

SUBJECT: LAND ACQUISITION AND PROJECT BOUNDRY MODIFICATION – NICOLET STATE TRAIL – FOREST COUNTY

FOR: MARCH 2009 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: This proposal was deferred by the Board at its February meeting. The Board expressed interest in additional background on the circumstances under which the Department of Transportation (DOT) would transfer land to the Department for \$1.00 as compared to requiring payment.

On average, the Department has about ten transactions with DOT each year. In all cases where DOT needs DNR land for road improvements, it pays fair market value to DNR. In addition, DOT frequently provides, at no cost to DNR, development work such as parking lots, trail connections and boat launch facilities for DNR projects. When DOT conveys land to DNR, there are, in general, three approaches:

1. Conveyance for \$1.00:
 - Restored wetland mitigation sites, which fit into DNR conservation projects. Provides public access and coordinated wildlife habitat management.
 - Certain former railroad corridors not needed for local rail service, but which may be restored to rail use (state "rails-to-trails").
2. Conveyance for DOT's actual costs:
 - Rice Lake to Spooner corridor. DOT acquired from Canadian National Railroad Company as part of a larger corridor and then sold to DNR the part needed for a trail and not needed for continued rail use.
 - Amery to Almena corridor. Not needed for rail use; had local agreements for motorized trail use.
3. Conveyance to DNR at fair market value:
 - Land surplus to highway construction projects. If DOT surplus land is needed for a DNR project, the Department has the first right to acquire it at appraised value.

The current proposal fits the pattern of #2 above. The Department worked with DOT and with the Rat River Railroad Company to accomplish a state purchase in order to complete the Nicolet Trail. Since DOT had a right-of-first-refusal at a set amount, working through DOT saved the DNR about \$100,000. This is the amount the price is under current fair market value compared to buying direct from Rat River Railroad Company.

The Department has an agreement to purchase 110.01 acres of land from Wisconsin Department of Transportation (DOT) for \$34,423 for the Nicolet State Trail in Forest County. The item is being submitted in order to modify the project boundary to include in the state trail project that segment of the Nicolet State Trail from Laona to Cavour.

Department ownership will provide recreational opportunities and protect the scenic resources associated with this 7.75-mile section of trail. Approximately 94.55-acre was previously owned by the Connor family and is being reacquired by DOT under their right to repurchase the same if the Connor family discontinued their rail operations. The remaining 15.46 acres has been owned by DOT, but was under a land use agreement to the Connor family in connection with their former rail operation. The purchase price of \$34,423 is DOT's current actual cost. DOT's 15.46 acres is transferred for \$1.00. Fair market value for the 110.01 acres is \$132,000.

This last section of trail will complete public ownership of the 82-mile Nicolet State Trail from Gillette, in Oconto County north to the Brule River and the Wisconsin-Michigan state line in Florence County. The Nicolet State Trail was established in 1999 when a portion of the former Chicago and Northwestern Railroad abandoned railroad corridor was transferred from DOT to the Department. Additional segments have been acquired since 1999 with this last segment making up the final connector. This section of the trail is located within the boundary of the Nicolet National Forest. The primary trail uses are motorized with biking, hiking and nature observation. The trail is important to the communities through which it passes for the tourism revenue that trail users generate.

It is important to complete the transfer to DNR to complete the project and to qualify for ATV and snowmobile development funds. The \$250,000 in development funds may be re-allocated after April 15.

The Department recommends the acquisition of this last section of the Nicolet State Trail to provide additional opportunities for public recreation and to protect the scenic resources associated with the trail. Forest County will be responsible for management of the trail under terms of a memorandum of understanding between the county and the Department.

RECOMMENDATION: That the Board approve the purchase of 110.01 acres of land for \$34,423 for the Nicolet State Trail in Forest County and modification of the project boundary to include the parcel.

