

SUBJECT: MEAD WILDLIFE AREA LAND ACQUISITION - PORTAGE AND MARATHON COUNTIES

FOR: JUNE 2007 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an option to purchase 2,804.04 acres of land from Consolidated Water Power Company for \$2,524,000 for the Mead Wildlife Area in Portage and Marathon Counties.

The Mead Wildlife Area is located in central Wisconsin about 15 miles northwest of Stevens Point and 20 miles southwest of Wausau. The project was established in 1959 with the gift of almost 20,000 acres from the Consolidated Paper Company of Wausau. The goal of the project is to manage a large acreage of wetland and upland habitat for waterfowl, prairie chickens (state-threatened species), and other wildlife and for public recreation. The property is used by the public for hunting, fishing, trapping, cross-country skiing, hiking, and other outdoor recreation.

The 2,804-acre Consolidated Water Power Company property is one contiguous tract split by the Marathon/Portage County line. The Mead Wildlife Area is directly west of the property, and the land to the south is also Department owned. The property is about 50 percent forested and about 926 acres of the property are upland forest. The majority of the property is fairly level and low, but there are upland areas with more rolling terrain. The covertypes on the higher ground include wooded areas (aspen, oak, hardwood forest, and pine plantation) and open grassland.

The property is rich with water features and includes about 56,800 feet (roughly 10.76 miles) on the Little Eau Pleine Flowage, the Little Eau Pleine River, drainage ditches, and several oxbow lakes and sloughs associated with the river. About half of the frontage is upland, and the other half is lowland in character. The fishery consists of musky, northern pike, walleye, small mouth bass and pan fish. The Department will manage this large tract for wildlife habitat, timber management and public recreation. Access to the property is provided by frontage on a county highway on its western boundary and part of its northern boundary and by a town road along its eastern boundary.

The purchase of 2,804.04-acres of land from Consolidated Water Power Company, a subsidiary of Stora Enso North America, will allow the Department to add substantial and strategic lands to the Mead Wildlife Area in Marathon and Portage Counties. This opportunity will accelerate the Department's efforts to secure valuable wildlife habitat and to establish a wildlife corridor between existing state ownership and the Little Eau Pleine Reservoir.

Due to the size of the transaction, the Department requests that the Board authorize "borrowing ahead" from the Stewardship program's bonding authority from FY09 for this purchase. This will protect the exceptional property while completing currently pending transactions for conservation projects in other parts of the state.

RECOMMENDATION: That the Board approve the purchase of 2,804.04 acres of land for \$2,524,000 for the Mead Wildlife Area and authorize the Department to "borrow ahead" from the Stewardship program's debt authority in the amount of the purchase price of \$2,524,000.

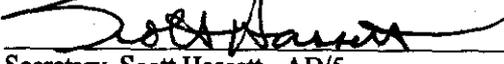
LIST OF ATTACHED MATERIALS:

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


Administrator, Laurie Osterndorf - AD/5


Secretary, Scott Hassett - AD/5

5-29-07
Date
5/29/07
Date
5/30/07
Date

- cc: S. Miller - LF/6 T. Hauge - WM/6
 R. Steffes - LF/6 S. Humrickhouse - WCR/Eau Claire
 L. Ross - AD/5

CORRESPONDENCE/MEMORANDUM

DATE: May 16, 2007 FILE REF: W-1532

TO: Governor Doyle

FROM: Scott Hassel 

SUBJECT: Proposed Land Acquisition, Consolidated Water Power Company Tract, File # W-1532
Option Expires September 1, 2007

1. PARCEL DESCRIPTION:

Mead Wildlife Area
Portage and Marathon Counties

Grantor:

Consolidated Water Power Company
c/o Mark Anderson
P.O. Box 8050
Wisconsin Rapids, WI 54495-8050

Acres: 2,804.04Price: \$2,524,000Appraised Value: \$2,035,000, \$3,251,000, \$1,973,500Interest: Purchase in fee.Improvements: None

Location: The tract is located fifteen miles northwest of Stevens Point, in south-central Marathon County and northwestern Portage County.

Land Description: The subject has low, wet areas as well as upland forested areas.

Water: There are approximately 56,800 feet of frontage (roughly 10.76 miles.) on the Little Eau Pleine Flowage and the Little Eau Pleine River.

