

SUBJECT: Land Exchange and Project Boundary Modification – Northern Highland/American Legion State Forest – Vilas County

FOR: DECEMBER 2012 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has reached agreement with the North Lakeland Discovery Center, Inc. to exchange land. The Discovery Center has operated the environmental education facility at this campus in the Town of Manitowish Waters since 1996 under a lease agreement with the state. In order to make improvement and other long term commitments, the non-profit organization desires to own the 62.74 acre site. The agreement provides for deed reservations in favor of the state to limit use of the property to the current mission of environmental education, that the public have access to the courses and events and that title revert if these conditions are not met. As restricted, the land should be removed from the project boundary and is no longer needed for conservation purposes.

The property is located between a public road and the east shore of Statehouse Lake, and includes approximately 2,000 feet of shoreline on the 25-acre lake. It adjoins an area excluded from the state forest boundary around Manitowish Waters. It has 18 older buildings and hosts many youth and adult classes and events. Established by the Conservation Department in 1962, the facility was one of five camps for the Youth Conservation Corps. Funding cuts in 1992 required the Department to close all Youth Conservation Corp. camps. After a few years of dormancy, the Department leased the site and the Discovery Center has since provided excellent environmental education service.

In exchange for the 62.74 acre site, Discovery Center has secured an agreement to acquire 612.32 acres of land from Plum Creek Timberlands for the state forest. That land is about three miles to the northeast and within the state forest boundary. It is a mix of aspen, pine, spruce and various hardwoods and the Department would manage it for production forestry and public outdoor recreation.

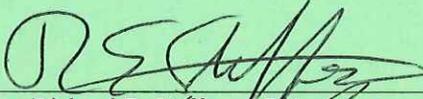
The exchange is considered of equal value with no cash exchanged between the Department and Discovery Center. The educational mission of the Discovery Center will continue and the State Forest will acquire a significant block of forested land with no cash outlay.

RECOMMENDATION: Approve the modification of the project boundary and the exchange of 62.74 acres of state land for 612.32 acres of land for the Northern Highland/American Legion 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 |

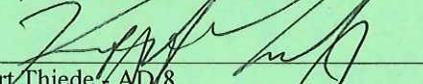
APPROVED:



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

11-23-12

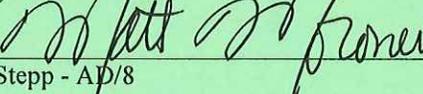
Date



Administrator, Kurt Thiede - AD/8

11/28/12

Date



Secretary, Cathy Stepp - AD/8

11/28/12

Date

- cc: S. Miller – LF/6 R. Mather – FR/4
 R. Steffes - LF/6 J. Gozdziwski - Spooner
 L. Ross – AD/8

CORRESPONDENCE/MEMORANDUM

DATE: November 23, 2012 FILE REF: NF 30079
 TO: Governor Scott Walker
 FROM: Cathy Stepp
 SUBJECT: Proposed Land Exchange and Project Boundary Modification, Northern Highland/American Legion State Forest, File # NF 30079
 Approval Requested by January 13, 2013

I. PARCEL DESCRIPTION:

Northern Highland/American Legion State Forest
Vilas County

Grantors:

North Lakeland Discovery Center, Inc Attn: Sarah Johnson – Executive Director P.O. Box 237 Manitowish Waters, WI 54545	State Department of Natural Resources 101 S. Webster Street Madison, WI 53707
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<u>Acres:</u>	612.32	62.74
<u>Price:</u>	\$888,000	\$888,000
<u>Appraised Value:</u>	\$888,000	\$887,000
<u>Improvements:</u>	None	18 structures
<u>Interest:</u>	Fee Title	Fee Title – land will be deed restricted to insure future use for environmental education and open to the public

Location: The DNR property is located in the Town of Winchester approximately 3 miles northeast of the Discovery Center parcel, which is located in the Town of Manitowish Waters.

Land Description: The land varies from level to gently rolling.

