Form 1100-1
Rev. 5-91

NATURAL RESOURCES BOARD AGENDA ITEM

Item No 3.B.6

SUBJECT: LAND ACQUISITION – TURTLE FLAMBEAU SCENIC WATERS AREA – IRON COUNTY

FOR: MAY 2009 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an option to purchase 103.5 acres of land from William McGrath and Mary Jo Slone for $600,000 for the Turtle Flambeau Scenic Waters Area in Iron County. The item is being submitted because the purchase price exceeds $150,000.

The parcel adjoins existing state land to the north and east. It is located in southern Iron County about nine miles southwest Mercer in the Town of Sherman. The property is mostly wooded, with level to rolling topography along Fawn Lake. Timber types consist primarily of northern hardwoods, birch, aspen, as well as tamarack and swamp conifer. The property consists of the majority of land surrounding Fawn Lake, a 20-acre lake within the project boundary and ½-mile from the flowage shoreline. Fawn Lake is a private 20-acre seepage lake with a maximum depth of 16 feet. It has significant wild lake values even considering the building sites. This acquisition would ultimately protect about 90% of the overall shoreline, as well as provide additional opportunities for public recreation on the lake and surrounding property.

The property is mostly undeveloped, but does include four building sites. The property's four building sites are the owner's residence, an older home, a seasonal cabin with campsites, and an unfinished house. The sellers will be retaining ownership of about five acres around their existing residence, although the Department will have the first-right-of-refusal to purchase this land. Two of the sites will also be retained by the sellers under a 12-year tenancy reservation. The area reserved by tenany totals five acres. This includes the older home, a two-story house with about 1,960 square feet and is approximately 80 years old, as well as the cabin, about 528 square feet and 60 to 80 years old with campsites. Once the tenancy is complete, full ownership of these sites will be transferred to the Department for no additional cost. The unfinished homesite will be conveyed to the Department at closing. The value of the tenancy was accounted for in the appraisal reports.

The Turtle Flambeau Scenic Waters Area was established in 1990 to provide opportunities for public recreation and to protect the scenic quality of the area. The Turtle Flambeau Flowage is the core of the Turtle Flambeau Scenic Waters project. The flowage is about 13,545 acres and is an excellent fishing lake with a wilderness character. Three rivers and several smaller creeks enter the flowage. The North Fork of the Flambeau River is the outlet. Water flow is controlled by a dam. There are several areas of improvements on the flowage that include both resorts and privately owned cabins. They are widely scattered and the flowage has a wilderness atmosphere.

Purchase of this property will provide additional hunting and trapping opportunities, maintain public access to the Turtle Flambeau Flowage for fishing and other recreation, protect the natural and scenic resources of the site, allow natural resource management, consolidate state ownership and prevent development incompatible with the goals of the projects.

RECOMMENDATION: That the Board approve the purchase of the 103.50-acre parcel for $600,000 for the Turtle Flambeau Scenic Waters Area in Iron County.

LIST OF ATTACHED MATERIALS:

No ☒	Fiscal Estimate Required	Yes ☐	Attached
No ☒	Environmental Assessment of Impact Statement Required	Yes ☐	Attached
No ☐	Background Memo	Yes ☒	Attached

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6 — Date 4-24-09

Administrator, Laurie Osterndorf - AD/8 — Date 4/29/09

Secretary, Matthew J. Frank - AD/8 — Date 5-14-09

cc: S. Miller – LF/6
R. Steffes – LF/6
L. Ross – AD/8
J. Gozdialski – NOR/Spooner

State of Wisconsin

CORRESPONDENCE/MEMORANDUM

DATE: April 24, 2009 FILE REF: WR 70017

TO: Governor Doyle

FROM: Matthew J. Frank

SUBJECT: Proposed Land Acquisition, McGrath and Slone Tract, File # WR 70017, Option Expires July 31, 2009

1. PARCEL DESCRIPTION:

Turtle Flambeau Scenic Waters Area
Iron County

Grantor:

William McGrath and Mary Jo Slone
4483 Fawn Lake Road
Springstead, WI 54552

Acres: 103.5
Price: $600,000
Appraised Value: $579,000; $774,000
Interest: Fee title purchase
Improvements: An older home, a seasonal cabin with campsites, and an unfinished house. The sellers will be retaining ownership of about five acres around their existing residence, although the Department will have the first right of refusal to purchase this land.

Location: The property is located nine miles southwest Mercer in the Town of Sherman.

Land Description: The land is primarily level to gently rolling.

