

**SUBJECT: LAND ACQUISITION AND PROJECT BOUNDARY MODIFICATION FOR MOOSE LAKE STATE NATURAL AREA - IRON COUNTY**

**FOR: JUNE 2010 BOARD MEETING**

**TO BE PRESENTED BY: Richard Steffes**

**SUMMARY:** The Department has partnered with The Conservation Fund (TCF) to acquire 2,616.7 acres of land for the Moose Lake State Natural Area in Iron County for \$1,416,868.51. The lands will be held by TCF and then purchased by the Department, assuming approval. The item is being submitted due the significant size of the transaction because 200 acres are out of the project boundary.

The proposed 2,616.7-acre acquisition is known at "Moose Lake Hemlocks" and is considered as the highest priority for land acquisition for the State Natural Areas program. Two hundred acres are outside the project boundary. Water resources include more than one mile of one-bank frontage, and 3/4-mile frontage of both-bank frontage along Moose Creek. Acquisition of the parcel will protect the significant natural resource values of the tract, provide opportunities for public recreation, and allow for natural area management of the land. Additionally, the site provides an unparalleled opportunity to protect and study birds in the largest block of old-growth forest remaining in Wisconsin.

The Moose Lake State Natural Area is an exceptional example of a large, undeveloped lake in a wilderness setting. The area is one of the most remote, heavily forested landscapes remaining in northern Wisconsin. The 270-acre soft water drainage lake has a maximum depth of 12 feet and harbors a diversity of emergent and submergent aquatic plants. It drains into the 13-acre Little Moose Lake. The fishery contains mostly northern lake fish including a reproducing population of muskellunge. While a diversity of wetland communities surround the lake, most of the shoreline is covered by a dense thicket of alder and sweet gale. The remainder is predominantly lowland conifer and hardwoods dominated by black spruce, white cedar, and black ash. The area to the north, including the subject land, is heavily forested with old growth hemlock and yellow birch.

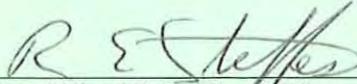
Department ownership will consolidate state ownership, prevent incompatible development, allow for natural area management, protect the natural features of the site, and provide opportunities for research, education, and public recreation. With the approval of this transaction, the Department will modify project boundary to include the 200 acres that fall outside the boundary of the Moose Lake State Natural Area.

**RECOMMENDATION:** That the Board approve the purchase of 2,616.7 acres of land for \$1,416,868.51 for the Moose Lake State Natural Area and that the Board approve a project boundary modification to include the entire parcel.

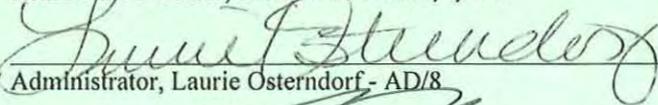
**LIST OF ATTACHED MATERIALS:**

- |  |   |   |          |
|--|---|---|----------|
| 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 |

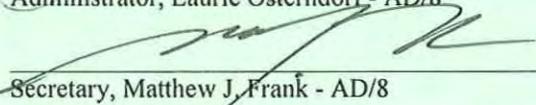
**APPROVED:**

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

6-2-10  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Administrator, Laurie Osterndorf - AD/8

6/2/10  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Secretary, Matthew J. Frank - AD/8

6-11-10  
\_\_\_\_\_  
Date

- cc: S. Miller - LF/6
- R. Steffes - LF/6
- L. Ross - AD/8
- K. Warnke - ER/6
- J. Gozdialski - NOR/Spooner

## CORRESPONDENCE/MEMORANDUM

DATE: June 1, 2010 FILE REF: NA 20029

TO: Governor Doyle

FROM: Matthew J. Frank *MJF*

SUBJECT: Proposed Land Acquisitions, The Conservation Fund (TCF) Tract,  
Approval is Requested by August 15, 2010

1. PARCEL DESCRIPTION:

Moose Lake State Natural Area  
Iron County

Grantor:

The Conservation Fund  
Attorney Jodi O'Day  
410 Severn Avenue, Suite 204  
Annapolis, MD 21403  
and  
The Conservation Fund  
Attorney Lily Engle  
1655 North Fort Meyer Drive, Suite 1300  
Arlington, VA 22209-3199

Acres: 2,616.7

Price: \$1,416,868.51

Appraised Value: See appraisal section below.

Interest: Fee Title Purchase

Location: The property is located in central Iron County seven miles west of Mercer.

Land Description: The subject is level to rolling.

Improvements: None

<u>Covertypes Breakdown:</u>	Type:	Acreage:
	Upland Woods	706.2
	Lowland Woods	1,883.5
	Wetland	27.0
	TOTAL:	2,616.7

Zoning: Forestry

Present Use: Timber Production

Proposed Use: Natural Area Protection and Public Recreation

Tenure: 3 years (Potlatch); TCF acquired the land on September 11, 2009 for \$1,308,350.

