



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

October 15, 2013

2:00 P.M.

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

- 1) Call to Order
- 2) Approve Minutes – October 3, 2013
- 3) Approve Loans
- 4) Revised Land Bank Purchase – Double Bend Road/Plum Creek Timberlands (P1202)
- 5) Executive Secretary's Report
- 6) Adjourn

**BOARD MEETING
OCTOBER 15, 2013**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the October 3, 2013, board meeting.

Board Meeting Minutes
October 3, 2013

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. He noted that Commissioner Van Hollen was not able to join the teleconference.

Present were:

Doug La Follette, Board Chair

Secretary of State

Kurt Schuller, Commissioner

State Treasurer

Tia Nelson, Executive Secretary

Board of Commissioners of Public Lands

ITEM 2. APPROVE MINUTES – SEPTEMBER 17, 2013

MOTION: Commissioner Schuller moved to approve the minutes; Board Chair La Follette seconded the motion. The motion passed 2-0.

ITEM 3. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Bayfield Bayfield County Application #: 02014050 Purpose: Finance street light project	City Rate: 4.25% Term: 20 years	\$107,433.38
2. Bayfield Bayfield County Application #: 02014052 Purpose: Finance road project	City Rate: 4.25% Term: 20 years	\$164,000.00
3. Benton Grant and Lafayette Counties Application #: 02014062 Purpose: Refinance WRS pension liability	School Rate: 4.25% Term: 20 years	\$500,000.00
4. Biron Wood County Application #: 02014057 Purpose: Finance Midwest Cold Storage expansion	Village Rate: 3.25% Term: 10 years	\$526,700.00
5. Caledonia Racine County Application #: 02014051 Purpose: Finance Racine Water Utility payment	Village Rate: 3.00% Term: 5 years	\$225,000.00

6.	Crandon Forest County Application #: 02014056 Purpose: Finance economic development project - Hometown Trolleys	City Rate: 4.25% Term: 19 years	\$150,000.00
7.	Endeavor Marquette County Application #: 02014053 Purpose: Refinance promissory note	Village Rate: 4.25% Term: 15 years	\$265,637.30
8.	Endeavor Marquette County Application #: 02014054 Purpose: Refinance promissory note	Village Rate: 3.25% Term: 6 years	\$66,653.86
9.	Fall Creek Eau Claire County Application #: 02014059 Purpose: Finance water utility reconstruction	Village Rate: 3.25% Term: 10 years	\$300,000.00
10.	Frederic Polk County Application #: 02014055 Purpose: Repair streets and sidewalks	Village Rate: 3.00% Term: 5 years	\$63,000.00
11.	Maiden Rock Pierce County Application #: 02014061 Purpose: Purchase plow truck	Town Rate: 3.00% Term: 5 years	\$108,500.00
12.	Reeseville Dodge County Application #: 02014049 Purpose: Upgrade sewer system	Village Rate: 4.25% Term: 20 years	\$36,367.00
13.	Rib Lake Price and Taylor Counties Application #: 02014058 Purpose: Refinance BCPL loan #2004095	School Rate: 3.25% Term: 8 years	\$244,000.00
14.	Rochester Racine County Application #: 02014060 Purpose: Purchase fire truck	Village Rate: 4.25% Term: 20 years	\$253,600.00
15.	Rock Springs Sauk County Application #: 02014063 Purpose: Purchase dump truck	Village Rate: 3.25% Term: 10 years	\$100,000.00
TOTAL			\$3,110,891.54

MOTION: Commissioner Schuller moved to approve the loans; Board Chair La Follette seconded the motion. The motion passed 2-0.

ITEM 4. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson noted that a bond acquisition report accompanied the board packet. She has asked Richard Sneider, the agency's loan analyst, to include definitions on future reports.

She also reported that the next board meeting agenda would include a modified land bank transaction that the Board approved at their September 3 board meeting. Specifically, Plum Creek Timberlands removed 80 acres of property from the Double Bend Road transaction (P1202). The modified transaction will require the Board's consideration.

She reported that she made a presentation to the Forest County Towns Unit. She also met with the Forest County Economic Development executive director to discuss how the State Trust Fund Program can be used to finance economic development projects. Officials in attendance expressed their appreciation for the Board's support of public school libraries and financing municipal projects.

ITEM 5. ADJOURN

MOTION: Commissioner Schuller moved to adjourn the meeting; Board Chair La Follette seconded the motion. The motion passed 2-0.