<u>Covertypes Breakdown:</u>	<u>Type</u>	<u>Acreage</u>
	Wooded Lowland	464.27
	Wooded Upland	926.00
	Wetland	919.57
	Water	482.20
	Grassland/Brush	9.00
	Road Right-of-Way	3.00
	TOTAL	2,804.04

Zoning: Agriculture, Forestry, and Residential; Shoreland/Floodplain and Conservancy are also in effect.

Present Use: FERC hydroelectric project

Proposed Use: Wildlife Management and Public Recreation

Tenure: Long-term ownership

Property Taxes: tax-exempt

Option Date: May 11, 2007

Comments: Closing required in 2007

2. JUSTIFICATION:

The purchase of 2,804.04-acres of land from Consolidated Water Power Company, a subsidiary of Stora Enso North America, will allow the Department to add substantial and strategic lands to the Mead Wildlife Area in Marathon and Portage Counties. This opportunity will accelerate the Department's efforts to secure valuable wildlife habitat and to establish a wildlife corridor between existing state ownership and the Little Eau Pleine Reservoir. Turkey, bear, white-tailed deer, waterfowl, and threatened eagles and osprey abound in this area. The land will be managed to provide hunting, hiking, bird watching, fishing, snowmobiling, and other compatible recreational opportunities for the people of Wisconsin. About 50 acres of the proposed purchase lies outside the established boundary of the wildlife area project, but will be added upon approval by the Natural Resources Board.

The Mead Wildlife Area is located in central Wisconsin about 15 miles northwest of Stevens Point and 20 miles southwest of Wausau. The project was established in 1959 with the gift of almost 20,000 acres from the Consolidated Paper Company of Wausau. The goal of the project is to manage a large acreage of wetland and upland habitat for waterfowl, prairie chickens (state-threatened species), and other wildlife and for public recreation. The property is used by the public for hunting, fishing, trapping, cross-country skiing, hiking, and other outdoor recreation.

The 2,804-acre Consolidated Water Power Company property is one contiguous tract split by the Marathon/Portage County line. The Mead Wildlife Area is directly west of the property, and the land to the south is also Department owned. The property is about 50 percent forested and about 926 acres of the property are upland forest. The majority of the property is fairly level and low, but there are upland areas with more rolling terrain. The covertypes on the higher ground include wooded areas (aspen, oak, hardwood forest, and pine plantation) and open grassland.

The property is rich with water features and includes about 56,800 feet (roughly 10.76 miles) on the Little Eau Pleine Flowage, the Little Eau Pleine River, drainage ditches, and several oxbow lakes and sloughs associated with the river. About half of the frontage is upland, and the other half is lowland in character. The fishery consists of musky, northern pike, walleye, small mouth bass and pan fish. The Department will manage this large tract for wildlife habitat, timber management and public recreation. Access to the property is provided by frontage on a county highway on its western boundary and part of its northern boundary and by a town road along its eastern boundary.

The property is encumbered with Federal Energy Regulatory Commission (FERC) restrictions, which require the owner to protect the scenic, natural and recreational values of the property. Public recreation must be accommodated on the property, and development, except for those developments associated with public recreation, are prohibited. FERC approval of the transaction has been requested and received. Flowage rights are being retained by the seller in order to manage the Little Eau Pleine Flowage and well as the right to comply with the FERC license.

The Department recommends acquisition of this property to allow management of the area for wildlife, to provide for additional public recreation and to provide access to 56,800 feet of frontage on the Little Eau Pleine Reservoir and Little Eau Pleine River.

3. FINANCING:

FY09 State Stewardship bond funds are anticipated. Provisions of s. 23.0917(5)(d), Wis. Stats., allows for borrowing ahead for special land purchases with approval of the Natural Resources Board.

	Funds allotted to Program:	Balance after proposed transaction:
Stewardship:	\$36,750,000	\$22,414,642

Comments: s. 23.0917(5)(d) provides for borrowing ahead from the FY09 Stewardship bonding authority for use in the FY08 implementation of the land acquisition subprogram if the Natural Resources Board determines that the FY08 bonding authority is not sufficient for the activity, that the land involved is uniquely valuable in conserving natural resources and that delaying costs to a future year is not reasonably possible.

At its June 2007 meeting, the Board considers three large, valuable land conservation proposals that require use of FY09 funding in order to be accomplished. By its actions approving the individual transactions, the Natural Resources Board is also approving the funding as proposed in this document.

