

SUBJECT: LAND ACQUISITION – NORTHERN HIGHLAND/AMERICAN LEGION STATE FOREST AND STATEWIDE NATURAL AREAS – VILAS AND IRON COUNTIES

FOR: DECEMBER 2011 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has an agreement to purchase 432.5 acres of land with the Board of Commissioners of Public Lands (BCPL) for \$2,000,000 in the Northern Highland/American Legion State Forest in Vilas County and 948.88 acres of land for the Statewide Natural Areas Program in Iron County for \$556,500. The item is being submitted because the purchase price exceeds \$150,000.

The Board of Commissioners of Public Lands [BCPL] was established in Article X of the State Constitution to receive and manage federal land grants for the benefit of public education. The Board is comprised of the Attorney General, the Secretary of State and the State Treasurer.

Pursuant to implementation of 2005 Act 352, passed unanimously by both houses of the legislature, the Board of Commissioners of Public Lands has sold 7,682.56 acres of land to the Department of Natural Resources, the vast majority of which are highly ranked natural areas within existing DNR project boundaries. The law directs BCPL to use the proceeds from these sales to purchase working forests for timber management and income generation for schools. The benefits of this legislation include increased timber management efficiency; increased public access; reduced forest fragmentation, increased tax receipts for local municipalities, and the permanent protection of high quality natural areas. All BCPL purchases are evaluated based on Board approved criteria in accordance with the legislation. Using this authority, BCPL has increased public access to BCPL lands by 16%, decreased non income producing wetlands by 17% and increased timber producing lands by 10%. All BCPL lands are open for hunting, fishing, trapping and public recreation.

The 432.5 acre parcel is located within the recent expansion area of the Northern Highland State Forest (NHSF), as well as a part of the Statewide Natural Areas program. The 948.88 acre parcel is known as the Lehto Bog Natural Area and is in southeast Iron County. The two parts of the transaction total 1,381.38 acres at a price of \$2,556,500.

Van Vliet Parcel:

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 2005 master plan for the forest states in the Purpose of the State Forest – How the statutory and other purposes and benefits of the State Forest will be realized, the Master Plan states that “Native biological diversity would be enhanced through gradual increased presence of old-growth forest communities”. Furthermore, all wetlands and lakes would receive a high level of protection. BMPs for water quality will be followed and the undeveloped shorelines would remain undeveloped.

The Van Vliet acquisition embodies the intent of the master plan by adding to the old-growth goal and protecting undeveloped wetlands and shoreline. Local landowners have sponsored the development of a nature and interpretive trail that is heavily used by local schools and nature centers. In addition, to meeting the several NHAL goals, this parcel and the Lehto Bog parcel would also become State Natural Areas, which would continue progress in achieving goals for the State Natural Areas program.

The 432.5 acre Van Vliet subject includes 9,435 feet of frontage on Van Vliet and Averill Lakes, as well as an additional 6,135 feet of frontage on four other small lakes and ponds. The property is configured as two parcels separated by interconnected Van Vliet and Averill Lakes. The parcel on the west side is about 78 acres in size with upland hardwoods and scenic views of the lakes. The remaining 354.5 acres is on the eastern side of the lakes and includes large stands of old growth hemlock and northern hardwood, as well as pockets of forested wetlands and bogs. Both parcels have access by town roads, which include utilities. There are currently parking areas and trail maps located just off these roads, provided by a local friends group. The group supports appreciation of the natural values of the property. The friends group also currently has an agreement with BCPL to maintain the walking trails and signs, and keep them open to cross-country skiing in the winter.

Van Vliet Lake is a 220-acre spring-fed lake, with a maximum depth of 23 feet and Averill Lake is a 71-acre drainage lake, with a maximum depth of 5 feet. Collectively, the lakes contain a fishery including muskie, northern pike, walleye, largemouth bass, and pan fish. Although the other lakes and ponds are not significant fish resources, they add recreational appeal and an attractive character to the remaining backland.

Lehto Bog Parcel:

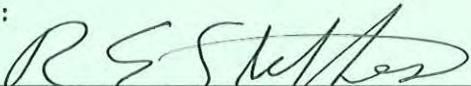
The Lehto Bog State Natural Area supports a vast peatland complex with swamp islands of dense second-growth fire-origin hemlock and white pine forest. Stands of white spruce and balsam fir are also present. A small but outstanding old-growth hemlock stand with super-canopy white and red pine occurs south of Lehto Bog. There is an abundance of dense pole sized hemlock and this is one of the few northern Wisconsin sites where hemlock is successfully regenerating outside of the major Indian reservations that support lower deer densities. Aquatic features include Lehto Bog, West Randall Lake, and Randall Creek. Northern sedge meadow, alder thicket, and swamp hardwoods are found along the riparian corridor. West of Randall Lake is a shore fen that supports a floating mat with large populations of the pink bog orchid species including the special concern, dragon's mouth orchid. The site also harbors an excellent diversity of neotropical migrants including scarlet tanager, black and white warbler, pine warbler, blackburnian warbler and Nashville warbler while the large pines surrounding the lake support bald eagles.

