

SUBJECT: LAND ACQUISITION – SPREAD EAGLE BARRENS NATURAL AREA & STATEWIDE REMNANT PROGRAM - FLORENCE COUNTY

FOR: AUGUST 2007 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 503 acres of land from the Wisconsin Electric Power Company for \$576,600 for the Spread Eagle Barrens Natural Area and for the Statewide Remnant Area Program in Florence County. The price is \$19,200 or 3.4% higher than the Department's appraised value of \$557,400.

The Statewide Remnant Area parcel on Woods Creek parcel is 80 acres in size and includes approximately 2,640 feet of stream thread. Woods Creek is a major cold-water tributary of the Popple River, a state-designated Wild River. Woods Creek is generally regarded by anglers and WDNR fisheries staff alike as excellent trout waters. All 16 miles of Woods Creek are designated as Class 1 trout water.

Woods Creek receives significant groundwater inputs and is therefore very important as a source of cold water to the Popple River, which in contrast, receives little groundwater directly and is somewhat marginal for trout as a result. Consequently, Woods Creek is an important tributary to the Popple in order to support its resident trout populations, provide cold-water refuges during the warmest summer periods, and upstream spawning sites in fall.

The Spread Eagle Barrens part of this transaction is comprised of four noncontiguous parcels totaling about 423 acres in size. Almost all surrounding land is owned by the Department and company. The land types vary from lowland bog and wetlands to rolling upland hardwood forest. Timber is a mix of aspen and swamp conifers in lower areas to white birch, and red oak in the upland areas.

The property was acquired decades ago by Wisconsin Electric Power Company (WEPCO). WEPCO legally dedicated this land along with an additional 1,371.07 acres as part of its contribution to the Spread Eagle Barrens SNA project. The dedication was a donation and the permanent easement included public access.

Department ownership of these lands will improve the Department's ability to manage the land, especially as opposed to an alternative ownership with 10 or more private landowners.

RECOMMENDATION: That the Board approve the purchase of 503 acres of land for \$576,600 for the Spread Eagle Barrens Natural Area and for the Statewide Remnant Area Program in Florence County.

LIST OF ATTACHED MATERIALS:

- | | | | |
|--|---|---|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required | Yes <input type="checkbox"/> | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/> | Attached |
| No <input type="checkbox"/> | Background Memo | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:



Real Estate Director, Richard E. Steffes - LF/6

7-16-07

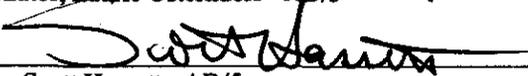
Date



Administrator Laurie Osterndorf - AD/5

7/17/07

Date



Secretary, Scott Hassett - AD/5

7/26/07

Date

- cc: S. Miller - LF/6
- R. Steffes - LF/6
- L. Ross - AD/5
- S. Holtz - ER/6
- M. Staggs, FH/4
- J. Gozdzialski - NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: July 13, 2007 FILE REF: NA-911 & FI-2879
 TO: Governor Doyle
 FROM: Scott Hassett *Scott Hassett*
 SUBJECT: Proposed Land Acquisition, Wisconsin Electric Power Company, File # NA-911 & FI-2879, Approval Requested by September 14, 2007

1. **PARCEL DESCRIPTION:**

Spread Eagle Barrens Natural Area
 Florence County

Statewide Remnant Area Program
 Florence County

Grantor:

Mr. Jerry Franke
 WisPark, LLC
 301 West Wisconsin Avenue, Suite 400
 Milwaukee, WI 53203

Property	County	Acres	Cost
Spread Eagle Barrens Natural Area 4 parcels	Florence	423	\$424,200
Statewide Remnant Program (1 parcel along Woods Creek)	Florence	80	\$152,400
TOTALS		503	\$576,600

Acres: 503

Price: \$576,600

Appraised Value: \$557,400

Interest: Purchase in fee.

Improvements: None of value.

Location: The properties are located in eastern Florence County west of the Menominee River about two to four miles west of Iron Mountain, Michigan.

Water Resources:

The Statewide Remnant Area parcel on Woods Creek includes approximately 2,640 feet of stream thread on Woods Creek.

The Spread Eagle Barrens Natural Area property includes a small, unnamed 2-acre bog lake on the northern-most parcel.

Land Description:

The Statewide Remnant (REM) Area parcel on Woods Creek: The land is gently rolling with major sloping along the north side of the creek, and a few ridges.

The Spread Eagle Barrens State Natural Area property is comprised of four noncontiguous parcels totaling about 423 acres in size. The land types vary from lowland bog and wetlands to rolling upland hardwood forest.