Property Taxes: \$1,360 (MFL and FCL)

Purchase Agreement Date: September 1, 2009

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.

JUSTIFICATION:

The Department has a contract to purchase a 2,616.7-acre parcel (former Potlatch) property, from TCF for the Moose Lake State Natural Area. Two hundred acres are outside the project boundary. Water resources include more than one mile of one-bank frontage, and ¾-mile frontage of both-bank frontage along Moose Creek. Acquisition of the parcel will protect the significant natural resource values of the

tract, provide opportunities for public recreation, and allow for natural area management of the land. Additionally, the site provides an unparalleled opportunity to protect and study birds in the largest block of old-growth forest remaining in Wisconsin. If approved, the boundary will be expanded to include these 200 acres.

The Moose Lake State Natural Area is an exceptional example of a large, undeveloped lake in a wilderness setting. Current department ownership at Moose Lake State Natural Area is 1,673 acres. The area is one of the most remote, heavily forested landscapes remaining in northern Wisconsin. The 270-acre soft water drainage lake has a maximum depth of 12 feet and harbors a diversity of emergent and submergent aquatic plants. It drains into the 13-acre Little Moose Lake. The fishery contains mostly northern lake fish including a reproducing population of muskellunge. While a diversity of wetland communities surround the lake, most of the shoreline is covered by a dense thicket of alder and sweet gale. The remainder is predominantly lowland conifer and hardwoods dominated by black spruce, white cedar, and black ash.

The proposed 2,616.7-acre acquisition is known as "Moose Lake Hemlocks" and is considered as the highest priority for land acquisition for the State Natural Areas program. The Moose Lake Old-Growth Forest-Muskeg is one of Wisconsin's 86 Important Bird Areas. According to the Land Legacy Report, "This is one of the largest blocks of mature to old-growth hemlock-hardwood forest known to occur in Wisconsin. The woods are adjacent to Iron County Forest and the Turtle-Flambeau Flowage and an opportunity exists to have several thousand acres of old forest in one unbroken block. Many rare plants are found in the area and the forest is also an important warbler breeding area. The Moose Creek Hemlocks are part of a much larger, high quality forested landscape running from the Turtle-Flambeau Flowage north to the Penoquee-Gogebic Range. This is probably the best American marten habitat in Wisconsin due to the large amount of old-growth forest and the large amount of snowfall that the area receives. In 2002, this land was encumbered by a forest legacy easement. The presence of the easement contributed to the reduced price of about \$500 per acre. The easement, however, is not suitable to protect the forest's old growth status, thus, fee title ownership is needed.

Department ownership will consolidate state ownership, prevent incompatible development, allow for natural area management, protect the natural features of the site, and provide opportunities for research, education, and public recreation. With the approval of this transaction, the Department will modify project boundary to include the 200 acres that fall outside the boundary of the Moose Lake State Natural Area.

Note: The Department is facilitating this transaction by using an intermediary buyer, The Conservation Fund (TCF), to assist with acquisition and timing of the purchase. This price is inclusive of TCF's closing costs, administrative and holding fees and assumes the Department can close by August 31, 2010.

3. FINANCING:

State Stewardship bond (FY11) funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$50,000,000	\$26,845,046

4. ACQUISITION STATUS OF THE MOOSE LAKE STATE NATURAL AREA:

Established: 1991  
Acres Purchased to Date: 1,095.55  
Acquisition Goal: 1,160.0 Acres  
Percent Complete: 94.44%  
Cost to Date: \$758,346.51

5a. APPRAISAL:

Appraiser: Robert L. Karl  
Valuation Date: February 11, 2009  
Appraised Value: \$1,373,770\*  
Highest and Best Use: Timber Production and Recreation

Allocation of Values:

- a. land: 2,616.70 acres @ \$525\*\* per acre: \$1,373,770
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$505 to \$571\*\* per acre

Appraisal Review: Richard Steffes – July 6, 2009

Comments: The appraised value of 1,373,770\* was based on Robert Karls' appraisal of a larger tract of land (5,618.92 acres), which encompassed the subject 2,616.7 acres. The per-acre value of \$525\*\* was assigned to the subject based on five comparable sales ranging from \$842-\$952/acre, less a 40% discount due to the presence of a conservation easement on the subject lands.

