

## **AGENDA**

September 17<sup>th</sup>, 2019

2:00 P.M.

Board of Commissioners of Public Lands

101 E. Wilson Street, 2<sup>nd</sup> Floor

Madison, Wisconsin

### **Routine Business:**

- 1) Call to Order
- 2) Approve Minutes – September 3<sup>rd</sup> 2019 (Attachment)
- 3) Approve Loans (Attachment)

**Old Business:** None

### **New Business:**

- 4) Overview of Land Transactions
- 5) Proposed Land Bank Purchase – (P1901 – Minocqua Timber) (Attachments)
- 6) Proposed Land Exchange – (E1901 – National Park Trust) (Attachments)
- 7) Proposed Land Exchange – (E1902 – Northwoods Land Trust) (Attachments)
- 8) Proposed Land Exchange – (E1903 – Wisconsin Valley Improvement Company) (Attachments)

### **Routine Business:**

- 9) Chief Investment Officer's Report (Attachment)
- 10) Executive Secretary's Report
- 11) Board Chair's Report
- 12) Future Agenda Items
- 13) Adjourn

### **AUDIO ACCESS INFORMATION**

-----

Toll Free Number: **(888) 291-0079**

Passcode: **6363690#**

Board Meeting Minutes  
September 3<sup>rd</sup>, 2019

## Present in person were:

Sarah Godlewski, Board Chair	State Treasurer
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands
Tom German, Deputy Secretary	Board of Commissioners of Public Lands
Mike, Krueger, IT Manager	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands

## Present via teleconference were:

Josh Kaul, Commissioner	Attorney General
Doug La Follette, Commissioner	Secretary of State

**ITEM 1. CALL TO ORDER**

Commissioner La Follette called the meeting to order at 2:06 p.m.

**ITEM 2. APPROVE MINUTES – AUGUST 5<sup>th</sup>, 2019**

**MOTION:** Commissioner La Follette moved to approve the minutes; Commissioner Kaul seconded the motion.

**DISCUSSION:** No discussion.

**VOTE:** The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

**MOTION:** Commissioner La Follette moved to approve the loans; Board Chair Godlewski seconded the motion.

**DISCUSSION:** Mr. Sneider commented on the 2 loans.

**VOTE:** The motion passed 3-0.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Rio Community Columbia County Application #: 02020032 Purpose: Finance Track Resurfacing and Fencing	School Rate: 3.75% Term: 10 years	General Obligation	\$225,000.00
2. Schoepke Oneida County Application #: 02020033 Purpose: Finance storm damage cleanup	Town Rate: 4.00% Term: 20 years	General Obligation	\$250,000.00
<b>TOTAL</b>			<b>\$475,000.00</b>

#### **ITEM 4. EXECUTIVE SECRETARY'S REPORT**

**DISCUSSION:** Executive Secretary Barry stated he did not have a report for this meeting.

#### **ITEM 5. BOARD CHAIR'S REPORT**

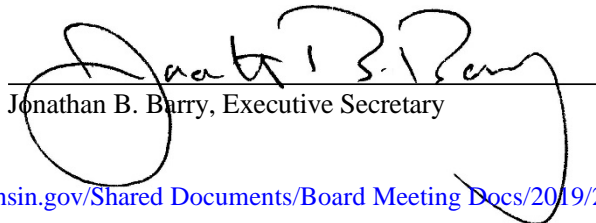
Board Chair Godlewski stated that she did not have a report to deliver to the Board at this time.

#### **ITEM 6. FUTURE AGENDA ITEMS**

Deputy Secretary German noted that staff will be seeking board consideration at the next meeting for the acquisition of 1272 acres of timberland located in Iron and Oneida counties from Minocqua Timber. The acquisition would be comprised of three exchanges involving the National Park Trust, the Northwoods Land Trust and the Wisconsin Valley Improvement Company in addition to an outright purchase by BCPL. The transaction would allow BCPL to acquire significant acreage of productive, revenue producing timberland while unlocking access to over 660+ acres of previously landlocked school trust land parcels. Furthermore, the proposed exchanges would allow BCPL to divest itself of 700+ acres of school trust lands that are not currently producing any revenue for the school trust funds while providing for the permanent protection and preservation of such school trust lands.

#### **ITEM 7 ADJOURN**

Commissioner La Follette moved to adjourn the meeting; Board Chair Godlewski seconded the motion. The motion passed 2-0; the meeting adjourned at 2:16 p.m.



Jonathan B. Barry, Executive Secretary

Link to audio recording: [https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2019/2019-09-03\\_BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2019/2019-09-03_BoardMtgRecording.mp3)

**BOARD MEETING  
SEPTEMBER 17, 2019****AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Buchanan Outagamie County Application #: 02020036 Purpose: Finance land acquisition for municipal garage	Town Rate: 3.75% Term: 10 years	General Obligation	\$535,000.00
2. Elk Mound Dunn County Application #: 02020035 Purpose: Finance 2019 capital projects	Village Rate: 4.00% Term: 20 years	General Obligation	\$582,995.00
3. Spencer Marathon County Application #: 02020034 Purpose: Finance roadwork	Town Rate: 3.75% Term: 3 years	General Obligation	\$75,000.00
<b>TOTAL</b>			<b>\$1,192,995.00</b>



**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 4  
OVERVIEW OF PROPOSED REAL ESTATE TRANSACTIONS**

BCPL staff is seeking board approval for the acquisition of 1,272 acres of timberland located in Iron and Oneida counties from Minocqua Timber, LLC.

The acquisition would be comprised of three exchanges involving the National Park Trust, the Northwoods Land Trust and the Wisconsin Valley Improvement Company in addition to an outright purchase by BCPL. The proposed conveyances are depicted on the following graphic.

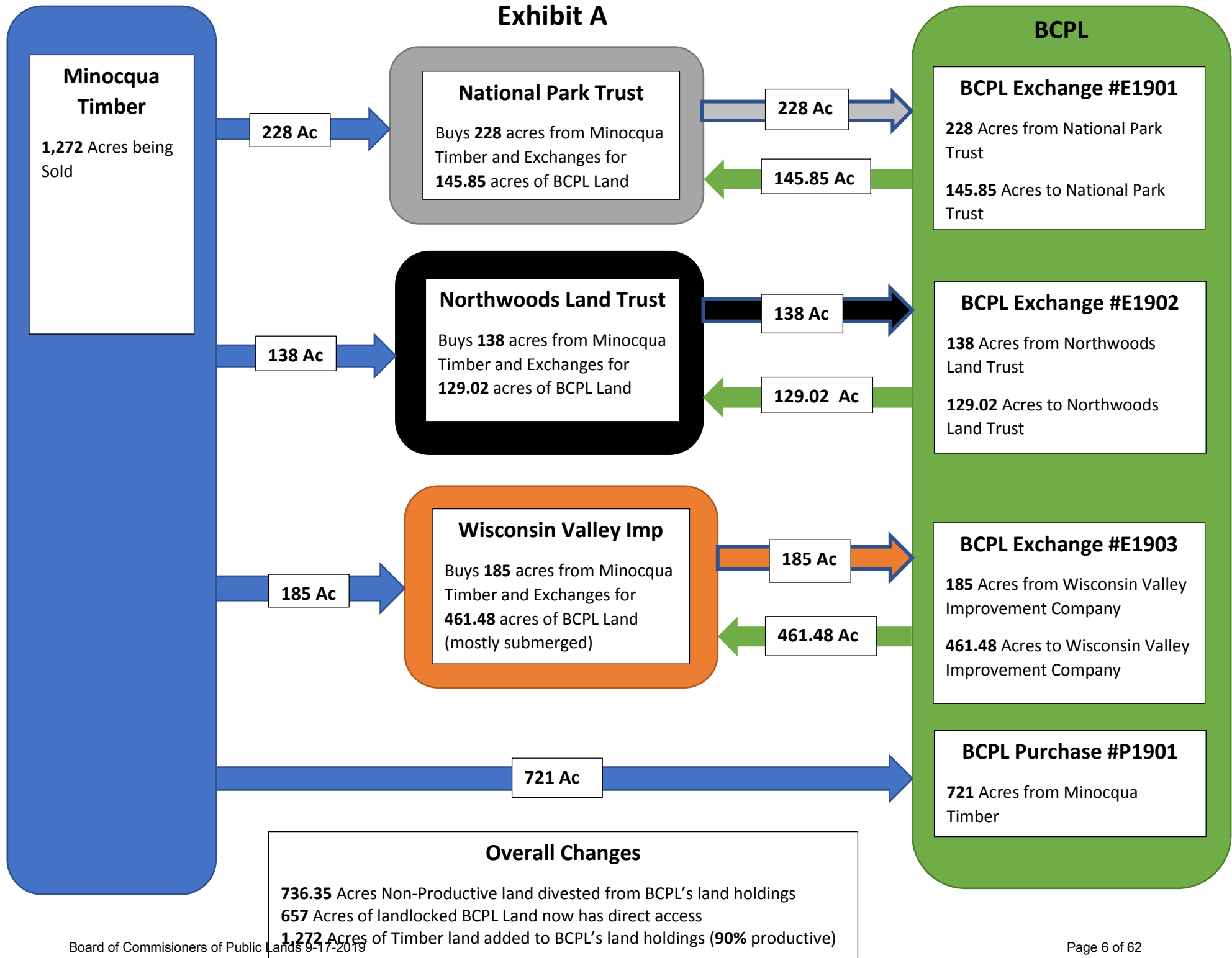
The whole transaction would allow BCPL to acquire significant acreage of productive, revenue producing timberland while unlocking access to 657 acres of previously landlocked school trust land parcels. Furthermore, the proposed exchanges would allow BCPL to divest itself of 731 acres of school trust lands that are not currently producing any revenue for the school trust funds. In addition, the exchanges would provide for the permanent protection and preservation of most of those school trust lands.

The proposed transaction is a bit complicated, but it does achieve a number of BCPL objectives at the same time. The bottom line is that the completed transaction will produce a school trust land base that is more consolidated, more productive, have better public access and can be managed more efficiently than the current land base.

Attachment:

*Exhibit A – Flow chart*

## Exhibit A



**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 5  
PROPOSED LAND BANK ACQUISITION – MINOCQUA TIMBER, LLC (P1901)**

BCPL is required by Wis. Stats. Sections 24.605 and 24.61(2)(cm) to reinvest the proceeds of school trust land sales into other timberland. By law, the land to be acquired must be located within a Consolidation Zone approved by the board, may not exceed the acreage cap, and the land must either improve timberland management, address forest fragmentation, or increase public access to the land.

BCPL prefers to acquire large blocks of productive timberland contiguous to existing BCPL holdings. However, such opportunities are limited given the existing landownership patterns. Fortunately, Minocqua Timber, LLC (“Minocqua Timber”) is offering to sell 1,272 acres of land (the “Property”) in Iron and Oneida County. The Property is not one large block, but is comprised of a few smaller blocks, each of which is contiguous to current BCPL holdings. Considered as a group, the Property meets all the criteria of the land bank requirements.

The Property was independently appraised by Compass Land Consultants, Inc. at a total value of \$1,208,000 but Minocqua Timber declined to sell the Property at that price. Minocqua Timber is willing to sell the Property at a firm price of \$1,308,000. Despite the fact that this price is above the appraised value, BCPL staff recommends acquiring the Property from Minocqua Timber (and transaction partners) for the following reasons:

- Appraisals estimate market value to a generic buyer. Due to the fact that BCPL is an adjacent landowner, all of the following benefits of the transaction add value to BCPL above appraised value and would not be realized by any other buyer.
- The Property would provide permanent legal access to 657 acres of BCPL land that are currently landlocked. This would immediately increase the market value of such previously landlocked parcels. The appraiser contracted by BCPL estimated that the landlocked parcels would increase in value by a total of \$147,825 with legal access. This is full, legal, public access.
- Purchase of the Property would improve and protect public access to hundreds of acres of forestland.
- Purchase of the Property would provide permanent legal access to 288 acres of currently landlocked land owned by Minocqua Timber that is part of this purchase. This would immediately increase the market value of such previously landlocked parcels at \$225/acre, similar to the neighboring BCPL parcels. The estimated value increase would be \$64,800 with full legal public road access.

