



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

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Managing Wisconsin's trust assets for public education

AGENDA

May 7, 2013

2:15 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

- 1) Call to Order
- 2) Approve Minutes – April 18, 2013
- 3) Approve Loans
- 4) Proposed Land Exchange – One Horse Ranch (E1302)
- 5) Executive Secretary's Report
- 6) Adjourn

**BOARD MEETING
MAY 7, 2013**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the April 18, 2013, board meeting.

Board Meeting Minutes
April 18, 2013

ITEM 1. CALL TO ORDER

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

Present were:

Doug La Follette, Board Chair

Kurt Schuller, Commissioner

J.B. Van Hollen, Commissioner

Tia Nelson, Executive Secretary

Tom German, Deputy Secretary

Richard Sneider, Loan Analyst

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

ITEM 2. APPROVE MINUTES – APRIL 2, 2013

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

ITEM 3. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

Municipality	Municipal Type	Loan Amount
1. Little Rice Oneida County Application #: 02013171 Purpose: Purchase patrol truck	Town Rate: 2.00% Term: 2 years	\$75,000.00
2. Parkview Rock County Application #: 02013166 Purpose: Purchase instructional technology equipment	School Rate: 2.50% Term: 3 years	\$391,000.00
3. Pleasant Springs Dane County Application #: 02013169 Purpose: Purchase fire equipment upgrades	Town Rate: 2.00% Term: 1 year	\$18,825.00
4. River Falls Pierce County Application #: 02013167 Purpose: Finance road maintenance and construction	Town Rate: 2.00% Term: 1 year	\$130,000.00

5.	Stoughton	City	\$1,400,000.00
	Dane County	Rate: 2.75%	
	Application #: 02013168	Term: 7 years	
	Purpose: Purchase land		
TOTAL			\$2,014,825.00

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

ITEM 4. EXECUTIVE SECRETARY'S REPORT

Nothing to report.

ITEM 5. ADJOURN

MOTION: Commissioner Schuller moved to adjourn the meeting; Commissioner Van Hollen 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, 101 E. Wilson Street, 2nd Floor, Madison, Wisconsin.

**BOARD MEETING
MAY 7, 2013**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Bangor La Crosse and Monroe Counties Application #: 02013172 Purpose: Refinance bond debt	School Rate: 2.50% Term: 3 years	\$800,000.00
2. Eagle River Vilas County Application #: 02013177 Purpose: Refinance storm sewer utility debt	City Rate: 2.75% Term: 10 years	\$100,000.00
3. Fulton Rock County Application #: 02013173 Purpose: Finance road repairs	Town Rate: 2.50% Term: 5 years	\$200,000.00
4. Marshall Dane County Application #: 02013178 Purpose: Finance park improvements and ancillary costs	Village Rate: 3.75% Term: 20 years	\$600,000.00
5. Marshall Dane County Application #: 02013179 Purpose: Purchase ambulance and fire department equipment	Village Rate: 2.50% Term: 5 years	\$102,739.00
6. Mellen Ashland County Application #: 02013176 Purpose: Finance technology infrastructure	School Rate: 2.75% Term: 10 years	\$250,000.00
7. Merrillan Jackson County Application #: 02013182 Purpose: Refund 2012 Note Anticipation Note	Village Rate: 5.00% Term: 20 years	\$436,500.00
8. New Holstein Calumet County Application #: 02013181 Purpose: Finance fire department training tower	City Rate: 2.75% Term: 10 years	\$100,000.00

Municipality	Municipal Type	Loan Amount
9. Northern Ozaukee Ozaukee County Application #: 02013174 Purpose: Refinance BCPL loan #02013085	School Rate: 3.75% Term: 17 years	\$1,133,752.61
10. Owen Clark County Application #: 02013180 Purpose: Refinance BCPL Loan #2010110	City Rate: 2.75% Term: 10 years	\$192,830.27
11. Owen Clark County Application #: 02013183 Purpose: Refinance outstanding debt obligations	City Rate: 5.75% Term: 25 years	\$1,160,000.00
12. Waterloo Jefferson County Application #: 02013170 Purpose: Finance redevelopment site demolition	City Rate: 2.75% Term: 10 years	\$1,000,000.00
13. Weston Richland and Sauk Counties Application #: 02013175 Purpose: Refinance WRS pension liability	School Rate: 3.75% Term: 20 years	\$350,000.00
TOTAL		\$6,425,821.88

**BOARD MEETING
MAY 7, 2013**

**AGENDA ITEM 4
PROPOSED LAND EXCHANGE – ONE HORSE RANCH (E1302)**

Staff is requesting authority to convey an 80 acre parcel of Trust Lands in Forest County to Barry Mihalko in exchange for a 24 acre parcel that is adjacent to a 560 acre block of Trust Lands in Oneida County.