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 |

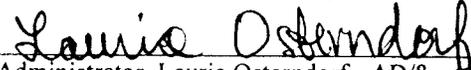
APPROVED:



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

3-16-09

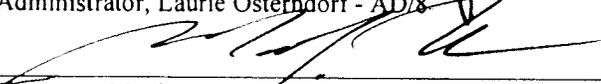
Date



Administrator, Laurie Osterndorf - AD/8

3/16/09

Date



Secretary, Matthew J. Frank - AD/8

3/17/09

Date

- cc: S. Miller – LF/6
R. Steffes – LF/6
L. Ross – AD/8
D. Schuller – PR/6
W. Smith – NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: March 16, 2009 FILE REF: PR 40031
 TO: Governor Doyle
 FROM: Matthew J. Frank
 SUBJECT: Proposed Land Acquisition, WI Department of Transportation Tract, File # PR 40031,
 Approval is Requested by April 6, 2009

1. PARCEL DESCRIPTION:

Nicolet State Trail
 Forest County

Grantor:

WI Department of Transportation
 c/o Vicki Schaefer
 4802 Sheboygan Avenue
 Madison, WI 53705

Acres: 110.01Price: \$34,423Appraised Value: \$132,000Interest: Fee Title PurchaseImprovements: Bridges/TrestlesLocation: The property is located in central Forest County between Cavour and Laona.Land Description: The land is railroad right-of-way varying from 50 to 200 feet in width.

<u>Covertypes Breakdown:</u>	Type:	Acreage:
	Abandoned Railroad Corridor	110.01

Zoning: AgriculturePresent Use: Abandoned Railroad GradeProposed Use: Public Recreation and Scenic Resource ProtectionTenure: DOT acquired the 82-mile corridor from Gillett to Tipler in 1979. Most of the corridor was conveyed to DNR for trail use. This 7.75-mile part was not available until now.Property Taxes: ExemptOption Date: January 14, 2009Stewardship Land Access: This property will be open to the public for nature-based outdoor recreational activities to include hiking and cross-country skiing. Hunting use is restricted due to state park land classification.2. JUSTIFICATION:

This proposal was deferred by the Board at its February meeting. The Board expressed interest in additional background on the circumstances under which the Department of Transportation (DOT) would transfer land to the Department for \$1.00 as compared to requiring payment.

On average, the Department has about ten transactions with DOT each year. In all cases where DOT needs DNR land for road improvements, it pays fair market value to DNR. In addition, DOT frequently provides, at no cost to DNR, development work such as parking lots, trail connections and boat launch facilities for DNR projects. When DOT conveys land to DNR, there are, in general, three approaches:

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The current proposal fits the pattern of #2 above. The Department worked with DOT and with the Rat River Railroad Company to accomplish a state purchase in order to complete the Nicolet Trail. Since DOT had a right-of-first-refusal at a set amount, working through DOT saved the DNR about \$100,000. This is the amount the price is under current fair market value compared to buying direct from Rat River Railroad Company.

The Department has the opportunity to acquire approximately 110.01 acres of land from the WI Department of Transportation for the Nicolet State Trail. Department ownership will provide additional recreational opportunities and protect the scenic resources associated with this section of the trail. This 7.75-mile section of trail to be transferred to the Department runs between the communities of Laona and Cavour in central Forest County and closes the last gap in the state trail. Approximately 94.55 acres was previously owned by the Connor family (Rat River Railroad Company) and is being reacquired by DOT under their right to repurchase the same if the Connor family discontinued their rail operations. The remaining 15.46 acres has been owned by DOT, but was under a land use agreement to the Connor family in connection with their former rail operation. That part is conveyed for \$1.00.

This last section of trail will complete public ownership of the 82-mile Nicolet State Trail from Gillette, in Oconto County north to the Brule River and the Wisconsin-Michigan state line in Florence County. The Nicolet State Trail was established in 1999 when a portion of the former Chicago and Northwestern Railroad abandoned railroad corridor was transferred from DOT to the Department. Additional segments have been acquired since 1999 with this last segment making up the final connector between the previous acquired segments.

Most of the trail was conveyed to DNR from DOT for \$1.00. This part is being conveyed at DOT's actual cost. It is a condition of the transfer on the entire 82 miles that rail use can be reinstated if needed in the future with DNR's cost to be reimbursed. This section of the trail is located within the boundary of the Nicolet National Forest. The primary trail uses are motorized with biking, hiking and nature observation. The trail is important to the communities through which it passes for the tourism revenue that trail users generate.

The trail is managed by the three counties it passes through. ATV, snowmobile and recreational trail funds have been granted to the counties to do the trail development totaling more than one-million dollars over the past ten years.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$4,000,000	\$365,577

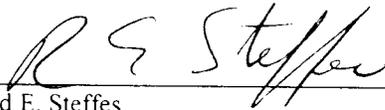
4. ACQUISITION STATUS OF THE NICOLET STATE TRAIL:

Established: 1999
Acres Purchased to Date: 2,171.48
Acquisition Goal: 539.40
Percent Complete: 402.57
Cost to Date: \$10,402.00

APPRAISAL:

The Department is reimbursing DOT for its actual cost. The fair market value of the property is \$132,000 based on an appraisal report by Michael Augustyn.