Covertypes Breakdown:

Type	Acreage	Acreage
Upland Woodland	398.0	62.74
Lowland Woodland	214.32	
Total:	612.32	62.74

<u>Present Use:</u>	Timber Production	Conservation, Environmental Education and Public Recreation
<u>Proposed Use:</u>	Public Recreation, Forestry and Conservation	Environmental Education and Public Recreation
<u>Tenure:</u>	Discovery Center Inc. has an agreement with current owner Plum	1908

	Creek to acquire this land to convey it to DNR	
Property Taxes:	\$490	Tax-Exempt

Agreement Date: November 26, 2012

Stewardship Land Access: The Department property will be open to the public for all nature based outdoor recreational activities to include hunting, fishing, trapping, hiking and cross country skiing. The Discovery Center will continue providing environmental course work and events accessible for the general public of all ages.

2. JUSTIFICATION:

The Department has reached agreement with the North Lakeland Discovery Center, Inc. to exchange land. The Discovery Center has operated the environmental education facility at this campus in the Town of Manitowish Waters since 1996 under a lease agreement with the state. In order to make improvement and other long term commitments, the non-profit organization desires to own the 62.74 acre site. The agreement provides for deed reservations in favor of the state to limit use of the property to the current mission of environmental education that the public have access to the courses and events and that title revert if these conditions are not met. As restricted, the land should be removed from the project boundary and is no longer needed for conservation purposes.

The property is located between a public road and the east shore of Statehouse Lake, and includes approximately 2,000 feet of shoreline on the 25-acre lake. It adjoins an area excluded from the state forest boundary around Manitowish Waters. It has 18 older buildings and hosts many youth and adult classes and events. Established by the Conservation Department in 1962, the facility was one of five camps for the Youth Conservation Corps. Funding cuts in 1992 required the Department to close all Youth Conservation Corp. camps. After a few years of dormancy, the Department leased the site and the Discovery Center has since provided excellent environmental education service.

In exchange for the 62.74 acre site, Discovery Center has secured an agreement to acquire 612.32 acres of land from Plum Creek Timberlands for the state forest. That land is about three miles to the northeast and within the state forest boundary. It is a mix of aspen, pine, spruce and various hardwoods and the Department would manage it for production forestry and public outdoor recreation.

The exchange is considered of equal value with no cash exchanged between the Department and Discovery Center. The educational mission of the Discovery Center will continue and the State Forest will acquire a significant block of forested land with no cash outlay.

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 612.32 acre property is 65% upland and 35% lowland. The forest cover is a mixture of hardwoods and conifers. State ownership will allow natural resource management, provide public recreation and hunting, and will allow forestry management in this area of the project. The 62.74 acre parcel that is proposed for conveyance to the North Lakeland Discover Center, Inc. will be protected by deed reservations. As restricted, that land is no longer needed for conservation purposes.

The exchange will provide a significant tract of land for the state forest while still providing the public benefits of the Discovery Center.

3. LAND MANAGEMENT:

The 612.32 acres of land will be managed for production forestry and public outdoor recreation. State forest staff, based at Woodruff and Trout Lake, will perform the management. The 62.74 acres will be managed by the North Lakeland Discovery Center staff under that ownership. The non-profit has managed this land for 16 years under a lease with the Department.

4. FINANCING:

No state funding is needed for this equal value exchange.

5. ACQUISITION STATUS OF THE NORTHERN HIGHLAND STATE FOREST:

Established: 1925
Acres Purchased to Date: 172,195.85
Acquisition Goal: 229,976.00
Percent Complete: 74.88 %
Cost to Date: \$20,429,056.94

6. APPRAISAL (NORTH LAKE LAND DISCOVERY CENTER TRACT):

Appraiser: Lee Steigerwaldt
Valuation Date: November 01, 2012
Appraised Value: \$887,000
Highest and Best Use: Lakefront residential development

Allocation of Values:

- a. land: 62.74 acres @ \$14,137.71 per acre: \$887,000.00
- b. market data approach used, six comparable sales cited

Appraisal Review: Richard Steffes - 11/21/2012

Comments: Stiegerwaldt was retained by Discovery Center. She assumed no value on the buildings due to age as well as their required removal for residential development to occur. Market data approach was used. The Department consulted two appraisers who indicated the price is supportable.

