Form 1100-1 **NATURAL RESOURCES BOARD AGENDA ITEM** Item No. 3.B.6

Rev. 5-91

SUBJECT: LAND ACQUISITION AND DONATION – BUCKHORN STATE PARK - JUNEAU COUNTY

FOR: JUNE 2008 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 923 acres of land from Wisconsin River Power Company for $3,600,000 for Buckhorn State Park in Juneau County. In addition, the company has offered to donate 265 acres to the Department. The land to be donated lies between Castle Rock Flowage and the area to be purchased.

Buckhorn State Park was established in 1971 to provide water and land-based public recreation, to protect and manage the biological resources in the area, and to protect the scenic beauty of the Buckhorn Peninsula, located on the Castle Rock Flowage. Recreational opportunities provided at the park include camping, swimming, picnicking, boating, fishing and hiking. There are certain hunting seasons as well at the park. In February of 2007, the Board approved a master plan for the state park and the two adjoining wildlife areas. As part of that plan, the area including this proposed transaction was added to the park boundary.

The Wisconsin River Power Company tract is located along Castle Rock Flowage and consists of 923 acres primarily of woodland and 265 acres of shore area with more than a mile of water frontage. Acquisition of this parcel will provide opportunities for public recreation allow natural resource management and protect the undeveloped and largely natural character of this scenic property. The Wisconsin River Power Company tract is the largest remaining undeveloped parcel of land near Buckhorn State Park, and owned by a single entity. Developers have recently made offers on the subject property that exceed the Department's purchase price of $3,600,000. If acquisition does not occur, the land may be fragmented, cleared and developed for residential homes and condominiums. Recently, there have been numerous, larger land sales to developers in the neighborhood by the Wisconsin River Power Company and other landowners. These areas, once open to the public through the MFL program, are now closed to public access.

The purchase and donation will provide a substantial acreage (more than 1,000 acres) that includes a mile of undeveloped shoreline. A rare habitat feature known as a sand blow, part of a pine barrens area, is located in its southwest corner.

RECOMMENDATION: That the Board approve the acquisition of 923 acres of land for $3,600,000 for Buckhorn State Park and accept the donation of 265 acres of land. In addition, that the Board make an expression of appreciation for the donation a part of the permanent records of the Natural Resources Board.

LIST OF ATTACHED MATERIALS:

No ☒	Fiscal Estimate Required	Yes ☐	Attached
No ☒	Environmental Assessment of Impact Statement Required	Yes ☐	Attached
No ☐	Background Memo	Yes ☒	Attached

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6 — Date 6-5-08

Administrator, Laurie Osterndorf - AD/8 — Date 6/10/08

Secretary, Matthew J. Frank - AD/8 — Date

cc: S. Miller – LF/6
R. Steffes – LF/6
L. Ross – AD/8
S. Humrickhouse – WCR/Eau Claire
D. Schuller – PR/6

CORRESPONDENCE/MEMORANDUM

State of Wisconsin

DATE: June 10, 2008 FILE REF: P-1926

TO: Governor Doyle

FROM: Matthew J. Frank

SUBJECT: Proposed Land Acquisition and Donation, Wisconsin River Power Company Tract, File # P-1926, Approval Requested by August 5, 2008

1. PARCEL DESCRIPTION:

Buckhorn State Park
Juneau County

Grantor:

Wisconsin River Power Company
c/o Attorney Nick Brazeau
P.O. Box 639
Wisconsin Rapids, WI 54495

Acres To Be Purchased: 923.0
Acres To Be Donated: 265.0
Price: $3,600,000
Appraised Value: $3,611,000; $4,800,000
Interest: Purchase in fee
Improvements: Boat landing and picnic area

Location: The tract is located eleven miles northeast of the City of Mauston, in east-central Juneau County.

Land Description: The subject area is level to moderately rolling.

Covertype Breakdown:

Type	Acreage
Wooded Upland	923
Water (Submerged)	185
Shore Area/Island	80
TOTAL:	1,188

Zoning: Agriculture, Residential
Present Use: Timberland and Recreation
Proposed Use: Public Recreation, Wildlife Habitat and Forestry
Tenure: More than 60 years
Property Taxes: $722.76
Agreement Date: June 5, 2008. Closing is anticipated to be in two phases with FERC approval needed for the gift portion. Phase I closing is requested by August 15, 2008.