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 recording may do so at the Board of Commissioners of Public Lands, 101 E. Wilson Street, 2nd Floor, Madison, Wisconsin.

**BOARD MEETING
OCTOBER 15, 2013**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Clark Clark County Application #: 02014069 Purpose: Finance 2014 capital budget items	County Rate: 2.00% Term: 2 years	\$750,000.00
2. Eagle River Vilas County Application #: 02014067 Purpose: Remodel police department	City Rate: 3.25% Term: 10 years	\$100,000.00
3. Genoa Vernon County Application #: 02014068 Purpose: Purchase fire truck	Town Rate: 3.25% Term: 10 years	\$250,000.00
4. Luck Polk County Application #: 02014070 Purpose: Refund WRS pension liability loan	School Rate: 4.25% Term: 13 years	\$380,000.00
5. New Holstein Calumet County Application #: 02014066 Purpose: Construct fire department training tower	City Rate: 4.25% Term: 15 years	\$85,000.00
6. Osseo Trempealeau County Application #: 02014072 Purpose: Finance wellhouse #2 project	City Rate: 4.00% Term: 10 years	\$400,000.00
7. Pepin Pepin County Application #: 02014064 Purpose: Remodel government center and purchase equipment	County Rate: 3.25% Term: 10 years	\$248,514.00
8. Poynette Columbia and Dane Counties Application #: 02014065 Purpose: Refinance WRS pension liability	School Rate: 4.25% Term: 16 years	\$847,000.00

Municipality	Municipal Type	Loan Amount
9. Springdale Dane County Application #: 02014071 Purpose: Finance road maintenance	Town Rate: 2.50% Term: 1 years	\$33,817.00
	TOTAL	\$3,094,331.00

**BOARD MEETING
OCTOBER 15, 2013**

**AGENDA ITEM 4
REVISED LAND BANK PURCHASE – DOUBLE BEND ROAD (P1202)**

Plum Creek Timberlands, LP is offering to sell 1,000 acres of land in Forest County.

BCPL staff recommends the purchase of the property from Plum Creek for the following reasons:

- Purchase of the Property would provide BCPL with productive timberland that can be expected to produce revenue for the Trust Funds through future timber harvest;
- Purchase of the Property would improve management efficiency by creating larger blocks of productive timberland in reasonable proximity to the Lake Tomahawk Office;
- Purchase of the Property would improve public access to existing BCPL parcels; and
- Purchase of the Property would reduce forest fragmentation and improve and protect public access on a sizeable block of forestland.

Attachments:

Resolution w/Exhibits

Exhibit A - BCPL Purchase Criteria

Exhibit B – Appraisal Certification

BCPL Project Map - Forest County Parcel

**BOARD MEETING
OCTOBER 15, 2013**

**AGENDA ITEM 4
REVISED LAND BANK PURCHASE – DOUBLE BEND ROAD (P1202)**

RECITALS

- A. Plum Creek Timberlands, LP (“Plum Creek”) has offered to sell approximately 1,000 acres of land in Forest County more particularly described as: the SE 1/4, and the NESW, SWSW, SESW of Section 20, the NE 1/4, NENW, SWNW, SENW, NESW, NWSW, SWSW, NESE, NWSE, and SESE of Section 29, the SE 1/4 and SENE of Section 30, all in T38N, R14E, Town of Ross, Forest County, Wisconsin (the “Property”).
- B. Plum Creek had previously offered to sell the Property together with an additional 80 acres in Oneida County to BCPL. The BCPL approved such transaction at its September 3, 2013, board meeting. However, Plum Creek has decided to withhold those 80 acres in Oneida County from sale and is now interested in selling only the Property in Forest County to BCPL.
- C. The Property has been evaluated by BCPL staff against purchase criteria previously adopted by the Board. The Property has been determined by BCPL staff to be appropriate for purchase according to such criteria. A copy of the purchase analysis is attached to this resolution as Exhibit A.
- D. The Property is comprised of one contiguous tract of productive timberland with good access within an hour’s drive of the Lake Tomahawk office and is located within BCPL’s consolidation zone.
- E. The Property has been independently appraised by Compass Land Consultants, Inc. at a value of One Thousand Two Hundred Twenty-five Dollars (\$1,225) per acre for a total of One Million Two Hundred Twenty-five Thousand Dollars (\$1,225,000). A copy of the Appraisal Certification has been attached to this resolution as Exhibit B.
- F. Plum Creek is asking One Thousand Two Hundred Twenty-five Dollars (\$1,225) per acre for a total price of One Million Two Hundred Twenty-five Thousand Dollars (\$1,225,000) for the Property.
- G. The asking price is equal to the appraised value.
- H. BCPL currently has sufficient land bank funds available for this investment.
- I. BCPL staff recommends that the Board authorize the purchase of the Property from Plum Creek because:

- a. Purchase of the Property would provide BCPL with productive northern hardwood timberland that can be expected to produce revenue in the near future for the Trust Funds through timber harvests;
- b. Purchase of the 1,000 acre Forest County parcel would improve management efficiency by creating a 6,000 acre block of land, with few inholdings, in reasonable proximity to the Lake Tomahawk Office;
- c. Purchase of the Property would improve public access to existing BCPL parcels; and
- d. Purchase of the Property would reduce forest fragmentation.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the purchase of the Property from Plum Creek at a price not to exceed One Million Two Hundred Twenty-five Thousand Dollars (\$1,225,000) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such purchase transaction.

Summary Analysis of Potential Property Purchase
Transaction ID#: P/202

Purchase Criteria

1. Forest Fragmentation

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

2. Access

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

3. Management Efficiency

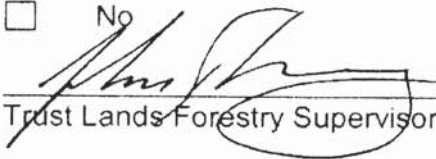
- The percentage of upland on BCPL properties increases
- The amount of line work per acre decreases
- The average distance from the tracts to the BCPL field office decreases

4. Timber Character and Value

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

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

- Yes
- No


Trust Lands Forestry Supervisor 10/9/13
Date

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

- Yes
- No


Executive Secretary 10/10/13
Date

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Purchase
Transaction ID#: P 1202

County: Forest Township: Ross

Legal Description: The SE 1/4, the NESW, SWSW, SESW of Section 20, the NE 1/4, NENW, SWNW, SENW, NESW, NESW, SWSW, NESE, NWSE, SESE of Section 29, the SE 1/4 and SENE of Section 30, all in T38N, R14E, Town of Ross, Forest County.

Acres: 1000

Parcel ID Number: _____

Previous Year Tax Levy: \$670.00

Name(s) of Seller(s): Plum Creek Timberlands

Address of Seller(s): Stonewood Center, 1411 N. 4th Street, Suite 101
Tomahawk, WI 54487

Seller Phone #: (715) 453-7952

Seller's Attorney or Agent: Dan Lemke

Contact Information: Same as above

Seller's Attorney or Agent Phone Number(s): (715) 612-7952

Asking Price: \$1,225,000.00

Summary Analysis of Potential Property Purchase
Transaction ID#: P 1202

Acres of productive forest land in parcel(s):	<u>940 acres</u>
Acres of non productive land in parcel(s):	<u>60 acres</u>
Acres of land with public access in parcel(s):	<u>1000 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>280 acres</u>
Acres of our current BCPL land that will become accessible for timber management purposes through parcel(s):	<u>40 acres</u>

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

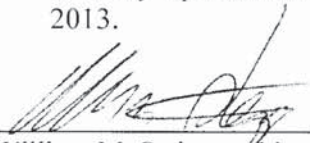
The Forest County parcel is a large hardwood block with good stocking and productive soils. It has 86% upland and 14% wetland. It will significantly increase BCPL's percentage of upland forest which is currently at 43%. It provides access to 280 acres of BCPL lands that are currently landlocked. This parcel has good quality pole timber and small sawlogs that will increase in value over the next 15-20 years. There is a timber harvest opportunity within 3-4 years with a regular flow of income after 7-10 years.

REAL ESTATE APPRAISAL – RESTRICTED USE REPORT

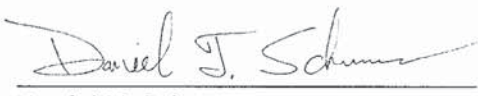
CERTIFICATION

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 subject property on August 8, 2013. The comparable sales were inspected by myself and qualified staff of Compass Land Consultants, Inc. on various dates from 2010 to 2013.
- Daniel T. Schummer provided significant assistance in this appraisal assignment. Mr. Schummer's contributions included statistical analysis, assisting with report preparation, and comparable sales research.
- It is my opinion that the subject property has a value of \$1,225,000 as of August 8, 2013.

