

SUBJECT: Land Acquisition – Northern Highland State Forest – Vilas County (BCPL)

FOR: DECEMBER 2012 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 554.2 acres of land from the Board of Commissioners of Public Lands for \$1,263,000 for the Northern Highland State Forest in Vilas County. The item is being submitted because the purchase price exceeds \$150,000.

The subject property consists of two non-contiguous parcels that fall entirely within the acquisition boundary. It is located in northwest Vilas County, approximately two miles northeast of the Town of Winchester. The property includes almost all of Nell Lake as well as frontage on Harris Creek and Harris Lake. The property also has timber value, which makes this purchase valuable in natural resources, allowing the Department to maintain both the aesthetic and environmental integrity of the resources at this site while conducting normal sustainable forestry management. There is an easement allowing access to the northern parcel from County Highway O. State ownership will protect the natural values of the tract for future generations, provide opportunities for research and education, and allow for continued use of the tract for public recreation and forestry. The parcel has 1,960 feet of frontage on Harris Lake and 5,430 feet on Nell Lake.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year approximately 75,000 cords of pulpwood and 2.5 million board feet of sawlogs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

There are numerous state-operated campgrounds, boat landings, hiking, and ski trails, providing recreational opportunities to 225,000 campers and over 2 million visitors each year, generating \$900,000 in recreation revenue. Private facilities offering motel and housekeeping units are found throughout the forest and restaurants and retail businesses are located near population centers throughout the forest. The beautiful lakes, streams, and woods found within the state forest boundaries, together with recreational opportunities and other amenities, make this area one of the leading tourist attractions of northern Wisconsin

The subject property is 50% upland and 50% lowland. Wetlands cover 27% of the property. The forest cover is a mixture of hardwoods and conifers. Ownership will allow natural resource management; provide public recreation and hunting, and forestry management in this area of the project.

RECOMMENDATION: That the Board approve the purchase of 554.2 acres of land for \$1,263,000 for Northern Highland State Forest in Vilas 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:

R E Steffes

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

10-25-12

Date

Kurt Thiede

Administrator, Kurt Thiede - AD/8

11/05/12

Date

Cathy Stepp

Secretary, Cathy Stepp - AD/8

11/7/12

Date

- cc: S. Miller - LF/6
- R. Steffes - LF/6
- L. Ross - AD/8
- R. Mather - FR/4
- J. Gozdziński - Spooner

CORRESPONDENCE/MEMORANDUM

DATE: October 24, 2012 FILE REF: NF 30076
 TO: Scott Walker
 FROM: Cathy Stepp
 SUBJECT: Proposed Land Acquisition, Board of Commissioners of Public Lands Tract, File # NF 30076, Approval Requested by January 25, 2013.

1. PARCEL DESCRIPTION:

Northern Highland State Forest
 Vilas County

Grantor:

Board of Commissioners of Public Lands
 Attn: Tia Nelson, Executive Secretary
 101 E. Wilson Street, 2nd Floor
 Madison, WI 53708

Acres: 554.2
Price: \$1,263,000
Appraised Value: \$1,279,000; \$1,247,000
Interest: Fee Title Purchase
Improvements: None

Location: The property is located in Vilas County 2 miles northeast of the town of Winchester near the state line.

Land Description: The subject land is level to gently rolling

Covertypes Breakdown:

Type	Acreage
Wetland	150
Lowland Woodland	127.1
Upland Woodland	277.1
Total:	554.2

Zoning: General Business/Forestry/ Residential Use Permitted
Present Use: Forestry
Proposed Use: Public recreation, forestry, conservation
Tenure: 144 years
Property Taxes: Tax exempt
Agreement Date: October 4, 2012

Stewardship Land Access: This property will be open to the public for all nature based outdoor recreational activities to include hunting, fishing, trapping, hiking and cross country skiing.