ACQUISITION STATUS OF THE MEAD WILDLIFE AREA:

Established: 1959
Acres Purchased to Date: 27,812.23
Acquisition Goal: 30,959.0 Acres
Percent Complete: 90%
Cost to Date: \$1,112,181.46

5a. APPRAISAL:

Appraiser: Mike Augustyn (Private Appraiser)
Valuation Date: September 3, 2003
Appraised Value: \$2,035,000
Highest and Best Use: Recreation and Forestry

Allocation of Values:

- a. land: 2,804.04 acres @ \$726 per acre: \$2,035,000
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$671 to \$1,119 per acre

Appraisal Review: Phillip Lepinski — October 6, 2003

5b. APPRAISAL:

Appraiser: Steigerwaldt Land Services (Private Appraiser)
Valuation Date: July 15, 2003
Appraised Value: \$3,251,000
Highest and Best Use: Recreation

Allocation of Values:

- a. land: 2,804.04 acres @ \$1,159.40 per acre: \$3,251,000
- b. market data approach used, six comparable sales cited
- c. adjusted value range: \$1,026 to \$1,942 per acre

Appraisal Review: Phillip Lepinski — October 6, 2003

Comment: The appraiser valued the unsubmerged land separately from the submerged lands. The final value is based on the unsubmerged lands only.

5c. APPRAISAL:

Appraiser: Rodney Bush (Private Appraiser)

Valuation Date: October 29, 2003

Appraised Value: \$1,973,500

Highest and Best Use: Recreation

Allocation of Values:

- a. land: 2,804.04 acres @ \$704.00 per acre: \$1,973,500
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$706.95 to \$865.86 per acre

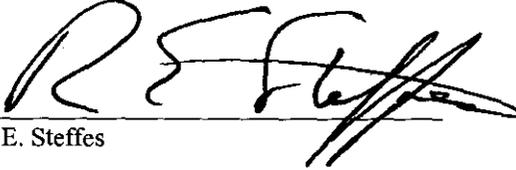
Appraisal Review: Richard Steffes — November 11, 2003

Comments: All three appraisers discounted value due to the FERC encumbrances on the land. Augustyn and Bush discounted value more severely than Steigerwaldt. Department reviewers felt the Augustyn and Bush reports were the better indicators of value.

All of the appraisers placed their value on the non-submerged land. For comparison purposes, final per acre value is indicated based on the entire acreage.

It is noted that the appraisals are more than three years old, having been prepared for a proposed 2004 transaction that was unsuccessful. Given the sellers interest in moving ahead now, and since the appraisal values bracket the agreed upon price, no new appraisals were done. It is estimated that local real estate values are about double this per acre cost, assuming the land were sold in 80-acre parcels and unrestricted.

RECOMMENDED:



Richard E. Steffes

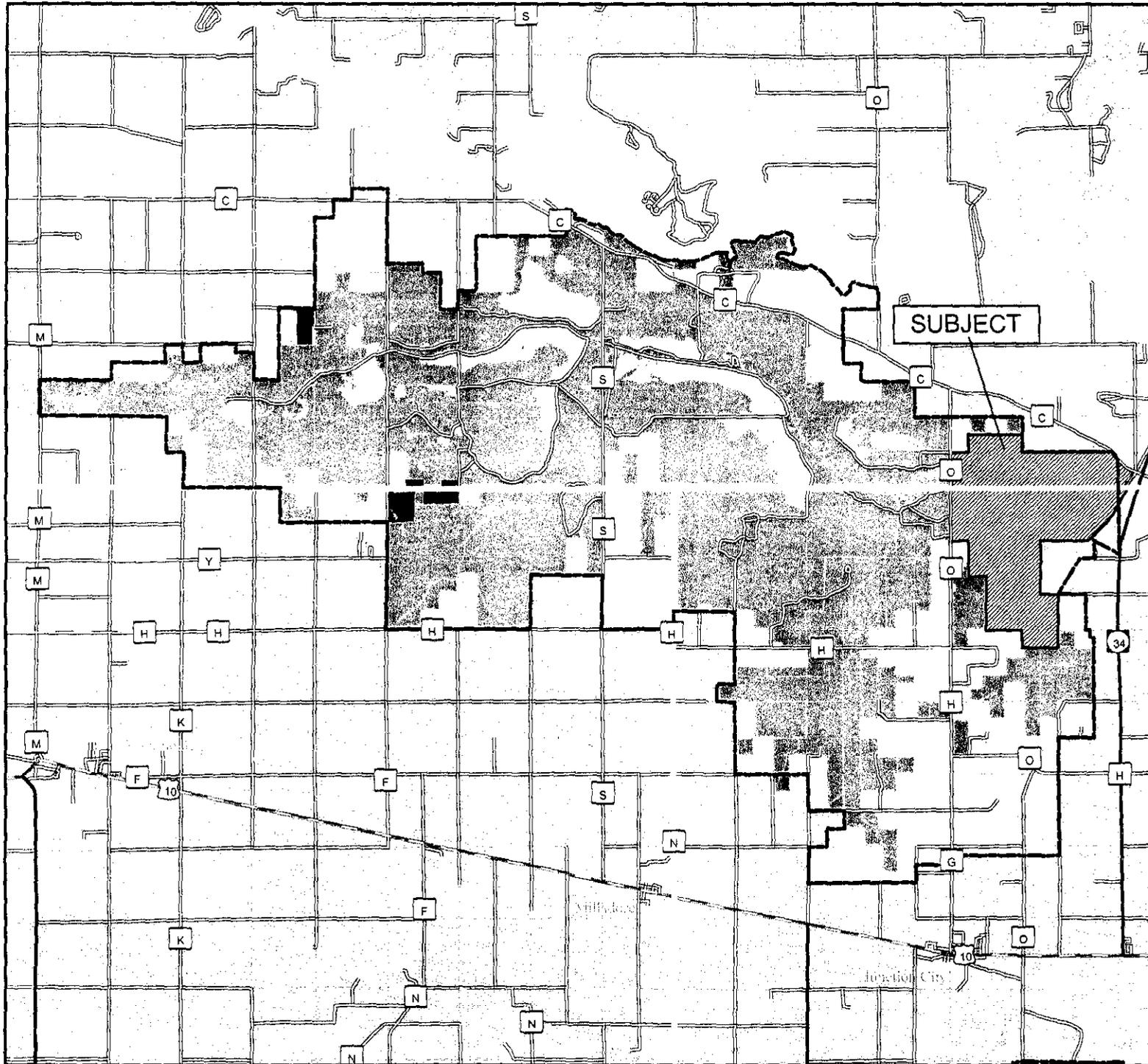
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Bureau of Legal Services

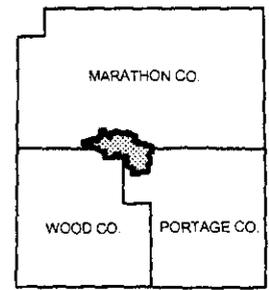
5/16/07
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Laurie Osterdorf
RES:tmt

5/17/07
Date



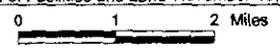
- Project Boundary
- ▨ Proposed Acquisition
- ▨ State Owned
- State Easement