Stewardship Land Access: This parcel, as part of Buckhorn State Park, will be open to early and late archery deer hunting as well as spring turkey hunting for the first three periods. In addition to hunting, the land will be open for fishing, hiking, cross-country skiing, and other nature-based outdoor recreation. Trapping would not be permitted under current park hunting rules.

2. JUSTIFICATION:

The Department has obtained an agreement to purchase 923 acres of land from Wisconsin River Power Company for Buckhorn State Park in Juneau County. In addition, the company has offered to donate 265 acres to the Department. This land consists of shoreline along the flowage and an island. Acquisition

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of this land will provide opportunities for public recreation, allow natural resource management and protect the undeveloped, and largely natural character of this scenic property.

Buckhorn State Park was established in 1971 to provide water and land-based public recreation, to protect and manage the biological resources in the area, and to protect the scenic beauty of the Buckhorn Peninsula, located on the Castle Rock Flowage. Recreational opportunities provided at the park include camping, swimming, picnicking, boating, fishing, hunting and hiking. As a result of comments received during the master planning process for the state park, 1,800 acres were designated from the state park to create the Buckhorn State Wildlife Area in 1977. In February of 2007, the Natural Resources Board approved a master plan for the park and two adjoining wildlife areas. The plan will help the Department manage all three projects for enhancement of trails development, wildlife and plant habitats and general natural scenic qualities. The land to be acquired in the current transaction was added to the park project boundary in the 2007 plan.

The 923-acre subject has a fairly diverse cover type, mainly wooded, with a scattering of open areas. Approximately 490 acres of the property are red and Norway pine plantations, varying in age. All of the older plantations have received a thinning as directed by the local forester. The remaining wooded areas are mixed hardwoods, aspen, pine and range in size from saplings to saw log size timber. The Wisconsin River Power Company tract also contains a large sand blow that is unique to the location and worth protecting. This sandy environment provides habitat for some endangered and threatened plant and wildlife species. In addition, there is a diversity of resources including wetlands, oak/jack pine barrens, pine plantations and at least four ponds.

The 265 acres to be donated to the Department are shore areas and a large island. This area extends in a north/south orientation for a mile along the west shore of Castle Rock Flowage. The donation is subject to approval by the Federal Energy Regulatory Commission (FERC) as this shore area is part of the FERC license for hydroelectric activities by the landowners.

The Wisconsin River Power Company tract is the largest remaining undeveloped large parcel of land near Buckhorn State Park, and owned by a single entity. Developers have recently made offers on the subject property that exceed the Department's purchase price of $3,600,000. If acquisition does not occur, it may be fragmented, cleared and developed for residential homes and condominiums. Recently, there have been numerous, larger land sales to developers in the neighborhood by the Wisconsin River Power Company and other landowners. These areas, once open to the public through the MFL program, are now closed to public access.

Several town roads and a county highway serve as access points. CTH "G" provides 1.75 miles of county highway frontage throughout the interior of the property as well as one mile of town road frontage along 22nd Avenue and one-half mile of frontage on 29th Street on the subject's north side. The south side is served by approximately three-fourths mile of frontage along 31st Street combining for a total of approximately five miles of public road access serving the tract's upland acres. The subject property also borders the recent 200-acre purchase from Castle Rock Lake, LLC. State park land abuts the south property line.

The subject property is zoned Agricultural-Residential-Open and carries a minimum lot size of 3 acres with a minimum width of 300 feet. Over all, the majority of the subject property is considered buildable. There is a scenic easement present on 280 of the subject's acres. However, the easement is not very restrictive. As far as lot size limitations, the local zoning is more restrictive than the scenic easement. The subject property is currently used for recreation and management of timber production.

A boat landing and picnic grounds located in the northeast corner of the subject are the only structures on the property. If acquired, the landing would remain open and maintained by the Department for public access to the Castle Rock flowage.

