SUBJECT: Land Exchange and Easement - John Michael Kohler State Park – Sheboygan County

FOR: February 2018 BOARD MEETING

TO BE PRESENTED BY: Doug Haag and Ben Bergey

SUMMARY:

The Department has negotiated a land exchange with Kohler Company (Kohler). The exchange involves 9.5 acres of Kohler land located partially in and partially outside of the boundary of John Michael Kohler State Park for 4.59 acres of department land currently within the boundary of the park. The Department will also convey a 1.88-acre access easement which will provide legal access to the land the Department is conveying to Kohler and to Kohler’s adjoining lands. Kohler is proposing the development of a world class golf course on its adjoining land.

Prior to transferring the land to Kohler, the land must be removed from the project boundary. The 4.59-acre parcel is not being used for any park functions or services and is no longer needed for the state’s use for conservation purposes. Restrictions placed on the deed transferring title to Kohler will ensure that the area is adequately landscaped and screened, that its use will not compromise park aesthetics, and that its proposed future use will be compatible with adjacent park uses. Kohler intends to develop a maintenance facility on the property to serve their adjoining land and proposed golf course.

The 9.5-acre parcel that the department proposes to acquire from Kohler includes a house that may be used for employee housing and several buildings that may be used for storage and park operations. The property also contains undeveloped acreage, a portion of which is inside the current project boundary. The parcel has good road frontage on County HWY V and blocks with existing state land on three sides.

If the easement and exchange are approved, the entrance to the Park will undergo improvements to ensure enhanced access to the park. Kohler will install, at its expense, additional lanes for the park entrance, automated electronic kiosks for park day use registration, a new firewood storage facility offering more convenient access by campers and road improvements to ensure efficient flow in and out of the park entrance. Restrictions to be included in the easement and the deed to Kohler will ensure that the department may use the roadway to access its maintenance facility and the public may use the roadway when the golf course facilities are open. There are several provisions in the easement and the exchange agreement to ensure that maintenance facilities developed by Kohler will not be used for other purposes or have negative impacts to the Park.

An environmental impact study was performed indicating access to the proposed golf course through the Park would have the least impact on environmentally sensitive areas and archeological sites. Any damages to the existing entrance road, bridge or park entrance caused by Kohler during golf course development will be repaired at Kohler’s expense.

RECOMMENDATION: That the Board makes a determination that the 4.59-acre parcel is no longer needed for the state’s use for conservation purposes and directs that the parcel be removed from the project boundary. Also, that the Board approves the land exchange with Kohler authorizing the conveyance of 4.59 acres of state land and the 1.88-acre access easement in exchange for the 9.5 acre Kohler land located partially in and partially out of the project boundary.

LIST OF ATTACHED MATERIALS (Check all that are applicable):

- Background Memo
- Maps and Documents
<table>
<thead>
<tr>
<th>Approved By</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terry H. Bay</td>
<td>Terry H. Bay</td>
<td>2/16/18</td>
</tr>
<tr>
<td>Bureau Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Douglas J. Haag</td>
<td>Douglas Haag</td>
<td>2-16-18</td>
</tr>
<tr>
<td>Internal Services Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daniel L. Meyer</td>
<td>Ed Elser</td>
<td>2-16-18</td>
</tr>
<tr>
<td>Secretary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CORRESPONDENCE/MEMORANDUM

DATE: February 16, 2018
TO: Governor Scott Walker
FROM: Daniel L. Meyer
SUBJECT: Proposed Land Exchange, Kohler Co. Tract, File # PR 40229

FILE REF: PR 40229

1. PARCEL DESCRIPTION:

JOHN MICHAEL KOHLER
STATE PARK
Sheboygan County

JOHN MICHAEL KOHLER
STATE PARK
Sheboygan County

Grantors:

Kohler Co.
Mr. Dirk Willis
444 Highland Dr.
Kohler WI 53044

Department of Natural Resources
101 S. Webster Street
Madison WI 53707

<table>
<thead>
<tr>
<th>Acres:</th>
<th>9.5</th>
<th>4.59</th>
<th>1.88</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price:</td>
<td>Exchange</td>
<td>Exchange</td>
<td>Exchange</td>
</tr>
<tr>
<td>Appraised Value:</td>
<td>$295,000.00</td>
<td>$59,700.00</td>
<td>$9,400.00</td>
</tr>
<tr>
<td>Improvements:</td>
<td>home, detached garage, storage shed, two outbuildings</td>
<td>None</td>
<td>Existing Roadway on a portion</td>
</tr>
<tr>
<td>Interest:</td>
<td>Fee Title</td>
<td>Fee Title</td>
<td>Easement</td>
</tr>
</tbody>
</table>

Location: The exchange parcels are located approximately four miles south of Sheboygan.

Land Description: The parcel to be conveyed is gently rolling woodland. The easement to be conveyed is level partially developed land. The parcel to be received by the department is level to gently rolling and is partially developed with structures. The remainder is cropland and woodland.

