

**SUBJECT: LAND ACQUISITION AND PROJECT BOUNDARY MODIFICATION – PESHTIGO RIVER STATE FOREST - MARINETTE COUNTY**

**FOR: JUNE 2007 BOARD MEETING**

**TO BE PRESENTED BY: Richard Steffes**

**SUMMARY:** The Department has obtained an option to purchase a 71.0-acre parcel from Donald Hoppe for a cost of \$252,300 for the Peshtigo River State Forest. Department ownership of the property will prevent development incompatible with the goals of the project as well as provide additional lands for public recreation. This 71-acre property shares a nearly ½ mile long boundary with State owned land and is within the proposed Master Plan boundary of Peshtigo River State Forest. The Peshtigo River State Forest was established in the early 2000's with the purchase from Wisconsin Public Service of their ownership along five flowages on the Peshtigo River. The property is located in the Town of Stephenson, in west central Marinette County. The Village of Crivitz is fifteen miles east. State property borders the subject to the west with private land to the north, east and south. The area around the subject has seen the start of extensive recreational development. The Master Plan for the project is being finalized and the Department plans to submit it to the Board at its September meeting. The landowner offered this parcel for sale to the Department and since it is within the proposed boundary, the Department is seeking approval at this time.

The Peshtigo River State Forest, established in 2001, is characterized by two flowages, Caldron Falls and High Falls. These flowages support a good fishery for muskellunge, walleye, bass and panfish. Their forested shorelines feature numerous scenic rock outcrops and islands. The Johnson Falls Flowage lies downstream from High Falls Flowage and exhibits a narrower river channel, steeply wooded banks and an excellent fishery. The Fly-Fishing Stretch of the Peshtigo River downstream from Johnson Falls offers some of the most scenic fishing for trout in the Midwest. Potato Rapids Flowage near Peshtigo is a scenic flowage with an associated marshland habitat that also supports a warm water fishery. The land is mostly scenic, forested upland with a healthy, diverse wildlife population that includes eagles, osprey, deer and bear.

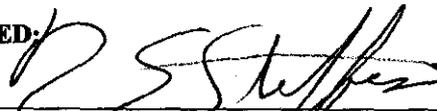
The Hoppe parcel is bisected by Eagle Creek, a brook and brown trout stream. The Department recommends this land purchase to provide for public recreation and forestry and to protect Eagle Creek.

**RECOMMENDATION:** That the Board approve the purchase of the 71.0 acres of state land at a cost of \$252,300 and modification of the project boundary to include the parcel for the Peshtigo River State Forest.

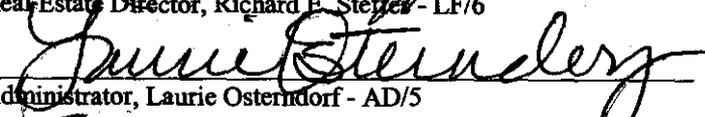
**LIST OF ATTACHED MATERIALS:**

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

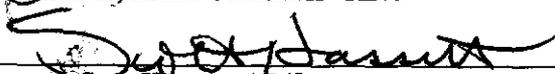
**APPROVED:**

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

5-11-07  
Date

  
Administrator, Laurie Osterndorf - AD/5

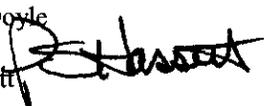
5/14/07  
Date

  
Secretary, Scott Hassett - AD/5

6/9/07  
Date

- cc: S. Miller – LF/6  
 R. Steffes – LF/6  
 L. Ross – AD/5  
 R. Mather - FR/4  
 R. Kazmierczak – NER/Green Bay

**CORRESPONDENCE/MEMORANDUM**

DATE: May 11, 2007 FILE REF: NF-848  
 TO: Governor Doyle  
 FROM: Scott Hassett   
 SUBJECT: Proposed Land Purchase, Hoppe Tract, File # NF-848,  
 Option Expires August 22, 2007

1. PARCEL DESCRIPTION:

Peshtigo River State Forest  
 Marinette County

Grantors:

Donald E. Hoppe  
 W11916 Eagle Road  
 Athelstane, WI 54104

Acres: 71.0  
Price: \$252,300\*  
Appraised Value: \$262,000 and \$313,500  
Improvements: House, garage, well, and septic system  
Interest: Fee

Location: The parcel is located in the Town of Stephenson, in west-central Marinette County.

Land Description: The subject has rolling terrain and it is bisected by Eagle Creek.