6b. APPRAISAL DNR TRACT:

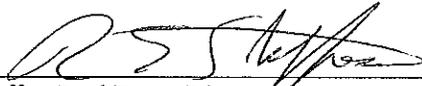
Appraiser: Michael Augustyn
Valuation Date: November 19, 2012
Appraised Value: \$888,000
Highest and Best Use: Forestry/Recreation

Allocation of Values:

- a. land: 612.32 @ \$1,450 per acre: \$888,000
- b. market data approach used, 3 comparable sales cited

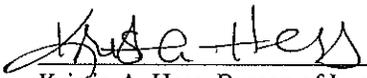
Appraisal Review: Richard Steffes - 11/21/2012

RECOMMENDED:



Richard E. Steffes, Real Estate Director

11-23-12
Date



Kristin A. Hess, Bureau of Legal Services

11/26/12
Date



Kurt Thiede, Land Division Administrator

11/28/12
Date

**Plum Creek/North
Lakeland Discovery
Center, Inc. - Fee/Sales**
Northern Highland
State Forest

NF 30079

T43N R5E Sec 21, 22,
23, 26 & 27

T42N R5E Sec 5

Town of Winchester

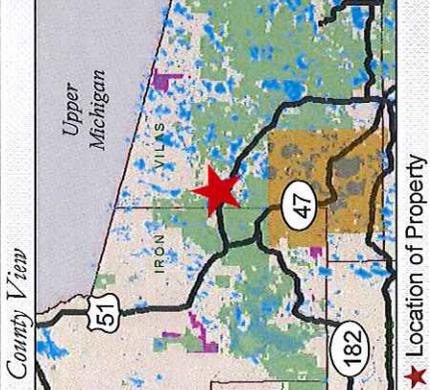
Vilas County

612.32 Acres to DNR

62.74 Acres to Discovery

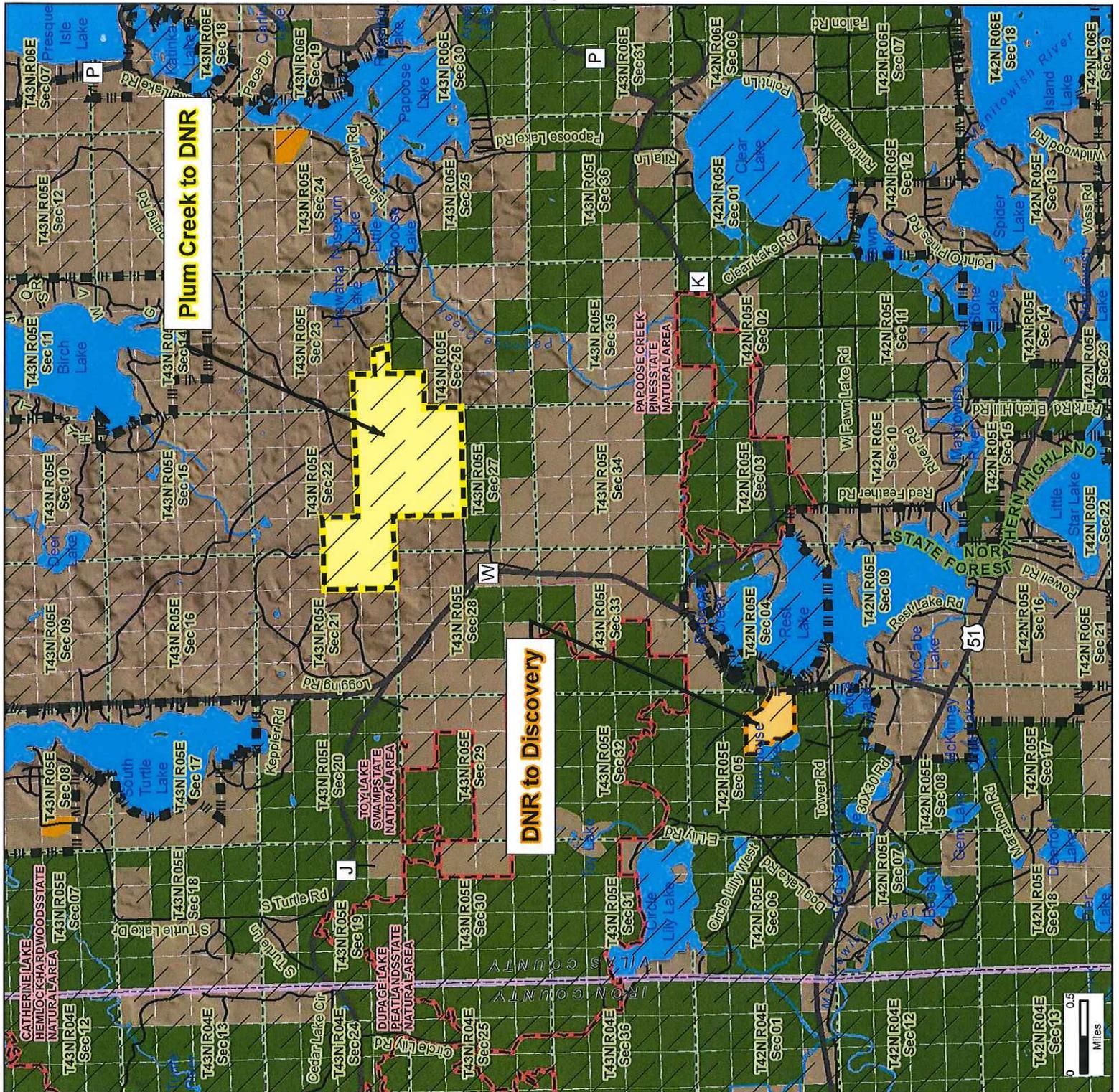


- WDNR Owned
- WDNR Easement
- DNR Project Boundary
- BCPL Ownership
- State Natural Area
- PLSS Section Line
- QQ Section Boundary