- Acquisition of the Property would improve timberland management for the following reasons.
  - Access to the current tracts of BCPL school trust lands would be assured, rather than subject to future negotiations with adjacent landowners. Negotiation of access agreements with neighboring property owners has grown increasingly time consuming and expensive. Within the next 2 to 4 years, a timber sale valued at approximately \$50,000 would be benefitted with direct legal access, rather than be jeopardized by an uncertain private land access agreement.
  - The acquisition would provide BCPL with more productive timberland that can be expected to produce significant revenue for the Trust Funds through future timber harvests. The Property is 80% upland and consists of 643 acres of aspen, 162 acres of pine, and 106 acres of hardwoods with an estimated gross timber value of \$640,000. The net present value of cash flows for timber revenue over a 10-year period using a conservative harvesting schedule is \$352,282.
  - Not only would the acquisition provide BCPL with more productive timberland, this acquisition would contribute to the consolidation of larger blocks of timberland with smaller relative perimeters, thereby reducing the amount of boundary line work that BCPL staff must do when establishing timber sales (According to calculations, there will be 6.3 fewer miles of boundary line work).
  - Timberland management also improves because the Property has an excellent system of woods roads and soils that are appropriate for dry-ground summer logging. This creates more and better opportunities for timber sales. The recent winters have had very unpredictable weather which has made it difficult for loggers to harvest winter-only sales. As a result, winter only timber sales have drawn smaller interest and bids. The roads and soils on the Property are expected to bring greater interest from loggers and premium bids on the timber sales.
  - Finally, the Property is located within relatively close proximity to the Lake Tomahawk office resulting in fewer hours spent on the road by our forestry staff, fewer miles driven, and less gas consumed. The cost savings allow BCPL to more efficiently use its agency resources.
- Assembling larger, contiguous, consolidated blocks of school trust lands reduces forest fragmentation.

BCPL staff proposes to acquire the Property as part purchase and part land exchange. BCPL currently has three different (surplus) areas of land that it wishes to divest. These areas total 731 acres and have been appraised at a total value of \$566,000 which would be exchanged for 551

acres of the Property. BCPL would purchase the remaining 721 acres of the Property for a total of \$742,000. While this method of acquisition does complicate the transaction, there are significant benefits to structuring the deal this way. This transaction provides a rare opportunity for BCPL to divest hundreds of acres of unproductive land and increase the percentage of productive timberland by BCPL.

The statutory standard for land exchanges is slightly different than for land purchases but is still easily met in this case. Pursuant to Wis. Stat. Section 24.09(1)(bm), the exchange must “contribute to the consolidation or completion of a block of land, enhance conservation of lands or otherwise be in the public interest.” As noted above, this transaction would create larger consolidated blocks of school trust lands with greater revenue generating capacity for the trust funds, more public access and lower management costs. This statute also requires that the lands being exchanged must be of “approximately equal value” which means the difference in value between the more highly valued land and the less highly valued land does not exceed 10% of the value of the more highly valued land. This standard is met in this case as the total cash and appraised value of the lands being exchanged by BCPL is within 8% above the appraised value of the Minocqua Timber, LLC lands being conveyed to BCPL.

The proposed land exchanges with transaction partners will be presented as separate agenda items. In summary, the National Park Trust would purchase 228 acres from Minocqua Timber and exchange said acreage for BCPL parcels of approximately equal value in Burnett, Polk, and Washburn County. The Northwoods Land Trust would purchase 138 acres from Minocqua Timber and exchange said acreage for a BCPL parcel of approximately equal value in Iron County. Wisconsin Valley Improvement Company would purchase 185 acres from Minocqua Timber and exchange said acreage for BCPL parcels of approximately equal value in Oneida and Vilas County.

Attachments:

*Resolution w/Exhibits*  
*Exhibit A – BCPL Purchase Criteria*  
*Exhibit B – Opinion of Value*  
*BCPL Project Map*

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 5  
PROPOSED LAND BANK PURCHASE – MINOCQUA TIMBER, LLC (P1901)**

**RECITALS**

- A. BCPL staff has identified three tracts of land totaling 1,272 acres located in Iron County and Oneida County (the “Property”) currently owned by Minocqua Timber, LLC (“Minocqua Timber”) that would benefit BCPL’s real estate portfolio if acquired. The Property is legally described in the Addendum to the Purchase Analysis which is attached to this resolution as Exhibit A.
- B. The Property is contiguous to land currently owned by the 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 was independently appraised by Compass Land Consultants, Inc. at a value of Nine Hundred Fifty Dollars (\$950) per acre for a total of One Million Two Hundred Eight Thousand Dollars (\$1,208,000). A copy of the Certification has been attached to this resolution as Exhibit B.
- E. Minocqua Timber, LLC has agreed to sell the Property for One Thousand Twenty-Eight Dollars and Thirty Cents (\$1,028.30) per acre for a total of One Million Three One Hundred Eight Thousand Dollars (\$1,308,000).
- F. BCPL staff recommends acquiring the Property because the acquisition would:
  - 1. Improve public access to an existing block of BCPL forestland and provide permanent, legal access to previously landlocked BCPL parcels;
  - 2. Improve management efficiencies by increasing the tract size of an existing block of School Trust Lands while reducing per acre boundary line work associated with that block;
  - 3. Add productive timberland that can be expected to produce significant revenue for the School Trust Funds through future timber harvests;
  - 4. Increase the percentage of upland on BCPL properties; and
  - 5. Reduce forest fragmentation.
- G. BCPL staff recommends that the Board authorize the acquisition of all of the Property from Minocqua Timber, LLC at a value of \$1,028.30 per acre for a total transaction

value of \$1,308,000. Although the appraised value is approximately 7.65% lower than the asking price of the seller, BCPL staff believes that the Property would provide additional value to BCPL that is not reflected in the appraisal and therefore paying a purchase price slightly above the appraised value is appropriate in this limited circumstance.

- H. There are currently three separate entities that are seeking to obtain certain parcels of school trust lands from BCPL through the use of land exchanges. BCPL staff recommends that BCPL use this opportunity to acquire a significant amount (approximately 551 acres) of the Minocqua Timber LLC property through the use of land exchanges with these potential transaction partners. The proposed land exchanges are up for separate board consideration at this same meeting.
- I. BCPL staff recommend that any portion(s) of the Property not acquired by BCPL through the use of land exchange(s) be purchased by BCPL at a price not to exceed One Thousand Twenty-eight dollars and 30 cents (\$1,028.30) per acre.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the acquisition of the Property from Minocqua Timber, LLC at the total price of One Million Three Hundred Eight Thousand Dollars (\$1,308,000)

**BE IT FURTHER RESOLVED**, that the Board hereby expresses a preference for completing as much of the acquisition of the Property as possible utilizing the proposed land exchange transactions also approved at this meeting; and

**BE IT FURTHER RESOLVED**, that the Board hereby authorizes the purchase of any portions of the Property which are not acquired by BCPL via a proposed land exchange, at a price not to exceed One Thousand Twenty-eight dollars and thirty cents (\$1,028.30) per acre, all in accordance with Chapter 24 of the Wisconsin Statutes 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.

**Summary Analysis of Potential Property Purchase**  
**Transaction ID#: P 1901**

Common Name: Minocqua Timber LLC Purchase

County: Oneida/Iron Township: Little Rice-Cassian-Sherman

Legal Description: See addendum

Acres: 1,271.97

<b>Purchase Criteria</b>
--------------------------

**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:

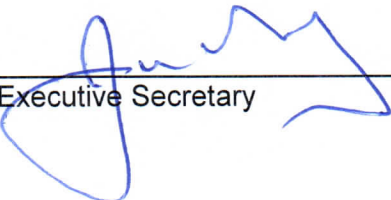
- ☒ Yes
- ☐ No

  
 Trust Lands Forestry Supervisor

8-30-18  
 Date

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

- ☒ Yes
- ☐ No

  
 Executive Secretary

8 9/4/18  
 Date



**Board of Commissioners of Public Lands**  
**Summary Analysis of Potential Property Purchase**  
Transaction ID#: P 1902

Common Name: Minocqua Timber LLC Purchase  
County: Oneida/Iron Township: Little Rice-Cassian-Sherman  
Legal Description: See addendum  
Acres: 1,271.97  
Parcel ID Number: See addendum  
Previous Year Tax Levy: \$ 2,154.18  
Name(s) of Seller(s): Minocqua Timber, LLC  
Address of Seller(s): 1180 Peachtree St NE, Suite 1810  
Atlanta, GA 30309  
Seller Phone #: n/a  
Seller's Attorney or Agent: Ryan Hanson  
Contact Information: 9768 West Lake Drive  
PO Box 1104  
Minocqua, WI 54548  
Seller's Attorney or Agent Phone Number(s): (715) 358-5263  
Asking Price: \$ n/a

**Summary Analysis of Potential Property Purchase**  
**Transaction ID#: P 1901**

Common Name: Minocqua Timber LLC Purchase

County: Oneida/Iron Township: Little Rice-Cassian-Sherman

Legal Description: See addendum

Acres: 1,2171.97

Acres of productive forest land in parcel(s): 1,138.6 acres

Acres of timber base in parcel(s): 987.9 acres

Acres of non-productive land in parcel(s): 133.4 acres

Acres of land with public access in parcel(s): 1,271.97 acres

Acres of land without public access in parcel(s): 0 acres

Acres of current BCPL land that will become accessible to the public through parcel(s): 661.23 acres

Acres of our current BCPL land that will become accessible for timber management purposes through parcel(s): 301.36 acres

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

This purchase would provide a broad range of benefits including but not limited to:

- 1) Over 650 acres of existing BCPL lands without legal access would gain legal access to town roads;
- 2) The purchase would increase BCPL's sandy soils and summer logging opportunities, which are currently in high demand in northern Wisconsin;
- 3) The purchase would provide opportunities for significant short and medium-term timber revenue. Approximately 4-5 timber values at \$225-\$275 thousand dollars will be available for timber sales in the next 1-5 years;
- 4) The lands are close to BCPL's field office in Lake Tomahawk and would increase management efficiency by reducing drive times;
- 5) The purchase would increase management efficiency by reducing line work by 6 miles;
- 6) The purchase would create larger blocks from scattered parcels, thereby increasing timber management efficiency and increasing economies of scale in future timber sales.

# Addendum

P1901

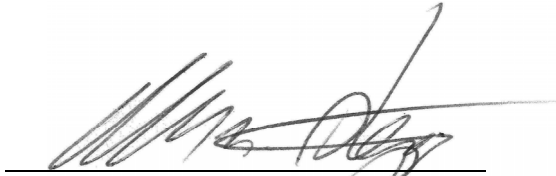
Minocqua Timber Parcels							
County	Town	Township	Range	Section	QQ or GL	Acres (GIS)	Parcel #
Iron	Sherman	41N	4E	5	NE/NE	48.14	020-1113
					SE/NE	38.58	020-1116
					NW/SE	39.22	020-1127
					SW/SE	37.64	020-1128
				8	NE/NE	41.00	020-1167
					NW/NE	40.35	020-1168
				9	NE/NE	35.68	020-1180
					SW/NE	36.49	020-1182
					NW/NW	44.20	020-1185
					SW/NW	43.05	020-1186
					SE/NW	41.56	020-1187
					NE/SE	37.36	020-1190
				SE/SE	38.15	020-1193	
Oneida	Little Rice	37N	5E	1	Prt NE/NE	5.50	LR 574
					SW/NE	40.91	LR 576
					SE/NE	40.93	LR 577
					NE/NW	38.57	LR 578
					SE/NW	40.42	LR 581
					NW/SW	40.47	LR 583
					SW/SW	40.50	LR 584
					SE/SW	40.57	LR 585
					NE/SE	41.06	LR 586
					NW/SE	41.09	LR 587
					SE/SE	40.71	LR 589
				2	SE/NE	40.38	LR 593
					Prt NE/SW	8.28	LR 598
					NE/SE	40.15	LR 602
					Prt NW/SE	36.82	LR 603
				12	E½/SE/SE	19.65	LR 605
					SW/NE	42.53	LR 751
					Prt SE/NW	32.33	LR 756
Oneida	Cassian	37N	6E	7	SE/NE	39.12	CA 96
							CA 96-1
					NE/SE	40.08	CA 105
					SE/SE	40.48	CA 105-1 CA 108
				Combined	Total	1,271.97	

