

SUBJECT: LAND ACQUISITION – WILD ROSE HATCHERY - WAUSHARA COUNTY

FOR: APRIL 2010 BOARD MEETING

TO BE PRESENTED BY: RICHARD STEFFES

SUMMARY: The Department has obtained an option to purchase a 1.39-acre parcel of land from Isabel Urban for \$130,000 for the Wild Rose Hatchery in Waushara County. The item is being submitted because the improvement value exceeds 35% of total appraised value.

The 1.39-acre parcel is located less than ½-mile north of the Village of Wild Rose and 10 miles north of the City of Wautoma, the county seat. The Urban parcel is the last improved private in-holding that is in close proximity to the hatchery's cool-water rearing operations on the east side of Highway 22. Topography is considered level and this parcel contains its own separate highway access. Acquisition of this land would lessen the chance of more private, commercial development impacting hatchery operations in the future. Its current agricultural zoning allows uses that could damage water quality, which is critical for fish propagation.

The original Wild Rose Fish Hatchery, established in 1907 and purchased in 1908, predominantly occupied the west side of Highway 22 until its expansion in the last decade. In the mid-1990's, a legislative audit of the Department's stocking program directed fisheries officials to assess state stocking needs and capabilities over the long term. The conclusion of that comprehensive examination was that Wisconsin's existing hatcheries, many of which were 50 to 100 years old, could not meet the demand for more hatchery fish. The report outlined strategies to remedy the situation. Those included renovate existing facilities; establish Wild Rose as the highest priority being the state's largest hatchery; fully staff and fund existing facilities; increase efficiency within the system; and to expand use of cooperative agreements with sports clubs and others to raise some of the fish hatched at state facilities.

The Wild Rose Hatchery Renovation planning process started in 2000 to boost the state's hatchery system, providing for substantial renovations to the operations and production of the site. The project renovation was estimated at a cost of 34 million dollars. This facility will be one of the most modern in the nation and unique in providing both cool and coldwater rearing on one site. It will go beyond current environmental protection standards for groundwater and wastewater, and it will restore wetlands, springs, and streams damaged more than a century ago when the hatchery was built while preserving the history of the early hatchery built by the Civilian Conservation Corps (CCC). The main goal of this project is to raise fish production level and healthier fish in a facility that will continue to protect groundwater and surface waters by filtering its wastewater to the highest level before discharging it to the nearby Pine River, a Class 1 trout stream.

The Wild Rose Fish Hatchery is the largest coldwater hatchery in the state and is part of the Pine River System, which utilizes the coldwater springs on one of the branches of the Pine River. The renovation included 15 acres of new ponds and new buildings on the east side of Highway 22. Ninety-five percent of the fish raised at this hatchery end up in the Great Lakes. In addition, the property's visitor center estimates that up to 10,000 people visit this facility every year.

The Urban parcel is located on the east side of Highway 22 adjacent to the second phase expansion, which includes the cool water rearing ponds. The subject is surrounded by department ownership and has its own driveway access. The Urban parcel is zoned AG-General Agriculture and contains an older two-story residence and a cement block large garage (36 feet by 60 feet) with steel trusses, electricity and a metal roof. The garage has two smaller (vehicular) doors on the west side of the building near the north end that functions as normal vehicle storage near the residence and the south end of the building has a large overhead door and side access door to accommodate taller access and storage items. This home and garage had historically been a part of a larger poultry/egg operation. Since that time, the property has been subdivided into smaller parcels, and eventually most parcels were acquired by the Department over the last seven years.

If acquired, the hatchery managers may consider keeping the residence after acquisition as long as it is functionally productive. The garage could provide necessary storage. Acquisition of this parcel removes the potential of any other residential/business uses that could harm the adjacent hatchery operations, groundwater, and infringe on site security. Controlling access to hatchery grounds and protecting the fish propagation operations, especially with the onset of VHS in fish species is critical.

Purchasing the 1.39-acre Urban tract will protect the new hatchery expansion on the east side of Highway 22. In addition, the parcel creates a definite separation between different parts of the hatchery as well as contains a large storage building with a residence that could be a work or living site for seasonal employees providing additional security and early response to hatchery alarms.

