

**SUBJECT: Land Acquisition – Flambeau River State Forest – Sawyer County**

**FOR: JUNE 2012 BOARD MEETING**

**TO BE PRESENTED BY:** Richard Steffes

**SUMMARY:** The Department has obtained an option to purchase 563.03 acres of land from Mason Lake Associates, LLC for \$1,983,000 for the Flambeau River State Forest in Sawyer County. The item is being submitted because the purchase price exceeds \$150,000. The property is completely within the project boundary of the Flambeau River State Forest and is located in eastern Sawyer County, with 6,000 feet of frontage on Evergreen Lake and 16,075 feet of frontage on Mason Lake.

The Flambeau River State Forest was initiated in 1930. During the 1920s a group of citizens led by Judge A.K. Owens of Phillips began a petition to preserve a large block of land on the Flambeau River. In 1929, a 3,112 acre parcel was purchased by the Conservation Department and in 1930 the Flambeau River State Forest was born. The forest boundary now includes about 140,000 acres, of which about 90,000 acres are under state ownership. Approximately 75 miles of the Flambeau River runs through the State Forest which provides an enjoyable visitor experience with numerous primitive river campsites, and two improved campgrounds and day use picnic, swimming areas. Other ecological benefits include protection of soils, water quality, and terrestrial wildlife habitat. The forest also provides a sustainable flow of wood products, an economic benefit to nearby communities and to Wisconsin as a whole. The forest has many distinct landscapes that allow for the wide range of species such as deer, ruffed grouse, geese, bald eagles, osprey and songbirds. A majority of the public lands within the forest boundaries are open to hunting and trapping in season.

The property is about 563 acres in size and almost completely encompasses two lakes in eastern Sawyer County. The first is Evergreen Lake, a 200-acre drainage lake with a maximum depth of about 25 feet. The second is Mason Lake, a 190-acre drainage lake with a maximum depth of about 39 feet. The two lakes are connected by a small channel, and support a fishery of muskie and walleye, as well as large-mouth bass and panfish. Frontage totals include about 6,000 feet of shoreline on Evergreen, and 16,075 feet of frontage on Mason. The majority of this frontage is upland, providing scenic views of the lakes. Though there is state land along the southern edge of Evergreen Lake, there is currently no developed public access to this lake. Mason Lake currently has limited access by agreement through Mason Lake Assoc. LLC property.

The property cover type is mostly wooded, with a mix of northern hardwoods and conifers, as well as stands of large hemlocks and yellow birch located along the shoreline. Overall, the property has rolling topography, with a few areas of lowland swamp. Access to the subject is from two town roads and a private woods road that extends off these roads. There are utilities present along the town road. Most of the subject parcel is bordered by State Forest land.

The overall property includes several improvements in various locations around Mason Lake. The owners will be retaining small portions of the larger property along with the majority of improvements. The Department will have a right of first refusal on the parcels being retained. The purchase will include two improved sites, one with a three-car garage and landing, and another with a 576-sq.ft. log cabin. The grantor is reserving a fixed-term tenancy on these sites (25 years and 30 years respectively). Once the tenancy has expired, the improvements will be removed. There are no improvements on Evergreen Lake. The price was discounted for the reserved rights on the two 5 acre sites.

Acquiring the property will allow the Department to provide additional opportunities for public recreation, to continue to protect the natural and scenic resources of this site, and to promote natural resource management. Given the exceptionally scenic qualities of Mason Lake and Evergreen Lake, the mature forest and the excellent blocking of the subject with state forest land, this is considered a very significant conservation land acquisition.

Mason Lake and Evergreen Lake are classified in the Flambeau River State Forest Master Plan as part of the scenic lake management overlay zone, with emphasis on protecting, maintaining and enhancing the relatively natural appearance and landscape of the lakes and to provide public access for long-term public enjoyment. The master plan includes placing a 400-foot scenic management zone on state property around the two lakes to favor a mixed composition of species with emphasis on larger, longer-lived trees and minimize the visibility of management activities or development as viewed from the waters. Outside of the 400-foot zone, the area is classified as the

"River Sands Mixed Hardwoods" forest production area, with the objective of maintaining a diversity of forest cover types and age classes for forest health, aesthetic appeal and wildlife habitat. The predominant cover types are northern hardwoods (53%) and aspen (23%), with a mix of pine. A lightly developed public access with up to 5 parking spaces will be considered following public input regarding specific site location and level of development. In addition the development of new primitive campsites is authorized within the existing Master plan. Management of parcel will be accomplished with existing forestry staff and property budget.

