

SUBJECT: LAND ACQUISITION – NORTHERN HIGHLAND STATE FOREST - VILAS COUNTY

FOR: JUNE 2009 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an option to purchase 1,103.02 acres of land from the Hovel Revocable Trust for \$2,096,000.00 for the Northern Highland State Forest. The item is being submitted because the purchase price exceeds \$150,000. The land is well stocked with conifers and hardwoods and is a large parcel within the project boundary.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year, approximately 75,000 cords of pulpwood and 2.5 million board feet of sawlogs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

There are numerous state-operated campgrounds, boat landings, hiking, and ski trails, providing recreational opportunities to 225,000 campers and over two million visitors each year, generating \$900,000 in recreation revenue. Private facilities offering motel and housekeeping units are found throughout the forest and restaurants and retail businesses are located near population centers throughout the forest. The beautiful lakes, streams, and woods found within the state forest boundaries, together with recreational opportunities and other amenities, make this area one of the leading tourist attractions of northern Wisconsin.

The Hovel Revocable Trust property consists of a large tract of unimproved woodland split by County Highway B in the Town of Land O Lakes, Vilas County. The subject's topography varies from rolling and hilly to level, with about 75% of the total property as upland woodland. The property has a diversified forest cover, with mainly mixed northern hardwoods, as well as pine, spruce, aspen, birch, and scattered collections of swamp conifer and swamp hardwoods. The property is just south of Palmer Lake, and includes about 3/4-mile of river thread on the Ontonagon River, as it flows northward towards Palmer and Tenderfoot Lakes. The Ontonagon River averages 35 feet in width, and is considered a trout stream. The majority of frontage on the subject is low and wet, with scenic overlooks farther back. Department land borders the subject to the south, including portions of the Ontonagon River. The property is bordered to the north by Wisconsin Board of Commissioners (BCPL) land, which has frontage on Palmer Lake. Acquisition would create a corridor of public ownership that connects to Palmer Lake and almost touches the Michigan/Wisconsin state line and the Ottawa National Forest, an identified goal in the Northern Highland/American Legion State Forest Master Plan.

Purchase of the property will provide additional opportunities for public recreation and better protect the natural and scenic resources of this site.

RECOMMENDATION: That the Board approve the purchase of 1,103.02 acres of land for \$2,096,000 for the Northern Highland 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 |

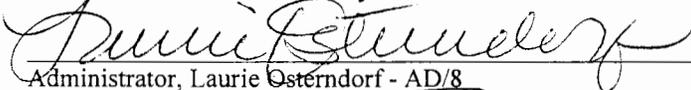
APPROVED:



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

5-21-09

Date



Administrator, Laurie Osterndorf - AD/8

5/29/09

Date



Secretary, Matthew J. Frank - AD/8

6-3-09

Date

- cc: S. Miller – LF/6
- R. Steffes – LF/6
- L. Ross – AD/8
- R. Mather – FR/4
- J. Gozdialski – NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: May 21, 2009 FILE REF: NF 30025

TO: Governor Doyle

FROM: Matthew J. Frank *MJF*

SUBJECT: Proposed Land Acquisition, Hovel Revocable Trust Tract, File # NF 30025,
Option Expires August 30, 2009

1. PARCEL DESCRIPTION:

Northern Highland State Forest
Vilas County

Grantor:

Joseph and Mary Hovel Revocable Trust
6063 Baker Lake Road
Conover, WI 54519

Acres: 1,103.02Price: \$2,096,000.00Appraised Value: \$1,903,000, \$2,426,700 and \$2,095,738Interest: Fee title purchaseImprovements: None

Comment: The purchase price of \$1,900 per acre or \$2,096,000 was the best price that could be negotiated for the property.

Location: The property is located 20 miles northwest of Eagle River.

Land Description: The land is rolling and hilly with scattered lowlands.

<u>Covertypes Breakdown:</u>	Type:	Acreage:
	Upland Woodland	827.00
	Lowland Woodland	<u>276.02</u>
	TOTAL	1,103.02

Zoning: ForestryPresent Use: Timber ManagementProposed Use: Forestry Management and Public RecreationTenure: 18 yearsProperty Taxes: \$110.32 (FCL)Option Date: February 25, 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.

2. JUSTIFICATION:

The Department has obtained an option to purchase 1,103.02 acres of land from the Joseph and Mary Hovel Revocable Trust. The 1,103.02-acre property is entirely within the project boundary of the Northern Highland State Forest (NHAL) and is located in northern Vilas County. Purchase price for the property is \$2,096,000.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year, approximately 75,000 cords of pulpwood and 2.5 million board feet of sawlogs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

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The Department recommends that the Hovel property be acquired to provide additional opportunities for public recreation and to better protect the natural and scenic resources of this site by preventing uses incompatible with the goals of the project and by promoting natural resource and large block forest management.

3. FINANCING:

FY10 State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$3,000,000	\$904,000

4. ACQUISITION STATUS OF THE NORTHERN HIGHLAND STATE FOREST:

Established: 1925
Acres Purchased to Date: 170,530.70
Acquisition Goal: 229,976.00
Percent Complete: 74.15%
Cost to Date: \$16,434,810.84

5a. APPRAISAL:

Appraiser: Norman Mesun
Valuation Date: December 9, 2006
Appraised Value: \$1,903,000
Highest and Best Use: Recreation and forestry

Allocation of Values:

- a. land: 1,103.02 acre @ \$1,725 per acre: \$1,903,000
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$1,650 to \$1,784 per acre

Appraisal Review: Phil Lepinski – May 17, 2007

5b. APPRAISAL:

Appraiser: Patricia Matula
Valuation Date: March 30, 2007
Appraised Value: \$2,426,700
Highest and Best Use: Forestry and Recreation

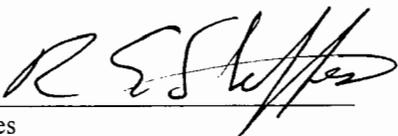
Allocation of Values:

- a. land: 1,103.02 acre @ \$2,200 per acre: \$2,426,700
- b. market data approach used, three comparable sales cited
- c. adjusted value range: \$1,725 to 2,571 per acre

Appraisal Review: Phil Lepinski – May 17, 2007

Comment: A third appraisal was prepared by M. P. Augustyn who estimated value at \$2,095,738.