RECOMMENDED:



 Richard E. Steffes

3-16-09

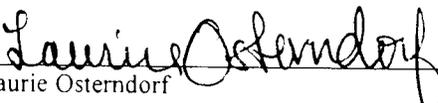
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 Bureau of Legal Services

3-16-09

 Date



 Laurie Osterndorf

3/16/09

 Date

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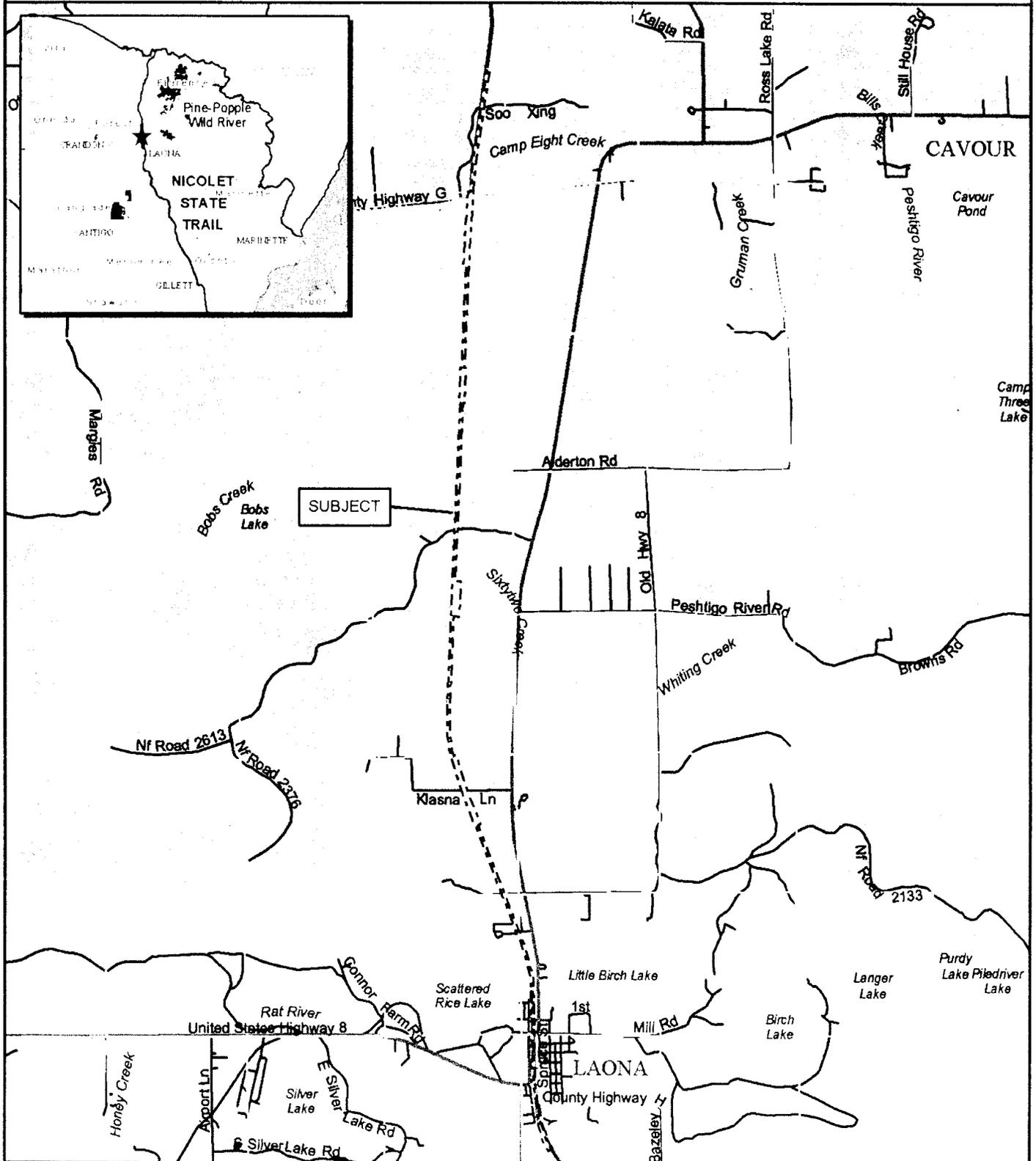
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WI Dept of Transportation

