



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

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Managing Wisconsin's trust assets for public education.

AGENDA

March 20, 2012

2:00 P.M.

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

1. Call to Order
2. Approve Minutes – March 6, 2012
3. Approve Loans
4. Proposed Land Bank Purchase – Crandon Timber (P1203)
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING
MARCH 20, 2012**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the March 6, 2012, board meeting.

Board Meeting Minutes
March 6, 2012

ITEM 1. CALL TO ORDER

Commissioner Van Hollen called the meeting of the Board of Commissioners of Public Lands to order at 2:00 p.m. Board Chair La Follette was not available for the meeting.

Present were:

- | | |
|---------------------------------|--|
| Kurt Schuller, Commissioner | State Treasurer |
| J.B. Van Hollen, Commissioner | Attorney General |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Loan Analyst | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES – February 21, 2012

MOTION: Commissioner Schuller moved to approve the minutes; Commissioner Van Hollen seconded the motion. The motion passed 2-0.

ITEM 3. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Cambridge Dane and Jefferson County Application #: 02012080 Purpose: Finance wireless project for three schools	School Rate: 3.00% Term: 10 years	\$125,000.00
2. Egg Harbor Door County Application #: 02012078 Purpose: Construct storage building	Village Rate: 3.00% Term: 10 years	\$25,000.00
3. Genoa Vernon County Application #: 02012081 Purpose: Renovate wastewater treatment plant	Village Rate: 4.00% Term: 20 years	\$118,173.00
4. Stoughton Dane County Application #: 02012079 Purpose: Purchase police and fire vehicles	City Rate: 2.75% Term: 3 years	\$202,500.00
5. Wrightstown Brown and Outagamie County Application #: 02012077 Purpose: Purchase police and fire department radios	Village Rate: 3.00% Term: 10 years	\$150,000.00
TOTAL		\$620,673.00

MOTION: Commissioner Schuller moved to approve the loans; Commissioner Van Hollen seconded the motion. The motion passed 2-0.

Board Chair La Follette joined the meeting. He asked that his approval of the minutes and loans be recorded in the meeting proceedings. Commissioner Van Hollen and Schuller agreed to his request.

ITEM 4. EXECUTIVE SECRETARY’S REPORT

Executive Secretary Nelson said that Representative Mursau asked her to appear before the Assembly Forestry Committee on March 7 and update the Committee on the agency’s Land Bank accomplishments and successes. Ms. Nelson said she would be giving that presentation and would forward a copy of the presentation to the Commissioners for their review.

Board Chair La Follette thanked Ms. Nelson for her dedication and work on behalf of the Board.

ITEM 5. ADJOURN

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



Tia Nelson, Executive Secretary

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

**BOARD MEETING
MARCH 20, 2012**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Coloma Waushara County Application #: 02012084 Purpose: Finance street pavement	Village Rate: 3.00% Term: 10 years	\$128,000.00
2. Cumberland Barron County Application #: 02012087 Purpose: Purchase golf course equipment	City Rate: 2.75% Term: 5 years	\$90,000.00
3. Lake Holcombe Chippewa and Rusk County Application #: 02012089 Purpose: Finance bus garage project	School Rate: 2.75% Term: 5 years	\$225,000.00
4. River Hills Milwaukee County Application #: 02012082 Purpose: Finance 2012 capital budget	Village Rate: 3.00% Term: 10 years	\$575,689.00
5. River Hills Milwaukee County Application #: 02012083 Purpose: Refinance prior service pension liability	Village Rate: 3.50% Term: 10 years	\$405,598.36
6. Star Prairie St. Croix County Application #: 02012086 Purpose: Finance water system improvements	Village Rate: 4.00% Term: 15 years	\$245,000.00
7. Town of Scott Sanitary District Sheboygan County Application #: 02012090 Purpose: Finance new wastewater treatment system	Sanitary District Rate: 4.00% Term: 20 years	\$250,000.00