RECOMMENDATION: That the Board approve the purchase of 1,381.38 acres of land for \$2,556,500 for the Northern Highland/American Legion State Forest and for the Statewide Natural Areas Program.

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

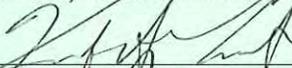
APPROVED:



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

11-15-11

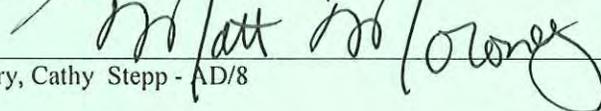
Date



Administrator, Kurt Thiede - AD/8

11-16-11

Date



Secretary, Cathy Stepp - AD/8

11-16-11

Date

cc: S. Miller - LF/6
R. Steffes - LF/6
L. Ross - AD/8
R. Mather - FR/4
J. Gozdziński - Northern Region

CORRESPONDENCE/MEMORANDUM

DATE: November 14, 2011
TO: Scott Walker
FROM: Cathy Stepp
SUBJECT: Proposed Land Acquisition, from the Board of Commissioners of Public Lands (BCPL) Approval Requested by January 25, 2012

FILE REF: NF 30063 & NA 20064

1. PARCEL DESCRIPTION:

Northern Highland/American Legion State Forest Vilas County
Statewide Natural Areas Iron County

Grantor:

Board of Commissioners of Public Lands
Tia Nelson, Executive Secretary
125 South Webster Street
Madison, WI 53708

Acres: 432.5 948.88
Price: \$2,000,000 \$556,500
Appraised Values: \$2,163,000; \$1,557,000 \$522,000; \$591,000
Interest: Fee Simple
Improvements: Trails and parking area

Location: The 432.5 acre property is located 8.5 miles northeast of Village of Manitowish Waters in Vilas County. The 948.88 acre parcel is 11 miles south of Mercer in Iron County.

Land Description: The Vilas County land is heavily wooded with some steep hills and high banks. The Iron County land is fairly level.

Covertypes Breakdown:

Table with 3 columns: Covertypes, Type, Acreage. Rows include Upland Woodland, Lowland Woodland, Wetland, and Total.

Zoning: Recreation and Forestry
Present Use: Timber Management and Public Recreation
Proposed Use: Public Recreation and Resource Management
Tenure: More than 100 years
Property Taxes: Exempt
Agreement Date: November 4, 2011

Comments: In addition to the 948.88 acres, these are 35.39 acres of submerged land to be deeded.

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:

Van Vliet Parcel:

The DNR has negotiated an agreement to purchase a 432.5-acre parcel in fee title from the Board of Commissioners of Public Lands (BCPL). The subject parcel is located within the recent expansion area of the Northern Highland State Forest (NHSF), as well as a part of the Statewide Natural Areas program.

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 2 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 subject includes 9,435 feet of frontage on Van Vliet and Averill Lakes, as well as an additional 6,135 feet of frontage on four other small lakes and ponds. The property is configured as two parcels separated by interconnected Van Vliet and Averill Lakes. The parcel on the west side is about 78 acres in size with upland hardwoods and scenic views of the lakes. The remaining 352 acres is on the eastern side of the lakes and includes large stands of hemlock and northern hardwood, as well as pockets of forested wetlands and bogs. Both parcels have access by town roads, which include utilities. There are currently parking areas and trail maps located just off these roads, provided by a local friends group of the property. The friends group also currently has an agreement with BCPL to maintain the walking trails and signs, and keep them open to cross-country skiing in the winter.

Van Vliet Lake is a 220-acre spring-fed lake, with a maximum depth of 23 feet and Averill Lake is a 71-acre drainage lake, with a maximum depth of 5 feet. Collectively, the lakes contain a fishery including muskie, northern pike, walleye, largemouth bass, and pan fish. Although there is 9,435 feet of total shoreline on these lakes, the effective frontage is much less. Setting aside lowland, marsh, and narrow peninsulas, the effective lakeshore is about 5,600 feet, with about 2,300 on the western parcel and 3,300 on the eastern. Though unbuildable, the remaining frontage is high quality fish habitat and very scenic. The other lakes and ponds are not significant fish resources, but they add recreational appeal and an attractive character to the remaining backland.