Covertype Breakdown:	Type:	Acreage:
	Lowland/Woodland	9.0
	Water	18.0
	Upland/Woodland	76.5
	TOTAL:	103.5

Zoning: Agriculture (A-1) and Residential/Recreational (RR)
Present Use: Residential/Recreational
Proposed Use: Forest Management, Scenic Water Protection, and Public Recreation
Tenure: 4 years
Property Taxes: $5,528
Option Date: February 18, 2009

Stewardship Land Access: This majority of the property will be open to the public for all nature-based outdoor recreational activities to include hunting, fishing, trapping, hiking and cross-country skiing. The two tenancy areas (total of five acres) will remain closed to public recreation until the tenancy period is concluded.

2. JUSTIFICATION:

The Department proposes to purchase 103.5 acres in fee title from McGrath and Slone that is completely within the project boundary of the Turtle Flambeau Scenic Waters Area. The parcel that adjoins existing state land to the north and east is located in southern Iron County about nine miles southwest of Mercer in the Town of Sherman. The property is mostly wooded, with level to rolling topography along Fawn Lake.

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Timber types consist primarily of northern hardwoods, birch, aspen, as well as tamarack and swamp conifer. The property consists of the majority of land surrounding Fawn Lake, a 20-acre lake within the project boundary and ½-mile away from the flowage shoreline. Fawn Lake is a private 20-acre seepage lake with a maximum depth of 16 feet. It has significant wild lake values and an overall wild lakes rating of 16, even considering the building sites. This acquisition would ultimately protect about 90% of the overall shoreline, as well as provide additional opportunities for public recreation on the lake and surrounding property.

The property is mostly undeveloped, but does include four building sites. The property's four building sites are the owner's residence, an older home, a seasonal cabin with campsites, and an unfinished house. The sellers will be retaining ownership of about five acres around their existing residence, although the Department will have the first-right-of-refusal to purchase this land. Two of the sites will also be retained by the sellers under a 12-year tenancy reservation. The area reserved by tenancy totals five acres. This includes the older home, a two-story house with about 1,960 square feet and is approximately 80 years old, as well as the cabin, about 528 square feet and 60 to 80 years old with campsites. Once the tenancy is complete, full ownership of these sites will be transferred to the Department for no additional cost. The unfinished home site will be conveyed to the Department at closing. The value of the tenancy was accounted for in the appraisal reports.

The Turtle Flambeau Scenic Waters Area was established in 1990 to provide opportunities for public recreation and to protect the scenic quality of the area. The Turtle Flambeau Flowage is the core of the Turtle Flambeau Scenic Waters project. The flowage is about 13,545 acres and is an excellent fishing lake with a wilderness character. Three rivers and several smaller creeks enter the flowage. The North Fork of the Flambeau River is the outlet. Water flow is controlled by a dam. There are several areas of improvements on the flowage that include both resorts and privately owned cabins. They are widely scattered and the flowage has a wilderness atmosphere.

The Department recommends purchase of this property to provide additional hunting and trapping opportunities, maintain public access to the Turtle Flambeau Flowage for fishing and other recreation, protect the natural and scenic resources of the site, allow natural resource management, consolidate state ownership and prevent development incompatible with the goals of the projects.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
$2,500,000	$1,391,746

4. ACQUISITION STATUS OF THE TURTLE FLAMBEAU SCENIC WATERS AREA:

Established: 1990
Acres Purchased to Date: 35,047.60
Acquisition Goal: 45,076.71
Percent Complete: 77.75%
Cost to Date: $17,729,039.50

5a. APPRAISALS:

Appraiser: David Steiro
Valuation Date: September 10, 2008
Appraised Value: $561,000
Highest and Best Use: Investment and Development

Allocation of Values:

a.	land: 84* acres @ $6,310 per acre:	$530,000
b.	improvements:	$143,000
c.	two 12-year tenancies (minus):	$112,000
d.	total:	$561,000

e. market data approach used, five comparable sales cited
f. adjusted value range: $6,218 to $8,287 per acre

Appraisal Review: Pete Wolter - December 16, 2008

*Comment: While total size is 103.5 acres, the appraiser estimated an effective acreage of 84 acres to account for the water area.

5b. Appraiser: Steigerwaldt Land Services, Inc.
Valuation Date: September 1, 2008
Appraised Value: $774,000
Highest and Best Use: Investment and Development

Allocation of Values:

a.	land: 86.5* acres @ $9,260 per acre:	$801,000
b.	improvements:	$ 98,000
c.	two 12-year tenancies (minus):	$125,000
d.	total:	$774,000

e. market data approach used, five comparable sales cited
f. adjusted value range: $7,364 to $10,459 per acre

Appraisal Review: Pete Wolter - December 16, 2008

*Comment: While total size is 103.5 acres, the appraiser estimated an effective acreage of 86.5 acres to account for the water area.