Municipality	Municipal Type	Loan Amount
8. Twin Lakes Kenosha County Application #: 02012085 Purpose: Finance TIF district project	Village Rate: 3.00% Term: 9 years	\$27,000.00
9. Twin Lakes Kenosha County Application #: 02012091 Purpose: Purchase capital equipment	Village Rate: 2.75% Term: 3 years	\$31,000.00
10. Winchester Winnebago County Application #: 02012088 Purpose: Purchase new fire truck	Town Rate: 3.00% Term: 7 years	\$150,000.00
	TOTAL	<hr/> \$2,127,287.36

**BOARD MEETING
MARCH 20, 2012**

**AGENDA ITEM 4
PROPOSED LAND BANK PURCHASE - CRANDON TIMBER, LLC (P1203)**

Crandon Timber, LLC is offering to sell 1,480 acres of land in Forest County.

BCPL staff recommends the purchase of the property from Crandon Timber for the following reasons:

- Purchase of the Property would provide BCPL with productive timberland that can be expected to produce revenue for the Trust Funds through future timber harvest;
- Purchase of the Property would improve management efficiency by blocking six existing BCPL parcels into a larger 5,000 acre block of land in reasonable proximity to the Lake Tomahawk Office;
- Purchase of the Property would improve public access to existing BCPL parcels; and
- Purchase of the Property would reduce forest fragmentation and improve and protect public access on a sizeable block of forestland.

Attachments:

Resolution w/Exhibits

Exhibit A - BCPL Purchase Criteria

Exhibit B – Appraisal Certification

BCPL Project Map

**BOARD MEETING
MARCH 20, 2012**

**AGENDA ITEM 4
PROPOSED LAND BANK PURCHASE - CRANDON TIMBER, LLC (P1203)**

RECITALS

- A. Crandon Timber, LLC (“Crandon Timber”) has offered to sell approximately 1480 acres of land in Forest County more particularly described as: the North Half, NESW, NESE, NWSE and SESE of Section 5, the NWNE, SWNE, NW ¼, and South Half of Section 7, the NENE, NWNE, NENW, NWNW, SWNW, NWSW, and SWSW of Section 18, Township 37 North, Range 14 East, and the SW ¼ of Section 32, Township 38 North, Range 14 East, all located in the Town of Ross, Forest County, Wisconsin (the “Property”).
- B. 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.
- C. The Property is comprised of two large tracts of productive timberland with good access within an hour’s drive of the Lake Tomahawk office and is located within BCPL’s consolidation zone.
- D. The Property has been independently appraised by Compass Land Consultants, Inc. at a value of Twelve Hundred Fifty Dollars (\$1,250) per acre for a total of One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000). A copy of the Appraisal Certification has been attached to this resolution as Exhibit B.
- E. Crandon Timber is asking Twelve Hundred Dollars (\$1,200) per acre for a total of One Million Seven Hundred Seventy-Six Thousand Dollars (\$1,776,000) for the Property.
- F. Crandon Timber’s asking price is supported by the independent appraisal.
- G. BCPL currently has sufficient land bank funds available for this investment.
- H. BCPL staff recommends the approval of the purchase of the Property from Crandon Timber because:
 - a. Purchase of the Property would provide BCPL with productive northern hardwood timberland that can be expected to produce revenue in the near future for the Trust Funds through timber harvests;

- b. Purchase of the Property would improve management efficiency by blocking six existing BCPL parcels into a 5,000 acre block of land in reasonable proximity to the Lake Tomahawk Office;
- c. Purchase of the Property would improve public access to existing BCPL parcels;
and
- d. Purchase of the Property would reduce forest fragmentation as it would keep a sizeable block of forestland from subdivision.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the purchase of the Property from Crandon Timber at the price not to exceed One Million Seven Hundred Seventy-Six Thousand Dollars (\$1,776,000) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such purchase transaction.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Purchase
Transaction ID#: P/303

County: Forest Township: Ross

Legal Description: The North Half, NESW, NESE, NWSE and SESE of Section 5, the NWNE, SWNE, NW ¼, and South Half of Section 7, the NENE, NWNE, NENW, NWNW, SWNW, NWSW, and SWSW of Section 18, Township 37 North, Range 14 East, and the SW ¼ of Section 32, Township 38 North, Range 14 East, all located in the Town of Ross, Forest County, Wisconsin.

