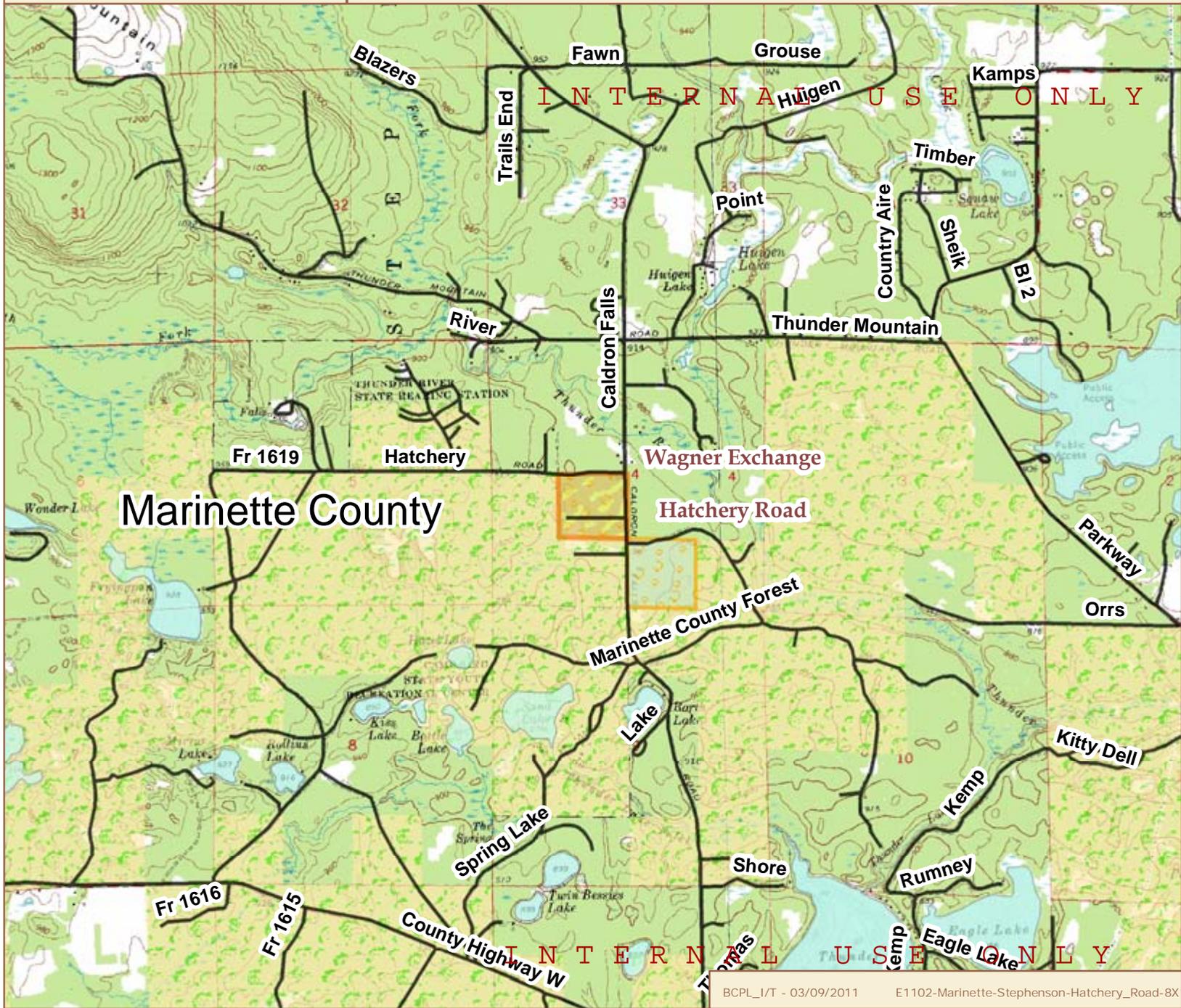
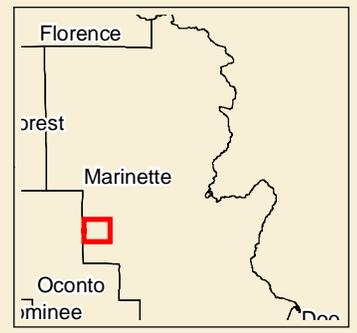
Fund 745