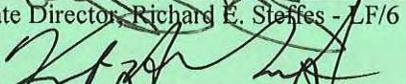
**RECOMMENDATION:** That the Board approve the purchase of 563.03 acres of land for \$1,983,000 for the Flambeau River State Forest.

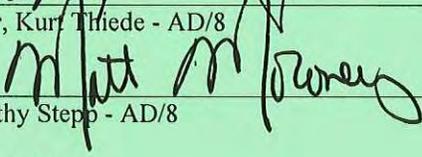
**LIST OF ATTACHED MATERIALS:**

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

  
\_\_\_\_\_  
Administrator, Kurt Thiede - AD/8

  
\_\_\_\_\_  
Secretary, Cathy Stepp - AD/8

5-30-12  
\_\_\_\_\_  
Date

6-4-12  
\_\_\_\_\_  
Date

6/6/12  
\_\_\_\_\_  
Date

cc: S. Miller - LF/6  
R. Steffes - LF/6  
L. Ross - AD/8  
T. Marty - FR/4  
J. Gozdziwski (Spooner)

## CORRESPONDENCE/MEMORANDUM

DATE: May 31, 2012  
 TO: Scott Walker  
 FROM: Cathy Stepp  
 SUBJECT: Proposed Land Acquisition, Mason Lake Associates Tract, File # NF 30073,  
 Option Expires July 31, 2012

FILE REF: NF 30073

1. PARCEL DESCRIPTION:

Flambeau River State Forest  
 Sawyer County

Grantor:

Mr. Edward Hines  
 Mason Lake Associates, LLC  
 1000 Corporate Grove Dr.  
 Buffalo Grove, IL 60089

Acres: 563.03Price: \$1,983,000Appraised Value: \$1,889,000 and \$2,077,000Interest: Fee Title PurchaseImprovements: 3-car garage and landing (subject to 25 year tenancy), and a 576-sq.ft. log cabin (subject to 30 year tenancy). No value assigned to the improvements in this purchase due to the tenancies.Location: The property is located in Sawyer County 21 miles east of the Village of WinterLand Description: The subject land is rolling with some steep hills and high banks .Covertypes Breakdown:

Type	Acres
Upland woodland	383
Wetland	180.03
Total:	563.03

Zoning: Residential/Recreational and ForestryPresent Use: Seasonal retreatProposed Use: Forestland conservation and recreationTenure: 29 yearsProperty Taxes: \$21,082Option Date: May 21, 2012Stewardship 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 563.03 acres of land from Mason Lake Associates, LLC for \$1,983,000 for the Flambeau River State Forest in Sawyer County. The property is completely within the project boundary of the Flambeau River State Forest and is located in eastern Sawyer County, with 6,000 feet of frontage on Evergreen Lake and 16,075 feet of frontage on Mason Lake.

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3. LAND MANAGEMENT:

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4. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$4,608,026	\$1,952,526

Comments: \*Allocation based on Stewardship balances over multiple years

5. ACQUISITION STATUS OF THE FLAMBEAU RIVER STATE FOREST:

Established: 1931

Acres Purchased to Date: 90,334.61

Acquisition Goal: 142,713.94

Percent Complete: 63.30 %

Cost to Date: \$5,995,189.93

6. APPRAISAL 1:

Appraiser: William Steigerwaldt

Valuation Date: January 10, 2011 and February 11, 2012 (amendment)

Appraised Value: \$2,741,000 and \$1,889,000 (amendment)

Highest and Best Use: Recreation and Investment

Allocation of Values:

- f. land: 583 acres @ \$4,200 per acre: \$2,448,600
- g. improvements: \$292,600
- h. total value: \$2,741,000 (rounded)
- i. retained rights in amendment: \$852,000
- j. total value AMENDMENT (land and improvements): \$1,889,000
- f. market data approach used, 5 comparable sales cited
- g. adjusted value range: \$4,183 - \$5,364 per acre (land only)

Appraisal Review: Peter Wolter - 4/19/2012

APPRAISAL 2:

Appraiser: Jolene Brod

Valuation Date: June 12, 2011

Appraised Value: \$2,600,000 and \$2,077,000 (amendment)

Highest and Best Use: Residential/Recreation

Allocation of Values:

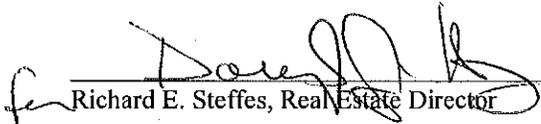
- f. land: 582.37 @ \$4095 per acre: \$2,385,000
- g. improvements: \$215,000
- h. total value: \$2,600,000
- i. retained rights in amendment: \$523,370
- j. total value AMENDMENT (land and improvements): \$2,077,000 (rounded)
- b. market data approach used, 3 comparable sales cited
- c. adjusted value range: \$3,001 - \$5,865 per acre (land only)

Appraisal Review: Peter Wolter - 4/19/2012

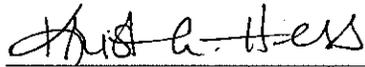
Comments: The original appraisals were done for the whole 582.37 acre property. After the initial offer, the landowner decided to retain the lodge on 15 acres and a house on 5 acres. In addition, he retained two tenancy areas

of 5 acres each. After the appraisers accounted for these changes, the Department offered the mid-point between the two appraisals.

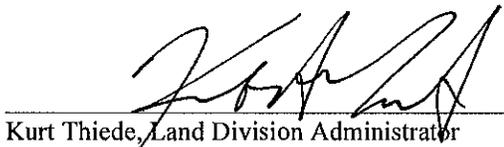
RECOMMENDED:

  
Richard E. Steffes, Real Estate Director

5-30-12  
Date

  
Kristin A. Hess, Bureau of Legal Services

6/1/12  
Date

  
Kurt Thiede, Land Division Administrator

6/4/12  
Date

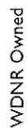
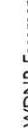
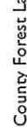
RES:



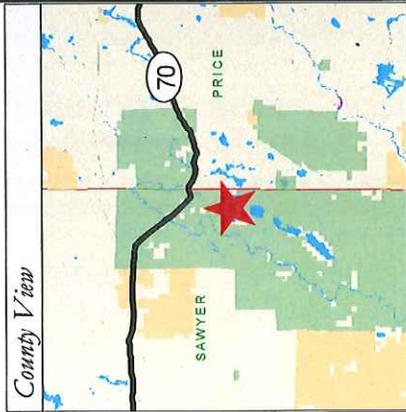
**Hines Property**  
 Flambeau River  
 State Forest  
 NF 30073

T39N R3W Sec 24,  
 35 & 36  
 T38N R3W Sec 1 & 2  
 Town of Winter  
 Sawyer County

- 563.03 Acres
-  Subject Parcel
  -  Future Private Parcels
  -  Tenancy Parcels
  -  Proposed Access
  -  Easement Route