RECOMMENDED:

Richard E. Steffes — Date: 4-24-09

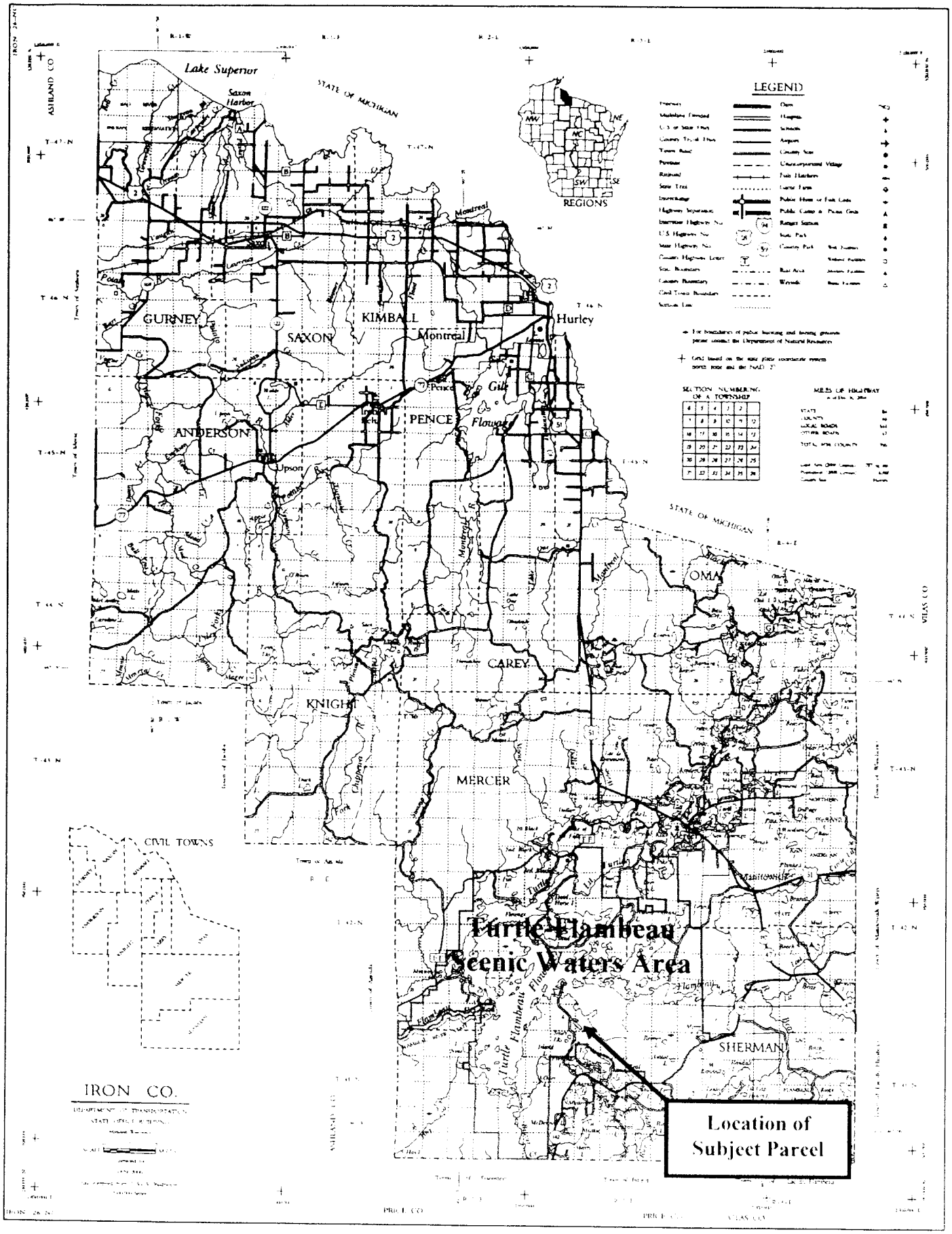
Joseph Wm. Renville
Bureau of Legal Services — Date: 4/27/09