RECOMMENDED:



 Richard E. Steffes

5-21-09

 Date



 Bureau of Legal Services

5/26/09

 Date



 Laurie Osterndorf

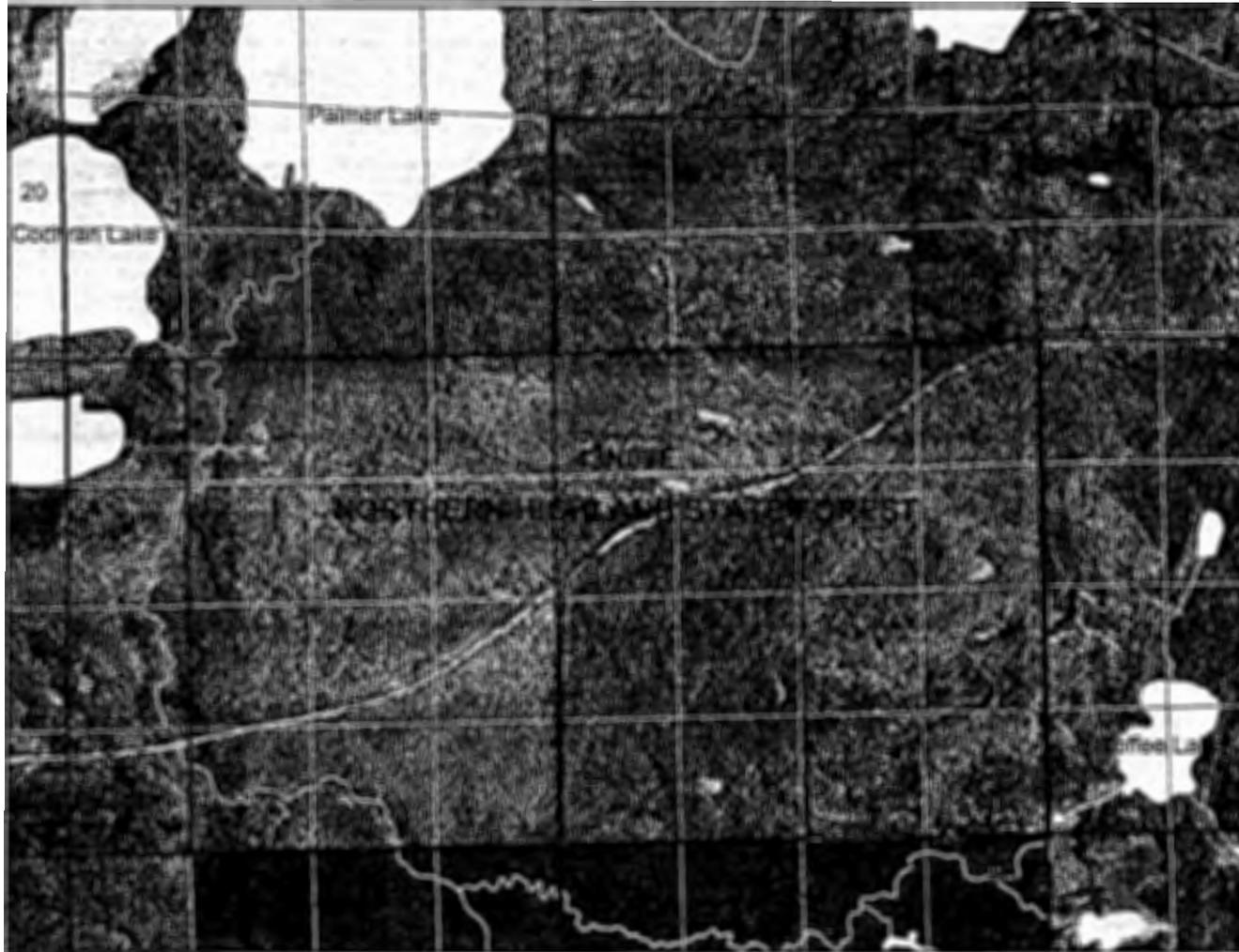
5/29/09

 Date

RES:ch



NHAL State Forest -- Hovel Property, T43N-R08E-S.22,27,28



Legend

- County Boundary
- Project Boundary
- PLSS Townships
- PLSS Sections
- PLSS Q-Q Sections
- 24K Open Water
- Municipalities**
- Village
- City
- State Natural Areas
- Stewardship Grants
- DNR Managed Lands
- Fee
- Easement
- Lease

0 2100 4200 6300 ft.



Scale: 1:22,000

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

NORTHERN HIGHLAND STATE FOREST

STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES
Bureau of Facilities and Lands

-  Owned Land
-  Eased Land
-  Leased Land
-  Project Boundary



Dec 05, 2005

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 District Land Bureau System maintained by the DNR, Bureau of Facilities and Lands (FL) and may include errors and/or omissions. This 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 restrictions 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 since 1990.

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/land/landmanagement/landuse.htm>

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