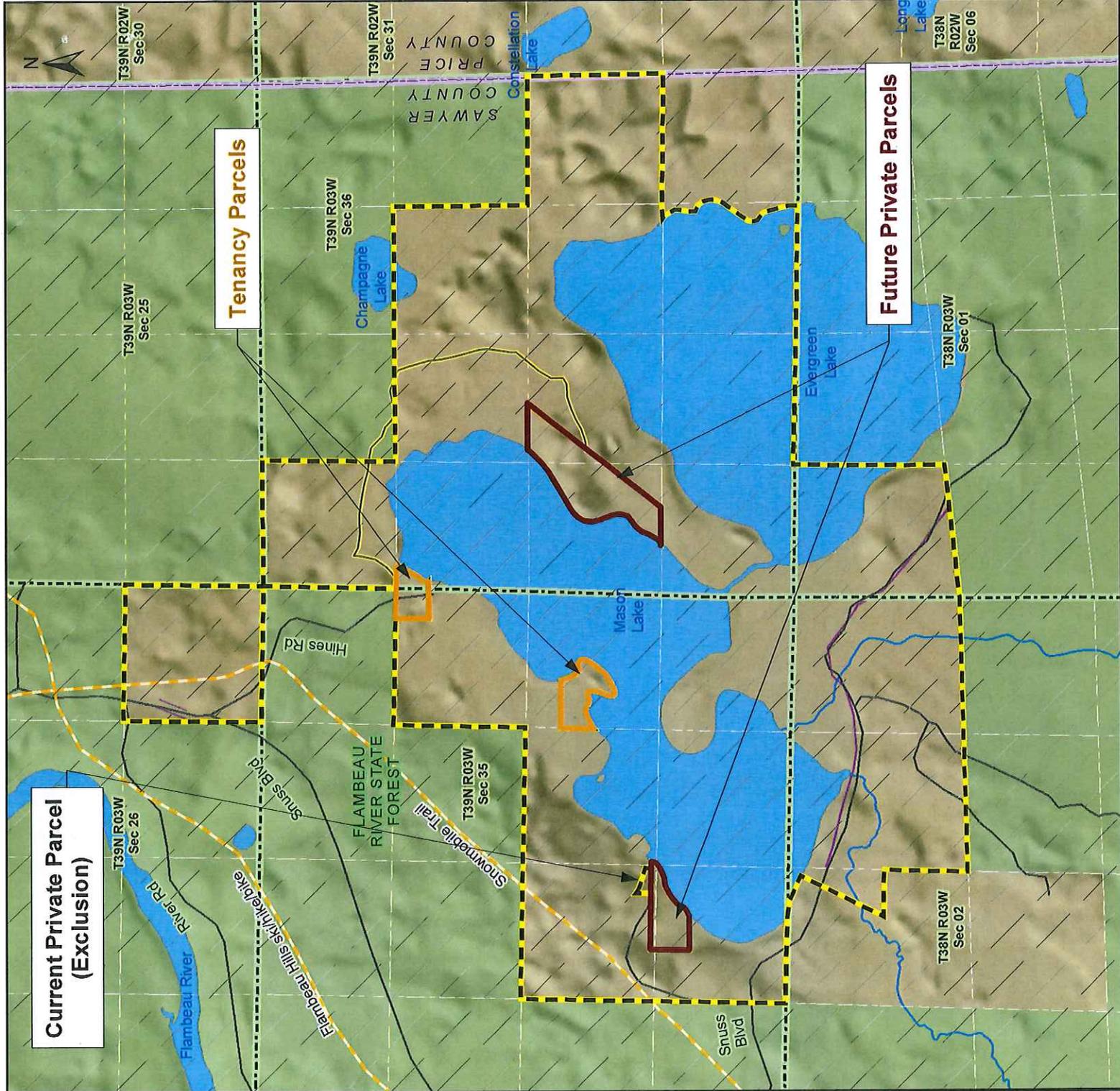
-  WDNR Owned
-  WDNR Easement
-  DNR Project Boundary
-  County Forest Land
-  Recreation Trail
-  PLSS Section Line
-  QQ Section Boundary

0 600  
 Feet



★ Location of Property

WISCONSIN DEPARTMENT  
 OF NATURAL RESOURCES  
 Bureau of Facilities of Lands  
 Map Created: May 25, 2012 kmh