Covertypes Breakdown:

<u>Type</u>	<u>Acreage</u>
Lowland Woodland	15
Upland Woodland	21
Brush, Oak	<u>35</u>
TOTAL	71

Zoning: General/Unrestricted  
Present Use: Residence and Recreation  
Proposed Use: Forest Management and Public Recreation  
Property Taxes: \$2,337.87

Option Date: April 24, 2007

\*Comment: The price was discounted to \$252,300 to account for the reserved life tenancy on the improvements and two acres.

2. JUSTIFICATION:

The Department recommends approval to purchase a 71.0-acre parcel for a cost of \$252,300 for the Peshtigo River State Forest. Department ownership of the property will prevent development incompatible with the goals of the project as well as provide additional lands for public recreation. This 71-acre property shares a nearly ½-mile long boundary with state-owned land and is within the proposed Master Plan boundary of Peshtigo River State Forest. The Peshtigo River State Forest was established in the early 2000's with the purchase from Wisconsin Public Service of their ownership along five flowages on the Peshtigo River. The property is located in the Town



of Stephenson, in west-central Marinette County. The Village of Crivitz is fifteen miles east. State property borders the subject to the west with private land to the north, east and south. The area around the subject has seen the start of extensive recreational development. The Master Plan is being finalized for anticipated action at the September Natural Resources Board meeting.

The Peshtigo River State Forest, established in 2001, is characterized by two flowages, Caldron Falls and High Falls. These flowages support a good fishery for muskellunge, walleye, bass and panfish. Their forested shorelines feature numerous scenic rock outcrops and islands. The Johnson Falls Flowage lies downstream from High Falls Flowage and exhibits a narrower river channel, steeply wooded banks and an excellent fishery. The Fly-Fishing Stretch of the Peshtigo River downstream from Johnson Falls offers some of the most scenic fishing for trout in the Midwest. Potato Rapids Flowage near Peshtigo is a scenic flowage with an associated marshland habitat that also supports a warm water fishery. The land is mostly scenic, forested upland with a healthy, diverse wildlife population that includes eagles, osprey, deer and bear.

The Hoppe property is improved with a 742 square foot residence along with a 400 square foot 1-car garage and storage building. The fee simple price of the whole property was appraised at \$262,000.00. Mr. Hoppe is retaining a life tenancy on the buildings and approximately two acres. Thus, a depreciation discount was applied to the appraised value to arrive at a purchase price of \$252,300. See the appraisal section for further discussion.

Eagle Creek, a brook and brown trout stream, bisects the parcel east to west. The stream meanders across the subject with a number of sharp turns increasing the amount of meandered stream frontage over the reported straight-line frontage of 1,320 feet on each bank. The stream is clear, has a swift current and is considered cold water. The subject will add ¼-mile of state ownership on Eagle Creek. Also this acquisition will compile state ownership from the mouth into Highfalls Flowage to over one mile upstream including both banks of frontage on Eagle Creek. This ownership will help to protect the water resource of the flowage and the Peshtigo River State Forest project.

The topography is rolling in the south with a wide flood plain along the stream. Areas of fairly steep banks rise up from the stream to ridge overviews of the stream valley. The subject can be divided into four different cover types. The first is the flood plain area along the creek. This 15-acre lowland is a non-commercial timber type of mixed aspen, ash and alder. The second area is 10 acres of upland north of the creek and the 5-acre area along the west line south of the creek. This is a mixed area of aspen and pine of average value. A 6-acre area of pole sized red pine makes up the third area. The final area is 35 acres of scrub oak found mainly along the east line south of the creek and extending south across the southern part of the south forty.

The Department recommends this land purchase to provide for public recreation and prevent development that is incompatible with the goals of the projects.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$1,553,300	\$383,528

4. ACQUISITION STATUS OF PESHTIGO RIVER STATE FOREST:

Established: 2001  
Acres Purchased to Date: 9,200  
Acquisition Goal: 9,000 Acres  
Percent Complete: 102%  
Cost to Date: \$25,000,000

5a. APPRAISAL:

Appraiser: Dan Heath (Staff Appraiser)  
Valuation Date: January 25, 2007  
Appraised Value: \$262,000  
Highest and Best Use: Rural Residence with Recreation

Allocation of Values:

- a. land with improvements: 71 acres @ \$3,680 per acre: \$262,000
- b. market data approach used ten comparable vacant land sales, and seven improved recreational land sales
- c. adjusted value range: \$3,667 to \$3,700 per acre

Appraisal Review: Phil Lepinski – March 29, 2007

5b. APPRAISAL:

Appraiser: Jolene Brod (Private Appraiser)