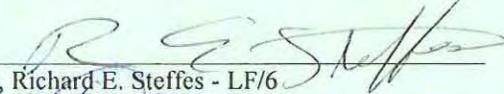
RECOMMENDATION: That the Board approve the purchase of 1.39 acres for \$130,000 for the Wild Rose Hatchery in Waushara County.

LIST OF ATTACHED MATERIALS:

No Fiscal Estimate Required
No Environmental Assessment of Impact Statement Required
No Background Memo

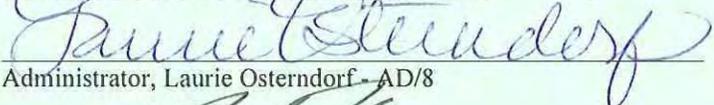
Yes Attached
Yes Attached
Yes Attached

APPROVED:



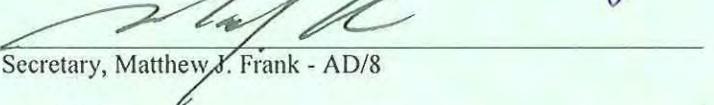
Real Estate Director, Richard E. Steffes - LF/6

3-25-10
Date



Administrator, Laurie Osterndorf - AD/8

3/26/10
Date



Secretary, Matthew J. Frank - AD/8

4-7-10
Date

cc: S. Miller - LF/6
R. Steffes - LF/6
L. Ross - AD/8
M. Staggs - FM/4
R. Kazmierczak - NER/Green Bay

CORRESPONDENCE/MEMORANDUM

DATE: March 25, 2010
 TO: Governor Doyle
 FROM: Matthew J. Frank *MJF*
 SUBJECT: Proposed Land Acquisition, Urban Tract, File # FM 10080,
 Option Expires June 13, 2010

FILE REF: FM 10080

1. PARCEL DESCRIPTION:

Wild Rose Hatchery
 Waushara County

Grantor:

Isabel Urban
 N5904 Highway 22
 Wild Rose, WI 54984

Acres: 1.39Price: \$130,000.00Appraised Value: \$123,000; \$133,000Interest: Fee Title PurchaseImprovements: House and GarageLocation: The property is located in Waushara County 1/2 mile north of the Village of Wild Rose.Land Description: The subject land is level.

<u>Covertime Breakdown:</u>	<u>Type:</u>	<u>Acreage:</u>
	Building Site (Residential Lot)	1.39

Zoning: Agriculture-ResidentialPresent Use: ResidentialProposed Use: Hatchery ExpansionTenure: 21 yearsProperty Taxes: \$2,090.91Option Date: March 15, 2010

Stewardship Land Access: This property is being acquired for the Wild Rose Fish Hatchery. Per s. 23.0916(3)(a), Stats, lands acquired for fish hatcheries are not subject to the public access provisions of s. 23.0916, Stats. The Wild Rose Fish Hatchery does provide public tours of the facility and offers educational opportunities, but is closed to general public use.

2. JUSTIFICATION:

The Department proposes to purchase the 1.39-acre parcel that is located in the Town of Springwater in Waushara County less than 1/2-mile north of the Village of Wild Rose and 10 miles north of the City of Wautoma, the county seat. The Urban parcel is the last improved private in-holding that is in close proximity to the hatchery's cool water rearing operations on the east side of Highway 22. The parcel is entirely within the Wild Rose Fish Hatchery project boundary. Topography is considered level and this parcel contains its own separate highway access. Acquisition of this land would lessen the chance of more private, commercial development impacting hatchery operations in the future. Its current agricultural zoning allows uses that could damage water quality, which is critical for fish propagation.

The original Wild Rose Fish Hatchery, established in 1907 and purchased in 1908, predominantly occupied the west side of Highway 22 until its expansion in the last decade. In the mid-1990's, a legislative audit of the Department's stocking program directed fisheries officials to assess state stocking needs and capabilities over the long term. The conclusion of that comprehensive examination was that Wisconsin's existing hatcheries, many of which were 50 to 100 years old, could not meet the demand for more hatchery fish. The report outlined strategies to remedy the situation. Those included renovate existing facilities; establish Wild Rose as the highest priority being the state's largest hatchery; fully staff and fund existing facilities; increase efficiency within the system; and to expand use of cooperative agreements with sports clubs and others to raise some of the fish hatched at state facilities.