Laurie Osterndorf — Date: 4/29/09

RES:dv

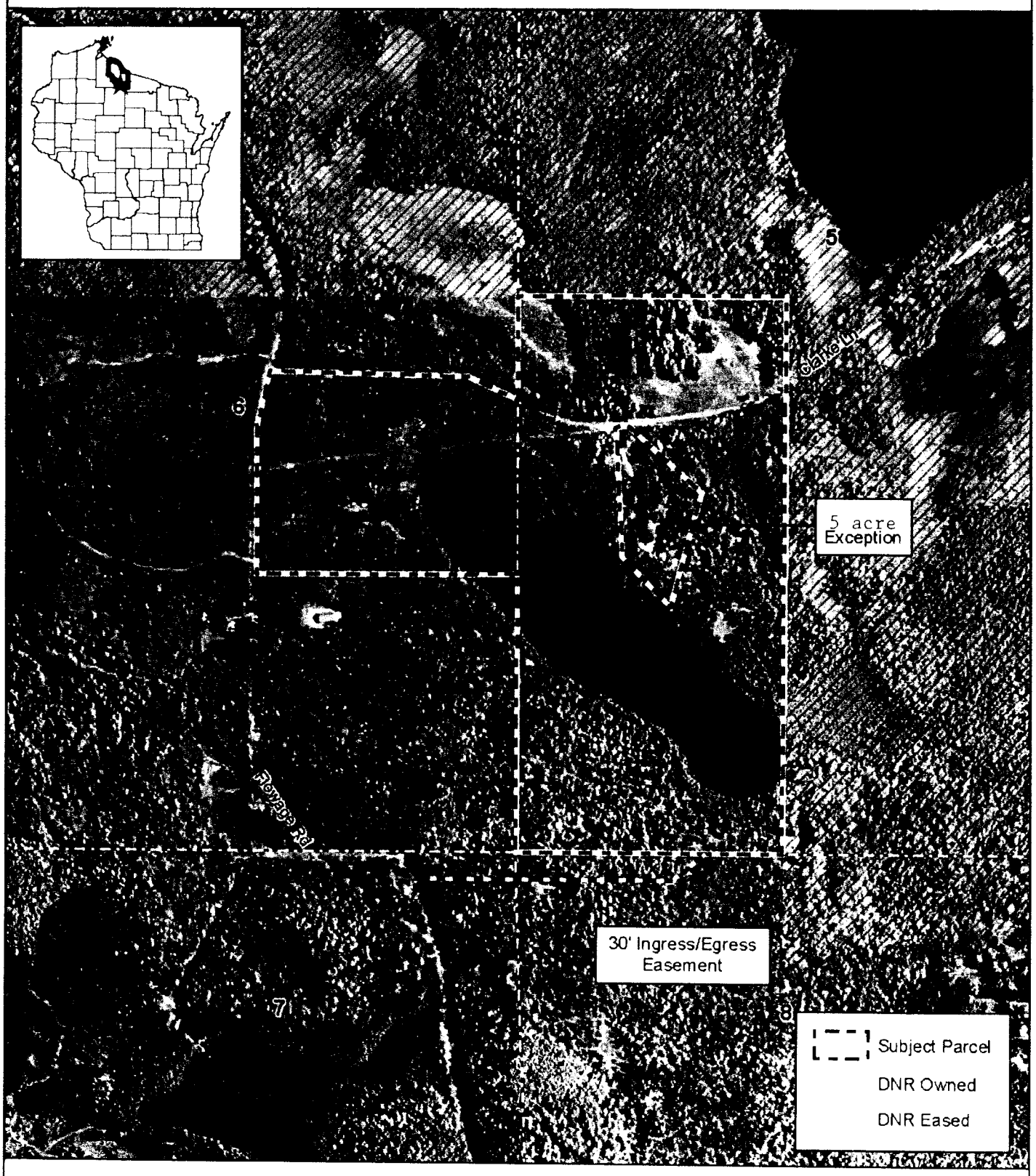
County Map

McGrath / Slone Acquisition



William C. Mcgrath & Mary Jo Slone Property

T41N R03E Sec 5, Village of Sherman, Iron County



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0 Miles 0.25

Created by Bureau of Facilities and Lands
Real Estate Section
March 20, 2009

William C. Mcgrath & Mary Jo Slone Property

Turtle-Flambeau Scenic Waters Area

WR 70017

N
W E
S

Subject Property

WDNR Owned

WDNR Easement

Project Boundary

12-Year Fixed Term Tenancy

0 0.25 Miles

The DNR Managed Lands represent the boundaries of lands managed by the Wisconsin Department of Natural Resources. The Wisconsin DNR manages these lands through ownership, easement or lease rights. This data set is a spatial representation of the Oracle Land Records System maintained by the DNR, Bureau of Facilities and Lands (LF), and may include errors and/or omissions. The data should not be interpreted as a legal representation of legal ownership boundaries.