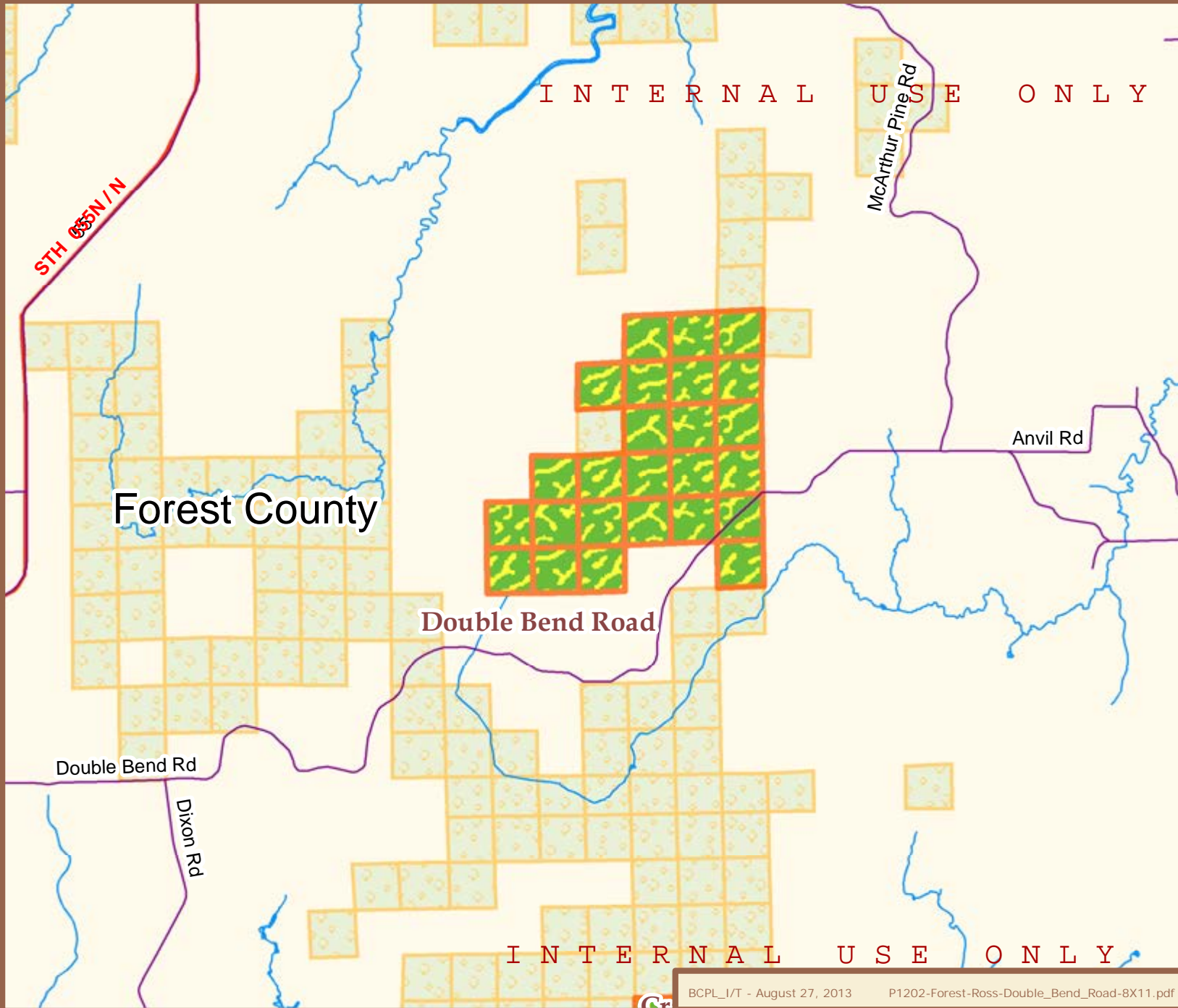
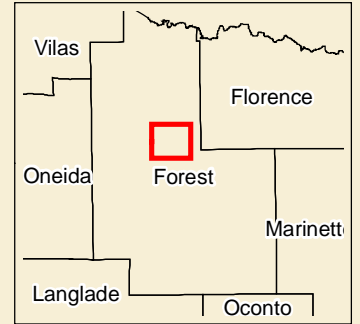


William M. Steigewaldt
Real Estate Specialist
WI CGA #394-10
(Expires 12/14/2013)





Daniel T. Schummer
Appraisal Assistant

PLUM CREEK TIMBERLANDS PURCHASE
Ross Township Property



BCPL Project #: P1202
County: Forest
Town: Ross
Common Name: Double Bend Road
Acres - 1000.00
Fund 74?



-  Incoming
-  Other BCPL Land