Lehto Bog Parcel:

The Department has obtained an agreement to purchase 948.88 acres of land from Board of Commissioners of Public Lands (BCPL) for \$556,500 for the Statewide Natural Area in Iron County. The property is located in Iron County about 11 miles south of the Village of Mercer in the Town of Sherman. The Department owns lands diagonally adjacent to the subject in the southwestern corner of the property. The BCPL owns other lands to the northwest of the subject. The property consists primarily of lowland bog and marsh, with ridges and islands of upland woodlands. Timber types include stands of northern hardwood, white birch, hemlock, fir/spruce, red and white pine. Most of the stands are well stocked and the hemlock and pine are considered sawtimber sized. It includes 1,400 feet of shoreline on Lehto Bog, with scenic overlooks of the marsh complex. Lehto Bog, is a 52-acre spring-fed bog which is a rare lake type for this region. It has good populations of northern pike, largemouth bass and panfish. The outlet stream, Randall Creek, is a tributary to Randall Lake and is part of the Bear River drainage. The subject also includes about 2,000 feet of shoreline on West Randall Lake, encompassing the entire lake. West Randall is a lowland lake that does not support fish, but provides important wildlife habitat. There is no road access to the subject property, and limited walk-in access across other public lands due to the wet nature of the landscape.

The Lehto Bog State Natural Area supports a vast peatland complex with swamp islands of dense second-growth fire-origin hemlock and white pine forest. Stands of white spruce and balsam fir are also present. A small but outstanding old-growth hemlock stand with super-canopy white and red pine occurs south of

Lehto Bog. There is an abundance of dense pole sized hemlock and this is one of the few northern Wisconsin sites where hemlock is successfully regenerating outside of the major Indian reservations that support lower deer densities. Aquatic features include Lehto Bog, West Randall Lake, and Randall Creek. Northern sedge meadow, alder thicket, and swamp hardwoods are found along the riparian corridor. West of Randall Lake is a shore fen that supports a floating mat with large populations of the pink bog orchid species including the special concern, dragon's mouth orchid. The site also harbors an excellent diversity of neotropical migrants including scarlet tanager, black and white warbler, pine warbler, blackburnian warbler and Nashville warbler while the large pines surrounding the lake support bald eagles.

The Department recommends the acquisition of this parcel to provide additional opportunities for public recreation and to better promote the natural and scenic resources of this project that include an important wetland and lake community.

Acquiring the subject properties will allow the Department to provide additional opportunities for public recreation and to better protect the natural and scenic resources of this site.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$2,600,000	\$43,500

4. ACQUISITION STATUS OF THE NORTHERN HIGHLAND/AMERICAN LEGION STATE FOREST:

Established: 1925
Acres Purchased to Date: 169,574.20
Acquisition Goal: 229,976.00
Percent Complete: 73.74 %
Cost to Date: \$18,390,303.72

4.a. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA:

Established: 1972
Acres Purchased to Date: 46,184.00
Acquisition Goal: 41,000.00
Percent Complete: 112.64 %
Cost to Date: \$27,201,239.30

5. APPRAISAL:

Appraiser: William Steigerwaldt
Valuation Date: June 17, 2011
Appraised Value: \$2,163,000
Highest and Best Use: Recreation / Investment

Allocation of Values:

- a. land: 432.5 acres @ \$5,001.16 per acre: \$2,163,000
- b. market data approach used, 5 comparable sales cited
- c. adjusted value range: \$4,211 - \$5,124 per acre

Appraisal Review: Jeff Pennucci, 10/5/2011

APPRAISAL 2:

Appraiser: Jolene Brod
Valuation Date: August 3, 2011
Appraised Value: \$1,557,000
Highest and Best Use: Residential/Seasonal Cabin and Recreational

Allocation of Values:

- a. land: 432.5 acres @ \$3,600 per acre: \$1,557,000
- b. market data approach used, 3 comparable sales cited
- c. adjusted value range: \$3,349 - \$4,403.40 per acre

Appraisal Review: Jeff Pennucci, 10/5/2011

Comments: The negotiated price of \$2,000,000 is between the two appraised values.

5. a. APPRAISAL 1:

Appraiser: Michael Augustyn
Valuation Date: December 17, 2010
Appraised Value: \$556,500
Highest and Best Use: recreational - forestry
Allocation of Values:
a. land: 948.88 acres @ \$622.84 per acre: \$591,000 rounded
b. market data approach used, 4 comparable sales cited
c. adjusted value range: \$500 - \$1,256 per acre
Appraisal Review: Jeff Pennucci – January 13, 2011

APPRAISAL 2:

Appraiser: Lee Steigerwaldt
Valuation Date: September 15, 2010
Appraised Value: \$522,000
Highest and Best Use: recreation

Allocation of Values:

- a. land: 948.88 acres @ \$550.12 per acre: \$522,000
- b. market data approach used, 3 comparable sales cited
- c. adjusted value range: \$520 - \$583 per acre

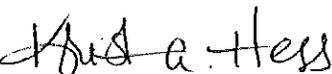
Appraisal Review: Jeff Pennucci – January 13, 2011

Comments: The negotiated price of \$556,500 is half way between the two appraisals. The price includes any possible contributory value of the additional 35.39 acres currently submerged.