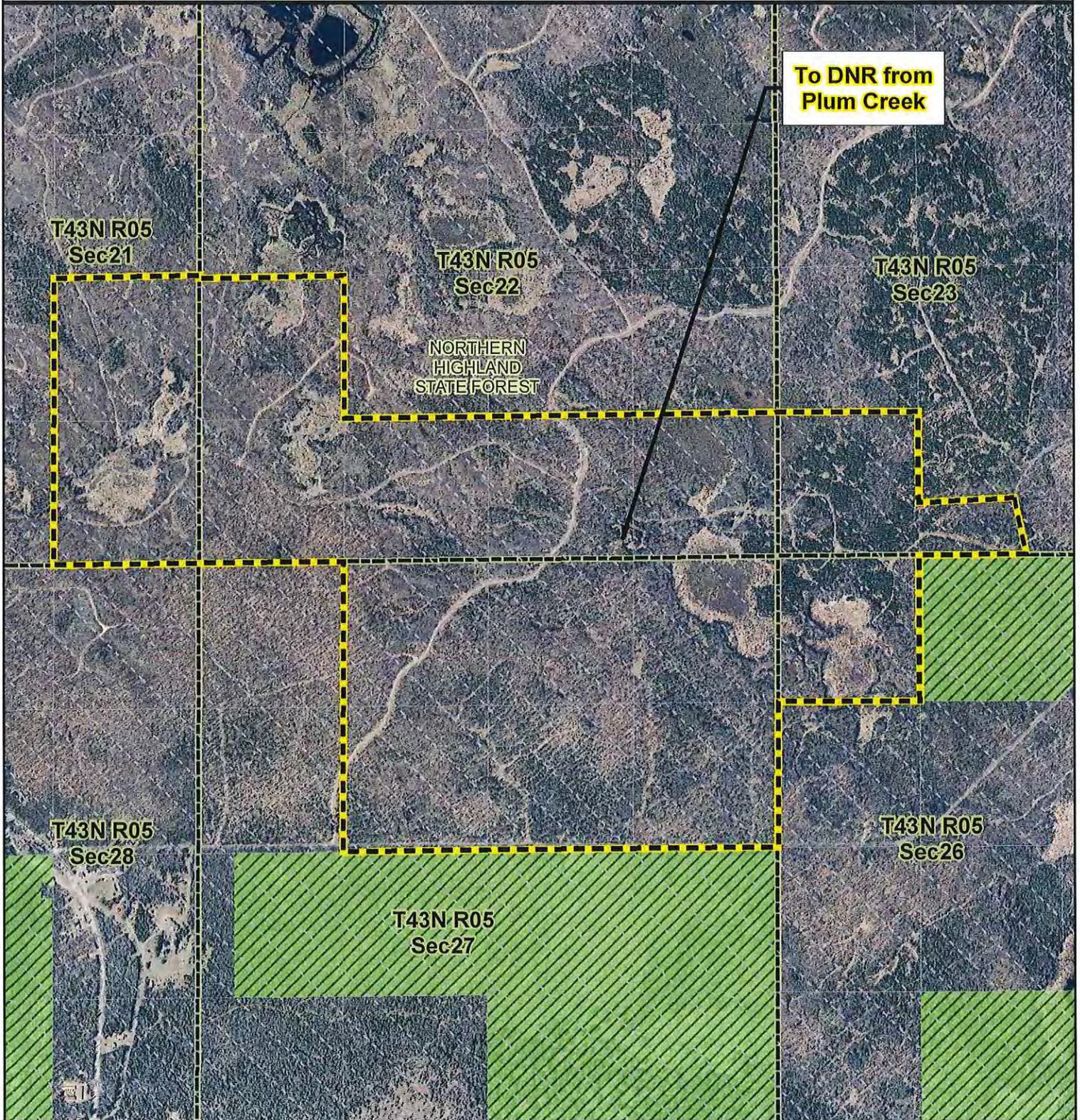
Location of Property

WISCONSIN DEPARTMENT
OF NATURAL RESOURCES
Bureau of Facilities of Lands
Map Created: Nov 21, 2012 kmh