Covertype Breakdown:

<table>
<thead>
<tr>
<th>Type</th>
<th>Kohler Co. Acreage</th>
<th>DNR Fee Acreage</th>
<th>DNR Easement Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Site</td>
<td>3.20</td>
<td>4.59</td>
<td>1.00</td>
</tr>
<tr>
<td>Cropland</td>
<td>2.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upland Woodland</td>
<td>3.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban / Developed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>9.5</td>
<td>4.59</td>
<td>1.88</td>
</tr>
</tbody>
</table>

1
2. **JUSTIFICATION:**

If the easement and exchange are approved, the entrance to the Park will undergo improvements to ensure enhanced access to the park. Kohler will install, at its expense, additional lanes for the park entrance, automated electronic kiosks for park day use registration, a new firewood storage facility offering more convenient access by campers and road improvements to ensure efficient flow in and out of the park entrance. Restrictions to be included in the easement and the deed to Kohler will ensure that the department may use the roadway to access its maintenance facility and the public may use the roadway when the golf course facilities are open. There are several provisions in the easement and the exchange agreement to ensure that maintenance facilities developed by Kohler will not be used for other purposes or have negative impacts to the Park.

An environmental impact study was performed indicating access to the proposed golf course through the Park would have the least impact on environmentally sensitive areas and archeological sites. Any damages to the existing entrance road, bridge or park entrance caused by Kohler during golf course development will be repaired at Kohler’s expense.

3. **LAND MANAGEMENT:**

   The parcel being conveyed to the department will be managed as a part of the larger park. The facilities on the property may be utilized for storage and park operations.

4. **FINANCING:**

   No funds are required for this exchange.

5. **ACQUISITION STATUS OF THE JOHN MICHAEL KOHLER STATE PARK:**

   - Established: 1966
   - Acres Purchased to Date: 748.26
   - Acquisition Goal: 1,152.62
   - Percent Complete: 64.92%
   - Cost to Date: $1,967,200.00
6. **APPRaisal KOHLER CO. TRACT:**

   **Appraiser:** David E. Steiro  
   **Valuation Date:** 12/19/2017  
   **Appraised Value:** $295,000.00  
   **Highest and Best Use:** Rural Residential Hobby Farm

   **Allocation of Values:**
   
   a. land: 9.5 acres @ $9,500/acre = $90,250, Improvements: $204,750  
   b. market data approach used, five comparable sales cited  
   c. Adjusted value range: $285,199 - $297,470

   **Appraisal Review:** Jolene Brod  
   **Date:** 01/10/2018

6b. **APPRaisal DNR TRACT:**

   **Appraiser:** David E. Steiro  
   **Valuation Date:** 12/5/2017  
   **Appraised Value:** $69,000.00  
   **Highest and Best Use:** Rural Residential/Recreational

   **Allocation of Values:**
   
   a. land: Land Acquisition: 4.59 acres @ $13,000/acre = $59,670, rounded to $59,700; Access Easement: $5,000 x 1.88 acres = $9,400  
   b. market data approach used, five comparable sales cited  
   c. Adjusted value range for land acquisition: $11,466 - $13,148 (greater than $11,466 and $12,190, similar to $13,148)

   **Appraisal Review:** Jolene Brod  
   **Date:** 01/12/2018

---

**RECOMMENDED:**

---

**Terry H. Bay**  
**Date:** 2/16/18  
**Terry H. Bay, Bureau Director, Bureau of Facilities and Lands**

---

**Diane L. Milligan**  
**Date:** 2/16/18  
**Diane L. Milligan, Bureau of Legal Services**

---

**Douglas J. Haag**  
**Date:** 2/16/18  
**Douglas J. Haag, Internal Services Division Administrator**
101 S Webster St
Madison, WI 53703

Continue to US-151 N

1. Head northwest on S Webster St toward E Main St
   16 min (6.8 mi)
   0.1 mi

2. Turn right at the 2nd cross street onto E Washington Ave
   328 ft

3. Continue straight to stay on E Washington Ave
   6.6 mi

Follow US-151 N to WI-23 E/WI-23 Trunk E/E Johnson St in Fond du Lac. Take the WI-23/Johnson St exit from US-151 N

4. Continue onto US-151 N
   1 h 2 min (69.3 mi)
   69.0 mi

5. Take the WI-23/Johnson St exit
   0.3 mi

https://www.google.com/maps/dir/101+South+Webster+Street,+Madison,+WI/43.6726886...

1/17/2018
6. Turn right onto WI-23 E/WI-23 Trunk E/E Johnson St
   Continue to follow WI-23 E/WI-23 Trunk E
   24 min (23.0 mi)

Follow WI-23 E/WI-23 Trunk E and I-43 S to Co Rd 0 K/Co Rd V in Wilson. Take exit 120 from I-43 S

7. Keep right to stay on WI-23 E/WI-23 Trunk E
   14 min (15.0 mi) 9.2 mi

8. Take the exit onto I-43 S toward Milwaukee
   5.5 mi

9. Take exit 120 for County Rd V/County Rd Ok toward Waldo
   0.3 mi

Follow Co Rd V to Beach Park Ln

10. Turn left onto Co Rd 0 K/Co Rd V
   4 min (2.2 mi) 0.2 mi

11. Turn right onto Co Rd V
   1.9 mi

12. Continue straight onto Beach Park Ln
   56 ft

1022-1198 Beach Park Ln
Sheboygan, WI 53081

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.