BCPL staff recommends the exchange with Barry Mihalko for the following reasons:

- The BCPL property that would be conveyed to Barry Mihalko is a low productive parcel that is mostly lowland.
- The property that BCPL would receive in the exchange would:
 - contribute to the consolidation of a block of land;
 - improve public access to the existing block of BCPL land; and
 - provide additional timber revenue for the trust fund

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

Attachments:

Resolution w/Exhibits

Exhibit A – Summary Analysis of Outgoing Property (Northern Argonne Parcel)

Exhibit B – Appraisal Certification of Outgoing Property (Northern Argonne Parcel)

Exhibit C – Summary Analysis of Incoming Property (Pelican Parcel)

Exhibit D – Appraisal Certification Incoming Property (Pelican Parcel)

BCPL Project Maps

BOARD MEETING

MAY 7, 2013

AGENDA ITEM 4

PROPOSED LAND EXCHANGE – ONE HORSE RANCH (E1302)

RECITALS

- A. BCPL currently owns a 160 acre parcel in Forest County described as the West ½ of the NE ¼ and the North ½ of the SE ¼ of Section 1, Township 36 North, Range 13 East, located in the Town of Argonne.
- B. The DNR has expressed an interest in acquiring the southern 80 acres of this parcel in the foreseeable future but is not interested in acquiring the northern 80 acres of this parcel.
- C. Barry Mihalko (“Mr. Mihalko”) is a nearby landowner and has proposed that BCPL exchange the northern 80 acres of this parcel described as the West ½ of the NE ¼ of Section 1, Township 36 North, Range 13 East in Forest County (the “Northern Argonne Parcel”) for other property of approximately equal value.
- D. BCPL conducted a timber harvest on the Northern Argonne Parcel within the last couple of years and, therefore, BCPL does not expect the parcel to produce much timber revenue for the foreseeable future. The Northern Argonne Parcel has been evaluated by BCPL staff against criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for exchange according to such criteria. A copy of the summary analysis for the Northern Argonne Parcel (outgoing property) is attached to this resolution as Exhibit A.
- E. The Northern Argonne Parcel has been independently appraised by Compass Land Consultants, Inc. at \$500 per acre for a total value of \$40,000. A copy of the Certification of Appraisal of The Northern Argonne Parcel is attached to this resolution as Exhibit B.
- F. BCPL staff has identified a 24 acre parcel in Oneida County described as part of the NE ¼ of the NW ¼ of Section 32, Township 36 North, Range 9 East, Town of Pelican (the “Pelican Parcel”) as suitable for the proposed exchange. The Pelican Parcel (incoming property) has a significant amount of direct frontage on two town roads and is contiguous to 560 acres of existing BCPL property. The Pelican Parcel would improve public access to BCPL’s existing block and the Pelican Parcel contains productive timberland as well.

- G. The Pelican Parcel is not owned at this time by Mr. Mihalko, but it has been offered for sale at a price of \$44,000 and Mr. Mihalko is willing to acquire it in order to exchange it with BCPL.
- H. The Pelican Parcel has been evaluated by BCPL staff against criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for exchange according to such criteria. A copy of the summary analysis for the Pelican Parcel is attached to this resolution as Exhibit C.
- I. The Pelican Parcel has been independently appraised by Compass Land Consultants, Inc. at \$1,800 per acre for a total value of \$42,300. A copy of the Certification of Appraisal of the Pelican Parcel is attached to this resolution as Exhibit D.
- J. The value of the Northern Argonne Parcel is approximately equal to the value of the Pelican Parcel as determined pursuant to Wis. Stats. Section 24.09(bm).
- K. BCPL staff recommends approval of this proposed exchange of parcels of approximately equal value for the following reasons:
 - a. BCPL staff has determined that the Northern Argonne Parcel is appropriate for sale or exchange;
 - b. The exchange will enable BCPL to dispose of a low productive parcel;
 - c. BCPL staff has determined that the acquisition of the Pelican Parcel would contribute to the consolidation of a block of land, improve public access to an existing BCPL block of land and produce more timber revenue for the trust fund; and
 - d. The values of the properties in the proposed exchange are “approximately equal” as the 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 Northern Argonne Parcel for the Pelican Parcel with Barry Mihalko 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 1302

Common Name for Land Parcel One Horse Ranch

County Forest Township Argonne

Legal Description The NWNE & SWNE of Section One (1), Township Thirth-six (36)
North, Range Thirteen (13) East

