

**SUBJECT: LAND ACQUISITION AND PROJECT BOUNDARY MODIFICATION – STREAM BANK PROTECTION FEE PROGRAM – WALWORTH COUNTY**

**FOR: JUNE 2010 BOARD MEETING**

**TO BE PRESENTED BY:** Richard Steffes

**SUMMARY:** The Department has obtained an agreement to purchase 107.5 acres of land from The Conservation Fund (TCF) for \$329,075 for the Stream Bank Protection Program in Walworth County. The item is being submitted because the purchase price exceeds \$150,000. The east 39 acres are in the project and the remaining 68.5 acres would be added to the project boundary.

This proposed acquisition in the Honey Creek watershed will further the goals of the Stream Bank Protection Program by providing a permanent ground cover to reduce runoff and slow surface water and prohibit land use practices within the project area that could negatively impact the creek. The proposed acquisition will protect water quality, allow for habitat improvement and provide increased public access for hunting in this corridor. Department land abuts on the east and a large Department of Transportation wetland mitigation site adjoins the northeast.

The Stream Bank Protection Program was established in 1991 to protect and improve water resources and fisheries throughout Wisconsin. This project was designed to protect stream bank corridors and secure public fishing access while protecting and improving water quality.

In collaboration with TCF's purchase, the Natural Resource Conservation Service (NRCS) has acquired a 30-year Wetland Reserve Program easement on this land. NRCS's payment of \$3,000 per acre reduced the cost of the land purchase from East Troy from \$5,700 per acre to \$2,700 per acre. The Conservation Fund has agreed to serve as interim owner while NRCS restores the land, perhaps as long as three years. However, in order to reduce Department holding costs and to allow the public to use the land sooner, the Department plans to acquire a hunting easement during this interim period. The Conservation Fund will then deed the land to the Department after the completion of the wetland restoration.

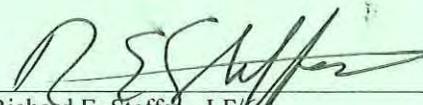
Acquisition of this parcel will provide public hunting access and additional land for wildlife management and water quality benefits.

**RECOMMENDATION:** That the Board approve the purchase of 107.5 acres of land for \$329,075 for the Stream Bank Protection Program in Walworth County and approve a project boundary change to include the entire parcel in the project.

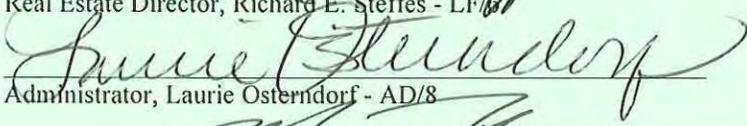
**LIST OF ATTACHED MATERIALS:**

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

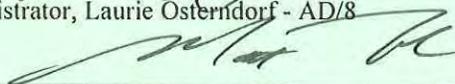
**APPROVED:**

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

5-6-10  
\_\_\_\_\_  
Date

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

5/11/10  
\_\_\_\_\_  
Date

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

6-7-10  
\_\_\_\_\_  
Date

- cc: S. Miller – LF/6  
 R. Steffes – LF/6  
 L. Ross – AD/8  
 M. Staggs – FH/4  
 G. McCutcheon – SER/Milwaukee

## CORRESPONDENCE/MEMORANDUM

DATE: May 6, 2010 FILE REF: FM 10076

TO: Governor Doyle

FROM: Matthew J. Frank *MJF*

SUBJECT: Proposed Land Acquisition, The Conservation Fund (East Troy Sod Farm) Tract, File # FM 10076  
Approval Requested by August 1, 2010

1. PARCEL DESCRIPTION:

Stream Bank Protection Program  
Walworth County

Grantor:

The Conservation Fund  
1655 North Fort Myer Drive, Suite 1300  
Arlington, VA 22209

Acres: 107.5Price: \$329,075 (Includes all holding fees.)Appraised Value: \$584,584.00; \$680,000 (values are before WRP easement is on the subject)Interest: Phase 1 - hunting easement; Phase 2 (after WRP restoration) - fee title to the Department.Improvements: NoneLocation: The property is located in Walworth County about three miles east of the Village of East Troy.Land Description: The subject land is level to low.