Cover type Description:

<u>Statewide REM</u>		<u>Spread Eagle Barrens SNA</u>	
<u>Type</u>	<u>Acreage</u>	<u>Type</u>	<u>Acreage</u>
Wooded Lowland	22.0	Upland Woodland	323.5
Wooded Upland	38.0	Wetland/Water	21.6
Wetland	10.0	Grassland	42.8
Grassland	<u>10.0</u>	Brush	<u>35.1</u>
Total:	80.0		423.0

Zoning:

The Statewide Remnant Area parcel on Woods Creek is zoned open forest and natural resource preservation.

The Spread Eagle Barrens State Natural Area property is zoned as general agriculture.

Present Use: Vacant lands.

Proposed Use: Resource Protection and Public Recreation.

Tenure: These lands have been held by the Wisconsin Electric Power Company for decades.

Comments: Closing by September 30 is a condition of the agreement.

2. JUSTIFICATION:

The Department recommends the acquisition of 503 acres of land from the Wisconsin Electric Power Company for \$576,600 for the Spread Eagle Barrens Natural Area and for the Statewide Remnant Area Program in Florence County. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, and provide resource protection. Management activities will be enhanced as opposed to fragmentation of the land ownership.

The Statewide Remnant Area parcel on Woods Creek:

The Woods Creek parcel is 80 acres in size and includes approximately 2,640 feet of stream thread on Woods Creek. The stream is about 15 to 20 feet wide on the subject. The property is mostly wooded with a mixture of northern hardwoods and evergreens, with some scattered fields and open marsh. The land is gently rolling with major sloping along the north side of the creek, and a few ridges. Access to the property is through a private easement road extending from a town road to the west of the property.

The Statewide Remnant Area Program was initiated when the Outdoor Recreation Act Program (ORAP) was introduced in 1961. The focus of the Remnant Area Program is to protect critical fishery habitat that is in danger of being destroyed through incompatible land use. In 1985, a master plan was created for the project defining the criteria needed for streams to qualify for the program. The water resource must include two of the three following criteria. The water resource contains critical habitat such as spawning areas, spring heads, or that, which is otherwise critical to the fish species intended for management. The parcel has potential for increased production of important fish species through development on lands encompassing the critical habitat; and the parcel will safeguard critical habitat from destruction through incompatible land use, such as risk of erosion or non-point source pollution.

Woods Creek is a major cold-water tributary of the Popple River, a state-designated Wild River under s. 30.26, Wisconsin Statutes. Woods Creek is generally regarded by anglers and DNR fisheries staff alike as one of the best trout waters in the county. All 16 miles of Woods Creek are designated as Class 1 trout water, the highest quality designation.

Woods Creek receives significant groundwater inputs and is, therefore, very important as a source of cold water to the Popple River, which in contrast, receives little groundwater directly and is somewhat marginal for trout as a result. Consequently, Woods Creek is an important tributary to the Popple in order to support its resident trout populations, provide cold-water refuges during the warmest summer periods, and upstream spawning sites in fall. Continuous temperature monitoring of Woods Creek by DNR staff during the open water periods of 2003-2005 has confirmed the importance of this cold-water input to the Popple River.

Spread Eagle Barrens State Natural Area:

The Spread Eagle Barrens property is comprised of four noncontiguous parcels totaling about 423 acres in size. All surrounding land is owned by the Department or WE Energies except for one parcel that has one mile of private land adjacent to it. The land types vary from lowland bog and wetlands to rolling upland hardwood forest. Timber is a mix of aspen and swamp conifers in lower areas to white birch, and red oak in the upland areas. There is a small, unnamed bog lake on the northern-most parcel.

The Spread Eagle Barrens Natural Area was established in 1993 to protect and restore the larger of two remaining pine barrens/bracken grasslands in northeastern Wisconsin. A mosaic of six different ecological communities, the goal of the project is to protect the Pine Barrens community and associated flora and fauna that require large expanses of open vegetation. The project area includes pine barrens, bracken grassland, northern wet forest, aquatic resources, and northern dry forests.

Many rare or declining species of large open landscapes live here including northern harrier, and upland sandpiper. Other birds include bald eagle, northern raven, winter wren, eastern bluebird, warbling vireo, Nashville, chestnut-sided, pine, and mourning warblers, clay-colored sparrow, common nighthawk, eastern towhee, and Brewer's blackbird. Mammals include black bear, fisher, badger, coyote, red fox, and white-tailed deer. Other uncommon species found include wood turtle (state-threatened) and autumnal water-starwort and skillet clubtail dragonfly. Management activities such as timber harvest and prescribed burning help maintain the open landscape. Spread Eagle Barrens is owned by the DNR and WE Energies.