GLO Acres 82.61

Criteria – Outgoing BCPL Property

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:

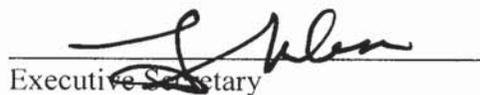
- Yes
- No


Signature of Forest Land Supervisor

12/3/12
Date

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

- Yes
- No


Executive Secretary

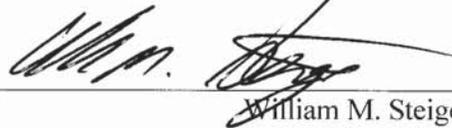
Jan 28, 2013
Date

REAL ESTATE APPRAISAL – RESTRICTED USE REPORT

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have had no previous appraisal experience on the subject property within three years of the effective date of value.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the property on March 20, 2013. I personally inspected Sale #1. Sales #2, #3, and #4 were inspected by members of Compass Land Consultants, Inc.
- Based upon the information contained in this report, and upon my general experience as an appraiser, it is my opinion that the difference in market value due to the proposed disposition is \$40,000 as of March 20, 2013.



William M. Steigerwaldt
Real Estate Specialist
Wisconsin Certified General Appraiser #394-10

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Exchange
Transaction ID#: E / 302

Incoming Property

Common Name for Land Parcel: Easy Drive

County: Oneida Township: Pelican

Legal Description: Part of the NENW of Section Thirty-Two (32), Township Thirty-six
(36) North, Range Nine (9) East

Acres: 23.5

Parcel ID Number: PE 452-1

Previous Year Tax Levy: \$15.75

Name(s) of Seller(s): Steven C. Lassig Trust

Address of Seller(s): 5535 Myers Lake Ave NE
Belmont, MI 49306

Seller Phone #: (616) 292-0000

Seller's Attorney or Agent: _____

Contact Information: _____

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

Asking Price: \$50,000

Summary Analysis of Potential Property Exchange
Transaction ID#: E / 302

Incoming Property

Acres of productive forest land in parcel(s):	<u>23 acres</u>
Acres of non productive land in parcel(s):	<u>0 acres</u>
Acres of land with public access in parcel(s):	<u>23 acres</u>
Acres of land without public access in parcel(s):	<u>0 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):

The Easy Drive parcel is a nicely wooded parcel with black top access that is adjacent to BCPL's existing Lassig Creek block. Acquisition of this parcel would reduce the treat of conversion of this parcel from forestry to possible residential and thereby reducing the possible management challenges such as access, road maintenance and boundray line disputes, for the existing property. The acquisition would also preserve an excellent entry point/parking area for the public wishing to recreatate on the eastern side of the Lassig Creek property.

Summary Analysis of Potential Property Exchange
Transaction ID#: E/302

Item 4
Exhibit C
Page 3

Criteria – Incoming Property

1. Forest Fragmentation

- Average tract size increases
- The ratio of perimeter to area decreases
- There is a clear reduction of the threat for conversion from forest to non-forest use

2. Access

- Management access to our existing timber tracts is improved
- There is an increase in the number of BCPL acres open to the public

3. Management Efficiency

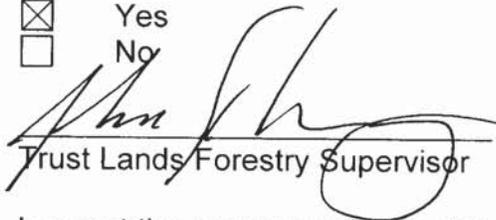
- The percentage of upland on BCPL properties increases
- The amount of line work per acre decreases
- The average distance from the tracts to the BCPL field office decreases