<u>Covertime Breakdown:</u>	<u>Type:</u>	<u>Acreage:</u>
	Floodplain	38.0
	Agriculture	69.5
	TOTAL:	107.5

Zoning: Agricultural landsPresent Use: AgricultureProposed Use: Resource Protection and Public RecreationTenure: The Conservation Fund acquired the parcel in January 2010 for \$295,950. The former owner, East Troy Sod Farm, sold an easement to NRCS for \$322,500.Property Taxes: \$2,530Option Date: December 8, 2009Comment: A price was negotiated between the two appraised values.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 agreement to purchase 107.5 acres from The Conservation Fund. This proposed acquisition in the Honey Creek watershed will further the goals of the Stream Bank Protection Program by providing permanent ground cover to reduce runoff and slow surface water and prohibit land

use practices within the project area that could negatively impact the creek. The proposed acquisition will protect water quality, allow for habitat improvement and provide increased public access for hunting in this corridor.

The Stream Bank Protection Program was established in 1991 to protect and improve water resources and fisheries throughout Wisconsin. This project was designed to protect stream bank corridors and secure public fishing access while protecting and improving water quality.

In collaboration with TCF's purchase, the Natural Resource Conservation Service (NRCS) has acquired a 30-year Wetland Reserve Program easement on this land. NRCS's payment of \$3,000 per acre reduced the cost of the land purchase from East Troy Sod Farm from \$5,700 per acre to \$2,700 per acre. The Conservation Fund has agreed to serve as interim owner while NRCS restores the land, perhaps as long as three years. However, in order to reduce Department holding costs and to allow the public to use the land sooner, the Department plans to acquire a hunting easement during this interim period. The Conservation Fund will then deed the land to the Department after the completion of the wetland restoration.

The Department recommends the acquisition of this parcel to provide public hunting access, to add additional lands to the already existing corridor, to provide additional land for wildlife habitat and water quality benefits. Department land abuts the east side of the parcel. A large Department of Transportation wetland mitigation site adjoins to the northeast.

3. FINANCING:

State Stewardship bond funds (FY11) are anticipated:

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

4. ACQUISITION STATUS OF THE STREAM BANK PROTECTION PROGRAM:

Established: 1994  
Acres Purchased to Date: 5,840.63  
Acquisition Goal: 30,340.4 Acres  
Percent Complete: 19.25%  
Cost to Date: \$9,277,599.80

5a. APPRAISAL:

Appraiser: Philip VanderMale and Thomas Kilpatrick  
Valuation Date: February 18, 2010  
Appraised Value: \$680,000  
Highest and Best Use: Division into large (20+) acre parcels and various conservancy designations.

Allocation of Values:

- a. land: 112.42\* acres @ \$6,049 per acre: \$680,000.00
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$5,700 to \$6,242 per acre

Appraisal Review: Paul Scott - July 27, 2009

\*Comments: The appraiser valued a larger parcel than what was actually negotiated for purchase by The Conservation Fund. Two areas with improvements, totaling 10 acres were excluded from the entire farm property, equaling the 107.5 acres contracted for purchase.

5b. APPRAISAL:

Appraiser: Michael Augustyn

Valuation Date: April 16, 2008

Appraised Value: \$584,584.00

Highest and Best Use: Rural residential with low density development

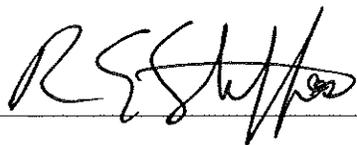
Allocation of Values:

- a. land: 112.42\* acres @ \$5,200 per acre: \$584,584.00
- b. market data approach used, three comparable sales cited
- c. adjusted value range: \$4,261 to \$5,160 per acre

Appraisal Review: Peter Wolter -- February 23, 2010

\*Comments: The appraiser valued a larger parcel than what was actually negotiated for purchase by The Conservation Fund. Two areas with improvements, totaling 10 acres were excluded from the entire farm property, equaling the 107.5 acres contracted for purchase.

RECOMMENDED:

  
 \_\_\_\_\_  
 Richard E. Steffes

5-6-10  
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 Date

  
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 Bureau of Legal Services

5-6-10  
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 Date

  
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 Laurie Osterndorf

5/11/10  
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 Date

RES:dv



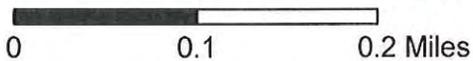
# The Conservation Fund (East Troy Sod Farms) Parcel

T4N R18E Sections 13 & 14, Town of Easy Troy, Walworth County, WI (107.50 Acres)



### Legend

- - - PLSS Section Line
- PLSS Quarter-Quarter
- ▨ DNR Project Boundary
- ▨ County Boundary
- ▨ DNR Eased
- ▨ DNR Owned