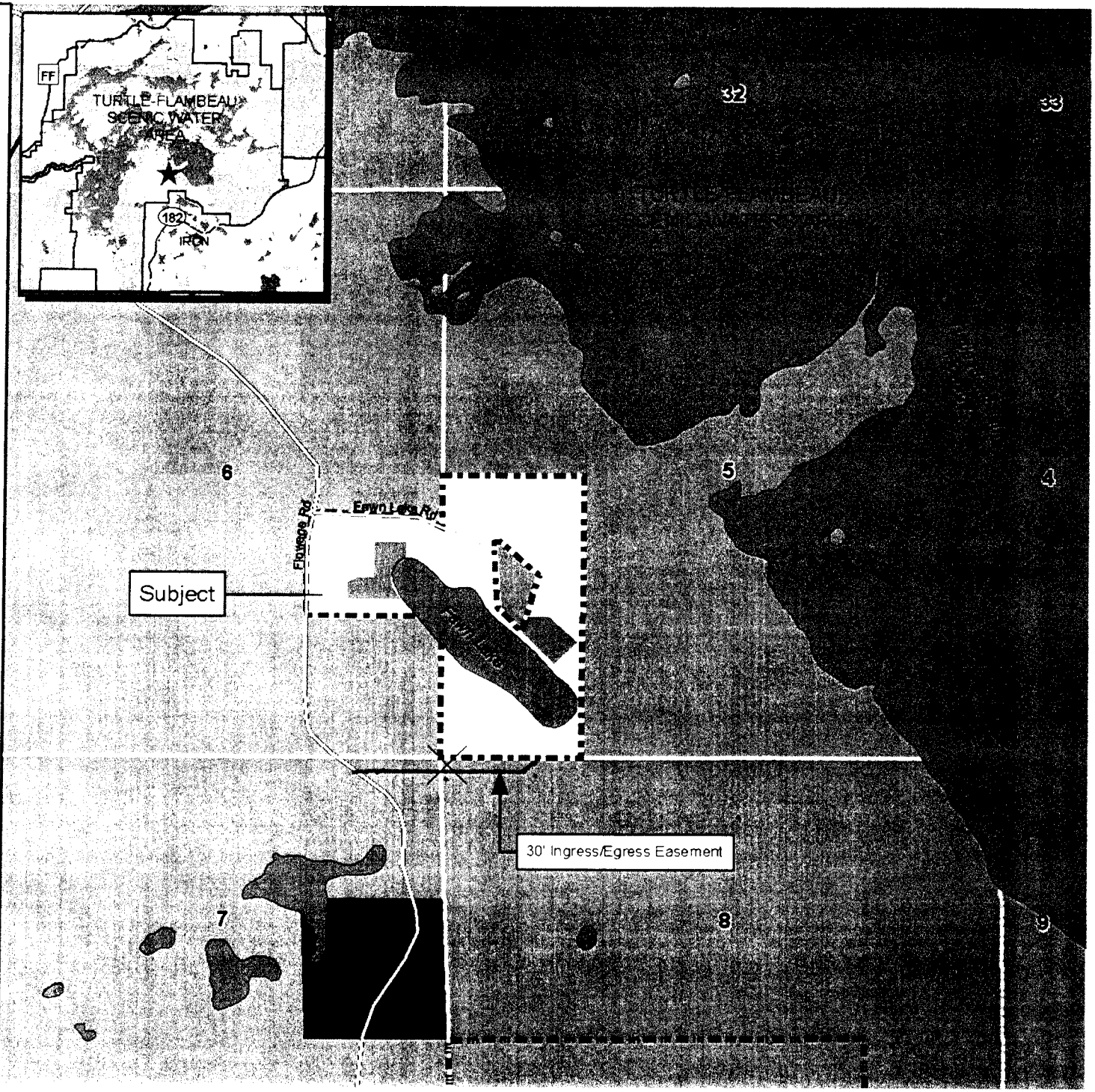
This data set does not differentiate between lands that are open or closed to the public for hunting and/or general public access. Some lands represented in this data set may not be open to the general public, or may have specific limitations or restrictions on public use. This data set is not intended for use as a land management tool; it is a listing of all DNR real estate transactions that have occurred on these lands over time.

For information about the actual management, including public use and public access of the lands, contact the nearest DNR Regional office. Contact information for DNR Regional Offices and Service Centers is provided on the following internet site:

http://www.dnr.state.wi.us/org/caer/cs/servicecenterlocations.htm

Updates to this data set are ongoing, and will be incorporated into future versions when available.

STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES

Bureau of Facilities and Lands

March 20, 2009