4. Timber Character and Value

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

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

- Yes
- No


Trust Lands Forestry Supervisor

12/3/12
Date

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

- Yes
- No

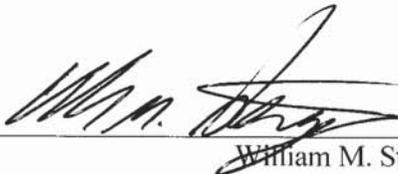

Executive Secretary

01/28/2013
Date

CERTIFICATION

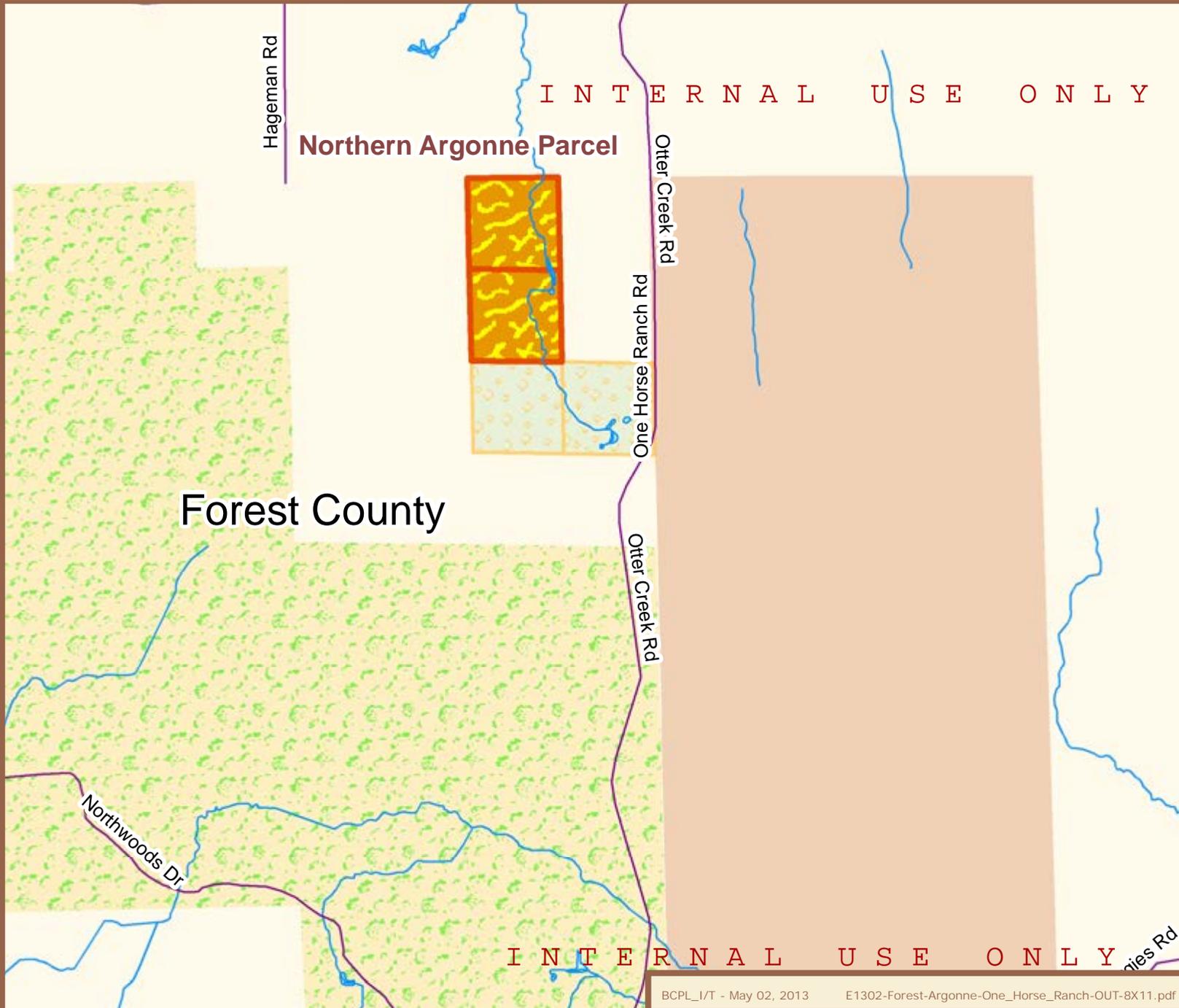
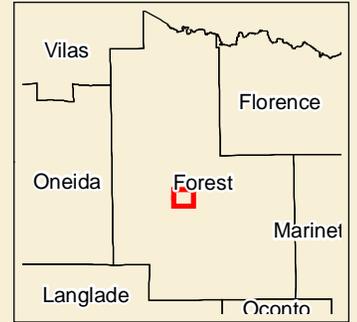
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have had no previous appraisal experience on the subject property within three years of the effective date of value.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the subject property on March 20, 2013. The comparable sales were inspected by qualified staff of Compass Land Consultants, Inc. on various dates in 2012 and 2013.
- It is my opinion that the 23.50-acre subject property has a value of \$42,300 as of March 20, 2013.