The property was acquired decades ago by Wisconsin Electric Power Company (WEPCO) and was regulated as part of the FERC license (Federal Energy Regulatory Commission). WEPCO legally dedicated this land along with an additional 1,371.07 acres as part of their contribution to the Spread Eagle Barrens project. The dedication was a donation and the permanent easement included public access. The landowner receives any revenue generated from timber sales on the dedicated land as a result of timber harvest. Timber harvest would be used to aid in barren restoration efforts. At the last re-issue of the FERC license, this land was removed from the license and the fish company declined to sell it. If sold to many private owners in small parcels, department management would be more difficult.

Recommendation:

The Department recommends the purchase of the above-described properties to allow wildlife habitat management, to provide public access for recreation, to consolidate state ownership and to better protect the natural and scenic resources of the sites by preventing uses incompatible with the goals of the project.

3. **FINANCING:**

State Stewardship bond funds are anticipated:

Natural Areas funds allotted to program:	Balance after proposed transaction:
\$1,500,000	\$335,494
Fisheries Areas funds allotted to program:	Balance after proposed transaction:
\$ 2,000,000	\$1,531,576

4. ACQUISITION STATUS OF THE SPREAD EAGLE BARRENS NATURAL AREA PROGRAM:

Established: 1993
Acres Purchased to Date: 7,459.26
Acquisition Goal: 8,850 Acres
Percent Complete: 84.3%
Cost to Date: \$2,863,665

ACQUISITION STATUS OF THE STATEWIDE REMNANT AREA PROGRAM:

Established: 1996
Acres Purchased to Date: 12,172
Acquisition Goal: 16,849
Percent Complete: 72%
Cost to Date: \$7,158,519

5a. APPRAISAL – Spread Eagle Barrens Parcel:

Appraiser: M. Augustyn (Private Appraiser)
Valuation Date: May 15, 2007
Appraised Value: \$405,000
Highest and Best Use: Recreation in form of hunting property & general outdoor uses.

Allocation of Values:

- a. land: 423 acres @ \$957.45 per acre: \$405,000
- b. market data approach used, six comparable sales cited
- c. adjusted value range: \$824 to \$1,212 per acre

Appraisal Review: Richard Steffes

5b. APPRAISAL – Statewide Remnant Area Program Parcel:

Appraiser: Brod Appraisal Services, LLC (Private Appraiser)
Valuation Date: April 20, 2006
Appraised Value: \$152,400
Highest and Best Use: Recreation, forestry and future residence

Allocation of Values:

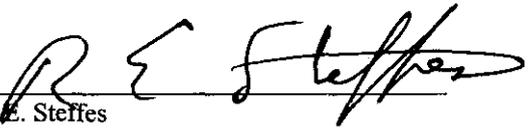
- a. land: 80 acres @ \$1,905 per acre: \$152,400
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,847 to \$2,147 per acre

Appraisal Review: Phil Lepinski on May 22, 2006

Comments: The landowner had appraisals done by Steigerwaldt Land Services (SLS). SLS estimated values at \$171,600 for the Woods Creek 80-acre parcel and \$508,600 for the 423 acres at Spread Eagle Barrens. The owner offered the total of 503 acres to the Department for \$680,200. The final agreed upon price of \$576,600 is \$19,200 or 3.4% above the Department's appraised values, which total \$557,400.

July '06

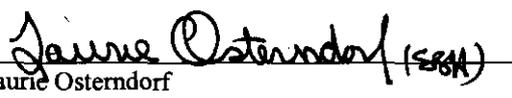
RECOMMENDED:


Richard E. Steffes

7-16-07
Date


Bureau of Legal Services

7/17/07
Date


Laurie Osterndorf

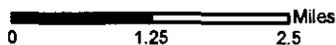
7/17/07
Date

RES:dv

WE Energies Property

Spread Eagle Barrens
Wildlife Area &
Woods Creek REM Area

-  Subject Property
-  WDNR Owned
-  WDNR Eased
-  WDNR Leased
-  Ice Age Trail
-  Project Boundary
-  Open Water



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 Grantee 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 Office and Service Centers is provided on the following internet site:

<http://www.dnr.state.wi.us/org/cae/caf/servicecenter/locations.htm>

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

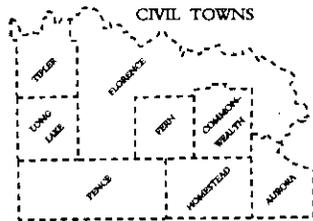
STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES



Bureau of Facilities and Lands

July 3, 2007





SECTION NUMBERING OF A TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



LEGEND

- Freeway
- Multiple Divided
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Fireline
- Railroad
- State Trail
- Interchange
- Highway Separation
- Interstate Highway No. 94
- U.S. Highway No. 18
- State Highway No. 59
- County Highway Letter T
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Dam
- Hospital
- Schools
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt or Fish Geds.
- Public Camp & Picnic Geds.
- Tranger Station
- State Park
- County Park
- Wild Escapes
- Without Facilities
- Rest Area
- Market Facilities
- Wayside
- Public Facilities