### Subject Property

FM 10076

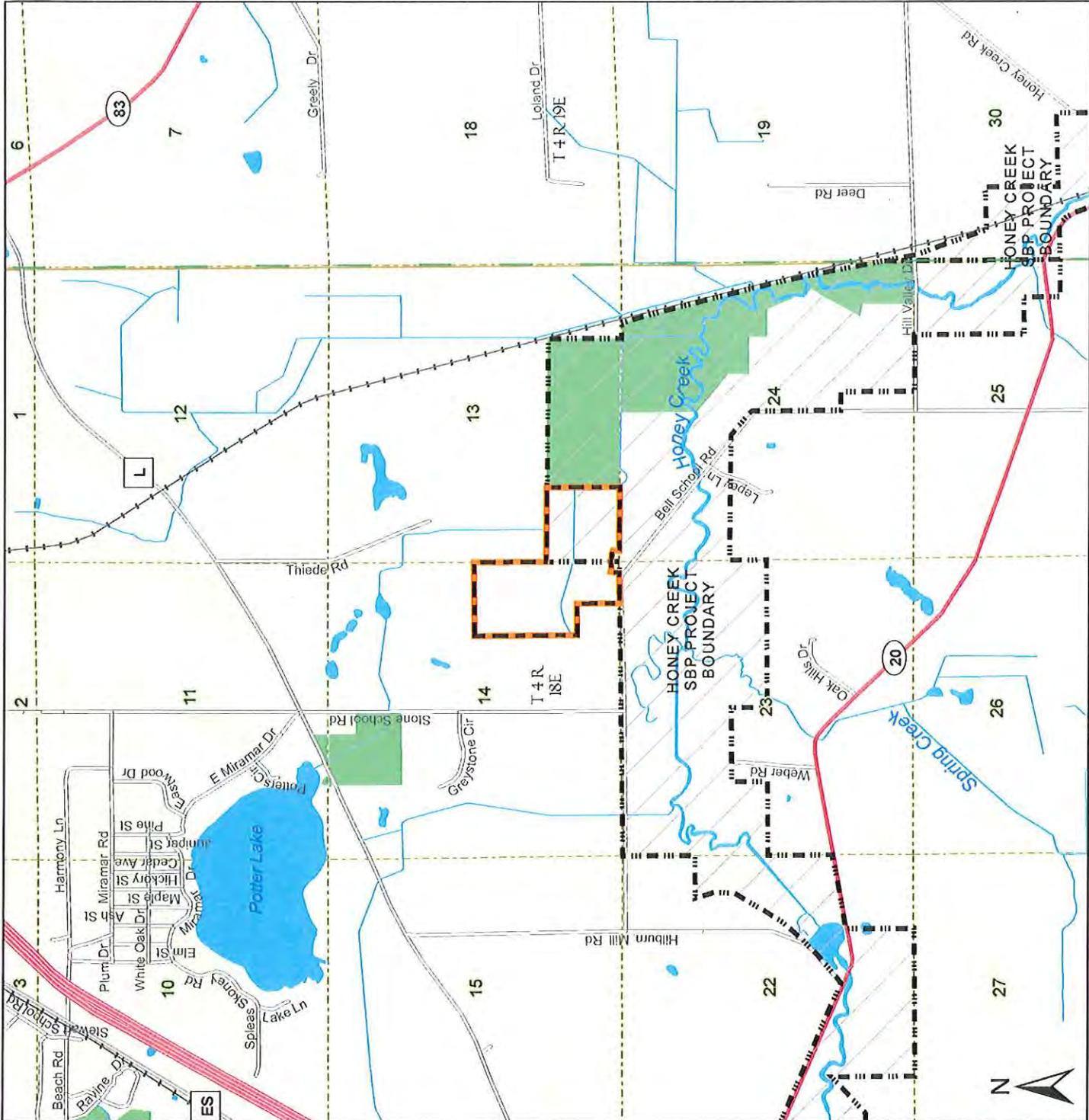
Stream Bank Protection Fee Program

- ▨ Fee Simple
- ▨ Easement
- ▨ Ingress/Egress

State of Wisconsin

March 22, 2010  
Real Estate Section  
Bureau of Facilities and Lands

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**The Conservation Fund  
(East Troy Sod Farm)  
Parcel**

**FM 10076**

Stream Bank Protection  
Fee Program

T4N R18E Sections 13 & 14  
Town of East Troy  
Walworth County, WI  
(107.50 Acres)

**Subject Property**

- Fee Simple
- Easement
- Ingress/Egress

**Legend**

- PLSS Section Line
- DNR Project Boundary
- DNR Owned
- DNR Easement
- County Boundary
- State Natural Area



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