- Incoming
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- USFS_NICH_OWN_P_24K

0 0.15 0.3 Miles

WAGNER EXCHANGE - Outgoing: Hatchery Road



BCPL Project #: E1102
County: Marinette
Town: Stephenson
Common Name: Hatchery Road
Acres - 40.00
Fund 745



- Outgoing
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- USFS_NICH_OWN_P_24K



**BOARD MEETING
MARCH 15, 2011**

**AGENDA ITEM 7
PROPOSED SUBMERGED LAND LEASE – WE ENERGIES**

- A. The State of Wisconsin holds the beds of all lakes and navigable waterways in trust for the people of Wisconsin pursuant to Article IX Section 1 of the Wisconsin Constitution. This constitutional provision contains the Public Trust Doctrine which provides that all navigable waters of the state are “common highways and forever free” and that all Wisconsin citizens have the right to boat, fish, ice skate, and swim on navigable waters, as well as enjoy the natural scenic beauty of those waters.
- B. Wisconsin Statutes Section 24.39(4) authorizes BCPL, on behalf of the State of Wisconsin, to lease certain lake and river beds (otherwise known as submerged lands) to the owner of the waterfront land under certain limitations if the DNR finds that the proposed physical changes to the proposed lease area are in the public interest.
- C. The Wisconsin Electric Power Company (“WE Energies”) is the lakefront or “riparian” owner of certain land on the shore of Lake Michigan in the City of Port Washington, Wisconsin. WE Energies previously operated a coal burning power plant on the site and had previously filled an adjacent portion of the bed of Lake Michigan to serve as docks for unloading and storing coal and for other uses related to generating electricity. WE Energies did not have a previous lease from BCPL for the use of the coal dock area but was permitted to occupy such filled lakebed areas for electricity generating purposes pursuant to Wisconsin Statutes Section 30.21.
- D. WE Energies has now converted its Port Washington generating facility into a natural gas plant and no longer needs the entire filled areas of Lake Michigan for storing coal or generating electricity. As such, WE Energies cannot occupy those lakebed areas any longer pursuant to the above statute. If those areas are to remain filled and occupied, it must be done pursuant to a submerged lands lease with BCPL.
- E. WE Energies now desires to lease from the State of Wisconsin, through BCPL, those filled areas of Lake Michigan that are no longer needed for electricity generating purposes (see Exhibit B color map). WE Energies desires separate leases for the North Dock area and the South Dock area. (See Exhibit A1 for legal description of South Dock area; see Exhibit A2 for legal description of North Dock area). The total area that would be subject to lease is approximately 16 acres.
- F. The purpose of the proposed leases would be to improve public access to the waterfront, improve navigation and for the construction of harbor facilities. WE Energies intends to sublease to the City of Port Washington which plans to develop a municipal park on the

site. The plans provide the general public with opportunities to enjoy an area of the waterfront in Port Washington that has not been open to the public for many decades.

- G. The DNR has reviewed proposals from WE Energies and the City of Port Washington and based upon those reviews, the DNR has issued findings pursuant to Wis. Stat. Section 30.11(5) that the physical changes proposed by WE Energies and the City of Port Washington are in the public interest. A copy of the findings is attached as Exhibit C. Now that the DNR has issued such findings, BCPL may, at its discretion, enter into submerged lands leases with WE Energies.
- H. BCPL staff recommends that the Board authorize two (2) 50-year Submerged Lands Leases with WE Energies. Since the areas to be leased will be open and accessible to the general public as a municipal park, and WE Energies and the City of Port Washington will be accepting responsibility for the future costs of maintenance and insurance related to the public use of these lands, BCPL staff believes that it is reasonable and proper to allow for a rental rate that is significantly less than the fair market value of the leased area. BCPL staff believes that a beginning rental rate of \$200 per year for each lease is reasonable under the circumstances.