Valuation Date: March 5, 2007

Appraised Value: \$313,500

Highest and Best Use: Residential home site with Recreation lands

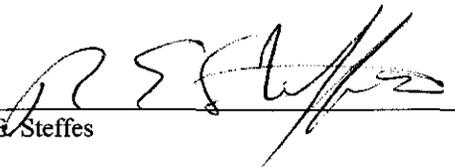
Allocation of Values:

- a. land: 61 acres @ \$3,500 per acre: \$213,500
- b. improved larger lot: 100,000
- c. total: \$313,506
- d. market data approach used, six comparable sales – three for recreation land, three for improved lot
- e. adjusted value range (land): \$3,408 to \$3,741 per acre
- f. adjusted value range (improved lot): \$90,820 to \$124,825 per lot

Appraisal Reviews: Phil Lepinski – March 30, 2007

\*Comments on Purchase Price: The appraisal reviewer determined that the Heath appraisal had market research that better supported the final value of \$262,000. The value of the 2 acres of land and the buildings was established at \$42,000.00 and extracted from the Heath appraisal, leaving the fee simple value of the remaining property at \$220,000.00. The value of the tenancy was determined as follows: Mr. Hoppe is a single, 81-year old male. Remaining life expectancy taken from the Life Expectancy Tables indicates 6.72 years. Utilizing the Present Worth tables at 4% for 6.72 years would yield a discount factor of 0.2315. Taking this factor (0.2315) times the fee value of the tenancy area (\$42,000.00) equals the cost of the tenancy; \$42,000.00 x 0.2315 equals a reduction in value of \$9,723. This reduction subtracted from the value of the buildings and land retained in the tenancy (\$42,000.00 - \$9,723.00 = \$32,277.00 rounded to \$32,300.00 equals the amount Mr. Hoppe is owned by the state for the tenancy area. Total cash value of the transaction equals \$220,000.00 (non-tenancy area value) plus \$32,300.00 (remaining value of tenancy area) equals \$252,300.00.

RECOMMENDED:

  
 Richard E. Steffes

5-11-07  
 Date

  
 Bureau of Legal Services

5/11/07  
 Date

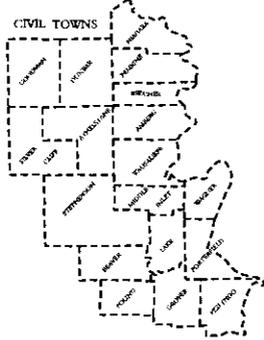
  
 Laurie Osterndorf

5/14/07  
 Date

For boundaries of public hunting and fishing grounds please contact the Department of Natural Resources.  
Grid based on the state plane coordinate system, revised zone and the NAD 27