**REAL ESTATE APPRAISAL – RESTRICTED REPORT**

**CERTIFICATION**

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

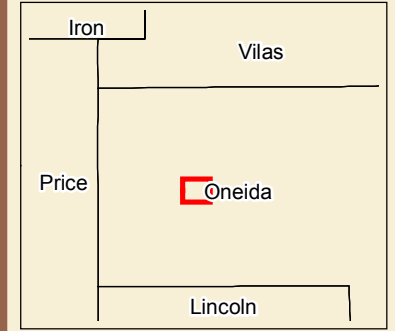
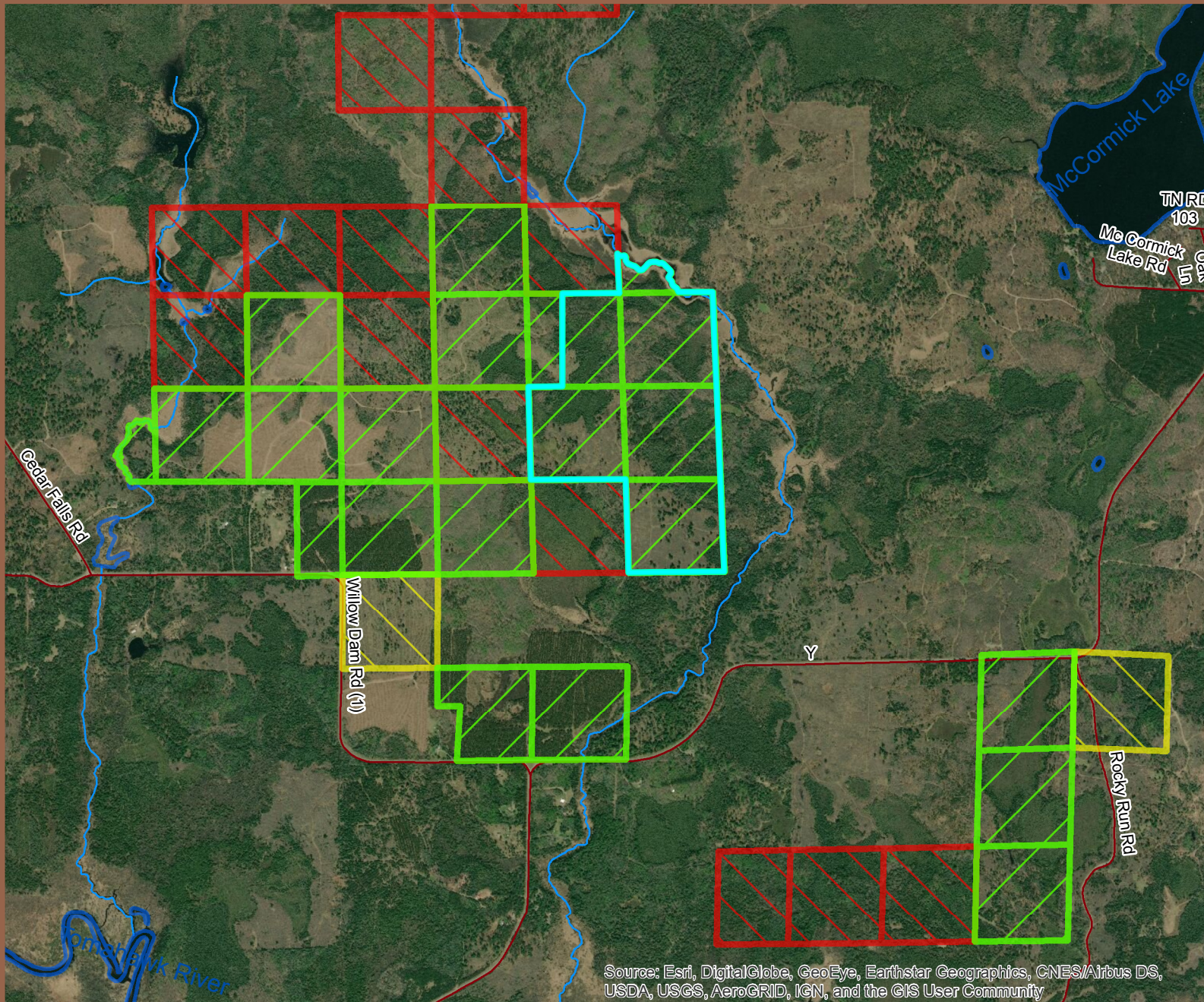
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present 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 no bias or personal interest with respect to the property and parties involved in the assignment.
- I have had previous appraisal experience on the entire Minocqua Timber property, but not 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, William M. Steigerwaldt, personally inspected the subject property on October 25, 2018. The comparable sales were field inspected by the appraiser or qualified assistants in the period 2014 to 2017.
- No one provided significant real property appraisal assistance to the person signing this certification.
- In my opinion, the market value of the subject property is \$1,208,000 as of October 25, 2018.



William M. Steigerwaldt  
Real Estate Specialist  
Wisconsin Certified General Appraiser #394-10  
(Expires 12/14/2019)



# PROPOSED LAND BANK PURCHASE FROM MINOCQUA TIMBER (1 of 2)



**P1901**

**County: Oneida**


**Town: Little Rice, Cassian**

**Common Name:  
Minocqua Timber**

**Acres - 752**

**Fund 745**

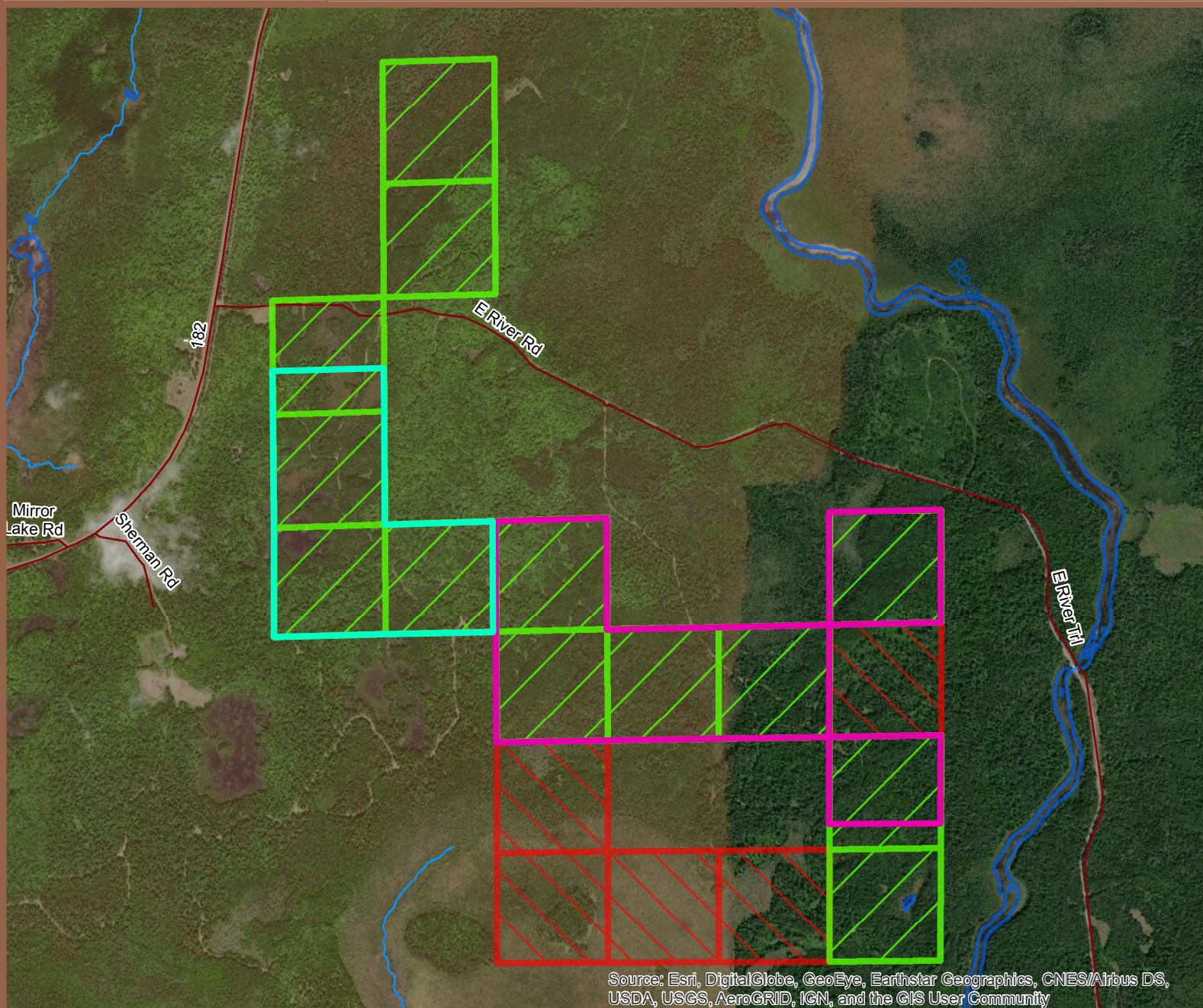


-  Wis Valley Imp Exchange
-  Proposed Purchase
-  BCPL Land with Existing Access
-  BCPL Land Locked - No Access

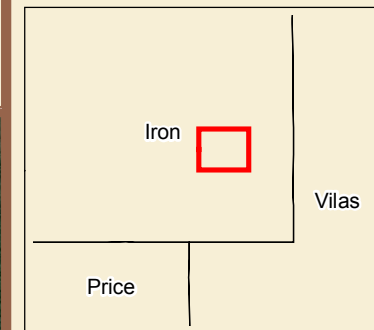
0 0.2 0.4 Miles  
Page 17 of 62



# PROPOSED LAND BANK PURCHASE FROM MINOCQUA TIMBER (2 of 2)



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



**P1901**

**County: Iron**

**Town: Sherman**

**Common Name:  
Minocqua Timber**

**Acres - 520.00**

**Fund 745**



-  National Park Trust Exchange
-  Northwoods Land Trust Exchange
-  Proposed Purchase
-  BCPL Land Locked - No Access

0 0.175 0.35 Miles

Page 18 of 62

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 6  
PROPOSED LAND EXCHANGE – NATIONAL PARK TRUST (E1901)**

BCPL may exchange any parcel of school trust lands for any other land of approximately equal value if the exchange will contribute to the consolidation or completion of a block of land, enhance conservation of lands or otherwise be in the public interest.

In conjunction with the acquisition outlined in Agenda Item 5, staff is requesting authority to convey three separate tracts of school trust land located in Burnett, Polk, and Washburn Counties to the National Park Trust in exchange for timberland in Iron County. All three tracts are within the St. Croix National Scenic Riverway, which was established under the National Wild and Scenic Rivers Act. The purpose of the Act is to preserve certain rivers with outstanding natural, cultural, and recreation values in a free-flowing condition for the enjoyment of present and future generations. The riverway project is managed by the National Park Service. The National Park Trust will subsequently sell the parcels to the National Park Service.

The three BCPL tracts contain a total of 145.85 acres and were independently appraised at a total value of \$234,000. To effectuate the exchange, the National Park Trust would first purchase 228 acres of approximately equal-value timberland in Iron County from Minocqua Timber, LLC and then convey such timberland to BCPL in exchange for the school trust lands described above.

BCPL staff recommends the exchange for the following reasons:

- the exchange will enhance the conservation of lands and is in the public interest;
- the BCPL parcels that would be conveyed to the National Park Trust are low-productive parcels and do not currently generate any revenue for the school trust funds;
- the BCPL parcels are isolated; and
- the BCPL parcels are landlocked.

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 are of approximately equal value.

Attachments:

*Resolution w/Exhibits*

*Exhibit A – Summary Analysis of Outgoing Property and Incoming Property*

*Exhibit B – Appraisal Certification of Outgoing Property*

*BCPL Project Maps*

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 6  
PROPOSED LAND EXCHANGE – NATIONAL PARK TRUST (E1901)**

**RECITALS**

- A. BCPL currently owns three tracts of land totaling 145.85 acres located in Burnett, Polk, and Washburn County (the “BCPL property”) described as:
- Township 41 North, Range 16 West, Town of Swiss, Burnett County  
Section 2: SW/SE (approximately 40 acres);
- Township 32 North, Range 19 West, Town of Farmington, Polk County  
Section 32: Gov Lot 2 (approximately 25.85 acres); and
- Township 41 North, Range 13 West, Town of Chicog, Washburn County  
Section 28: NE/NE and SE/NE (approximately 80 acres)
- B. The National Park Service (“NPS”) has expressed an interest in acquiring the BCPL property because all three parcels are within the St. Croix National Scenic Riverway project boundary.
- C. Under federal law (16 USC Section 1277), NPS may not purchase land directly from a state.
- D. NPS works with the National Park Trust as a partner on various transactions and has requested that the National Park Trust facilitate this proposed exchange. NPS will then acquire the BCPL property from the land trust at the appraised value.
- E. The BCPL property 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 three tracts is attached to this resolution as Exhibit A.
- F. The BCPL property has been appraised by Compass Land Consultants, Inc. for a total value of \$234,000. A copy of the Certification of Appraisal for each parcel is attached to this resolution as Exhibit B.
- G. BCPL staff has identified a 228 acre block of land that is suitable for the proposed exchange. The National Park Trust will purchase this “incoming property” from Minocqua Timber, LLC. The incoming property is located in:



Township 41 North, Range 4 East, Town of Sherman, Iron County, Wisconsin  
Section 9: NE/NE, SW/NE, NW/NW, SW/NW, SE/NW, and  
north 28 acres of NE/SE

- H. The incoming property is adjacent to other BCPL parcels, will improve access to BCPL's existing property, and contains productive timberland.
- I. The incoming property 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 incoming property is attached to this resolution as part of Exhibit A.
- J. The incoming property has been independently appraised by Compass Land Consultants, Inc. and the appraised value was used for negotiation purposes. The agreed-upon value for the incoming property is \$1,028 per acre.
- K. The BCPL property and incoming property are of approximately equal value as required under Wis. Stat. 24.09(bm).
- L. BCPL staff recommends approval of this proposed exchange of properties of approximately equal value for the following reasons:
  - 1. BCPL staff has determined that the outgoing BCPL property is appropriate for sale or exchange;
  - 2. The exchange will enable BCPL to dispose of low-productive parcels that do not currently produce any revenue for the school trust funds;
  - 3. BCPL staff has determined that the proposed exchange is in the public interest and will enhance conservation of lands and the acquisition of the incoming property 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
  - 4. The values of the properties in the proposed exchange are "approximately equal" as that term is defined in Wis. Stat. 24.09.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands hereby determines that the proposed exchange is in the public interest, will contribute to the consolidation of a block of land and enhance conservation of lands; and

**BE IT FURTHER RESOLVED**, that the Board hereby approves the exchange of the BCPL parcels for the incoming parcels with the National Park Trust in accordance with Chapter 24 of the Wisconsin Statutes 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.