PROPOSED RESOLUTIONS

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes a two (2) new fifty year Submerged Lands Lease with WE Energies in accordance with Section 24.39 of the Wisconsin Statutes with a beginning rental rate of Two Hundred Dollars (\$200.00) per year for each lease on such other 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.

- Exhibit A1: Legal Description of South Dock area*
Exhibit A2: Legal Description of North Dock area
Exhibit B: Map of area subject to proposed new lease
Exhibit C: WI DNR's Findings of Fact

SOUTH DOCK SUBLEASE

LEGAL DESCRIPTION OF PREMISES

A parcel of land being a part of the Southeast 1/4 of Section 28 and the Northeast 1/4 of Section 33, Town 11 North, Range 22 East, City of Port Washington, Ozaukee County, Wisconsin, being more particularly described as follows:

Commencing at the southwest corner of the Southeast 1/4 of Section 28, Town 11 North, Range 22 East; Thence N 87°17'05" E, 143.64 feet along the south line of said Southeast 1/4 Section; Thence S 02°42'55" E, 107.71 feet to the Point of Beginning of this description;

Thence S 62°01'24" E, 41.26 feet; Thence N 48°09'30" E, 301.48 feet; Thence N 63°16'30" E, 529.20 feet; Thence N 23°08'41" E, 4.45 feet; Thence S 67°16'15" E, 247.85 feet; Thence S 23°24'11" W, 454.57 feet; Thence N 66°52'41" W, 544.65 feet; Thence S 47°58'43" W, 469.58 feet; Thence N 66°01'45" W, 32.14 feet; Thence N 29°36'54" E, 39.08 feet; Thence N 28°09'46" E, 161.68 feet to the Point of Beginning of this description.

Said parcel containing 224,375.9 square feet or 5.151 acres.

NORTH DOCK SUBLEASE

LEGAL DESCRIPTION OF PREMISES

A parcel of land being a part of the Southeast 1/4 of Section 28, Town 11 North, Range 22 East, City of Port Washington, Ozaukee County, Wisconsin, being more particularly described as follows:

Commencing at the southwest corner of the Southeast 1/4 of Section 28, Town 11 North, Range 22 East; Thence N 02°35'17" W, 916.63 feet along the west line of said Southeast 1/4 Section; Thence N 87°24'43" E, 983.84 feet to the intersection of the southerly dock line of the Port Washington Harbor and the Ordinary High Water Mark (OHWM) before plant construction, based on WE Energies Drawing No. 124-1-G; Thence S 66°55'05" E, 659.50 feet; Thence S 67°03'52" E, 190.50 feet; Thence S 65°45'46" E, 34.40 feet; Thence S 23°05'06" W, 493.00 feet; Thence N 66°54'13" W, 687.30 feet; Thence N 23°08'41" E, 30.00 feet; Thence N 66°49'03" W, 384.38 feet; Thence N 21°56'13" W, 49.47 feet to the intersection of said OHWM and a line which is one foot north of a newly constructed fence extended from the northwest; Thence along said OHWM the following courses N 44°39'29" E, 64.18 feet; Thence N 36°45'28" E, 115.00 feet; Thence N 66°09'40" E, 58.00 feet; Thence N 80°24'23" E, 90.00 feet; Thence N 71°36'53" E, 80.50 feet; Thence N 29°01'24" E, 75.00 feet; Thence N 05°12'13" E, 39.00 feet to the Point of Beginning of this description.

Said parcel containing 482176.9 square feet or 11.069 acres.



Area for legal description in Exhibit A1 (South Dock area)

Area for legal description in Exhibit A2 (North Dock area)

Proposed Phase #1 Promenade
Harborwalk Improvements

Preferred Strategy
Coal Docks
Port Washington, Wisconsin

City of Port Washington
New Streetscape
Design Program
Civil Engineers, Inc.