The Department recommends acquisition of this property to provide additional opportunities for public recreation, allow natural resource management and protect this large undeveloped block and natural character of this scenic waterfront property.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to Parks program:	Balance after proposed transaction
$5,600,000	$2,000,000

4. ACQUISITION STATUS OF THE BUCKHORN STATE PARK:

Established: 1971
Acres Purchased to Date: 2,621.55
Acquisition Goal: 4,371 Acres
Percent Complete: 60%
Cost to Date: $1,051,527

5. APPRAISAL:

5a. Appraiser: Norm Mesun (Private Appraiser)
Valuation Date: February 22, 2006
Appraised Value: $3,611,000
Highest and Best Use: Recreation and Timber Production

Allocation of Values:

a.	land: 823 acres @ $2,350 per acre:	$1,934,050
b.	water frontage (100 acres): 5,500 front feet @ $300/ff:	$1,650,000
c.	FERC regulated lands (islands and submerged):	$ 26,700
d.	total:	$3,610,750
e.		$3,611,000 (Rounded)

Appraisal Review: Phil Lepinski – May 22, 2006

5b. Appraiser: Rodney Bush (Private Appraiser)
Valuation Date: February 22, 2006
Appraised Value: $4,800,000
Highest and Best Use: Residential Development

Comment: The report was selected by the Department as the basis for negotiations.

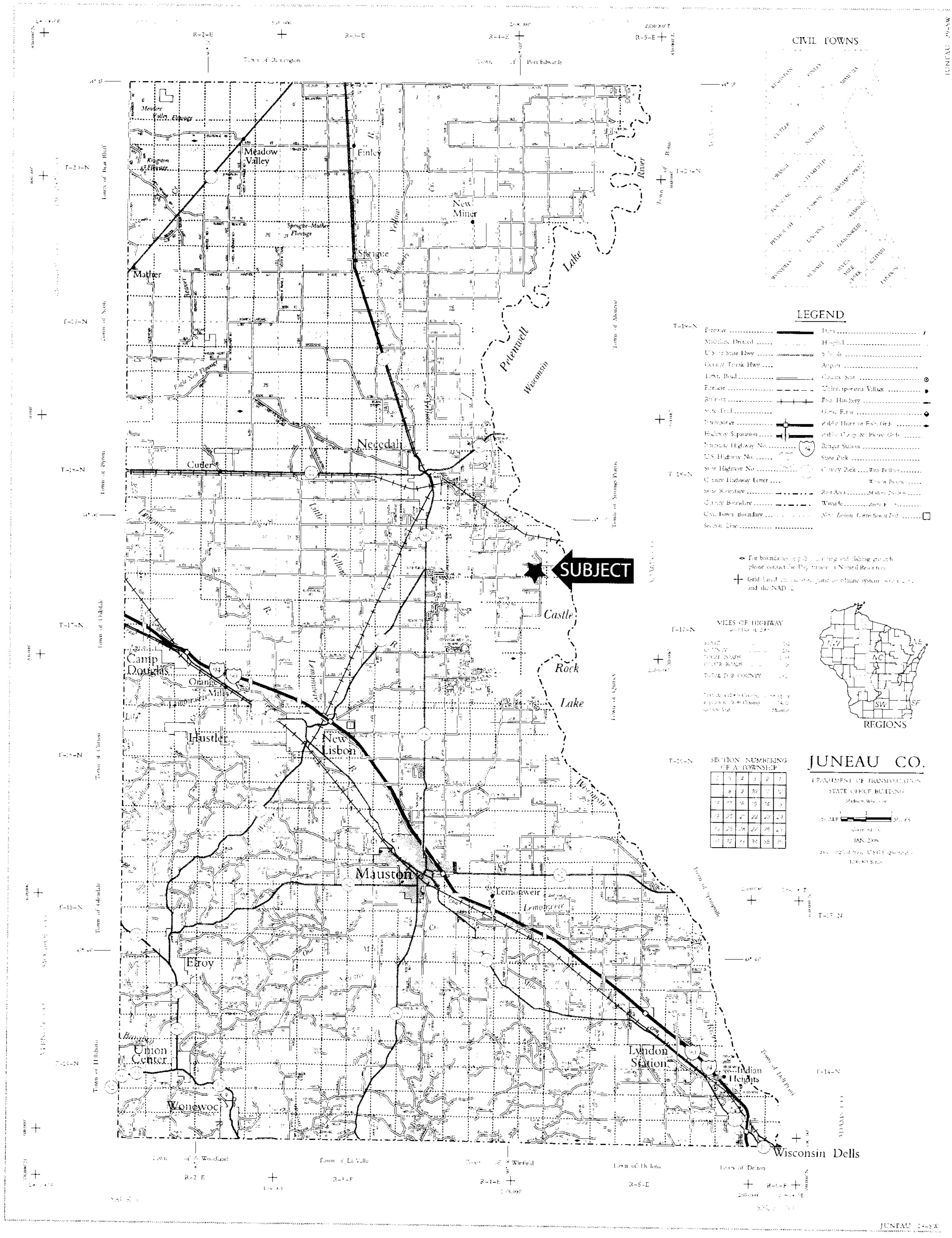
RECOMMENDED:

Richard E. Steffes — Date: 6-10-08

Bureau of Legal Services — Date: 6-10-08

Laurie Osterndorf — Date: 6/10/08

RES:ch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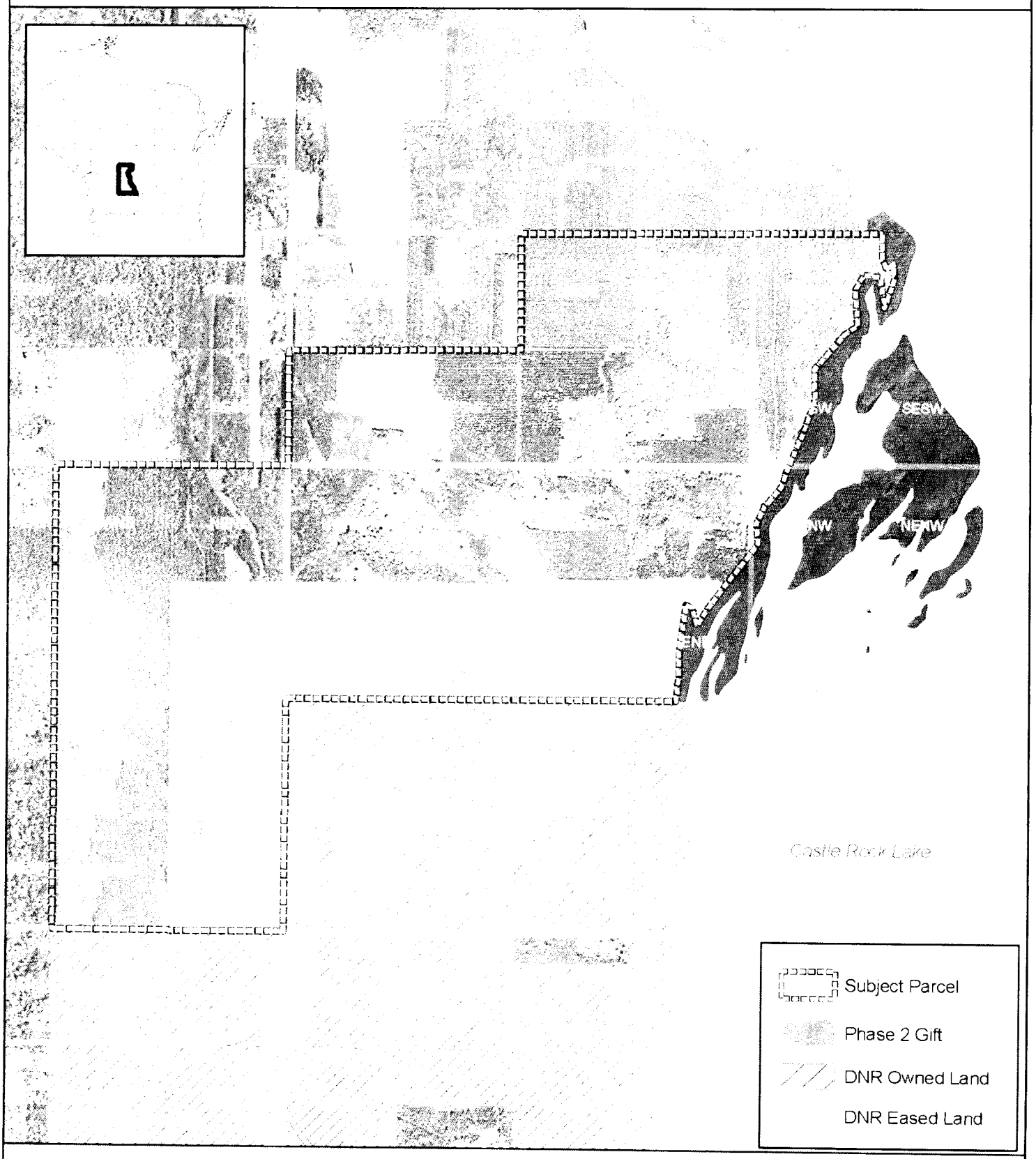
Wisconsin River Power Co Property