Plum Creek - Fee/Sales

T43N R5E Sec 21, 22, 23, 26 & 27, Town of Winchester, Vilas County



Northern Highland State Forest

 To DNR

 DNR Owned

 DNR Eased

 DNR Project Boundary

 State Natural Area

 Section Line

 QQ Section Lines

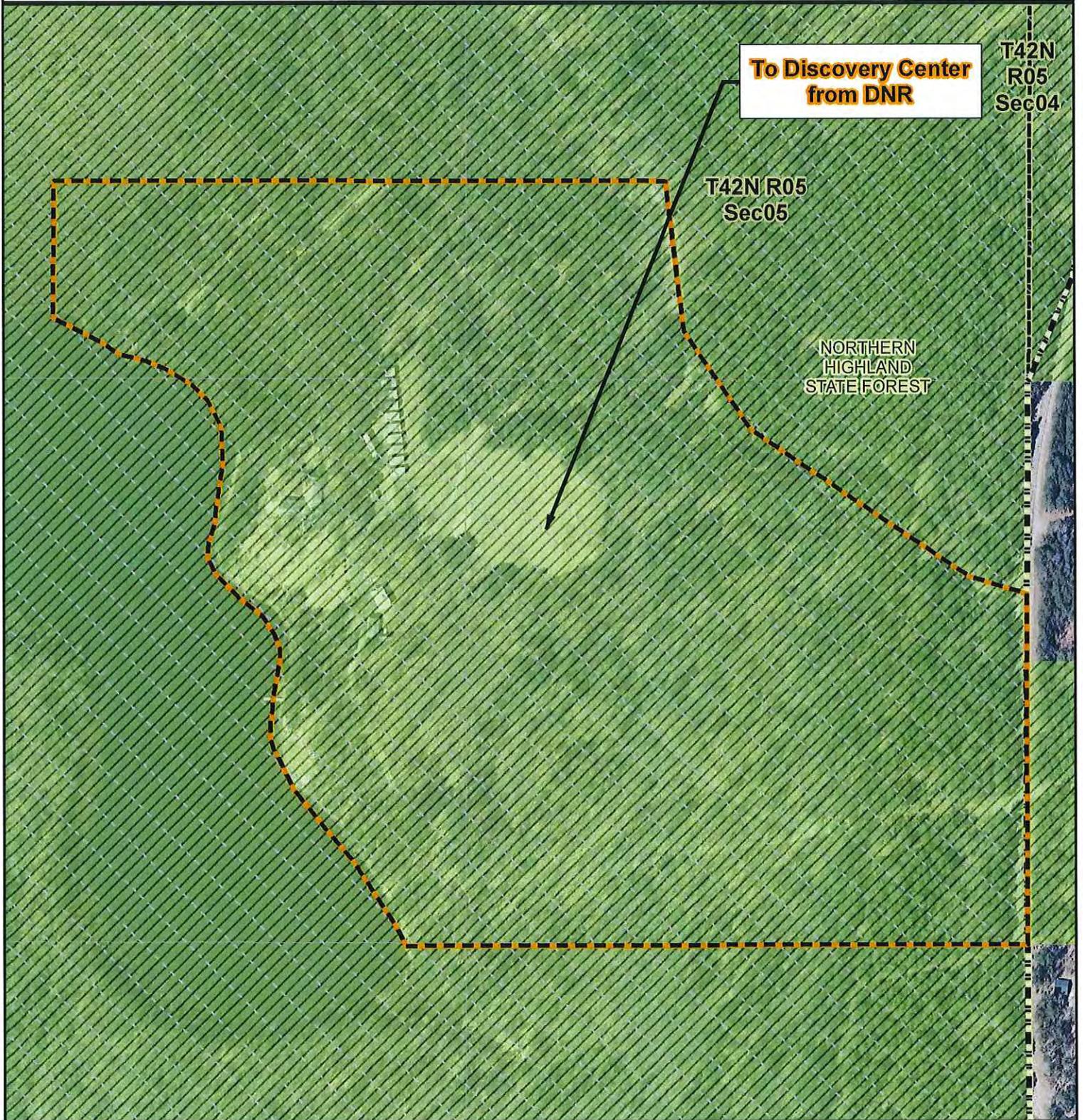

0 500 1,000 1,500 Feet



Nov 21, 2012 kmh
Real Estate Section
Bureau of Facilities and Lands

North Lakeland Discovery Center, Inc. - Fee/Sales

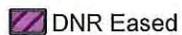
T42N R5E Sec 5, Town of Winchester, Vilas County



Northern Highland State Forest

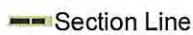
 From DNR

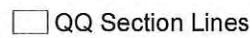
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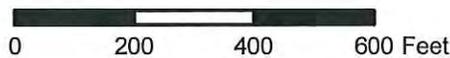
 DNR Eased