The Wild Rose Hatchery Renovation planning process started in 2000 to boost the state's hatchery system, providing for substantial renovations to the operations and production of the site. The project renovation was estimated at a cost of 34 million dollars. This facility will be one of the most modern in the nation and unique in providing both cool and coldwater rearing on one site. It will go beyond current environmental protection standards for groundwater and wastewater, and it will restore wetlands, springs, and streams damaged more than a century ago when the hatchery was built while preserving the history of the early hatchery built by the Civilian Conservation Corps (CCC). The main goal of this project is to raise fish production level and healthier fish in a facility that will continue to protect groundwater and surface waters by filtering its wastewater to the highest level before discharging it to the nearby Pine River, a Class 1 trout stream.

The renovation project has been completed in three phases. The first phase of construction, completed on the west side of Highway 22, includes a new building to house brood stock, an egg incubation facility for the cold water fish species, four pavilions each with four raceways to raise fish, and a 1.5 million dollar visitors center that will incorporate four historic buildings from the hatchery and use live aquariums, video and other displays to help tell the story of the Wild Rose Hatchery historically and now. The second phase on the east side of Highway 22, includes a new cool water facilities for raising pike, sturgeon, walleye and musky including 14 modern rearing ponds. This second phase of construction is complete with operations beginning soon. The third and final phase of the renovation will restore the wetlands, springs, and headwaters of a stream that were harmed when the hatchery was originally built in the early 1900's. The goal of this phase includes eventually re-establishing an important trout spawning area.

The Wild Rose Fish Hatchery is the largest coldwater hatchery in the state and is part of the Pine River System, which utilizes the coldwater springs on one of the branches of the Pine River. The renovation included 15 acres of new ponds and new buildings on the east side of Highway 22. Ninety-five percent of the fish raised at this hatchery end up in the Great Lakes. In addition, the property's visitor center estimates that up to 10,000 people visit this facility every year.

The Urban parcel is located on the east side of Highway 22 adjacent to the second phase expansion, which includes the cool water rearing ponds. The subject is surrounded by department ownership and has its own driveway access. The Urban parcel is zoned AG-General Agriculture and contains an older two-story residence and a cement block large garage (36 feet by 60 feet) with steel trusses, electricity and a metal roof. The garage has two smaller (vehicular) doors on the west side of the building near the north end that functions as normal vehicle storage near the residence and the south end of the building has a large overhead door and side access door to accommodate taller access and storage items. This home and garage had historically been a part of a larger poultry/egg operation about 50 years. Since that time, the property has been subdivided into smaller parcels, and eventually most parcels were acquired by the Department over the last seven years.

If acquired, the hatchery managers may consider keeping the residence after acquisition as long as it is functionally productive. The garage could provide necessary storage. Acquisition of this parcel removes the potential of any other residential/business uses that could harm the adjacent hatchery operations, groundwater, and infringe on site security. Regional program management has made the 1.39-acre parcel their highest priority fish acquisition in the region in order to control access to the east side of the renovated hatchery and protect the fish propagation operations, especially with the onset of VHS in fish species.

The Department recommends purchasing the Urban tract to protect the new hatchery expansion on the east side of Highway 22. Acquisition this parcel will contain and controls east access to the renovated expanded hatchery project area. In addition, the parcel creates a definite separation between different parts

of the hatchery as well as contains a large storage building with residence that could be a work or living site for seasonal employees providing additional security and early response to hatchery alarms.