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1901**

Common Name for Land Parcel: St. Croix National Scenic Riverway

County: Burnett, Polk, Washburn

Township: Swiss, Farmington, Chicog (respectively)

Legal Description: See Attached Addendum.

GLO Acres: 145.85 total (see addendum for parcel breakdown)

<b>Criteria – Outgoing BCPL Property</b>
--

**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.

**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.

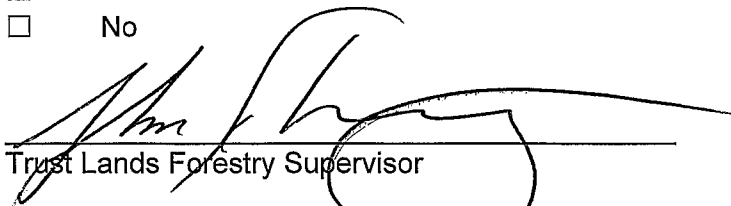
**4. Parcel Required By Other Government Entity**

- ☒ 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 convey the property on terms and conditions acceptable to BCPL.

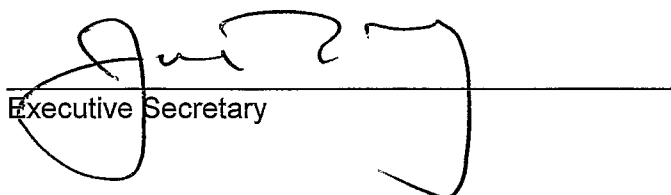
- ☒ Yes  
☐ No

  
 Trust Lands Forestry Supervisor

9-4-19  
 Date

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

- ☒ Yes  
☐ No

  
 Executive Secretary

9-9-19  
 Date

## **Addendum - Outgoing BCPL Property**

### **Legal Descriptions and Acreage of Outgoing Property**

Township 41 North, Range 16 West, Town of Swiss, Burnett County, Wisconsin  
Section 2: SW/SE (40 acres)

Township 32 North, Range 19 West, Town of Farmington, Polk County, Wisconsin  
Section 32: Gov Lot 2 (25.85 acres)

Township 41 North, Range 13 West, Town of Chicog, Washburn County, Wisconsin  
Section 28: NE/NE and SE/NE (80 acres)

Total GLO Acreage of Outgoing BCPL parcels: **145.85**

**Summary Analysis of Potential Property Exchange**  
**Transaction ID#: E1901**

Common Name for Land Parcel: National Park Trust

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 228 total

<b>Criteria – Incoming Property</b>
-------------------------------------

**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 acquire the property on terms and conditions acceptable to BCPL.

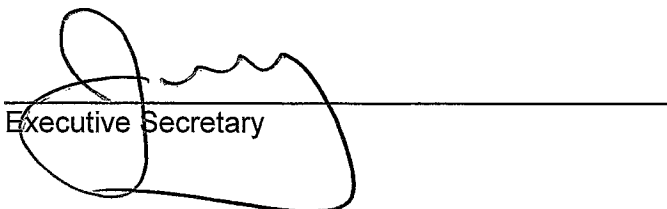
- ☒ Yes
- ☐ No

  
Trust Lands Forestry Supervisor

9-4-19  
Date

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

- ☒ Yes
- ☐ No

  
Executive Secretary

9-9-19  
Date

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1901**

<b>Incoming Property</b>
--------------------------

Common Name for Land Parcel: National Park Trust

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 228 total

Parcel ID Number: See Addendum

Previous Year Tax Levy: \$ 24.00 total (see Addendum)

Name(s) of Seller(s): National Park Trust

Address of Seller(s): 401 East Jefferson Street, Suite 207

Rockville, MD 208509

Seller Phone #: \_\_\_\_\_

Seller's Attorney or Agent: \_\_\_\_\_

Contact Information: Philip Selleck

\_\_\_\_\_

\_\_\_\_\_

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

Asking Price: \$ 234,000

**Summary Analysis of Potential Property Exchange**  
**Transaction ID#: E1901**

<b>Incoming Property</b>
--------------------------

Common Name for Land Parcel: National Park Trust

County: Iron                      Township: Sherman

Legal Description:                See Addendum

Acres:                                228 total

Acres of productive forest land in parcel(s):                                211.40 acres

Acres of timber base in parcel(s):    170.00 acres

Acres of non-productive land in parcel(s):                                        16.60 acres

Acres of land with public access in parcel(s):                                   228 acres

Acres of land without public access in parcel(s):                                0 acres

Acres of current BCPL land that will become  
accessible to the public through parcel(s):                                        200 acres

Acres of our current BCPL land that will become  
accessible for timber management purposes through parcel(s): 200 acres

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

If other proposed adjacent exchanges are considered, then 200 acres of BCPL land will be unlocked if this exchange is also approved.

## Addendum - Incoming Property

### **Legal Descriptions and Acreage of Incoming Property**

Township 41 North, Range 4 East, Town of Sherman, Iron County, Wisconsin  
Section 9: NE/NE, SW/NE, NW/NW, SW/NW, SE/NW, north 28 acres of NE/SE

Total GLO Acres of Incoming parcels: 228

### **Parcel Numbers and Net Tax of Incoming Property**

County	Town	Township	Range	Section	QQ or GL	Parcel #	Net Tax
Iron	Sherman	41N	4E	9	NE/NE	020-1180	\$ 4.00
					SW/NE	020-1182	\$ 4.00
					NW/NW	020-1185	\$ 4.00
					SW/NW	020-1186	\$ 4.00
					SE/NW	020-1187	\$ 4.00
					part of NE/SE	020-1190	\$ 4.00
							\$ 24.00

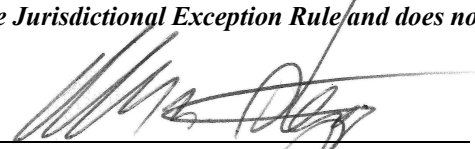
## **Part I – Introduction**

### **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 legal instructions, 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 not performed services on the subject property within a three-year period of the effective date of this appraisal.
- I have no bias with respect to the property that is the subject of the work under review 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 Appraisal Standards for Federal Land Acquisitions."
- The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section 1.2.7.2. of the Uniform Appraisal Standards for Federal Land Acquisitions.
- I personally inspected the subject property, which is the subject of this report and all comparable sales used in developing the estimate of value. The date of inspection for the subject property was October 3, 2017. The comparable sales were inspected on various dates in November of 2017.
- Erik Barttelt, forester and appraisal assistant, provided significant professional assistance to the appraiser. Mr. Barttelt took part in the property inspection, assisted with a search for comparable sales, and assisted with writing the narrative report.
- The owner's representative, Tom German with the State of Wisconsin, was contacted and invited to accompany me during the subject property's inspection and did so on the date of inspection.
- Based upon the information contained in this report, it is my opinion that the property is two larger parcels with market values of \$98,000 and \$79,000 as of October 3, 2017.

***The appraisal is subject to the Jurisdictional Exception Rule regarding the definition of market value used in the assignment. The reader should note that this definition of market value, required by the Uniform Appraisal Standards for Federal Land Acquisitions, is not "linked" to a specific "exposure time" estimate as required by the Uniform Standards of Professional Appraisal Practice (USPAP, SR 1-2©). "Appraisers should not link opinions of value for federal acquisitions to a specific exposure time" (Section 4.2.1.2, UASFLA, 2016). This appraisal, therefore, invokes the Jurisdictional Exception Rule and does not include an opinion of reasonable exposure time.***

  
William M. Steigerwaldt, Real Estate Specialist  
Wisconsin Certified General Appraiser #394-10  
(Expires 12/14/2019)



## **Part I – Introduction**

### **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 legal instructions, 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 not performed services on the subject property within a three-year period of the effective date of this appraisal.
- I have no bias with respect to the property that is the subject of the work under review 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 Appraisal Standards for Federal Land Acquisitions."
- The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section 1.2.7.2. of the Uniform Appraisal Standards for Federal Land Acquisitions.
- I personally inspected the subject property, which is the subject of this report and all comparable sales used in developing the estimate of value. The date of inspection for the subject property was October 3, 2017. The comparable sales were inspected on various dates in October, 2017.
- Erik Barttelt, forester and appraisal assistant, provided significant professional assistance to the appraiser. Mr. Barttelt took part in the property inspection, assisted with a search for comparable sales, and assisted with writing the narrative report.
- The owner, The State of Wisconsin Board of Commissioners of Public Land, was contacted and invited to accompany me during the subject property's inspection. Tom German, attorney for the State of Wisconsin Board of Commissioners of Public Land, accepted my invitation and joined us on the property inspection on October 3, 2017.
- Based upon the information contained in this report, it is my opinion that the market value of the subject property is \$28,000 as of October 3, 2017.

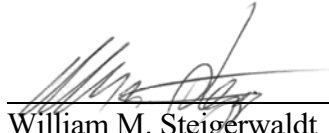
## **Part I – Introduction**

### **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 legal instructions, 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 not performed services on the subject property within a three-year period of the effective date of this appraisal.
- I have no bias with respect to the property that is the subject of the work under review 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 Appraisal Standards for Federal Land Acquisitions."
- The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section 1.2.7.2. of the Uniform Appraisal Standards for Federal Land Acquisitions.
- I personally inspected the subject property, which is the subject of this report and all comparable sales used in developing the estimate of value. The date of inspection for the subject property was October 3, 2017. The comparable sales were inspected on various dates from 2012 to October 25, 2017.
- Erik Barttelt, forester and an appraiser assistant, provided significant professional assistance to the appraiser. Mr. Barttelt took part in the property inspection, assisted with a search of comparable sales, and assisted with writing the narrative report.
- The owner, The State of Wisconsin Board of Commissioners of Public Land, was contacted and invited to accompany me during the subject property's inspection. Tom German, attorney for the State of Wisconsin Board of Commissioners of Public Land, accepted my invitation and joined us on the property inspection on October 3, 2017.
- Based upon the information contained in this report, it is my opinion that the market value of the subject property is \$29,000 as of October 3, 2017.