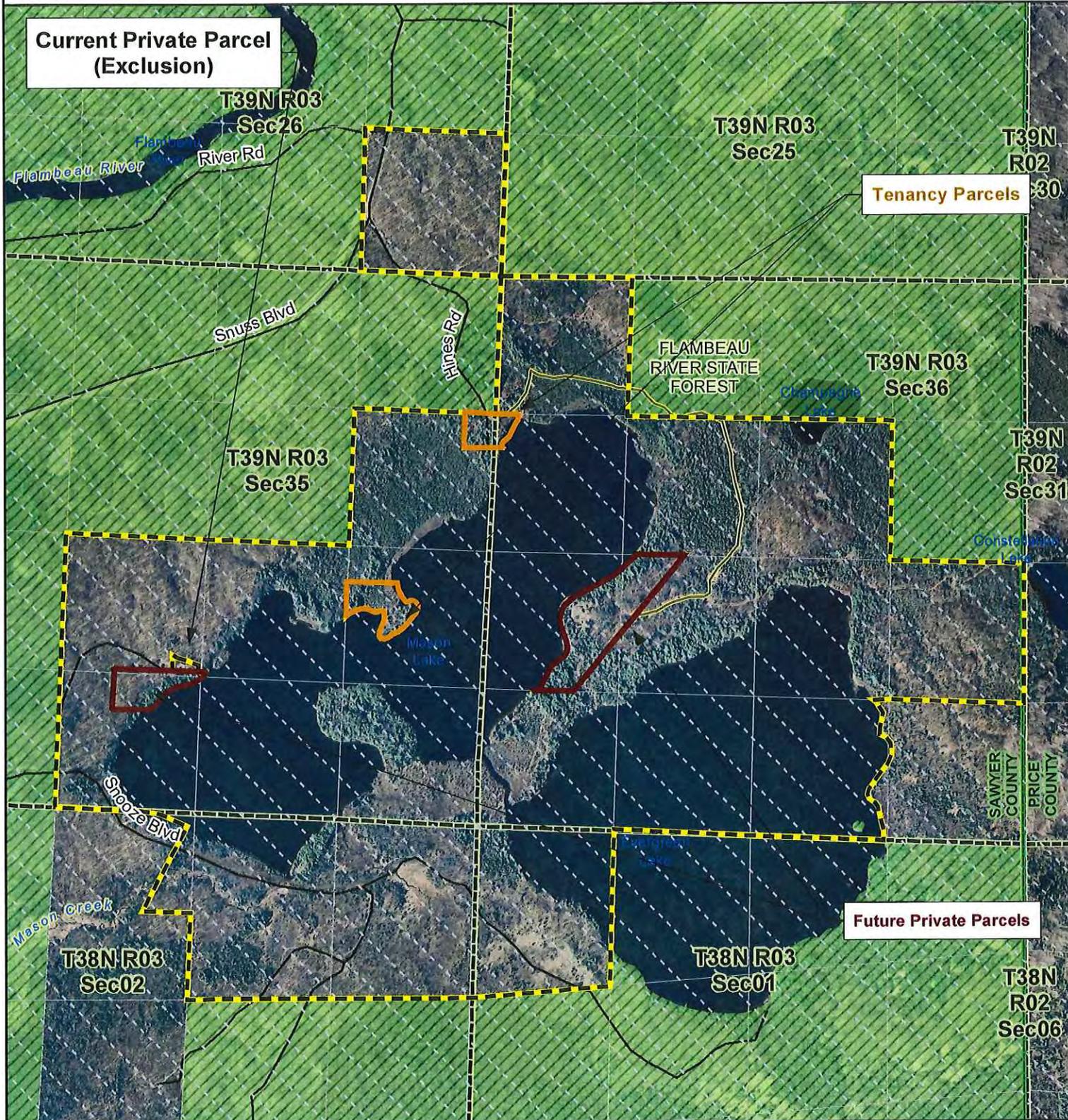
**Tenancy Parcels**

**Future Private Parcels**

**Current Private Parcel  
 (Exclusion)**

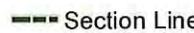
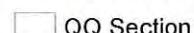
# Edward Hines - Fee