T 17N R 4E Sections 1, 2, 10, 11 & 12, Town of Germantown, Juneau County



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Created by Bureau of Facilities and Lands
Real Estate Section
May 14, 2008

Wisconsin River Power Co

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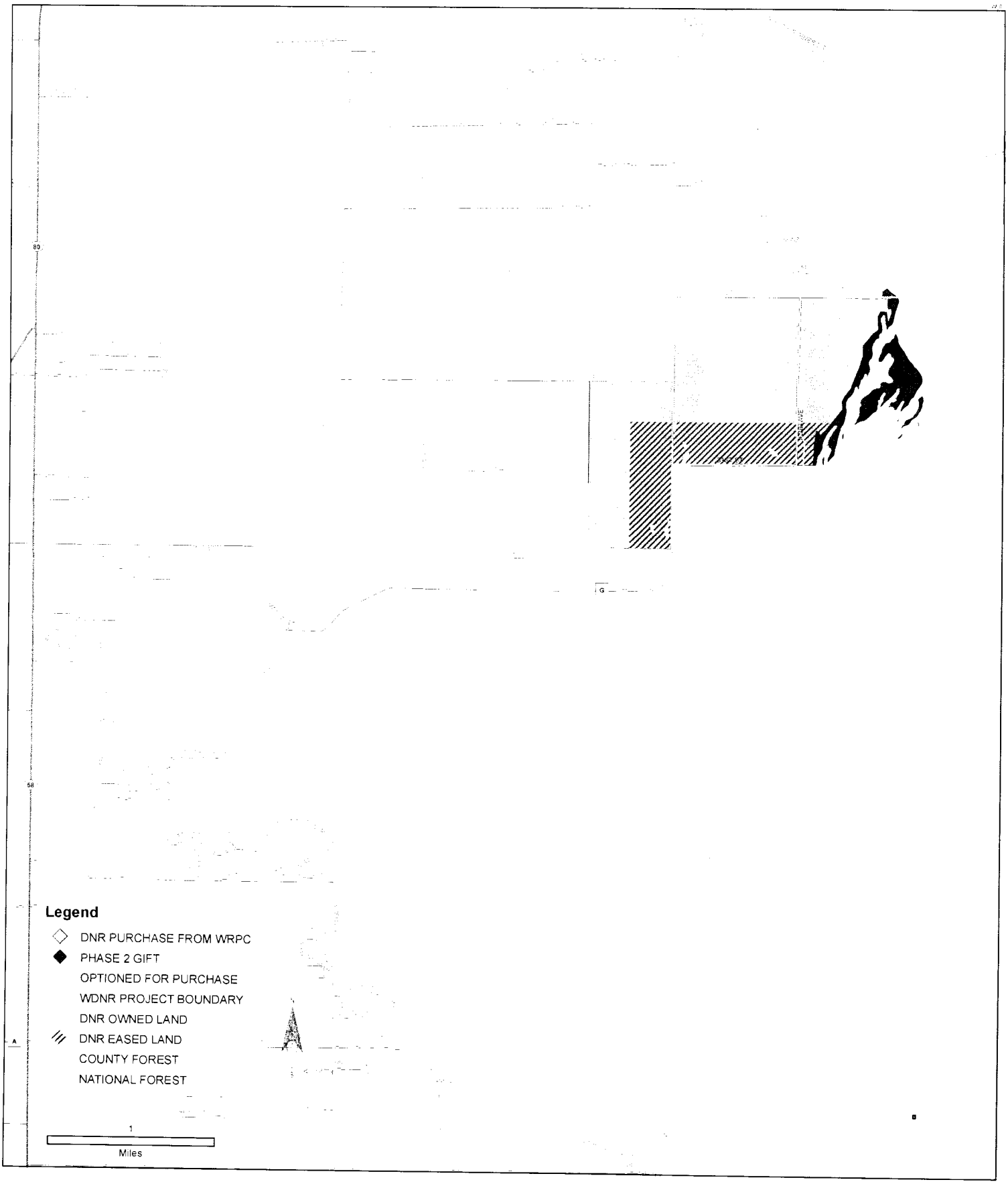
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