*The appraisal is subject to the Jurisdictional Exception Rule regarding the definition of market value used in the assignment. The reader should note that this definition of market value, required by the Uniform Appraisal Standards for Federal Land Acquisitions, is not "linked" to a specific "exposure time" estimate as required by the Uniform Standards of Professional Appraisal Practice (USPAP, SR 1-2©). "Appraisers should not link opinions of value for federal acquisitions to a specific exposure time" (Section 4.2.1.2, UASFLA, 2016). This appraisal, therefore, invokes the Jurisdictional Exception Rule and does not include an opinion of reasonable exposure time.*



---

William M. Steigerwaldt  
Real Estate Specialist  
Wisconsin Certified General Appraiser  
#394-10  
(Expires 12/14/2019)

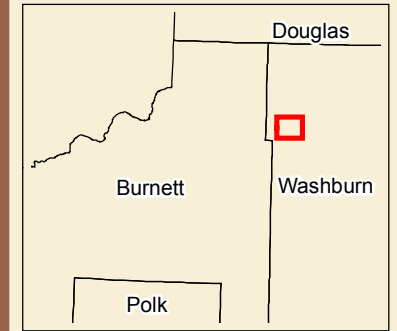
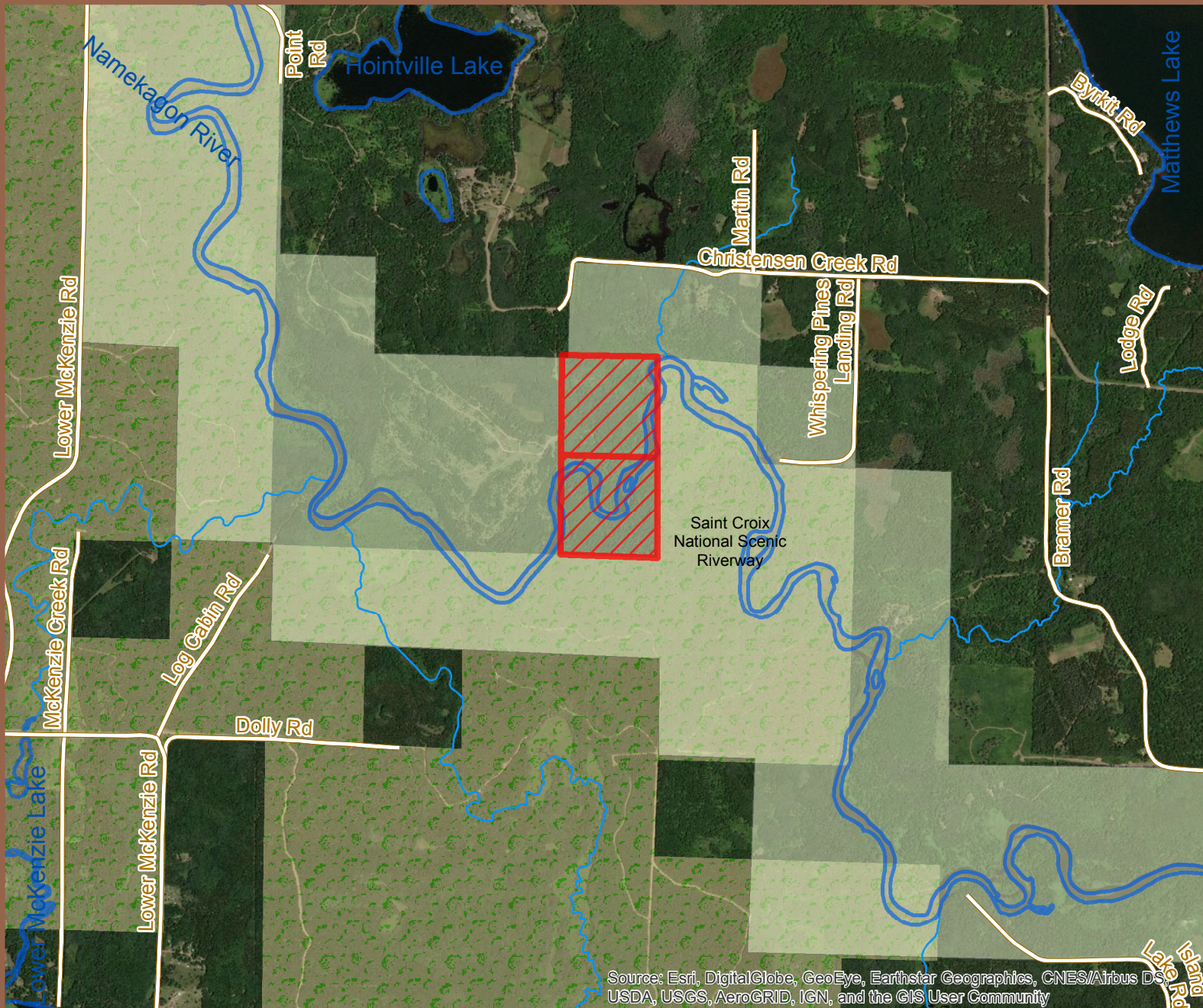


---

Erik J. Barttelt  
Appraisal Assistant



# ST. CROIX NATL SCENIC RIVERWAY PARCEL #1



E1901

County: Washburn

Town: Chicog

Common Name:  
St. Croix Scenic Riverway

Acres - 80

Fund 745



Outgoing BCPL



County Forest



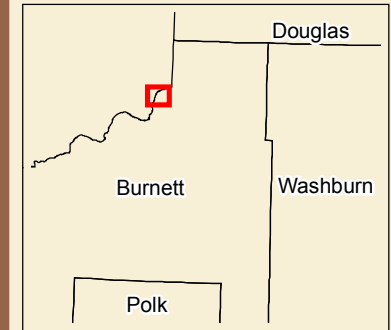
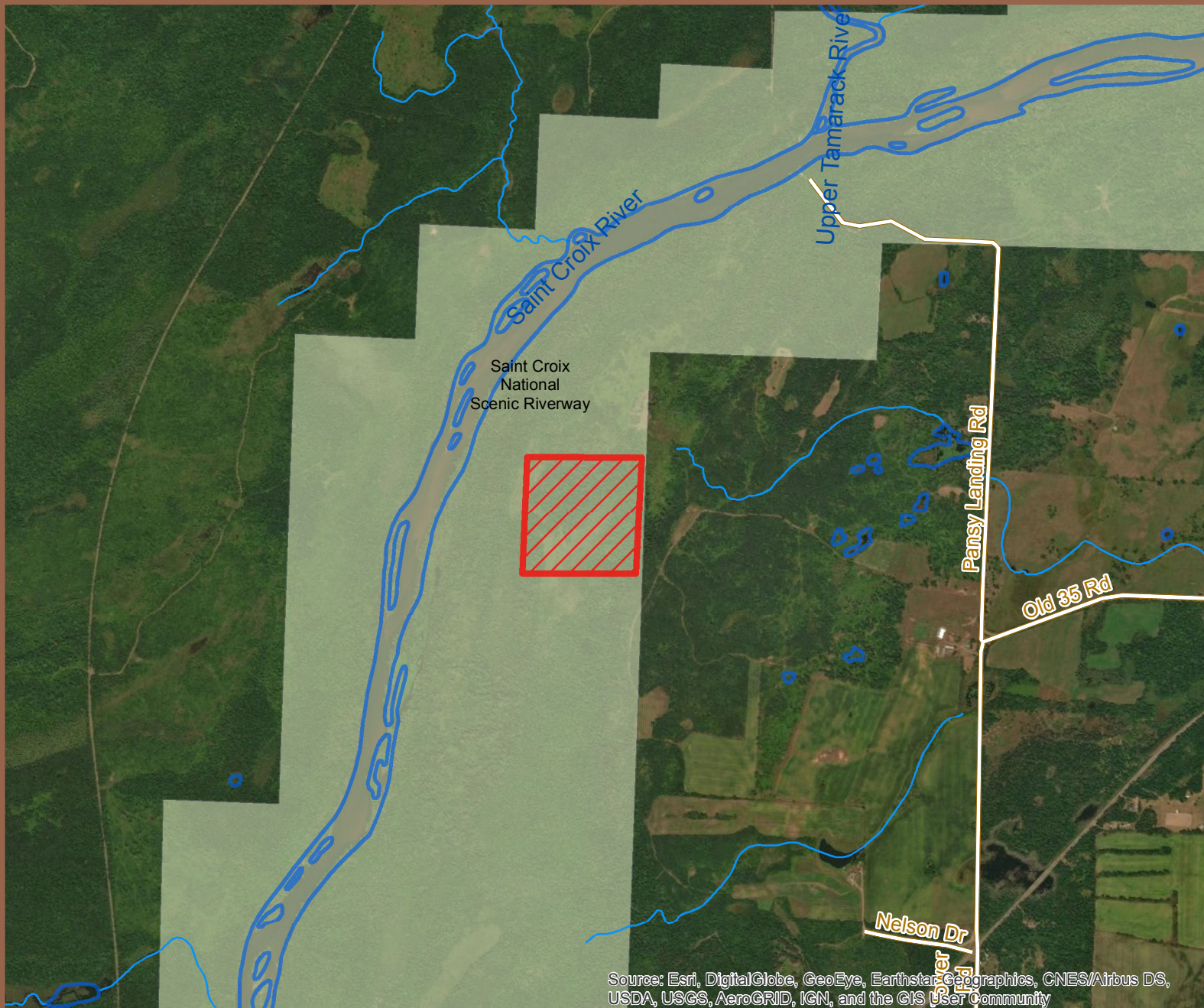
National Park Service

0 0.2 0.4 Miles

Page 32 of 62



## ST. CROIX NATL SCENIC RIVERWAY PARCEL #2



E1901

County: Burnett

Town: Swiss

Common Name:  
St. Croix Scenic Riverway

Acres - 40

Fund 745



Outgoing BCPL



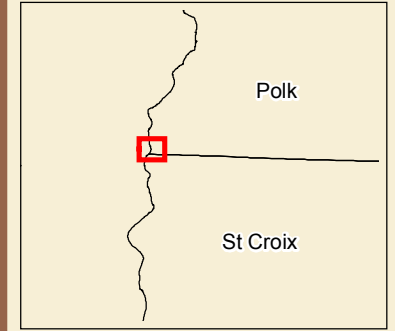
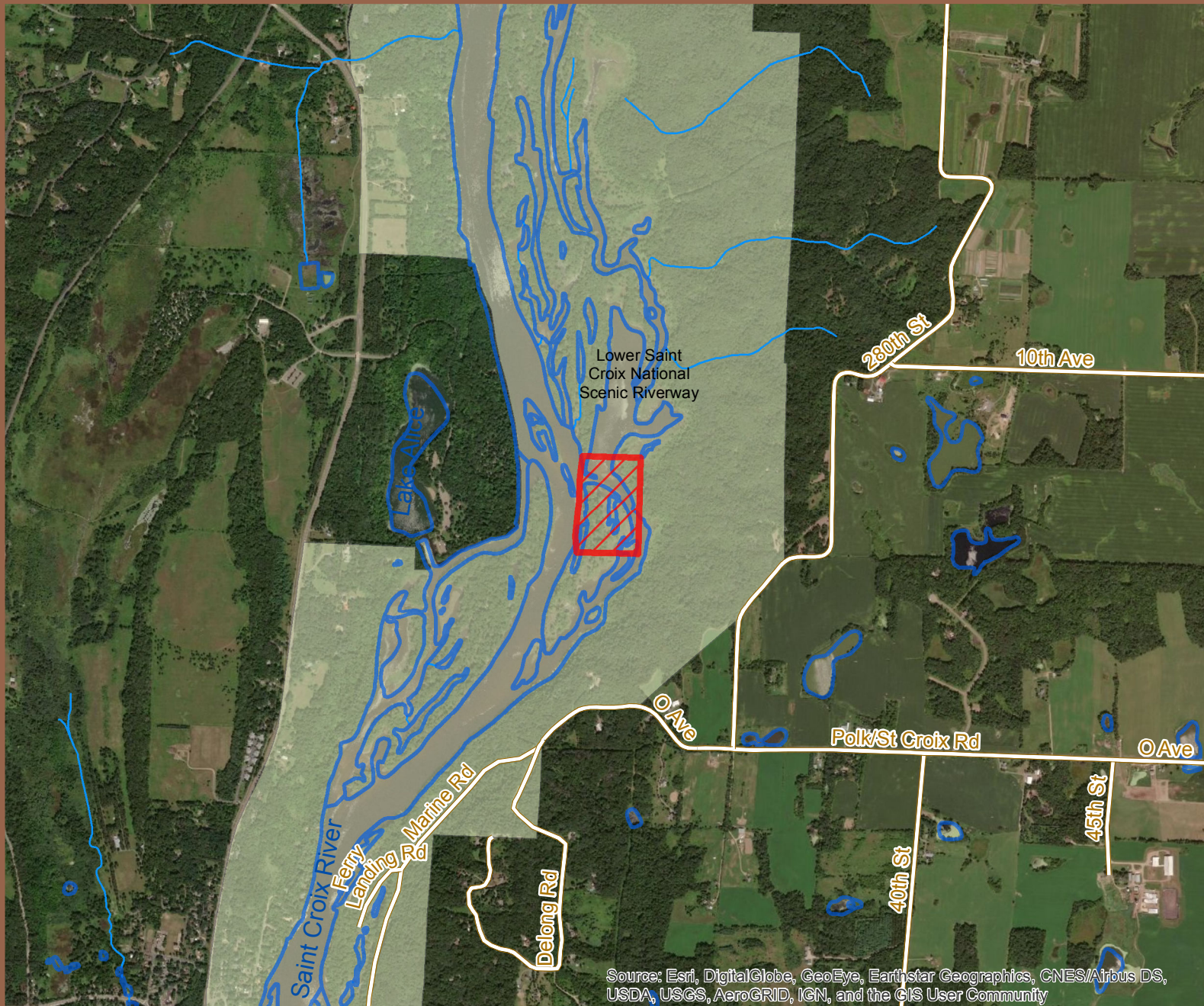
National Park Service

0 0.175 0.35 Miles

Page 33 of 62



## ST. CROIX NATL SCENIC RIVERWAY PARCEL #3



E1901

County: Polk

Town: Farmington

Common Name:  
St. Croix Scenic Riverway

Acres - 25.85

Fund 745



Outgoing BCPL



National Park Service

0 0.2 0.4 Miles

Page 34 of 62

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 7  
PROPOSED LAND EXCHANGE – NORTHWOODS LAND TRUST (E1902)**

BCPL may exchange any parcel of school trust lands for any other land of approximately equal value if the exchange will contribute to the consolidation or completion of a block of land, enhance conservation of lands or otherwise be in the public interest.