 DNR Project Boundary

 State Natural Area

 Section Line

 QQ Section Lines



Nov 21, 2012 kmh
Real Estate Section
Bureau of Facilities and Lands

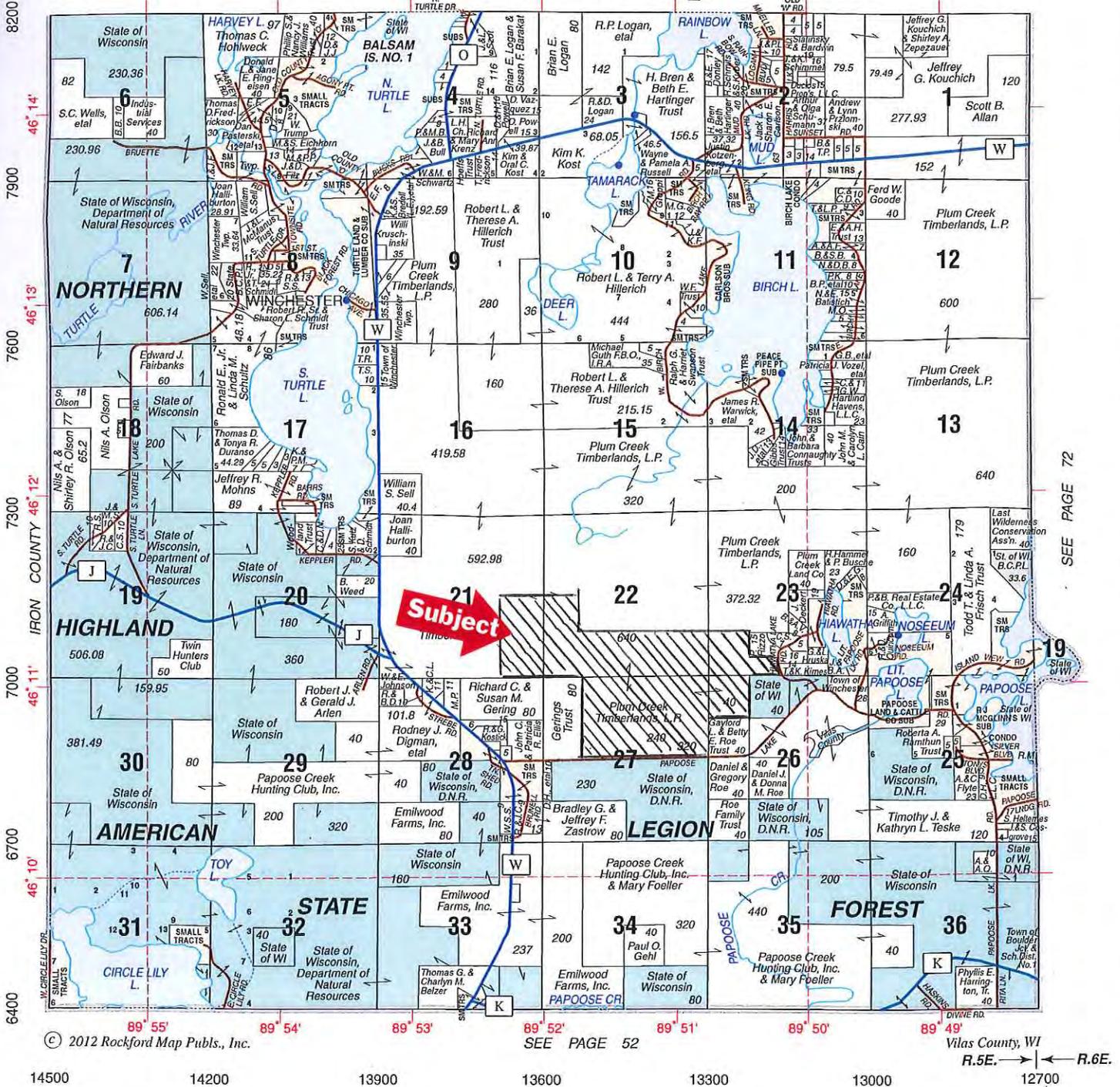


SOUTH PART WINCHESTER

SEE PAGE 76



T.43N.-R.5-6E.



Subject

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SEE PAGE 52

Vilas County, WI
R.5E. ← → R.6E.