MILES OF HIGHWAY
as of Dec. 31, 2005

STATE	67
COUNTY	49
LOCAL ROADS	576
OTHER ROADS	36
TOTAL FOR COUNTY	628

Land Area (2000 Census) 488 sq mi
Population (2000 Census) 5,085
County Seat Florence

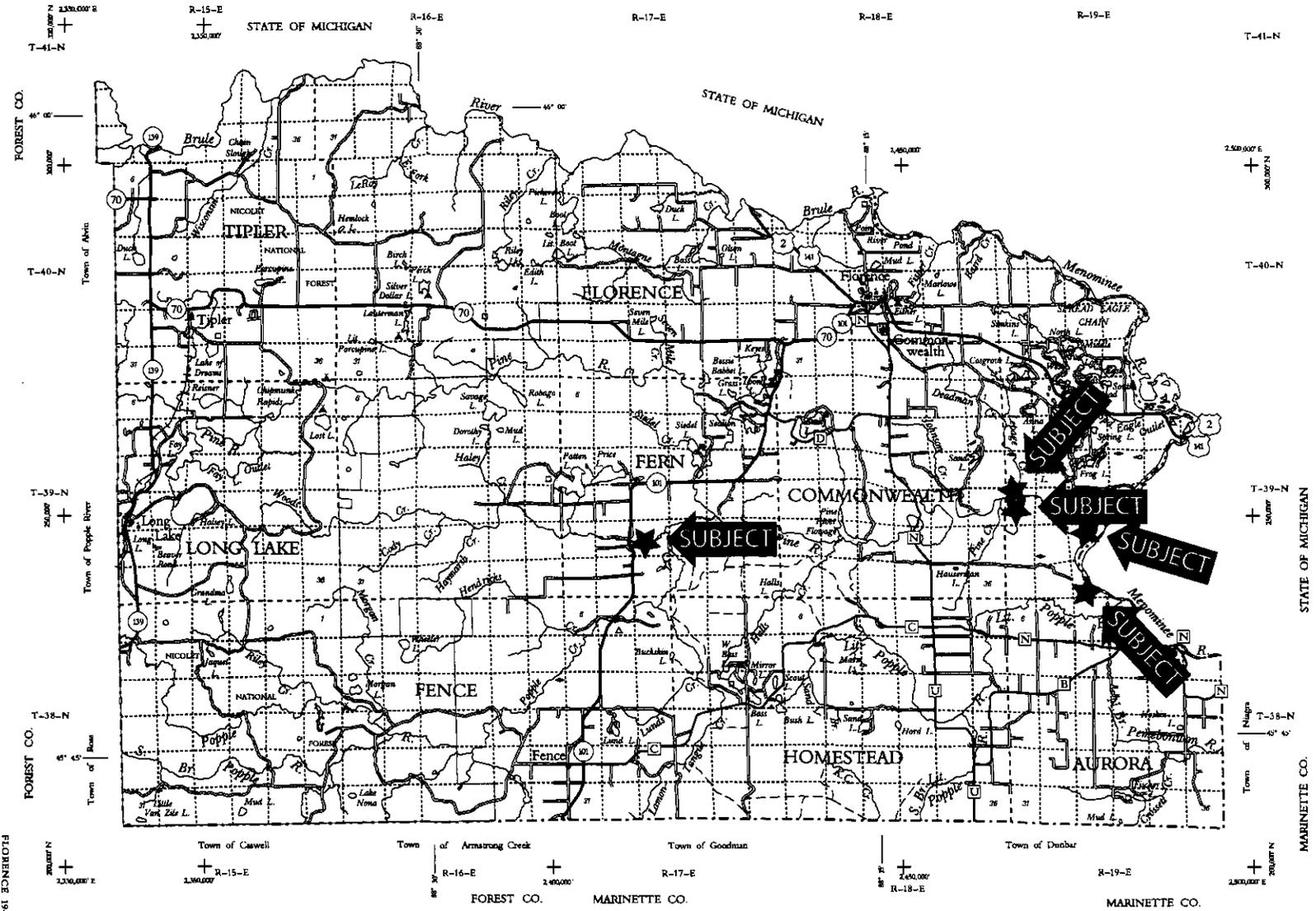
FLORENCE CO.

DEPARTMENT OF TRANSPORTATION
STATE OFFICE BUILDING
Mesaos, Wisconsin

SCALE 0 1 2 MILES
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JAN 2007

Base compiled from U.S.G.S. Quadrangles
1:50,000 Series

FLORENCE 19-NC



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