In conjunction with the acquisition outlined in Agenda Item 5, staff is requesting authority to convey a 129.20 acre tract of land located in Iron County to the Northwoods Land Trust in exchange for timberland in Iron County. The BCPL parcel contains very rare remnant old growth hemlock hardwood stands that the Northwoods Land Trust would like to preserve in perpetuity. In addition, the parcel has been prime habitat for the American Marten, which is on the Wisconsin endangered species list. The property also contains approximately 870 feet of lowland frontage on Sack Lake.

Over a decade ago the DNR expressed an interest in acquiring the parcel but for a variety of reasons has not been able to follow through with a purchase. The Northwoods Land Trust holds a permanent conservation easement on adjacent private land and considers the parcel a good fit for its mission.

The appraised value of the BCPL parcel is \$142,000. To effectuate the exchange, the Northwoods Land Trust would first purchase 138 acres of approximately equal-value timberland in Iron County from Minocqua Timber, LLC and then convey the timberland to BCPL in exchange for this school trust land parcel on Sack Lake.

BCPL staff recommends the exchange for the following reasons:

- the exchange will enhance conservation of lands and is in the public interest;
- the school trust lands parcel that would be conveyed to the Northwoods Land Trust is a low-productive parcel and does not currently generate any revenue for the school trust funds;
- the BCPL parcel is isolated; and
- the BCPL parcel is landlocked.

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 are of approximately equal value.

Attachments:

*Resolution w/Exhibits*

*Exhibit A – Summary Analysis of Outgoing Property and Incoming Property*

*Exhibit B – Appraisal Certification of Outgoing Property*

*BCPL Project Maps*

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 7  
PROPOSED LAND EXCHANGE – NORTHWOODS LAND TRUST (E1902)**

**RECITALS**

- A. BCPL currently owns a parcel of land totaling 129.20 acres located in Iron County (the “BCPL property”) described as:

Township 44 North, Range 1 East, Town of Knight, Iron County, Wisconsin

Section 23: Government Lot 1  
Government Lot 3  
NE¼ of the SW¼  
Omitted land lying between the original meander lines in  
Government Lots 1 and 3 and the existing shoreline of Sack Lake  
as allocated in a Boundary Line Agreement recorded as Document  
No. 165853.

- B. The Northwoods Land Trust is a not-for-profit tax-exempt conservation organization dedicated to protecting woodlands, wetlands, wildlife habitat and water frontage. The Northwoods Land Trust has expressed an interest in acquiring the BCPL property for long-term ownership because it contains very rare old growth hemlock stands, it contains prime habitat for the state-endangered American Marten, and it is adjacent to a conservation easement held by the land trust.
- C. The BCPL property 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 is attached to this resolution as Exhibit A.
- D. The BCPL property has been appraised by Compass Land Consultants, Inc. for a value of \$142,000. A copy of the Certification of Appraisal is attached to this resolution as Exhibit B.
- E. BCPL staff has identified a 138 acre block of land that is suitable for the proposed exchange. The Northwoods Land Trust will purchase this “incoming property” from Minocqua Timber, LLC. The incoming property is located in:

Township 41 North, Range 4 East, Town of Sherman, Iron County, Wisconsin

Section 5: south 18 acres of NW/SE, SW/SE

Section 8: NE/NE, NW/NE



- F. The incoming property is adjacent to other parcels to be acquired by BCPL, will improve access to BCPL's existing property, and contains productive timberland.
- G. The incoming property 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 incoming parcels is attached to this resolution as part of Exhibit A.
- H. The incoming property has been independently appraised by Compass Land Consultants, Inc. and the appraised value was used for negotiation purposes. The agreed-upon value for the incoming property is \$1,028 per acre.
- I. The BCPL property and incoming property are of approximately equal value as required under Wis. Stat. 24.09(bm).
- J. BCPL staff recommends approval of this proposed exchange of parcels of approximately equal value for the following reasons:
  - 1. BCPL staff has determined that the outgoing BCPL parcel is appropriate for sale or exchange;
  - 2. The exchange will enable BCPL to dispose of a low-revenue parcel;
  - 3. BCPL staff has determined that the proposed exchange is in the public interest and enhance the conservation of lands and the acquisition of the incoming property 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
  - 4. The values of the properties in the proposed exchange are "approximately equal" as that term is defined in Wis. Stat. 24.09.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands hereby determines that the proposed exchange is in the public interest, will contribute to the consolidation of a block of land and will enhance conservation of lands; and

**BE IT FURTHER RESOLVED**, that the Board hereby approves the exchange of the BCPL property for the incoming property with the Northwoods Land Trust in accordance with Chapter 24 of the Wisconsin Statutes 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.

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1902**

Common Name for Land Parcel: Sack Lake

County: Iron Township: Knight

Legal Description: T44N-R1E, Sec. 23: GL 1, GL 3, and NE/SW

GLO Acres: 129.20 total acres (98.42 GLO acres plus 30.78 acres of allocated omitted lands)

<b>Criteria – Outgoing BCPL Property</b>
--

**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.

**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.

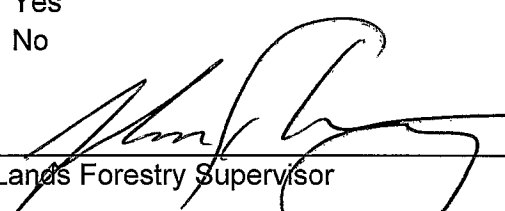
**4. Parcel Required By Other Government Entity**

- ☐ 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 convey the property on terms and conditions acceptable to BCPL.

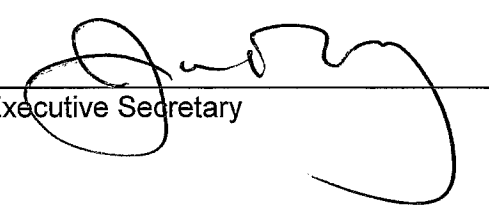
- ☒ Yes  
☐ No

  
 \_\_\_\_\_  
 Trust Lands Forestry Supervisor

9-4-19  
 \_\_\_\_\_  
 Date

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

- ☒ Yes  
☐ No

  
 \_\_\_\_\_  
 Executive Secretary

9-9-19  
 \_\_\_\_\_  
 Date

**Summary Analysis of Potential Property Exchange**  
**Transaction ID#: E1902**

Common Name for Land Parcel: Northwoods Land Trust

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 138

<b>Criteria – Incoming Property</b>
-------------------------------------

**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 acquire the property on terms and conditions acceptable to BCPL.

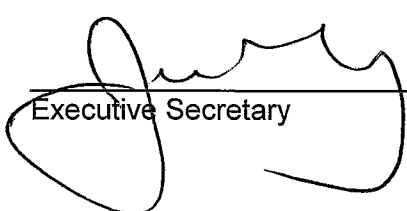
- ☒ Yes
- ☐ No

  
\_\_\_\_\_  
Trust Lands Forestry Supervisor

9-4-19  
\_\_\_\_\_  
Date

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

- ☒ Yes
- ☐ No

  
\_\_\_\_\_  
Executive Secretary

9-9-19  
\_\_\_\_\_  
Date

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1902**

<b>Incoming Property</b>
--------------------------

Common Name for Land Parcel: Northwoods Land Trust

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 138

Parcel ID Number: See Addendum

Previous Year Tax Levy: \$ 16.00

Name(s) of Seller(s): Northwoods Land Trust

Address of Seller(s): PO Box 321  
Eagle River, WI 54521

Seller Phone #: \_\_\_\_\_

Seller's Attorney or Agent: \_\_\_\_\_

Contact Information: Ted Anchor

\_\_\_\_\_

\_\_\_\_\_

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

Asking Price: \$ 142,000

Summary Analysis of Potential Property Exchange  
Transaction ID#: E1902

**Incoming Property**

Common Name for Land Parcel: Northwoods Land Trust

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 138

Acres of productive forest land in parcel(s): 122.70 acres

Acres of timber base in parcel(s): 115.10 acres

Acres of non-productive land in parcel(s): 15.30 acres

Acres of land with public access in parcel(s): 138 acres

Acres of land without public access in parcel(s): 0 acres

Acres of current BCPL land that will become  
accessible to the public through parcel(s): 200 acres

Acres of our current BCPL land that will become  
accessible for timber management purposes through parcel(s): 200 acres

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

If another proposed adjacent exchange and acquisition are considered, then 200 acres of BCPL land  
will be unlocked if this exchange is also approved.

## **Addendum – Incoming Property**

### **Legal Descriptions and Acreage**

Township 41 North, Range 4 East, Town of Sherman, Iron County, Wisconsin

Section 5: south 18 acres of NW/SE, SW/SE (58 acres)

Section 8: NE/NE, NW/NE (80 acres)

Total GLO Acres of Incoming parcels: 138

### **Parcel Numbers and Net Tax**

County	Town	Township	Range	Section	QQ or GL	Parcel #	Net Tax
Iron	Sherman	41N	4E	5	part of NW/SE	020-1127	\$ 4.00
					SW/SE	020-1128	\$ 4.00
				8	NE/NE	020-1167	\$ 4.00
					NW/NE	020-1168	\$ 4.00
							\$ 16.00

**REAL ESTATE APPRAISAL – RESTRICTED 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 no bias or personal interest with respect to the property and parties involved in the assignment.
- I have not performed services on the subject property within a 3-year period of the effective date of this appraisal.
- 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, Daniel T. Schummer, personally inspected the subject property on April 25, 2019. The comparable sales were field inspected by the appraiser or qualified assistants in the period of 2018 to 2019.
- Douglas L. Johnson, Compass Land Consultants, Inc. Staff Forester/Appraisal Assistant, provided assistance to the appraiser in the preparation of this report and subject property inspection.
- Micah Zietler was contacted and accompanied the appraiser during the property inspection on April 25, 2019.
- It is my opinion that the subject property has a value of \$142,000 as of April 25, 2019.



Daniel T. Schummer  
Real Estate Specialist  
Wisconsin CGA #2145-10  
(Expires 12/14/2019)



Douglas L. Johnson  
Appraisal Assistant



## SACK LAKE EXCHANGE - OUTGOING



E1902

County: Iron

Town: Knight

Common Name:  
Sack Lake

Acres - 129.02

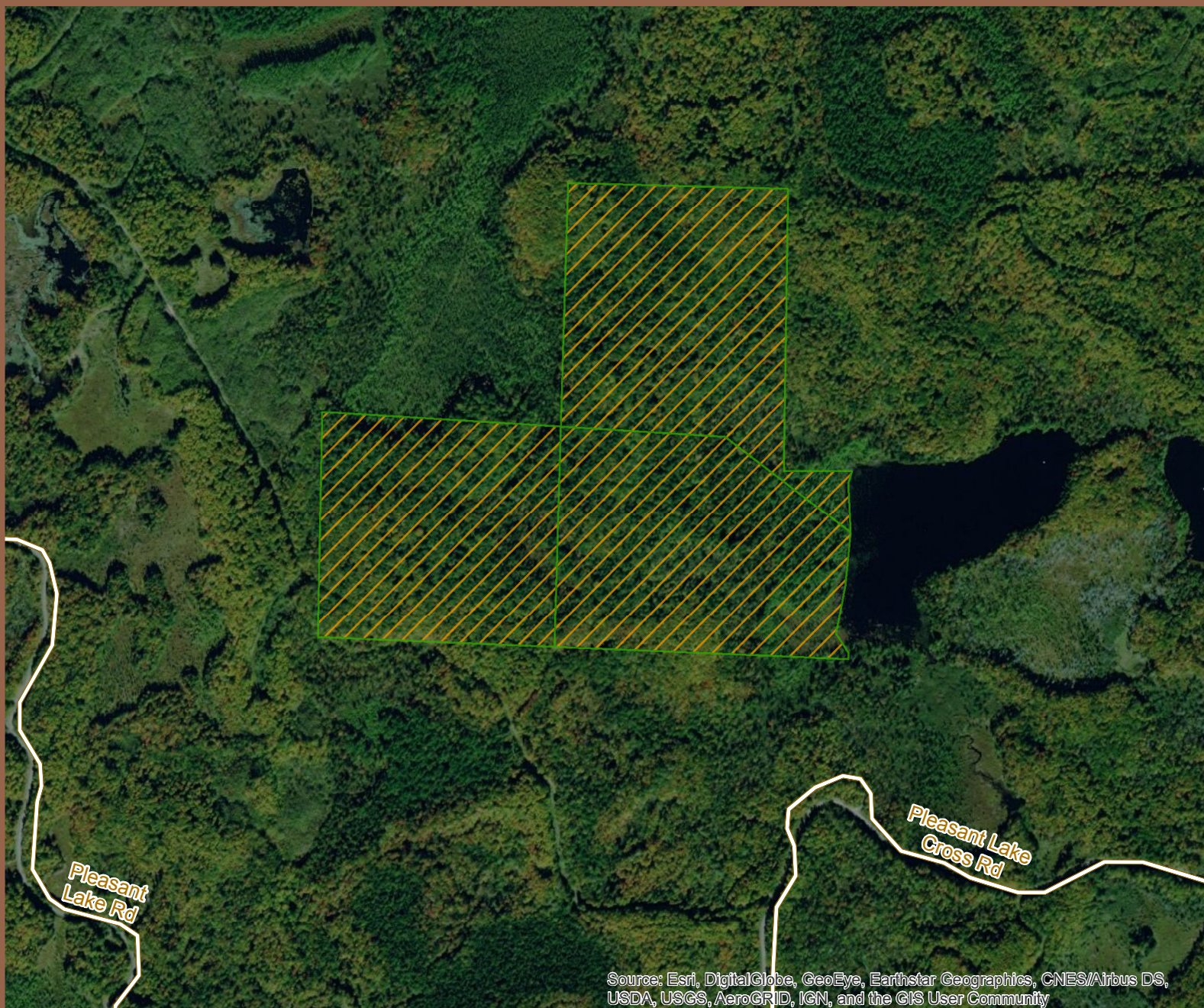
Fund 745



Outgoing



Rural Roads



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

0 0.075 0.15 Miles

Page 44 of 62



**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 8  
PROPOSED LAND EXCHANGE – WISCONSIN VALLEY IMPROVEMENT COMPANY  
(E1903)**

BCPL may exchange any parcel of school trust lands for any other land of approximately equal value if the exchange will contribute to the consolidation or completion of a block of land, enhance conservation of lands or otherwise be in the public interest.