William M. Steigerwaldt
Real Estate Specialist
Wisconsin Certified General Appraiser #394-10

ONE HORSE RANCH EXCHANGE (E1302)
Northern Argonne Parcel



BCPL Project #:
E1302

County: Forest

Town: Argonne

Common Name

Northern Argonne Parcel

Acres - 82.61

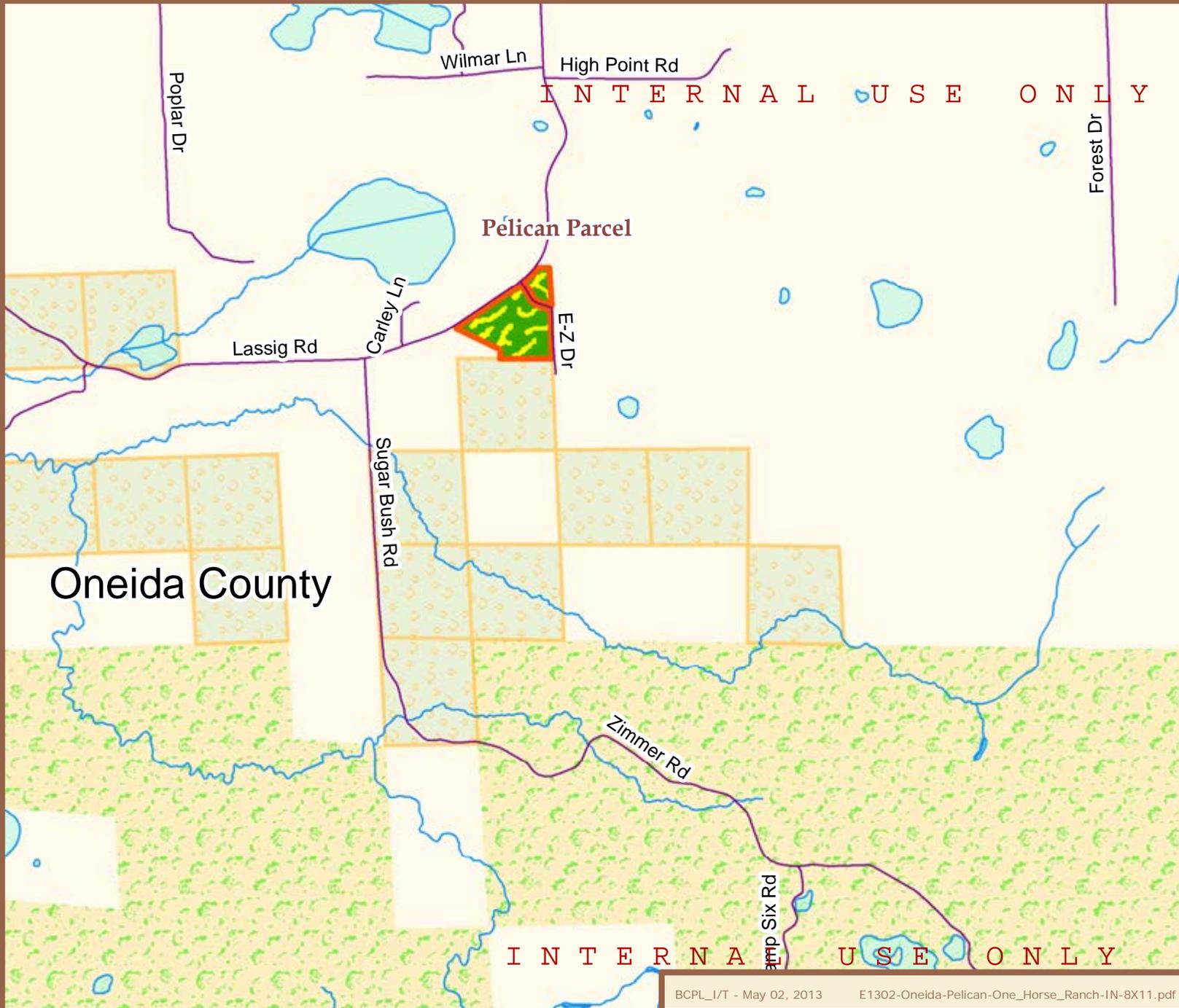
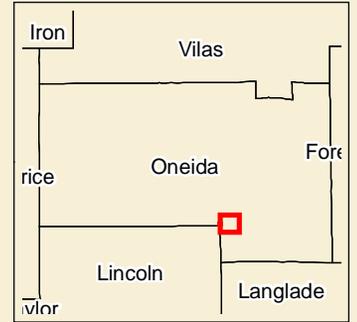
Fund 745



-  Outgoing
-  Other BCPL Land
-  County Forest
-  Nicolet NF



ONE HORSE RANCH EXCHANGE (E1302) Pelican Parcel



BCPL Project #:
E1302

County: Oneida

Town: Pelican

Common Name

Pelican Parcel

Acres - 23.50

Fund 745



-  Incoming
-  Other BCPL Land
-  County Forest