**LEGEND**

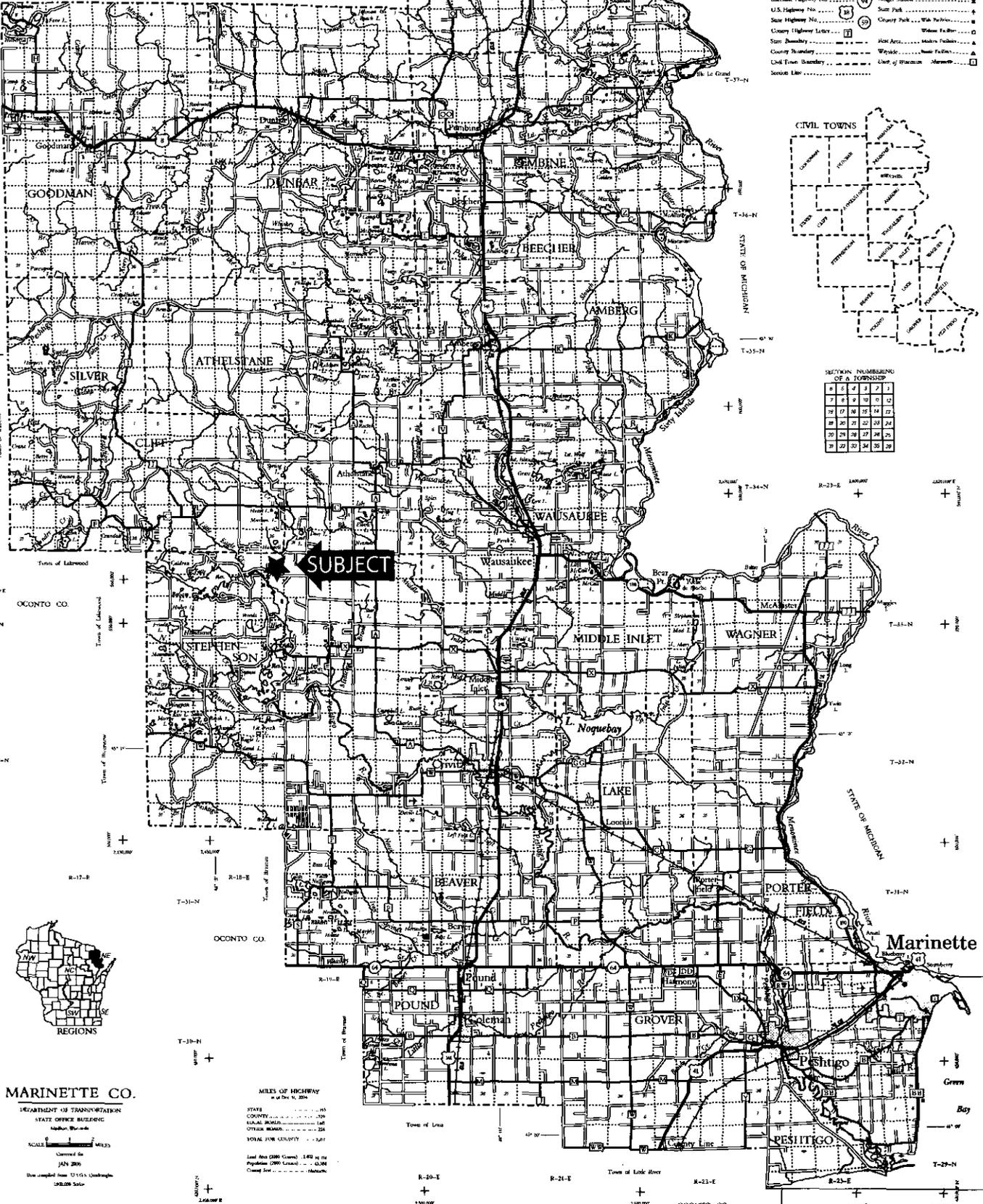
Property	1 inch	1/2 mile
Multiline Road	Hospital	Public Camp & Fish Cuts
U.S. or State Hwy	School	State Park
County Trunk Hwy	Airport	County Park
Town Road	County Seat	Watershed
Fishing	Unincorporated Village	Wetland
Railroad	Fish Hatchery	Wetland
State Trail	Game Farm	Wetland
Interchange	Public Hunt or Fish Cuts	Wetland
Highway Separation	Ranger Station	Wetland
Interchange	State Park	Wetland
U.S. Highway Mile	County Park	Wetland
State Highway Mile	Watershed	Wetland
County Highway Letter	Wetland	Wetland
State Boundary	Wetland	Wetland
County Boundary	Wetland	Wetland
Local Time Boundary	Wetland	Wetland
Section Line	Wetland	Wetland



**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
41	42	43	44	45	46	47	48
49	50	51	52	53	54	55	56
57	58	59	60	61	62	63	64

**SUBJECT**



**MARINETTE CO.**  
 DEPARTMENT OF TRANSPORTATION  
 STATE OFFICE BUILDING  
 Sault Ste. Marie, Michigan  
 SCALE: 1" = 1 MILE  
 JAN 2000  
 Data compiled from USGS Quadmaps  
 020200 S-01

**MILES OF HIGHWAY**  
 as of Dec. 31, 2004

STATE	100
COUNTY	1,200
NATIONAL ROUTE	140
STATE ROUTE	254
TOTAL STATE HIGHWAY	1,494

Land Area (2000 Census): 1,442 sq. miles  
 Population (2000 Census): 42,000  
 County Seat: Sault Ste. Marie

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

**Please contact [laurie.ross@wisconsin.gov](mailto:laurie.ross@wisconsin.gov)  
for a hard copy of this document.**

# Hoppe Property

*Peshigo River  
State Forest*

-  Subject Property
-  WDNR Owned
-  WNDR Eased
-  WDNR Leased
-  Ice Age Trail
-  Project Boundary
-  Open Water



0 0.375 0.75 Miles

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 data set is a spatial representation of the Grantee Land Records System maintained by the DNR, Bureau of Facilities and Lands (LF), and may include errors and/or omissions. The data should not be interpreted as a legal representation of legal ownership boundaries.

This data set does not differentiate between lands that are open or closed to the public for hunting and/or general public access. Some lands represented in this data set may not be open to the general public, or may have specific limitations or restrictions on public use. This data set is not intended for use as a land management tool; it is a listing of all DNR real estate transactions that have occurred on these lands over time.

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/caer/oa/servicecenter/locations.htm>

Updates to this data set are ongoing, and will be incorporated into future versions when available.

STATE OF WISCONSIN  
DEPT. OF NATURAL RESOURCES



Bureau of Facilities and Lands

May 8, 2007