T39N R3W Sec 24, 35 & 36, Town of Winter, Sawyer County



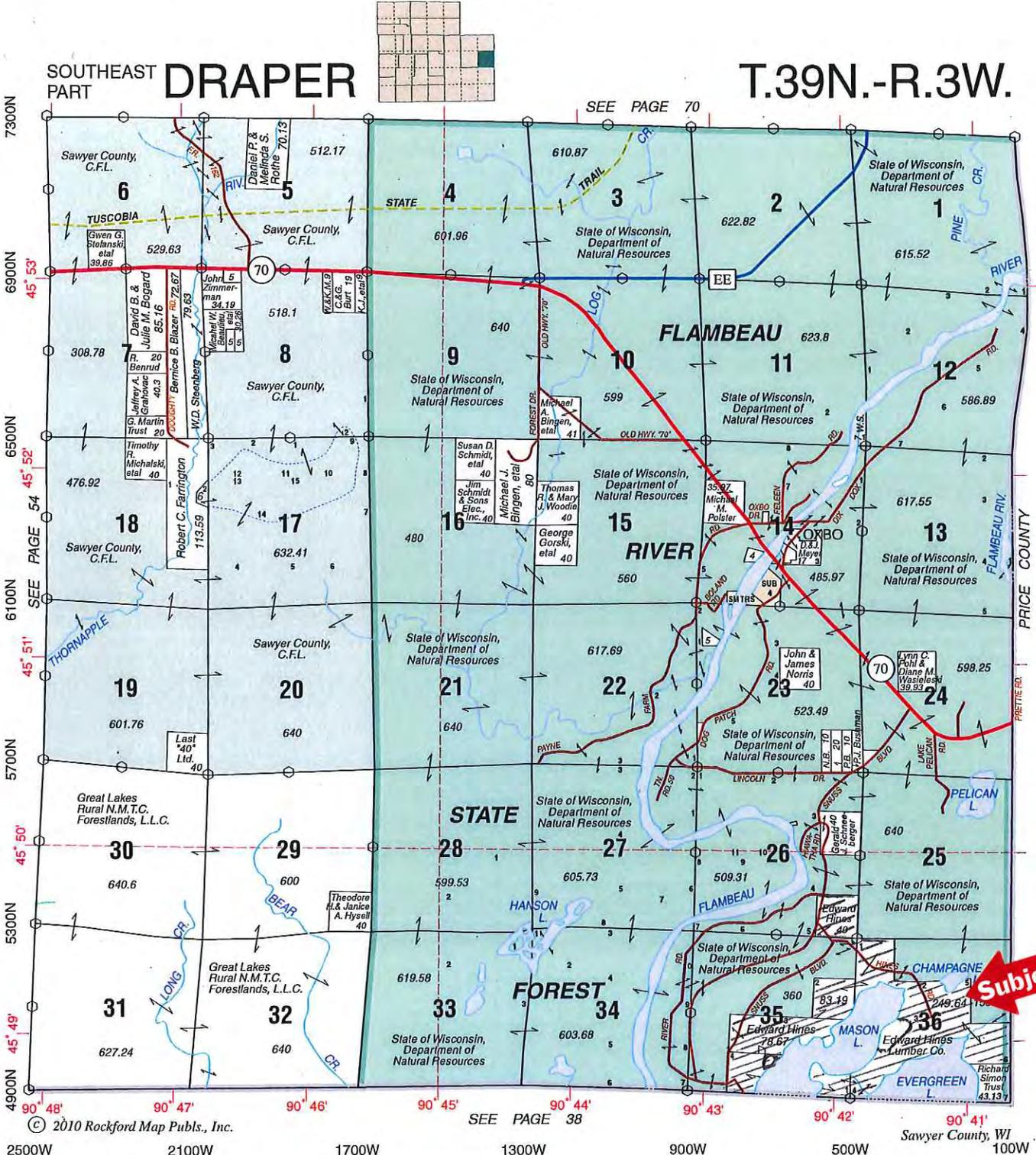
## Flambeau River State Forest

-  Subject Parcel
-  Future Private Parcels
-  Tenancy Parcels
-  Proposed Access Easement Route

-  DNR Owned
-  DNR Eased
-  DNR Project Boundary
-  Section Line
-  QQ Section Lines



May 25, 2012 kmh  
 Real Estate Section  
 Bureau of Facilities and Lands



**Subject**

**General Public Land Information**

Public conservation areas, wildlife refuges, parks and forest lands are illustrated throughout this book. Please note that private lands may be located within these areas and they are not always open for public access. The DNR may or may not lease lands within these areas, so please look for posted signs and contact the Facilities and Lands Bureau of the WI DNR at 608-266-2135 for specifics. You may also find more detailed land information at [http://www.dnr.wi.gov/org/land/facilities/dnr\\_lands\\_mapping.html](http://www.dnr.wi.gov/org/land/facilities/dnr_lands_mapping.html).

DNR Service Center, 10220 State Highway 27, Hayward, WI 54843, 715-634-2688

**Forest Crop Land**

Parcels of land which are designated FCL (Forest Crop Land) may be open to the public for hunting and fishing. Landowners may prohibit other activities in accordance with Wisconsin Statute 77.01 and Administrative Code NR 46.