3. FINANCING:

State Stewardship Fisheries (FY10) bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,140,000	\$96,689

4. ACQUISITION STATUS OF THE WILD ROSE HATCHERY:

Established: 1907
Acres Purchased to Date: 247.15
Acquisition Goal: 228.87 Acres
Percent Complete: 107.99%
Cost to Date: \$495,480.00

5a. APPRAISAL 1:

Appraiser: Paul Scott
Valuation Date: September 20, 2009
Appraised Value: \$123,000.00
Highest and Best Use: Residential

Allocation of Values:

- a. land: 1.39 acres @ \$14,388.49 per acre: \$ 20,000
- b. improvements: \$103,000
- c. total: \$123,000
- d. market data approach used, three comparable sales cited
- e. adjusted value range: \$101,132 to \$135,947

Comments: Paul Scott based his opinion of value appraisal using comparable sales from the contracted Steigerwaldt appraisal below.

5b. APPRAISAL 2:

Appraiser: William Steigerwaldt
Valuation Date: September 20, 2009
Appraised Value: \$133,000.00
Highest and Best Use: Residential

Allocation of Values:

- a. land: 1.39 @ \$14,388.49 per acre: \$ 20,000
- b. improvements: \$113,000
- c. total: \$133,000
- d. market data approach used, four comparable sales cited
- e. adjusted value range: \$101,132.00 to \$135,947.00

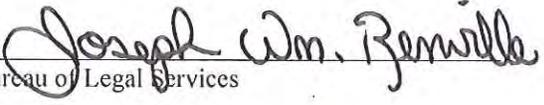
Appraisal Review: Paul Scott – November 19, 2009

Comments: The reviewer prepared an opinion of value (Appraisal 1) on the subject 1.39 acres using the comparable sales in the Steigerwaldt appraisal. The reviewer concluded that the improvement value for comparable sale #2 was the most similar to the subject in age and size, thus, the value of the improvement of the subject should be adjusted to reflect the market trends, and he concludes with a value of \$123,000. The purchase price of \$130,000 was the best-negotiated price between the two appraised values.

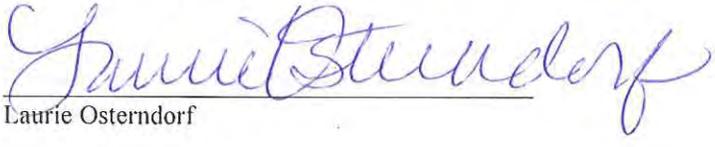
RECOMMENDED:

Richard E. Steffes 

3-25-10
Date

Bureau of Legal Services 

3-26-10
Date

Laurie Osterndorf 

3/28/10
Date

RES:ch

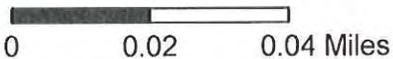
Isabel Urban Parcel

T20N R11E Section 19, Town of Springwater, Waushara County, WI (1.39 Acres)



Legend

- - - PLSS Section Line
- PLSS Quarter-Quarter
- DNR Fee Pending
- ▨ DNR Project Boundary
- ▨ County Boundary
- DNR Eased
- DNR Owned