Nicolet State Trail



-  Subject Property
-  DNR Owned
-  DNR Easement

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STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES



Bureau of Facilities and Lands

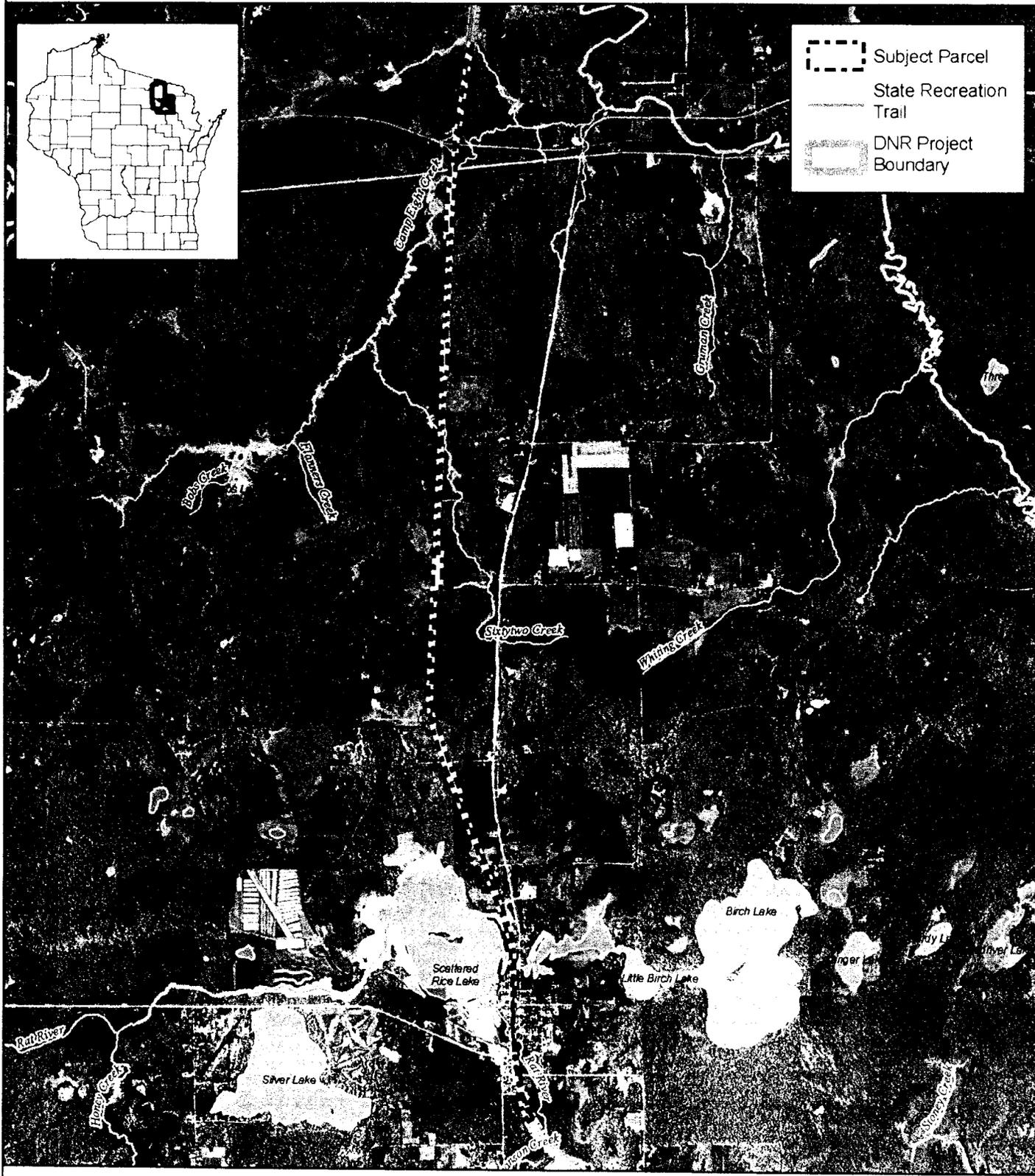


Wisconsin Dept of Transportation Property

T36N R15E Secs 30 & 31, Town of Laona, Forest County
T36N R14E Secs 1, 12, 13 & 24, Town of Laona, Forest County
T37N R14E Secs 25 & 36, Town of Caswell, Forest County