Acres: 1,480

Parcel ID Number: _____

Previous Year Tax Levy: \$991.59

Name(s) of Seller(s): Crandon Timber, LLC

Address of Seller(s): 260 Peachtree NW St,
Atlanta, GA 30303

Seller Phone #: () _____

Seller's Attorney or Agent: Steigerwaldt Land Services, Inc

Contact Information: David Dhaseleer
856 N Fourth Street
Tomahawk, WI 54487

Seller's Attorney or Agent Phone Number(s): (715) 453-3274

Asking Price: \$1,776,000.00

Summary Analysis of Potential Property Purchase
Transaction ID#: P 1303

Acres of productive forest land in parcel(s): 1000 acres

Acres of non-productive land in parcel(s): 480 acres

Acres of land with public access in parcel(s): 1480 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): 360 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 acquisition of this parcel would greatly enhance blocking by combining several smaller BCPL parcels into one larger more productive parcel of 4,958 acres.

The Purchase provides permanent public access to 360 acres of BCPL lands that are currently accessible through adjacent MFL lands but could become land locked if the adjacent lands were sold to private landowners.

The purchase would provide the opportunity for 1-2 large timber harvest within the next 2-5 years that would produce significant timber sale revenue.

The purchase increases the amount of good quality northern hardwoods stands in the BCPL's timber portfolio.

Summary Analysis of Potential Property Purchase
Transaction ID#: P 1203

Purchase Criteria

1. Forest Fragmentation

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

2. Access

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

3. Management Efficiency

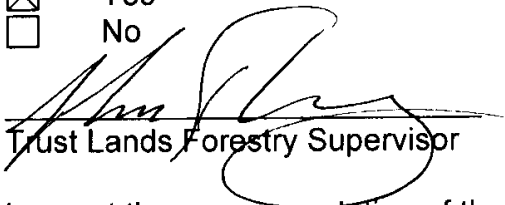
- The percentage of upland on BCPL properties increases
- The amount of line work per acre decreases
- The average distance from the tracts to the BCPL field office decreases

4. Timber Character and Value

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

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

- Yes
- No


Trust Lands Forestry Supervisor

2/20/12
Date

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

- Yes
- No


Executive Secretary


2/28/12
Date

REAL ESTATE APPRAISAL – RESTRICTED USE REPORT

CERTIFICATION

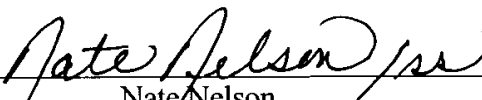
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have had no previous appraisal experience on the subject property within three years of the effective date of value.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the subject property on February 28, 2012, and I personally inspected Sales #1, #2, and #3. Nate Nelson, with Compass Land Consultants, assisted me with the inspection of the subject property, and he personally inspected Sale #4.
- It is my opinion that the 1,479.99-acre subject property has a value of \$1,850,000 as of February 28, 2012.