In conjunction with the acquisition outlined in Agenda Item 5, staff is requesting authority to convey various tracts of land totaling 461.48 acres located in Oneida and Vilas County to Wisconsin Valley Improvement Company (WVIC) in exchange for land in Oneida County. The BCPL tracts are primarily submerged lands in the Rainbow Flowage in Oneida County and the Lower Ninemile Flowage in Vilas County.

WVIC was publicly chartered by the State of Wisconsin in 1907 to produce as nearly a uniform flow of water as practicable in the Wisconsin River by storing surplus water in reservoirs in order to improve the usefulness of the river for all public purposes and to reduce flood damage. WVIC is licensed by the Federal Energy Regulatory Commission (FERC) to operate the Rainbow Flowage and Lower Ninemile Flowage as part of the 21 storage reservoirs that comprise the Wisconsin River Headwaters Reservoir System. WVIC's FERC license and management plans promote a holistic balance among the benefits the water resource provides, including water conservation, flood control, low flow augmentation, hydroelectric generation, shoreline maintenance, archaeological preservation, water quality, fish and wildlife habitat, cultural/historic preservation, and public recreation. The property will remain open to the public after WVIC acquires it.

In accordance with its long standing history of partnering with a variety of agencies, entities, and stakeholders on stewardship initiatives, WVIC is interested in acquiring the school trust land parcels to ensure the ongoing protection and enhancement of the natural resources and public recreational benefits of the Rainbow and Lower Ninemile tracts.

BCPL and WVIC both contracted appraisals for the subject tracts and agreed to use the appraisal from Compass Land Consultants, Inc. for the Rainbow Flowage lands and the appraisal from Steigerwaldt Land Services, Inc. for the Lower Ninemile Lake lands for a total value of \$190,000. To effectuate the exchange, WVIC would first purchase 185 acres of approximately equal-value land in Oneida County from Minocqua Timber, LLC and then convey such lands to BCPL in exchange for the BCPL school trust lands described above.

BCPL staff recommends the exchange for the following reasons:

- the BCPL parcels that would be conveyed to WVIC are low-productive parcels that are not currently producing any revenue for the school trust funds;

- the BCPL parcels are mostly isolated;
- many of the BCPL parcels are landlocked; and
- most of the BCPL school trust lands are completely underwater.

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 are of approximately equal value.

Attachments:

*Resolution w/Exhibits*

*Exhibit A – Summary Analysis of Outgoing Property and Incoming Property*

*Exhibit B – Appraisal Certification of Outgoing Property*

*BCPL Project Maps*

**BOARD MEETING  
SEPTEMBER 17, 2019**

**AGENDA ITEM 8  
PROPOSED LAND EXCHANGE – WISCONSIN VALLEY IMPROVEMENT COMPANY  
(E1903)**

**RECITALS**

- A. BCPL currently owns various tracts of land totaling 461.48 acres located in Oneida and Vilas County (the “BCPL property”) described as:

Township 39 North, Range 8 East, Town of Newbold, Oneida County, Wisconsin

Section 16: SW/NE

Section 20: Government Lot 6, Government Lot 7

Section 29: Government Lot 1

Section 30: Government Lot 1

Township 40 North, Range 11 East, Town of Washington, Vilas County, Wisconsin

Section 33: NE/SE

Section 34: SW/NE, NE/SW, NW/SW, SW/SW, SE/SW, NW/SE, SW/SE

- B. Wisconsin Valley Improvement Company (WVIC) has expressed an interest in acquiring the BCPL property in order to fulfill its mission of regulating the flow of the Wisconsin River.
- C. The BCPL property 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 is attached to this resolution as Exhibit A.
- D. The BCPL property has been appraised by Compass Land Consultants, Inc. and Steigerwaldt Land Services. Based on the appraised values, BCPL and WVIC staff have agreed on a total price of \$190,000 for the BCPL property. A copy of the Certifications of Appraisal is attached to this resolution as Exhibit B.
- E. BCPL staff has identified a 185 acre block of land that is suitable for the proposed exchange. WVIC will purchase this “incoming property” from Minocqua Timber, LLC. The incoming property is located in:

Township 37 North, Range 5 East, Town of Little Rice, Oneida County, Wisconsin

Section 1: 5 acres southwest of Bear Creek in NE/NE, east 20 acres of SW/NE, SE/NE, NE/SE, NW/SE, SE/SE

- F. The incoming property is adjacent to other BCPL parcels, will improve access to BCPL's existing property, and contains productive timberland.
- G. The incoming property 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 incoming parcel is attached to this resolution as part of Exhibit A.
- H. The incoming property has been independently appraised by Compass Land Consultants, Inc. and the appraised value was used for negotiation purposes. The agreed-upon value for the incoming property is \$1,028 per acre.
- I. The value of the BCPL property and incoming property is of approximately equal value as required under Wis. Stat. 24.09(bm).
- J. BCPL staff recommends approval of this proposed exchange of parcels of approximately equal value for the following reasons:
  - 1. BCPL staff has determined that the outgoing BCPL property is appropriate for sale or exchange;
  - 2. The exchange will enable BCPL to dispose of low-productive parcels;
  - 3. BCPL staff has determined that the exchange is in the public interest and the acquisition of the incoming parcels 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
  - 4. The values of the properties in the proposed exchange are "approximately equal" as that term is defined in Wis. Stat. 24.09.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands hereby determines that the proposed exchange is in the public interest and will contribute to the consolidation of a block of land; and

**BE IT FURTHER RESOLVED**, that the Board approves the exchange of the BCPL property for the incoming property with Wisconsin Valley Improvement Company in accordance with Chapter 24 of the Wisconsin Statutes 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.

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1903**

Common Name for Land Parcel: Rainbow Flowage and Lower Ninemile

County: Oneida and Vilas

Township: Newbold and Washington (respectively)

Legal Description: See Addendum

GLO Acres: 461.48 (total); see Addendum for specifics

**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.

**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 convey the property on terms and conditions acceptable to BCPL.

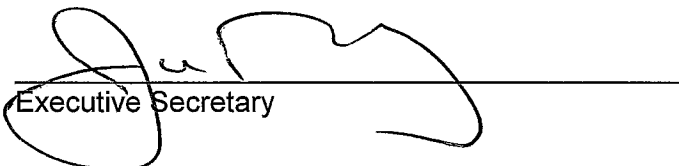
- ☒ Yes  
☐ No

  
Trust Lands Forestry Supervisor

9-4-19  
Date

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

- ☒ Yes  
☐ No

  
Executive Secretary

9-9-19  
Date

## Addendum – Outgoing Property

### **Legal Descriptions and Acreage**

#### Township 39 North, Range 8 East, Town of Newbold, Oneida County, Wisconsin

Section 16: SW/NE (40 acres)

Section 20: GL 6, GL 7 (77.90 acres)

Section 29: GL 1 (1.18 acres)

Section 30: GL 1 (22.40 acres)

#### Township 40 North, Range 11 East, Town of Washington, Vilas County, Wisconsin

Section 33: NE/SE (40 acres)

Section 34: SW/NE (40 acres)

NE/SW (40 acres)

NW/SW (40 acres)

SW/SW (40 acres)

SE/SW (40 acres)

NW/SE (40 acres)

SW/SE (40 acres)

Total GLO Acreage of Outgoing BCPL parcels: **461.48**

**Summary Analysis of Potential Property Exchange**  
**Transaction ID#: E1903**

Common Name for Land Parcel: Wisconsin Valley Improvement Company

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 185

<b>Criteria – Incoming Property</b>
-------------------------------------

**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 acquire the property on terms and conditions acceptable to BCPL.

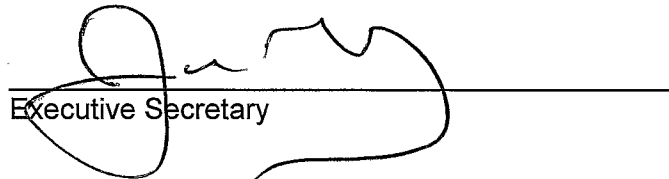
- ☒ Yes
- ☐ No

  
Trust Lands Forestry Supervisor

9-4-19  
Date

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

- ☒ Yes
- ☐ No

  
Executive Secretary

9-9-19  
Date

**Board of Commissioners of Public Lands  
Summary Analysis of Potential Property Exchange  
Transaction ID#: E1903**

<b>Incoming Property</b>
--------------------------

Common Name for Land Parcel: Wisconsin Valley Improvement Company

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: 185

Parcel ID Number: See Addendum

Previous Year Tax Levy: \$ 438.06

Name(s) of Seller(s): Wisconsin Valley Improvement Company

Address of Seller(s): 2301 Thrid Street  
Wausau, WI 54403

Seller Phone #: (715) 848-2976

Seller's Attorney or Agent: \_\_\_\_\_

Contact Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Asking Price: \$ 190,000



**Summary Analysis of Potential Property Exchange**  
**Transaction ID#: E1903**

<b>Incoming Property</b>
--------------------------

Common Name for Land Parcel: Wisconsin Valley Improvement Company

County: Iron Township: Sherman

Legal Description: See Addendum

Acres: See Addendum

Acres of productive forest land in parcel(s): 167.40 acres

Acres of timber base in parcel(s): 142.70 acres

Acres of non-productive land in parcel(s): 17.60 acres

Acres of land with public access in parcel(s): 185 acres

Acres of land without public access in parcel(s): 0 acres

Acres of current BCPL land that will become  
accessible to the public through parcel(s): 0 acres

Acres of our current BCPL land that will become  
accessible for timber management purposes through parcel(s): 0 acres

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

The parcel contains productive upland adjacent to BCPL land.

## Addendum – Incoming Property

### Legal Descriptions and Acreage

Township 37 North, Range 5 East, Town of Little Rice, Iron County, Wisconsin

Section 1: part of the NE/NE, part of the SW/NE, SE/NE, NE/SE, NW/SE, SE/SE

Total GLO Acres of Incoming parcels: 185

### Parcel Numbers and Net Tax

County	Town	Township	Range	Section	QQ or GL	Parcel #	Net Tax
Oneida	Little Rice	37N	5E	1	part of NE/NE	LR 574	n/a
					part of SW/NE	LR 576	\$ 87.55
					SE/NE	LR 577	\$ 87.59
					NE/SE	LR 586	\$ 87.87
					NW/SE	LR 587	\$ 87.93
					SE/SE	LR 589	\$ 87.12
							\$ 438.06

**REAL ESTATE APPRAISAL – RESTRICTED 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 no bias or personal interest with respect to the property and parties involved in the assignment.
- I have not performed services on the subject property within a 3-year period of the effective date of this appraisal.
- 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, Daniel T. Schummer, personally inspected the subject property on June 27, 2019. The comparable sales were field inspected by the appraiser or qualified assistants.
- Douglas L. Johnson, Compass Land Consultants, Inc. Staff Forester/Appraisal Assistant provided assistance to the appraiser in the preparation of this report and subject property inspection.
- Micah Zeitler and Ben Niffenegger were contacted and accompanied the appraiser during the property inspection on June 27, 2019.
- It is my opinion that the subject property has a value of \$40,000 as of June 27, 2019.