-  Subject Parcel
-  State Recreation Trail
-  DNR Project Boundary

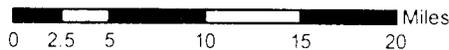
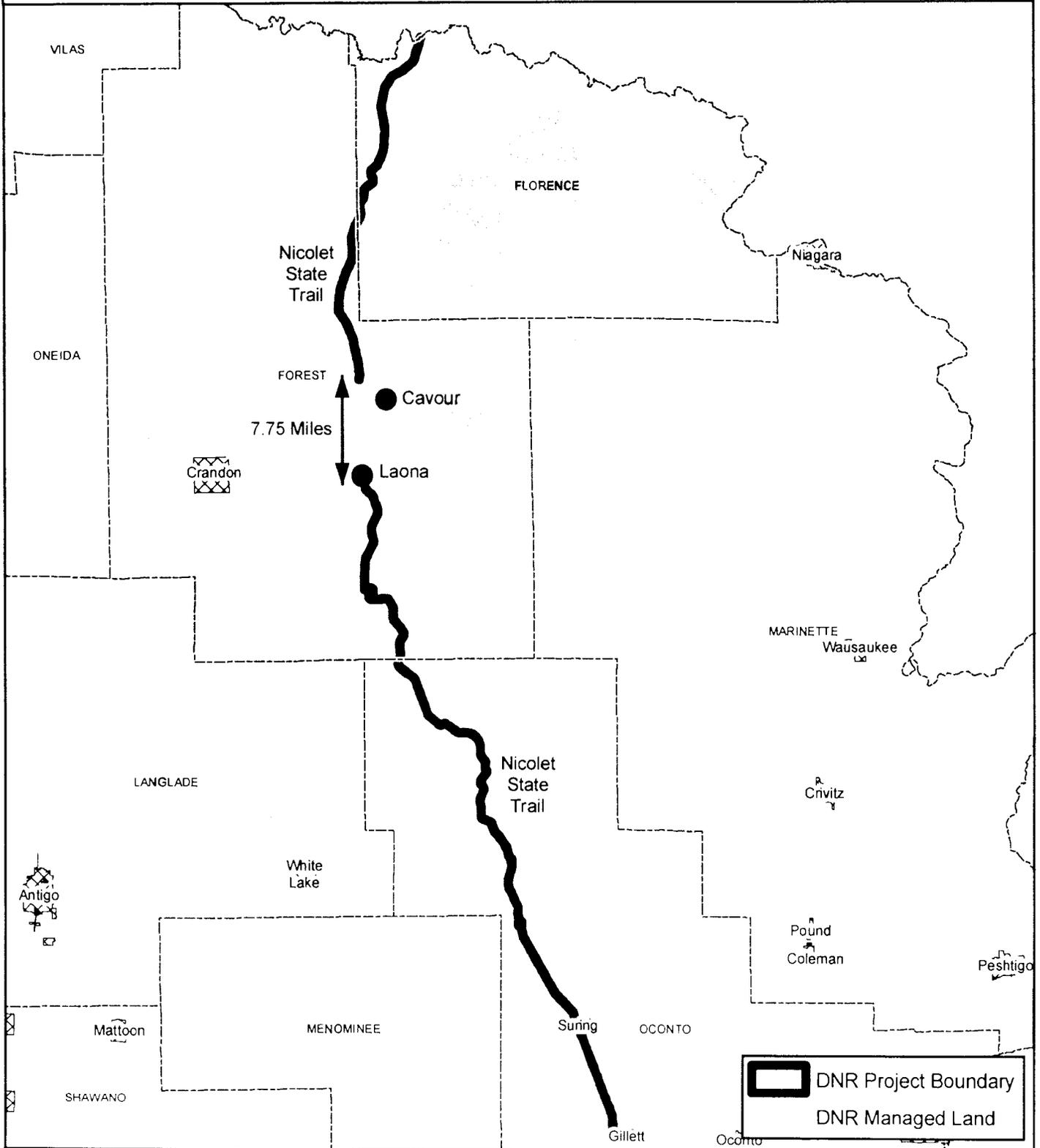


Created by Bureau of Facilities and Lands
Real Estate Section
January 16, 2009



Nicolet State Trail

Florence, Forest and Oconto Counties



Created by Bureau of Facilities and Lands
Real Estate Section
December 30, 2008