STATE OF WISCONSIN
DEPT. OF NAT. RESOURCES

Mead Wildlife Area

Map Creator: Bureau of Facilities and Land Date: November 19, 2003

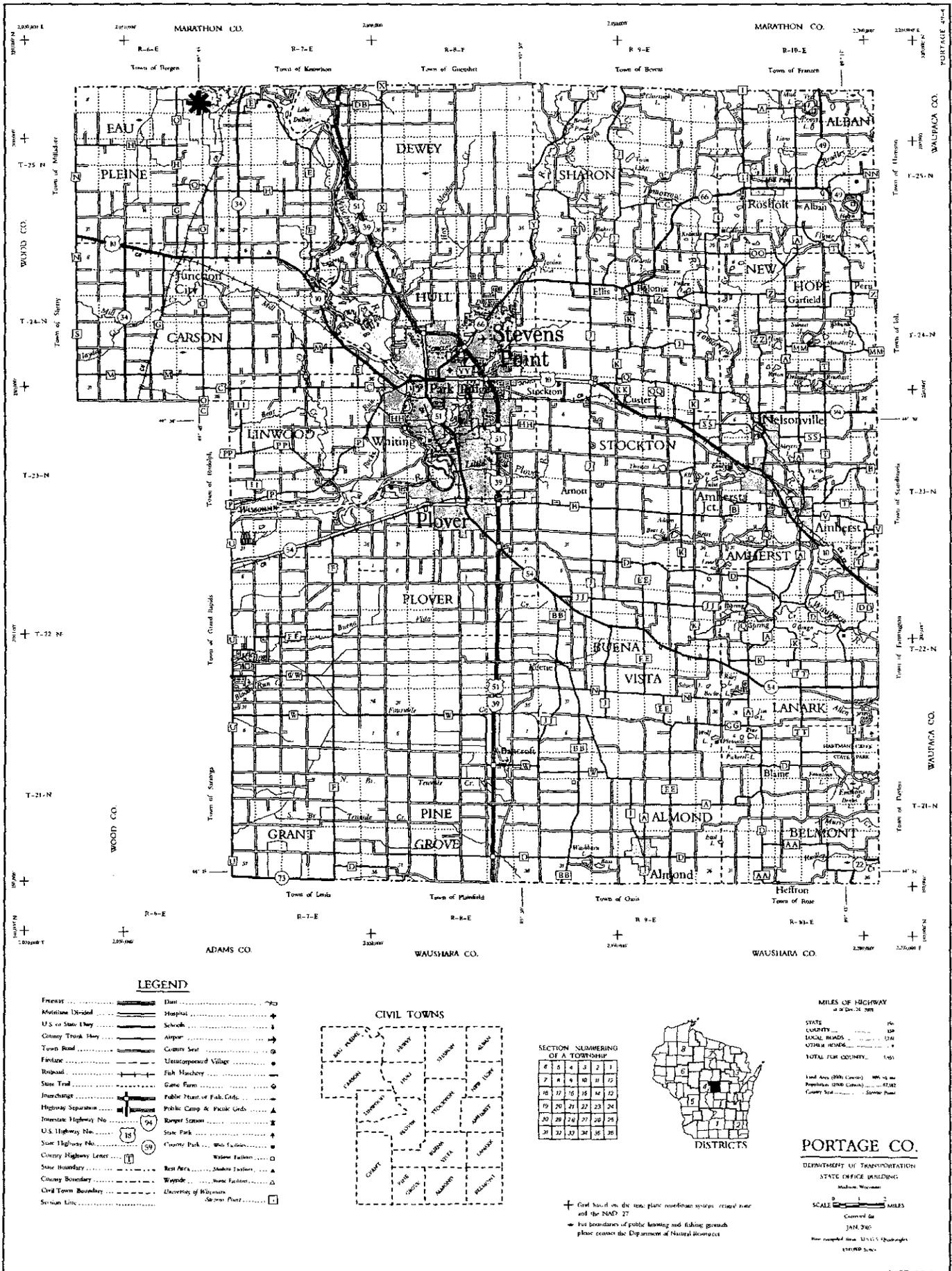


Project No. 8000 Approved Real Estate



**Due to copyright laws, this map is not
available online.**

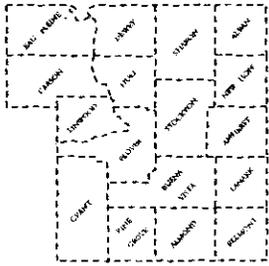
**Please contact laurie.ross@wisconsin.gov
for a hard copy of this document.**



LEGEND

- Freeway
- Multiple Divided
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Frontage
- Busroad
- State Trail
- Interchange
- Highway Separation
- Interstate Highway No.
- U.S. Highway No.
- State Highway No.
- County Highway Letter
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Dam
- Hospital
- School
- Airport
- County Seat
- Unincorporated Village
- Game Farm
- Public Plant or Fish Club
- Public Camp or Picnic Ground
- Bumper Station
- State Park
- County Park
- Wild Refuge
- Waste Facility
- Rest Area
- Wayide
- University of Wisconsin
- State Plant

CIVIL TOWNS



SECTION NUMBERING OF A TOWNSHIP

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32
33	34	35	36	37	38	39	40



MILES OF HIGHWAY
as of Dec. 31, 2008

STATE	166
COUNTY	138
LOCAL ROADS	1,246
UTILITY HIGHWAY	1
TOTAL FOR COUNTY	1,551

PORTAGE CO.

DEPARTMENT OF TRANSPORTATION
STATE OFFICE BUILDING
Madison, Wisconsin

SCALE 0 1 2 MILES
Covered by
JAN 2009

Not compiled from 2008 data
LS100P 2-08