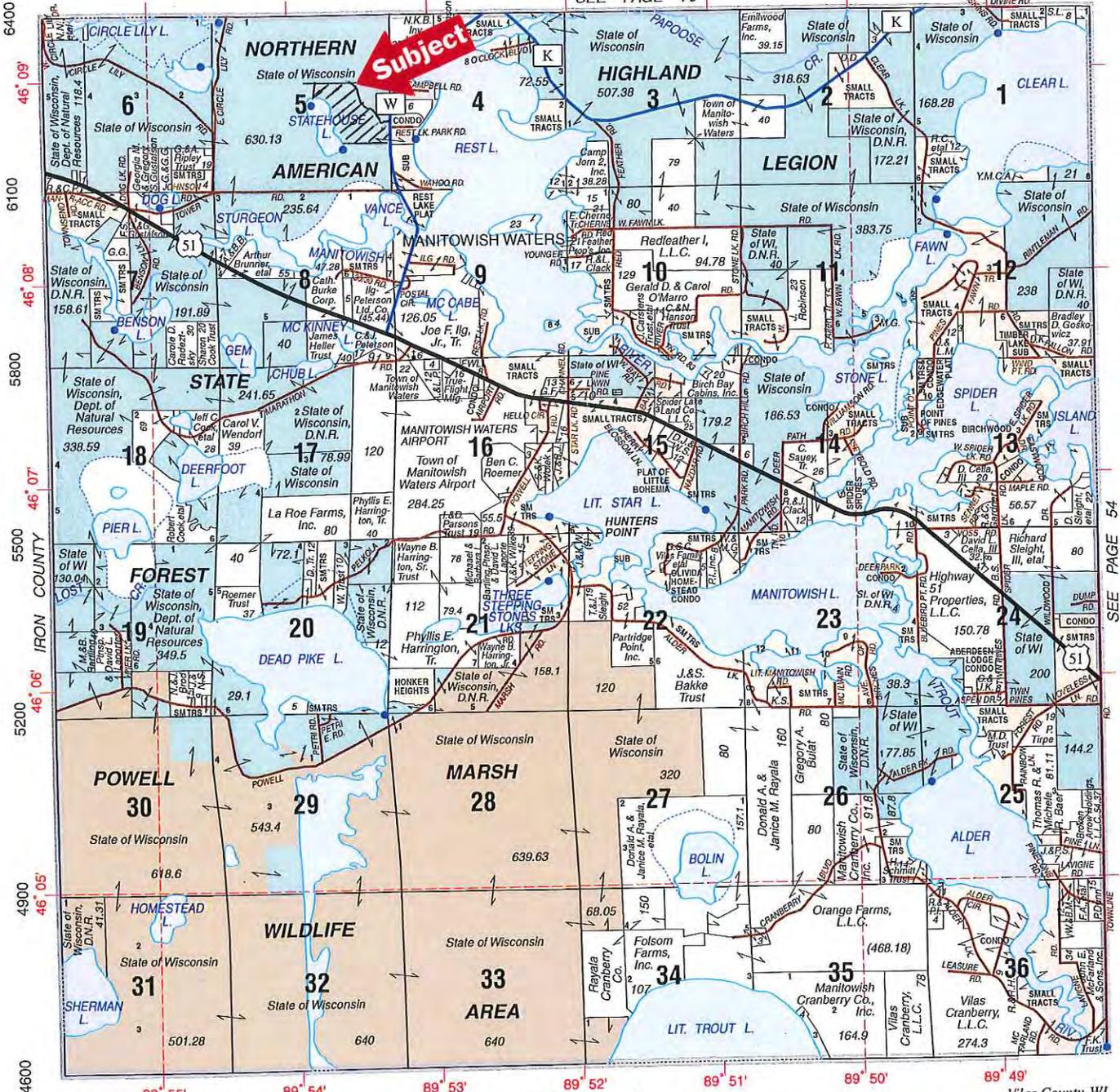
SEE PAGE 72

NORTH PART

MANITOWISH WATERS

T.42N.-R.5E.

SEE PAGE 70



SEE PAGE 54