5b. APPRAISAL:

Appraiser: Michael Augustyn  
Valuation Date: April 7, 2008  
Appraised Value: \$785,010\*  
Highest and Best Use: Forestry with some recreation

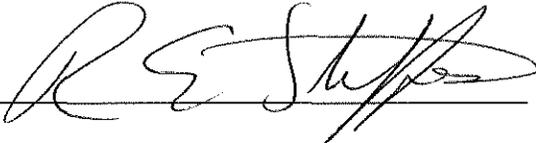
Allocation of Values:

- a. land: 2,616.70 acres @ \$300\*\* per acre: \$785,010
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$267 to \$320 per acre

Appraisal Review: Terry Gardon – July 22, 2008

Comments: The appraised value of 785,010\* was based on Michael Augustyn's appraisal of a larger tract of land (5,536.1 acres), which encompassed the subject 2,616.7 acres. The per acre value of \$300\*\* was assigned to the subject based on four comparable sales ranging from \$763 to \$914/acre, less a 65% discount due to the presence of a conservation easement on the subject lands.

RECOMMENDED:

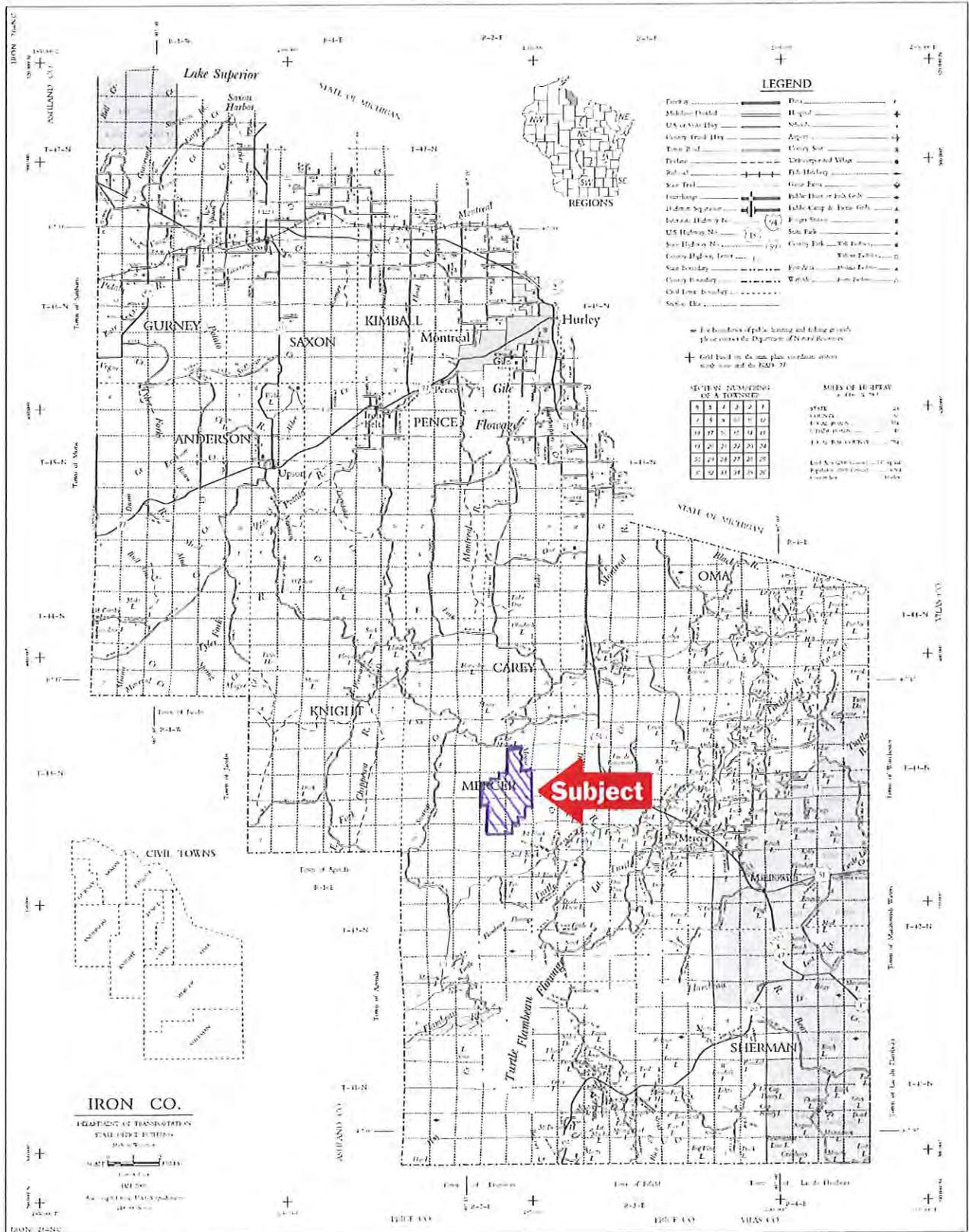
  
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 Richard E. Steffes 6-2-10  
Date