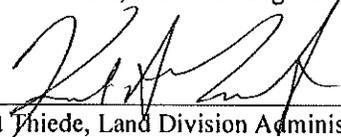
RECOMMENDED:


Richard E. Steffes, Natural Resources Director

11-14-11
Date

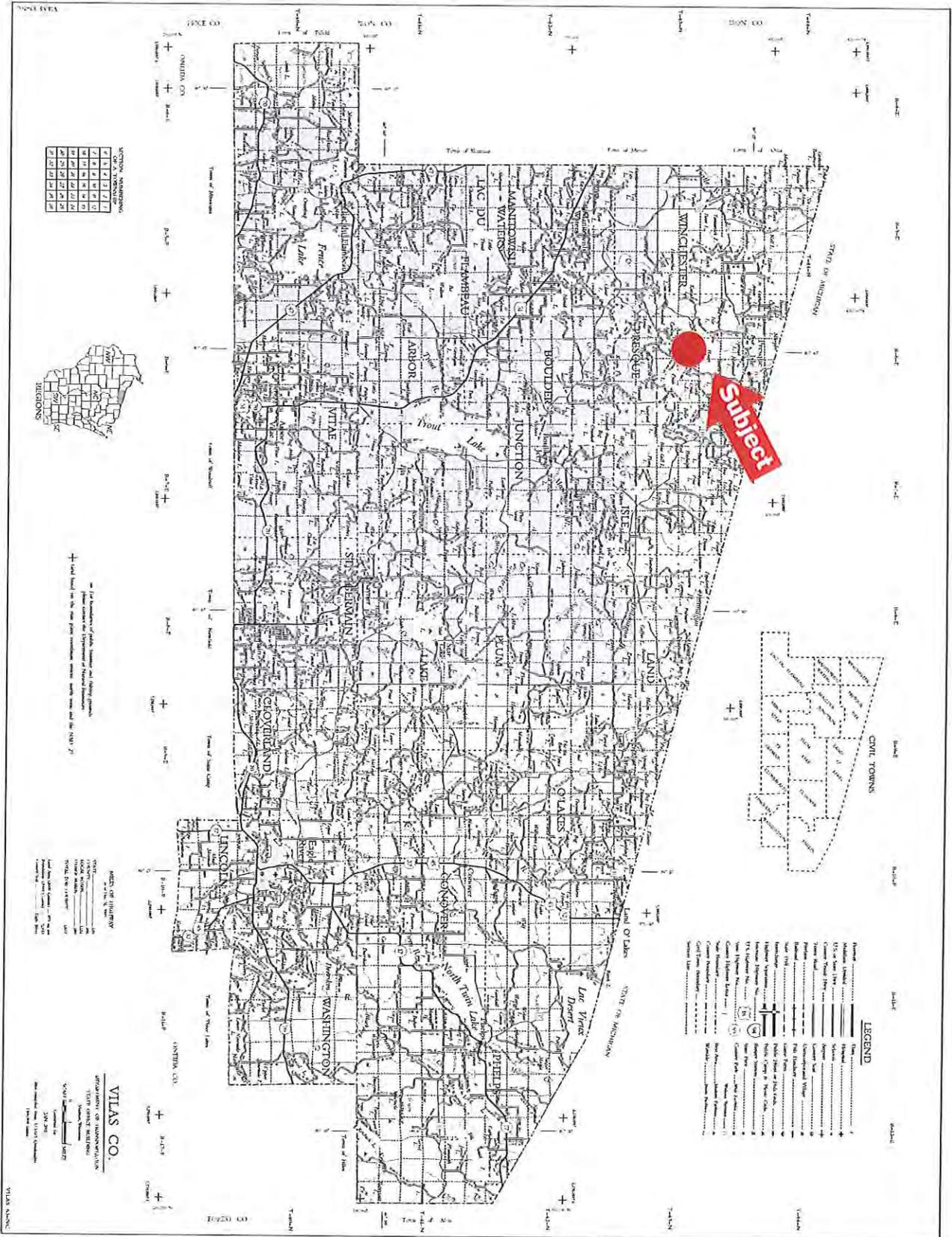

Kristin A. Hess, Bureau of Legal Services

11/14/11
Date


Kurt Thiede, Land Division Administrator

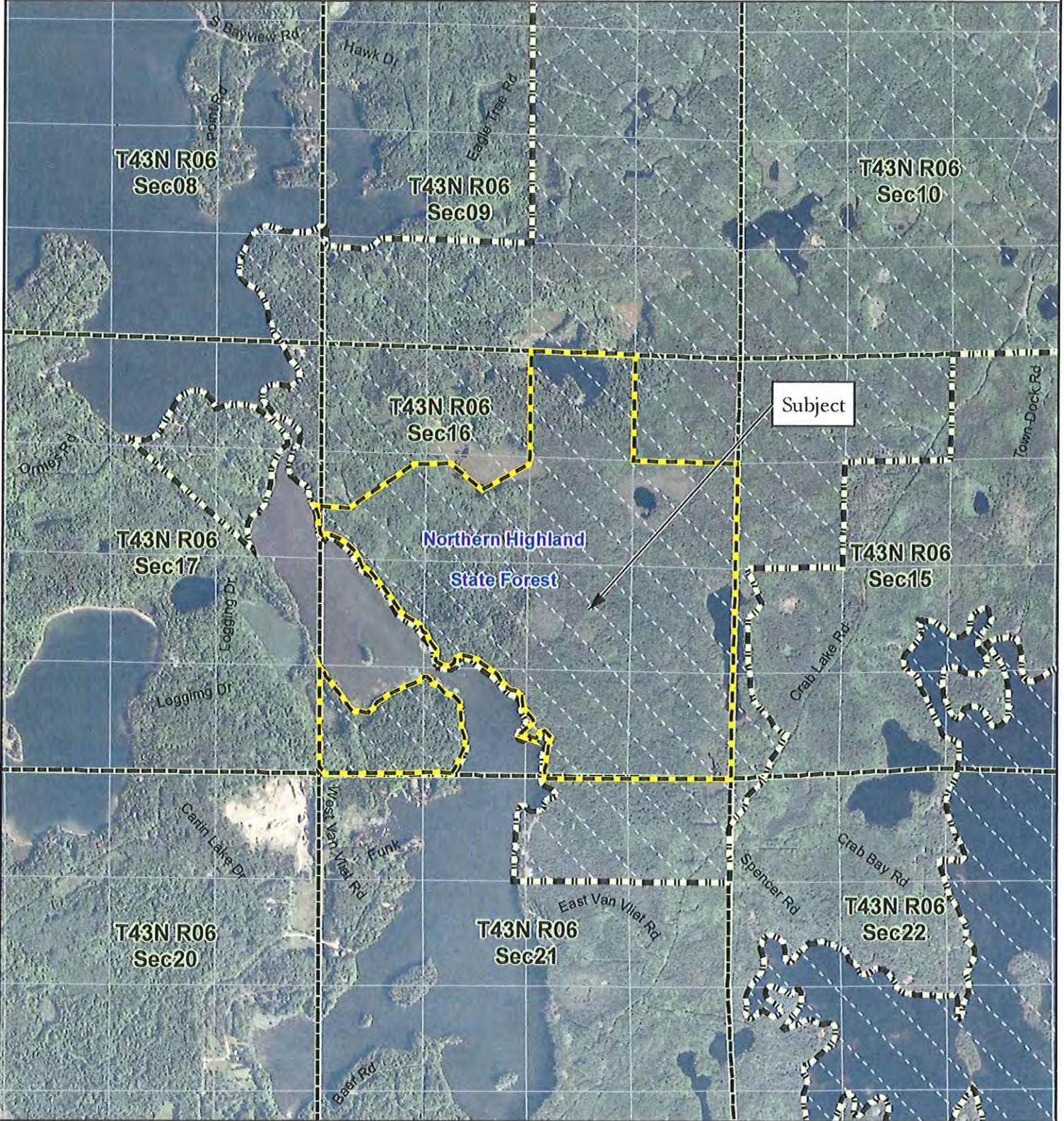
11/16/11
Date

(Van Vliet Hemlocks Parcel)



Board of Commissioners of Public Lands (BCPL)

T43N R6E Sec 16, Town of Presque Isle, Vilas County

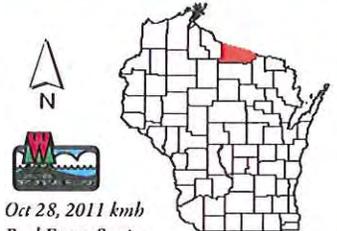


Northern Highland State Forest

 Subject Parcel

 DNR Project Boundary  Section Line
QQ Section Lines


0 600 1,200 1,800 Feet



Oct 28, 2011 kmh
Real Estate Section
Bureau of Facilities and Lands

Board of Commissioners of Public Lands (BCPL)