2. JUSTIFICATION:

The Department has obtained an agreement to purchase 554.2 acres of land from the Board of Commissioners of Public Lands for \$1,263,000 for the Northern Highland State Forest in Vilas County. The subject property consists of two non-contiguous parcels that fall entirely within the acquisition boundary. It is located in



northwest Vilas County, approximately two miles northeast of the Town of Winchester. The property includes almost all of Nell Lake as well as frontage on Harris Creek and Harris Lake. The property also has timber value, which makes this purchase valuable in natural resources, allowing the Department to maintain both the aesthetic and environmental integrity of the resources at this site while utilizing normal forestry practices. There is an easement allowing access to the northern parcel from County Highway O. State ownership will protect the natural values of the tract for future generations, provide opportunities for research and education, and allow for continued use of the tract for public recreation.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year approximately 75,000 cords of pulpwood and 2.5 million board feet of sawlogs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

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The subject property is 50% upland and 50% lowland. Wetlands cover 27% of the property. The forest cover is a mixture of hardwoods and conifers. Ownership will allow natural resource management, provide public recreation and hunting, and will allow forestry management in this area of the project. The Department recommends purchase of the Board of Commissioners of Public Lands property to protect the natural and scenic resources of the site, to allow natural resource management, to prevent development incompatible with the goals of the project, and to provide additional opportunities for public recreation.

3. LAND MANAGEMENT:

The majority of the property will be managed as NHAL sustainable timber and public recreation land by Forestry staff. It is anticipated the parcel surrounding Nell Lake will be designated as a State Natural Area and managed by ER due to its bog, quaking bog and sedge meadow features. After complete site study, that part's management would be addressed via a variance to the master plan.

4. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,000,000	\$737,000

5. ACQUISITION STATUS OF THE NORTHERN HIGHLAND STATE FOREST:

Established: 1925
Acres Purchased to Date: 172,195.85
Acquisition Goal: 229,976
Percent Complete: 74.88 %
Cost to Date: \$20,429,056.94

6. APPRAISAL 1:

Appraiser: William Steigerwaldt
Valuation Date: May 18, 2012
Appraised Value: \$1,279,000

Highest and Best Use: Investment with personal use as recreation.

Allocation of Values:

- a. land: 556 acres @ \$2,300 per acre: \$1,279,000
 - b. market data approach used, 5 comparable sales cited
 - c. adjusted value range: \$2,039 - \$2,574 per acre
- Appraisal Review: Gregory Markus - 10/1/2012

APPRAISAL 2:

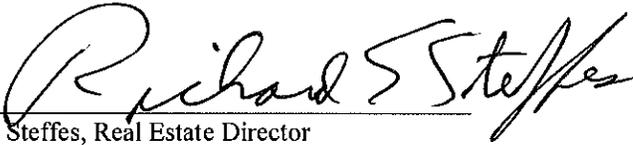
Appraiser: Jolene Brod
Valuation Date: August 02, 2012
Appraised Value: \$1,247,000
Highest and Best Use: Recreation/Sustained Yield Timber Production

Allocation of Values:

- a. land: 554.2 @ \$2,250 per acre: \$1,247,000
 - b. market data approach used, 4 comparable sales cited
 - c. adjusted value range: \$2,088 - \$2,591 per acre
- Appraisal Review: Gregory Markus - 10/1/2012

Comments: The Department negotiated a purchase price of \$1,263,000 which is the midpoint between the two appraisals. Both appraisers did a creditable report and were less than 3% apart.

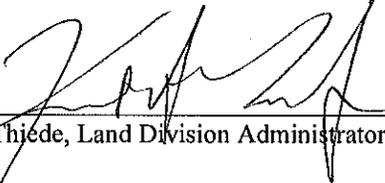
RECOMMENDED:


 Richard E. Steffes, Real Estate Director

10-25-12
 Date

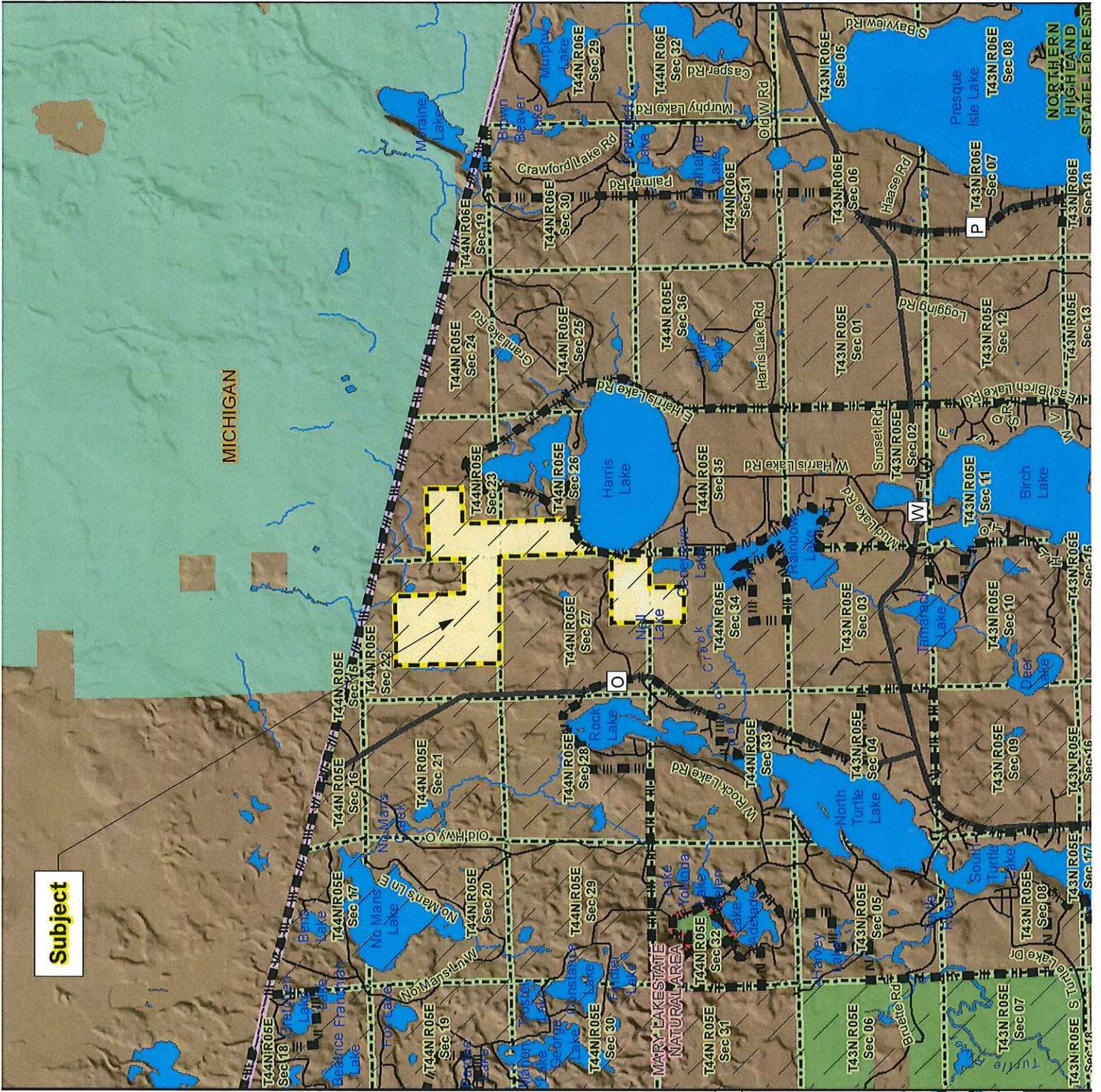

 Kristin A. Hess, Bureau of Legal Services

10/30/12
 Date


 Kurt Thjéde, Land Division Administrator

11/5/12
 Date

RES:



Subject

**Board of Commissioners
of Public Lands - Fee
Northern Highland
State Forest**

NR 30076

T44N R5E Sec 22, 23,
26, 27 & 34

Town of Winchester

Vilas County

554.2 Acres

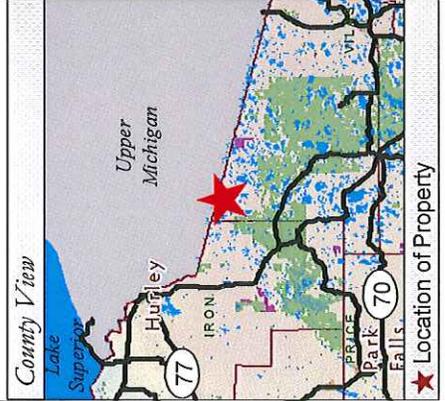


Subject

-  WDNR Owned
-  WDNR Easement
-  DNR Project Boundary
-  Federal Land
-  State Natural Area
-  PLSS Section Line



0 0.5
Miles



WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities or Lands
Map Created: Oct 22, 2012 Kmh

Board of Commissioners of Public Lands - Fee

T44N R5E Sec 22, 23, 26, 27 & 34 Town of Winchester, Vilas County



Northern Highland State Forest



 DNR Owned

 DNR Eased

 DNR Project Boundary

 Section Line

 QQ Section Lines



Oct 22, 2012 kmh
Real Estate Section
Bureau of Facilities and Lands

- 7 -
PLAT MAP OF SUBJECT PROPERTY

T.44N.-R.5E.

NORTH PART WINCHESTER