Daniel T. Schummer  
Real Estate Specialist  
Wisconsin CGA #2145-10  
(Expires 12/14/2019)



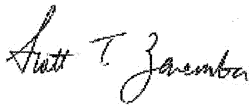
Douglas L. Johnson  
Appraisal Assistant

#### 4. Certification

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

1. The statements of fact contained in this report are true and correct and no important facts have been withheld.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the "Uniform Standards of Professional Appraisal Practice."
6. Laura B. Heier inspected the subject property on July 27, 2019. Scott T. Zaremba did not physically inspect the property. All comparable sales were inspected by the appraiser or by qualified staff of Steigerwaldt Land Services, Inc.
7. Scott T. Zaremba and Laura B. Heier prepared this report. No one provided significant real property appraisal assistance to the people signing this certification.
8. The appraiser did not discuss the subject property's value with the owner or the owner's representative.
9. Within the prior three years, the appraiser has not performed any other services with regard to the subject property, and no services except this appraisal assignment are currently in progress.
10. It is my opinion that the market value of the subject property is \$149,200.00 as of July 27, 2019.

#### STEIGERWALDT LAND SERVICES, INC.




---

Scott T. Zaremba  
Wisconsin Certified General Appraiser No. 2328




---

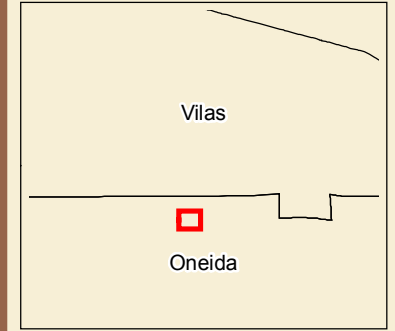
Laura B. Heier, ACF  
Appraisal Assistant



# WVIC RAINBOW FLOWAGE EXCHANGE ONEIDA - OUTGOING



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



**E1903**

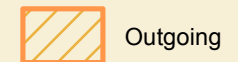
**County: Oneida**

**Town: Newbold**

**Common Name:**  
**Rainbow Flowage**  
**Exchange**

**Acres - 145.85**

**Fund 745**



Outgoing



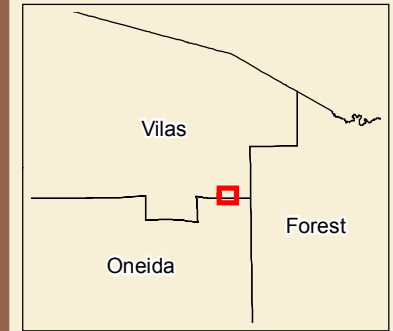
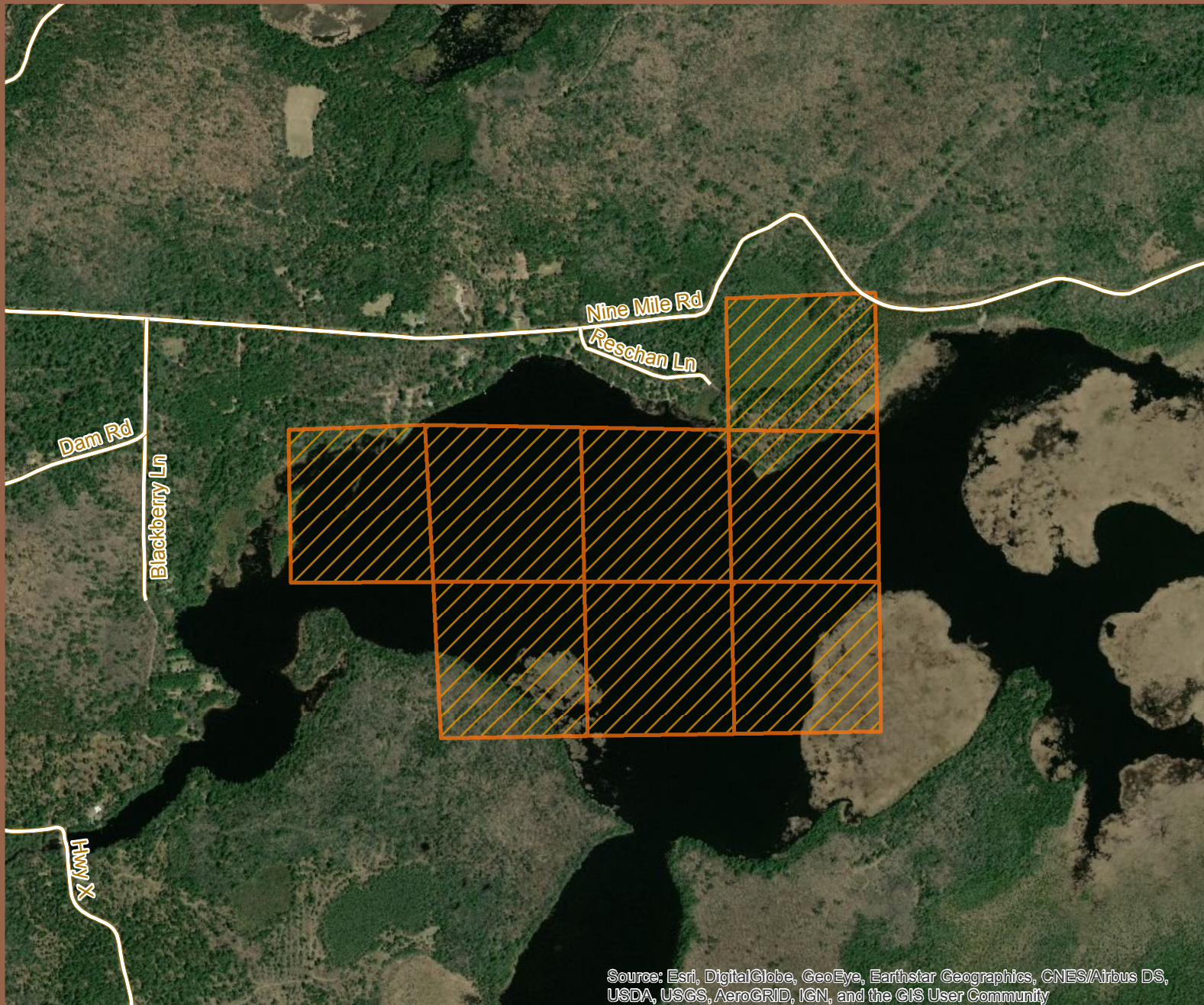
Rural Roads

0 0.15 0.3  
Miles

Page 57 of 62



# WVIC LOWER NINEMILE EXCHANGE VILAS - OUTGOING



E1903

County: Vilas

Town: Washington

Common Name:  
Lower Ninemile  
Exchange

Acres - 320

Fund 745



Outgoing



Rural Roads

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

0 0.125 0.25 Miles

Page 58 of 62



**BOARD MEETING  
September 17, 2019**

**AGENDA ITEM 9**

**Investment Transaction Report  
As of September 11, 2019**

Transactions since the report dated August 16, 2019 include:

**Bond Purchases**      None

**Bond Sales**            None

**Public Equity  
Purchases**            Staff made purchases totaling \$3 million in public equity ETFs in accordance with the  
authority provided by the BCPL Investment Committee.

**BOARD MEETING  
September 17, 2019**

**AGENDA ITEM 9  
CHIEF INVESTMENT OFFICER'S REPORT – AUGUST**

Lower market interest rates triggered the redemption of \$83 million in agency bonds during the month of August. These redemptions helped to increase cash levels to approximately \$340 million at month-end. While this level of cash is of some concern, the low hanging fruit has now been picked and the remaining \$213 million (cost) bond portfolio is well protected from additional redemptions. At current market rates, staff expects only an additional \$350,000 in bond redemptions in 2019 along with \$33 million throughout all of 2020.

The loan portfolio is a different story. Every one of the loans within the \$454 million portfolio of BCPL State Trust Fund Loans may be prepaid without penalty.

There is a very good reason that we allow prepayments without penalty. This feature provides flexibility that is extremely valuable to our customers and increases loan demand at interest rates higher than expected for the assumed level of risk. However, prepayments expose the portfolio to reinvestment risk. When a loan is prepaid, the monies that had been earning a relatively higher rate must now be reinvested at the new lower rates. In downward trending interest rate markets, this process will more quickly reduce the average yield on the portfolio and future distributable income.

There are some mitigating factors, and it is extremely difficult to predict future loan prepayments. First, not all BCPL customers are rate sensitive. Second, BCPL does not allow prepayments from September 1 through December 31 each year. Third, the portfolio has been through this cycle before (2016), and many of the highest rate loans have already been refinanced. However, if rates remain at current levels, BCPL should anticipate an increase in loan prepayments starting on January 2, 2020.

As anticipated, the BCPL Investment Committee approved \$90 million in commitments to open-ended commingled real estate funds during August. Approximately \$40 million of these funds will be invested within the next 30 days, with the remainder deployed in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2020.

The committee also re-established weekly purchases of public equity ETFs, as the yield on our ETF portfolio at 2.8% is above current short-term rates. As before, these purchases will be accelerated during periods of lower equity prices. This strategy remains attractive for the CSF because BCPL has a mandate to produce distributable income for beneficiaries and has the advantage of an extremely long investment horizon.

---

**Attachments**

1. Investment Transaction Report
2. Month-End Portfolio Report - Public Bonds
3. Month-End Portfolio Report - Public Equities



### BCPL Public Bond Portfolio

As of 08/31/2019

<u>Description</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>	<u>Weight</u>	<u>Expected Yield</u>	<u>Yield to Maturity at Cost</u>	<u>Modified Duration (years)</u>	<u>Cost Basis</u>	<u>Estimated Current Value</u>	<u>Estimated Unrealized Gain (Loss)</u>	<u>Annual Income</u>
Treasury and Agency Securities	Aaa	AA+	6.7%	3.65%	3.66%	12.32	14,972,500	15,156,075	183,575	546,500
Wisconsin and State Agency	Aa2	AA-	50.0%	4.17%	4.21%	10.04	106,539,075	112,952,607	6,413,532	4,623,536
Municipal/School District	Aa3	A+	43.2%	4.07%	4.14%	9.12	91,442,287	97,487,449	6,045,162	3,870,568
	Aa2	AA-	100.0%	4.09%	4.14%	9.80	212,953,862	225,596,132	12,642,269	9,040,605



**BCPL Public Equity Portfolio**  
As of 08/31/2019

Symbol	Description	Quantity	Avg Cost	Cost Basis	Current Price	Current Value	Weight	Unrealized Gain (Loss)	Percent Gain (Loss)	Current Yield	Projected Annual Dividends
<b>Domestic Equities</b>											
VTI	Vanguard Total Stock Market ETF	91,136	135.72	12,369,415	149.040	13,582,909	20.0%	1,213,494	9.8%	1.8%	250,624
VYM	Vanguard High Dividend Yield ETF	117,782	82.93	9,768,133	86.160	10,148,097	15.0%	379,964	3.9%	3.1%	316,834
VIG	Vanguard Dividend Appreciation ETF	32,546	104.35	3,396,127	118.420	3,854,097	5.7%	457,970	13.5%	1.7%	67,045
VXF	Vanguard Extended Market	28,989	114.79	3,327,566	115.430	3,346,200	4.9%	18,634	0.6%	1.4%	45,513
VNQ	Vanguard REIT ETF	35,520	78.61	2,792,056	92.220	3,275,654	4.8%	483,598	17.3%	3.8%	125,741
		305,973		31,653,298		34,206,959	50.5%	2,553,660	8.1%	2.4%	805,756
<b>Global Equities</b>											
VEU	Vanguard FTSE All World ex-US ETF	274,903	49.91	13,719,670	48.850	13,429,012	19.8%	(290,658)	-2.1%	3.0%	406,856
VYMI	Vanguard International High Dividend ETF	173,489	60.84	10,555,708	57.670	10,005,111	14.8%	(550,597)	-5.2%	4.4%	442,397
VIGI	Vanguard International Div Appreciation ET	56,146	62.40	3,503,319	65.610	3,683,739	5.4%	180,420	5.1%	1.4%	52,216
VNQI	Vanguard Global ex-US Real Estate ETF	53,714	56.73	3,047,170	57.900	3,110,041	4.6%	62,870	2.1%	3.5%	109,039
EEMS	Ishares MSCI Emerging Mkt Small Cap	40,536	43.13	1,748,378	41.300	1,674,137	2.5%	(74,241)	-4.2%	2.8%	46,211
SCZ	Ishares MSCI EAFE Small Cap	30,094	56.63	1,704,130	55.590	1,672,925	2.5%	(31,204)	-1.8%	2.9%	48,451
		628,882		34,278,374		33,574,964	49.5%	(703,410)	-2.1%	3.3%	1,105,171
		934,855		65,931,672		67,781,923	100.0%	1,850,250	2.8%	2.8%	1,910,927