Subject Property

FM 10080

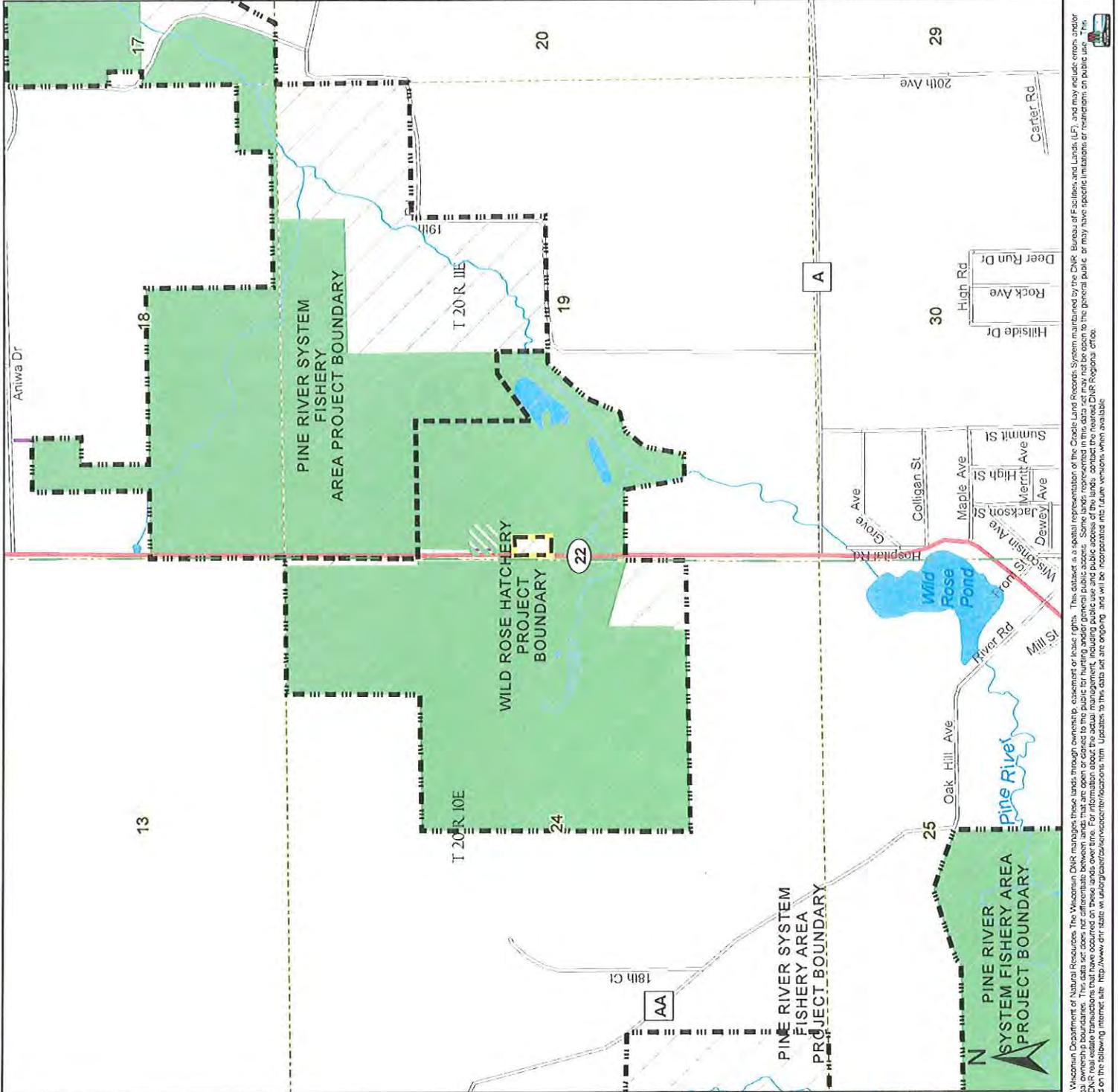
Wild Rose Hatchery

- ▨ Fee Simple
- ▨ Easement
- Ingress/Egress

State of Wisconsin

March 9, 2010
Real Estate Section
Bureau of Facilities and Lands

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Isabel Urban Parcel

FM 10080

Wild Rose Hatchery

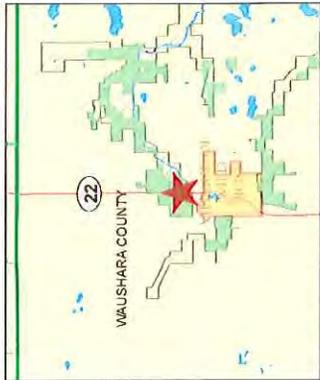
T20N R11E Section 19
Town of Springwater
Waushara County, WI
(1.39 Acres)

Subject Property

-  Fee Simple
-  Easement
-  Ingress/Egress

Legend

-  PLSS Section Line
-  DNR Project Boundary
-  DNR Owned
-  DNR Easement
-  DNR Fee Pending
-  County Boundary
-  State Natural Area



 Subject Property *Country View*

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 database is a spatial representation of the Credit Land Records System maintained by the DNR Bureau of Facilities and Lands (FL) and may include errors and/or omissions. The data is not intended to be used as a legal instrument. The Wisconsin DNR does not warrant the accuracy of the information shown on this map. The information is provided for informational purposes only. 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/land/ls/serve/office/locations.htm>. Updates to this data set are ongoing and will be incorporated into future versions when available.