  
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 Bureau of Legal Services 6-2-10  
Date

  
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 Laurie Osterdorf 6/2/10  
Date

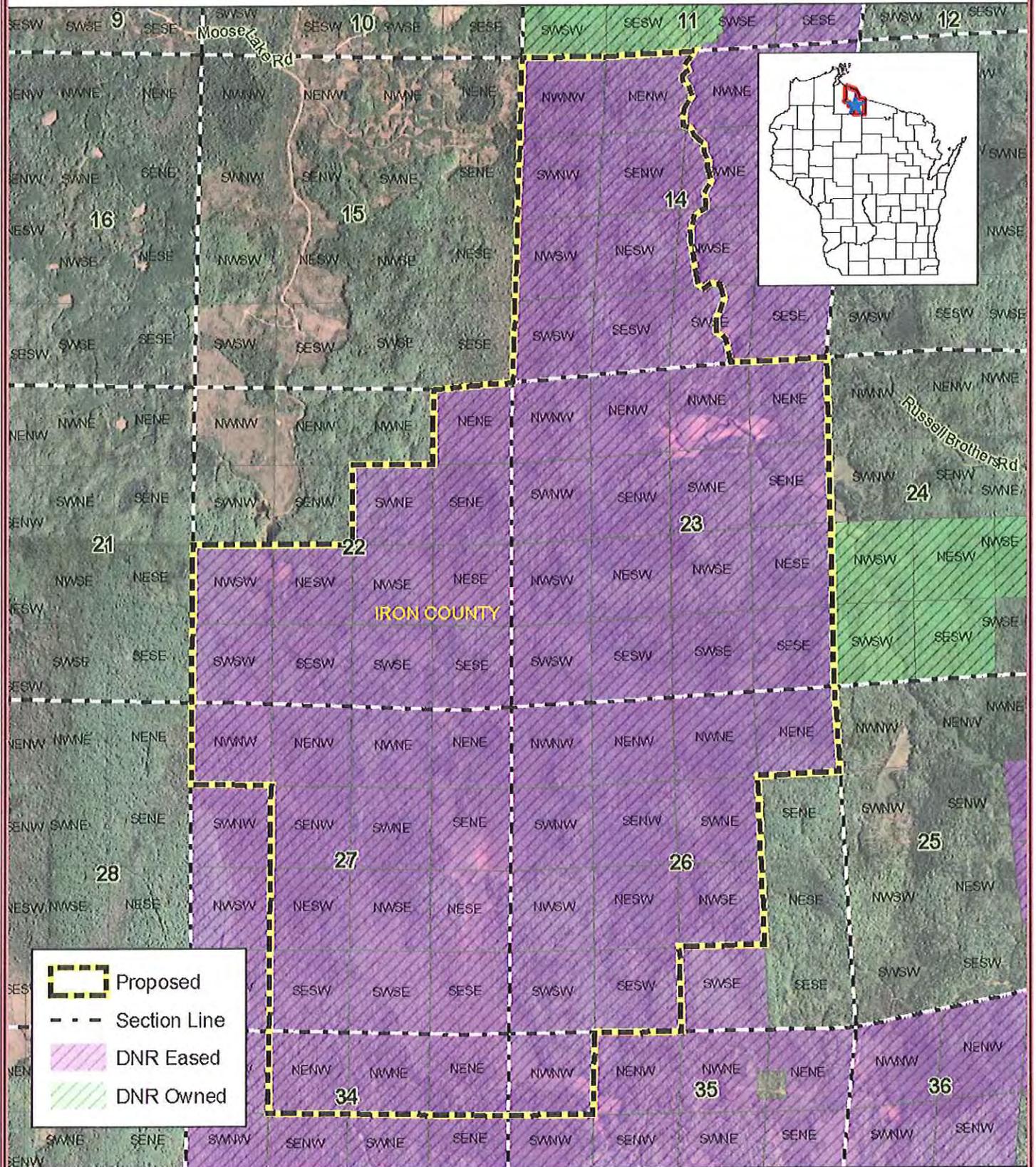
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# NA-20029 MOOSE LAKE NATURAL AREA



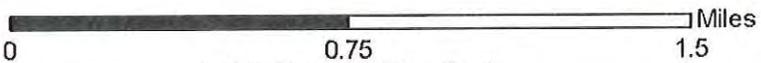
# The Conservation Fund

T43N R2E Sec. 14 and Sec. 22, 23, 26, 27, Iron County, WI



 Proposed  
 Section Line  
 DNR Eased  
 DNR Owned

**PROPOSED**  
 NA 20029  
 Moose Lake State  
 Natural Area



Created by Bureau of Facilities and Lands  
 Real Estate Section  
 June 30, 2009