HillierKnowlton
1250 Grand Avenue
Portland, Oregon 97208
www.hillierknowlton.com

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711



Item 7
Exhibit C
Page 1

February 10, 2011

Tom German, Deputy Secretary
Board of Commissioners of Public Lands
125 S. Webster Street, Suite 200
Madison, WI 53703

Subject: s. 30.11 Findings - Port Washington Coal Docks

Dear Mr. German:

Enclosed please find the Department of Natural Resources Findings under section 30.11, Wis. Stats., for the proposed submerged land lease at the Port Washington Coal Docks.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Liesa Lehmann'.

Liesa Lehmann, Chief
Waterway Protection Section
Bureau of Watershed Management

enclosure

c: Ben Callan - DNR-OE/7
Kathi Kramasz and Vic Pappas – DNR-Plymouth
David Lee, WE Energies
City of Port Washington
Rebecca Graser, U.S. Army Corps of Engineers

**DEPARTMENT OF NATURAL RESOURCES FINDINGS
PURSUANT TO SECTION 30.11, WIS STATS.
RELATING TO AN APPLICATION FOR A PROPOSED LEASE FOR
PORT WASHINGTON COAL DOCK**

The Department of Natural Resources (Department) has reviewed the application for a Submerged Lands Lease ("Lease") submitted to the State of Wisconsin Board of Commissioners of Public Lands ("Lessor") by Wisconsin Electric Power Company ("Lessee") as required under Sections 24.39 and 30.11, Stats., and hereby makes the following findings:

A. The application involves two areas of filled lakebed, referred to as the North and South Dock, of the Port Washington Generating Station. The 12.7 acre North Dock and 6.6 acre South Dock were initially utilized for coal storage and power generation facilities. The Lessee intends to sub-lease the North Dock and 4.4 acres of the South Dock to the City of Port Washington for improvements to public access, navigation and the construction of harbor facilities. The remaining 2.2 acres of the South Dock will continue to be utilized for public utility purposes. A Master Plan has been developed, by the City of Port Washington, to improve public access and navigation on the Docks and the City has received Stewardship Funding from the Department of Natural Resources for phase 1 of the improvements.

B. On November 24, 2010, the Department issued a written letter notifying the Ozaukee County Clerk, the Clerk for the City of Port Washington and the U.S. Army Corps of Engineers of the application by Wisconsin Electric Power Company for a submerged lands lease in the City of Port Washington. The November 24, 2010 letter, satisfies the notice requirement under Wis. Stat. §30.11(5). There were no comments received in response to the Notice.

C. The Department reviewed the application of Wisconsin Electric Power Company for a submerged land lease of the existing North and South Dock for improvements to navigation and the construction of harbor facilities.

D. The Lease will be consistent with the public interest in the navigable waters of Lake Michigan provided that it includes and requires the Lessee and any sub-lessees to comply with all of the following conditions:

1. All uses of and activities in the submerged land lease area shall be consistent with navigational uses as described in Wis. Stat. § 24.39.
2. The Lessee must submit, for Department review and written approval, copies of narratives and plans for each phase of construction and any proposed subleases.
 - a. All subleases must be consistent with Wis. Stat. §§ 24.39 and 30.11 and shall be subject to review and written approval by the Department.
3. The Department staff shall be authorized to access the lease area for evaluation of compliance with state permits and environmental laws.
4. The Lease is valid for a period of no more than 50 years and is limited to the area of lakebed described above.
5. The Lessee is required to maintain the sea-wall and protective barrier cap in accordance with the cap maintenance plan on file with the Department of Natural Resources, file reference BRRTS #0246525198.

E. The Department hereby finds, on the basis of the findings listed above, that the proposed physical changes in the navigable waters of Lake Michigan as a result of the execution of a submerged lands lease are consistent with the public interest upon compliance with the conditions specified in Finding D.

Dated this 10th day of February, 2011.



Wisconsin Department of Natural Resources by
Liesa Lehmann, Waterways Protection Section Chief