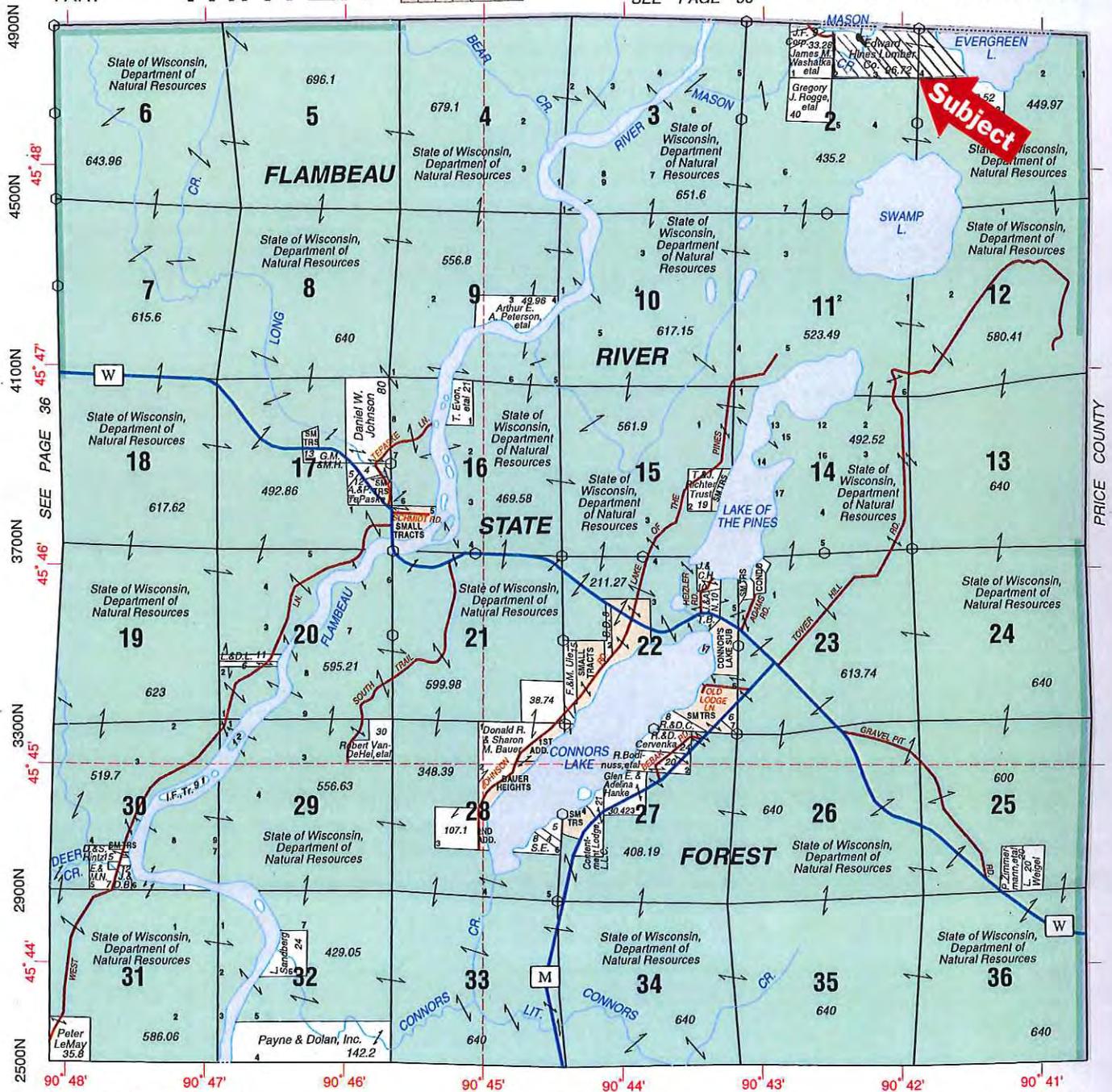
**Managed Forest Lands**

MFL designated properties are not shown in this plat book edition due to the partial legal descriptions and the continually changing nature of these lands. To determine if private land is enrolled in the Managed Forest Law program, please contact your local Wisconsin DNR office. MFL properties may or may not be open for public access and it is your responsibility to check with the landowners to determine access. Access may be restricted within 300 feet of any building or commercial logging operation in accordance with Wisconsin Statute 77.83 (2) (a) and (2) (b). Printouts of properties that are open or closed are available through the Wisconsin DNR online at <http://dnr.wi.gov/org/land/forestry/flax/orderfrm.htm>.

NORTHEAST PART WINTER

T.38N.-R.3W.

SEE PAGE 56



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SEE PAGE 20

Sawyer County, WI

2500W 2100W 1700W 1300W 900W 500W 100W