Northern Highland
State Forest

NF 30063

T34N R6E Sec 16
Town of Presque Isle
Vilas County
432.5 Acres



Subject Parcel

WdNR Owned

DNR Project Boundary

PLSS Section Line

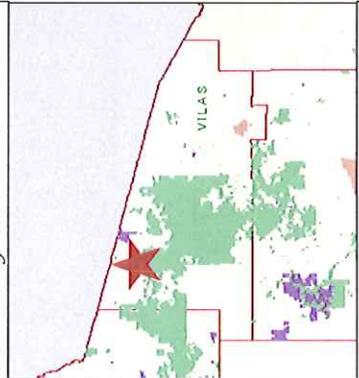
QQ Section Boundary

State Recreation

Trails

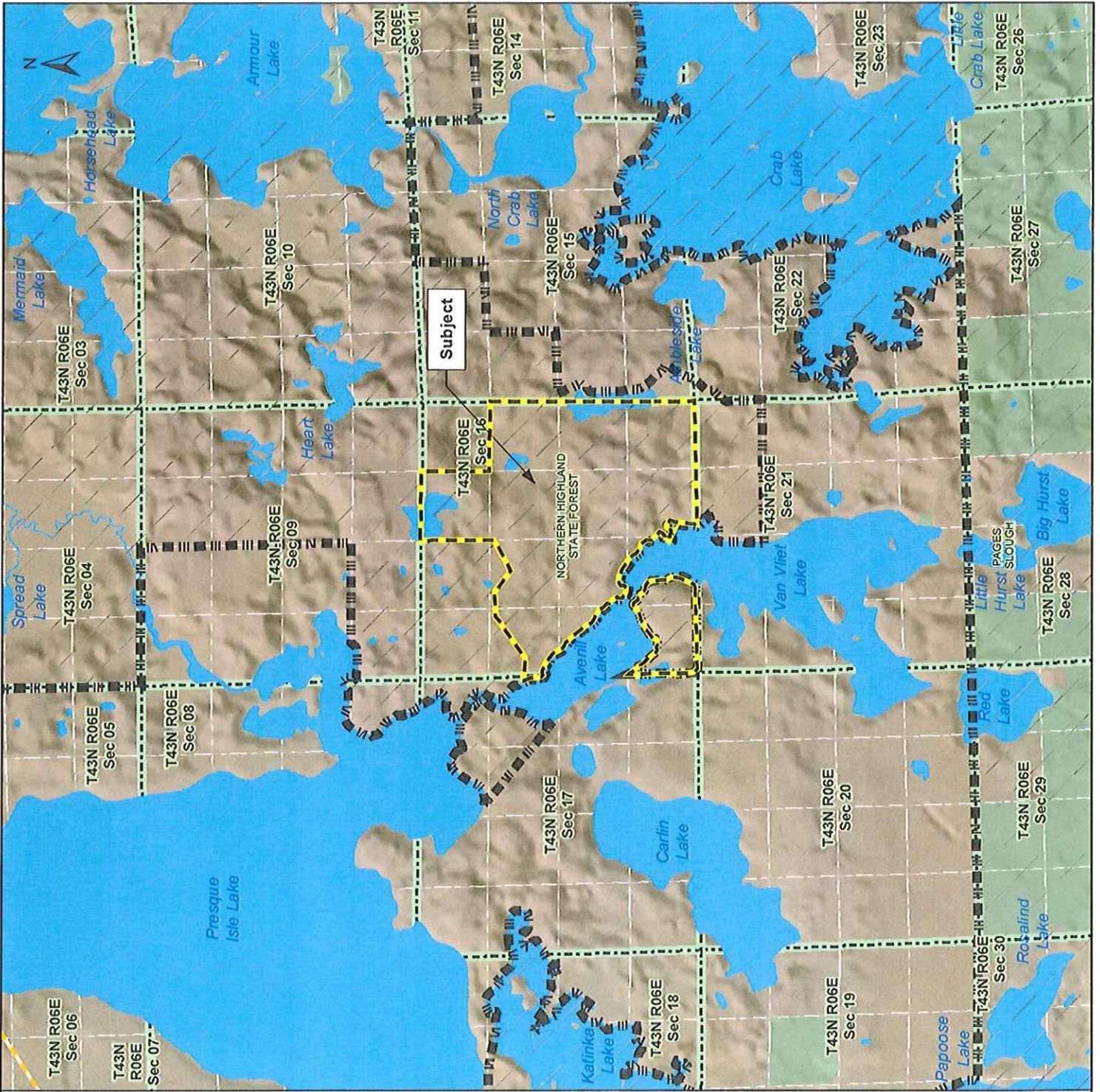
0 600
Feet

Vilas County View

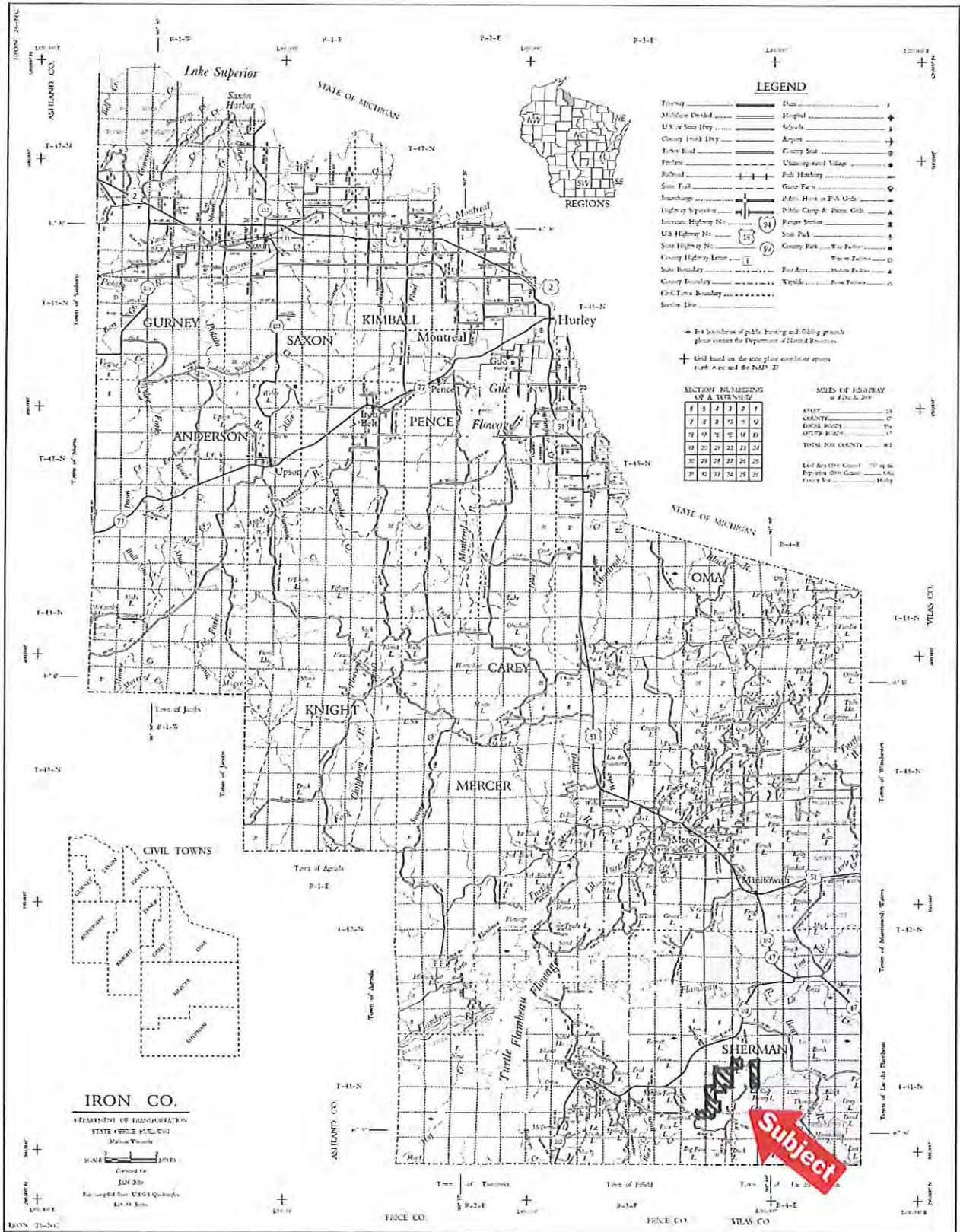


Location of Property

WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Oct 28, 2011 kmh