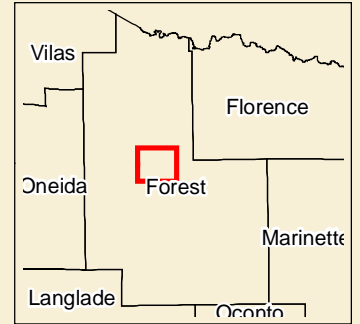
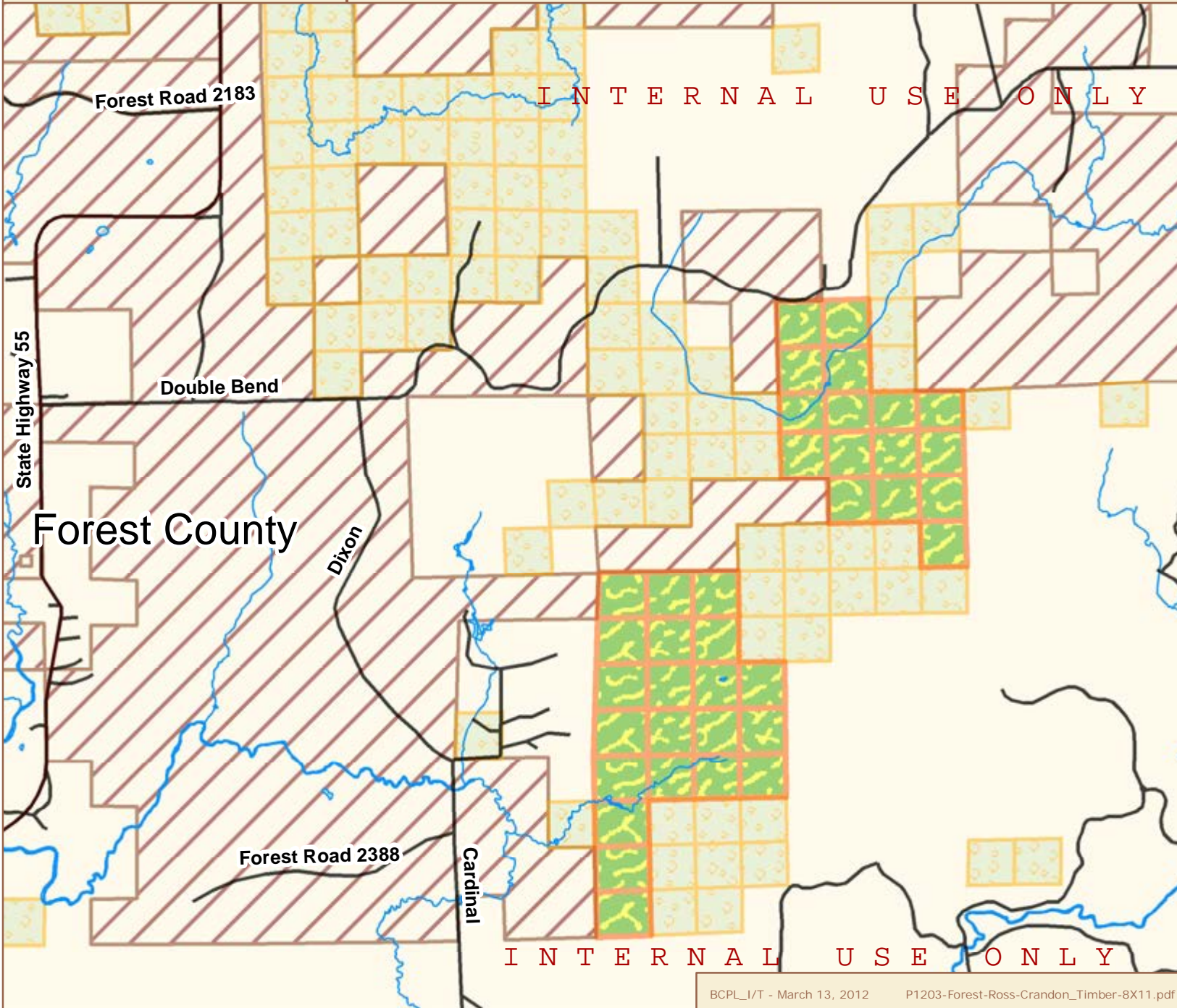
William M. Steigerwaldt
Real Estate Specialist

Wisconsin Certified General Appraiser #394-10



Nate Nelson
Real Estate Specialist

CRANDON TIMBER, LLC PURCHASE



BCPL Project #:
P1203

County: Forest

Town: Ross

Common Name

Crandon Timber

Acres - 1479.99

Fund 74?



- Incoming
- Other BCPL Land
- DNR PROJECT LANDS
- COUNTY FOREST
- US FOREST SERVICE