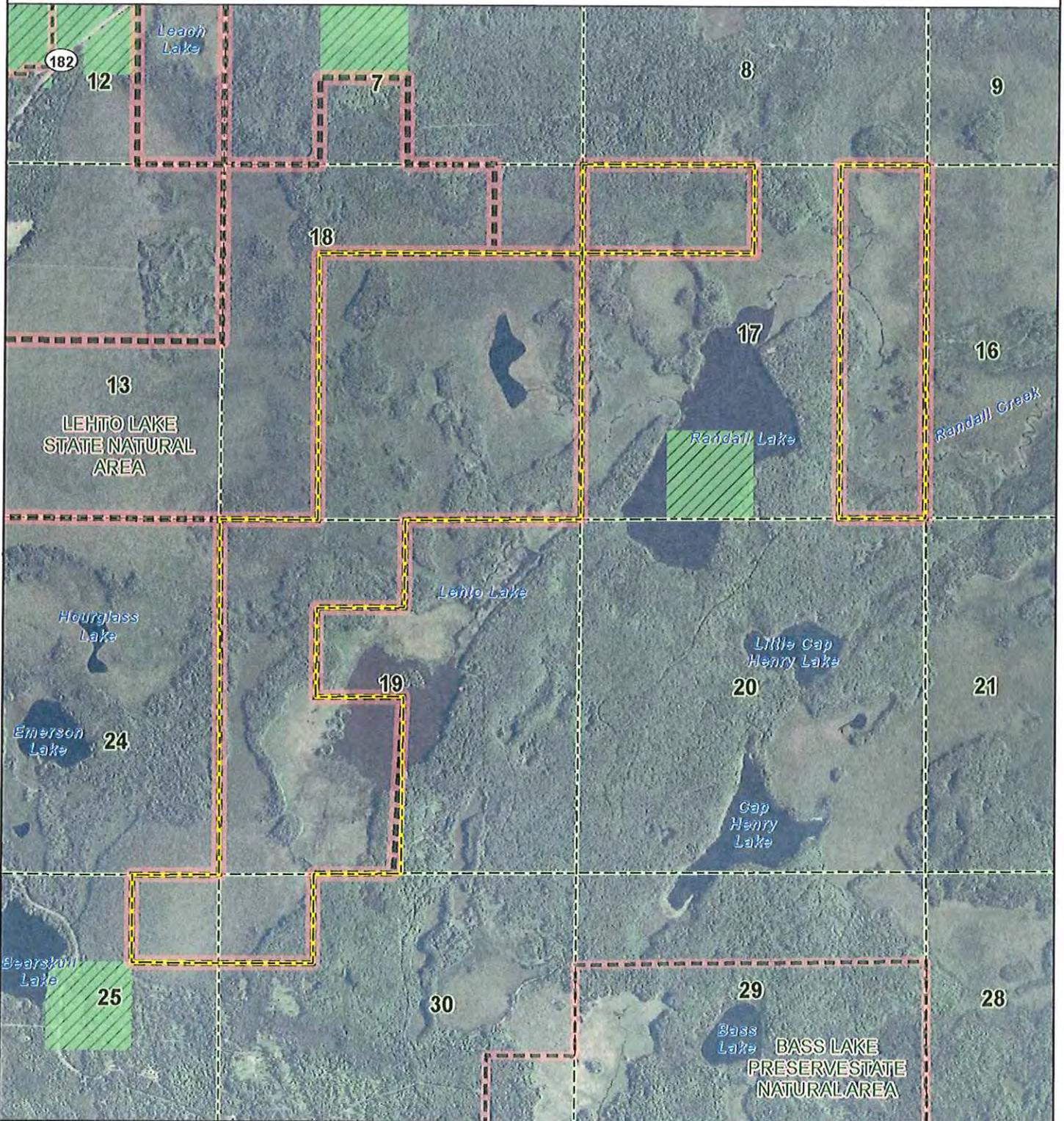


(Lehto Bog Parcel)



Board of Commissioners of Public Lands

T41N R03E Section 25 & T241N R04E Sections 17,18 & 19, Town of Sherman, Iron County (984.27 acres)

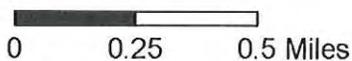


DNR Owned

PLSS Section Line

Subject Parcels

State Natural Area



NA 20064
Statewide Natural Area
Lehto Lake SNA

January 28, 2011
 Real Estate Section
 Bureau of Facilities and Lands

Board of Commissioners of Public Lands

NA 20064

Statewide Natural Area
Lehto Lake SNA

T41N R03E Section 25;
T41N R04E Sections 17, 18 & 19

Town of Sherman
Iron County
(984.27 acres)

Subject Parcels

DNR Project Boundary

State Natural Area

W.D.N.R. Owned

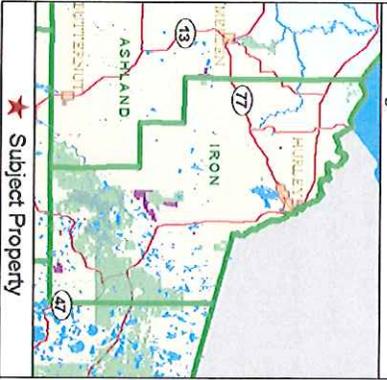
Ice Age Trail

PLSS Section Line

County Boundary



Iron County View



WISCONSIN DEPARTMENT OF NATURAL RESOURCES
Map Created: January 28, 2011 acf

