SUBJECT: LAND ACQUISITION - STATEWIDE NATURAL AREAS, TURTLE FLAMBEAU SCENIC WATERS AREA AND WILLOW FLOWAGE SCENIC WATERS AREA - DUNN, ONEIDA, AND IRON COUNTIES

FOR: MARCH 2008 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an agreement to purchase 598.22 acres of land from the Board of Commissioners of Public Lands (BCPL) for $844,200 for lands in the Statewide Natural Areas, Turtle Flambeau Scenic Waters Area, and Willow Flowage Scenic Waters Area, located in Dunn, Oneida, and Iron Counties.

Department ownership of these lands will provide opportunities to improve management and to improve access to other state ownership. The parcel acreages and costs are outlined in the chart below.

<table>
<thead>
<tr>
<th>Property</th>
<th>County</th>
<th>Acres</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide Natural Area-Otter Creek</td>
<td>Dunn</td>
<td>280</td>
<td>$448,000</td>
</tr>
<tr>
<td>Statewide Natural Area-Spur Lake</td>
<td>Oneida</td>
<td>202.38</td>
<td>$250,000</td>
</tr>
<tr>
<td>Turtle Flambeau (TF) Scenic Waters</td>
<td>Iron</td>
<td>75.84</td>
<td>$106,200</td>
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<tr>
<td>Willow Flowage Scenic Waters Area</td>
<td>Oneida</td>
<td>40</td>
<td>$40,000</td>
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<td>TOTAL</td>
<td></td>
<td>598.22</td>
<td>$844,200</td>
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Signed into law on April 19, 2006, Wisconsin Act 352 sets aside $2,000,000 per year from 2007 through 2010 from the Stewardship fund to acquire land from BCPL. This allows the Department to preserve high quality natural area land and consolidate department land ownership within projects. Further, the legislation provides for BCPL’s use of the sale proceeds to acquire working forestland for timber management and public access. The annual allocation was extended in the recent Stewardship authorization for an additional 10 years.

RECOMMENDATION: That the Board approve the purchase of 598.22 acres of land for $844,200 for the Statewide Natural Areas, Turtle Flambeau Scenic Waters and Willow Flowage Scenic Waters Area in Dunn, Oneida and Counties.

LIST OF ATTACHED MATERIALS:

- No Fiscal Estimate Required [ ] Yes [ ] Attached
- No Environmental Assessment of Impact Statement Required [ ] Yes [ ] Attached
- No Background Memo [ ] Yes [ ] Attached

APPROVED:

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

Administrator, Laurie Osterndorf - AD/5

Secretary, Matthew J. Frank - AD/5

cc: S. Miller – LF/6
R. Steffes – LF/6
L. Ross – AD/5
S. Holtz – ER/6
S. Humrickhouse – WCR/Eau Claire
J. Gozdzialski – NOR/Spooner
DATE: February 12, 2008

TO: Governor Doyle

FROM: Matthew J. Frank

SUBJECT: Proposed Land Acquisition, Board of Commissioners of Public Lands, File # WR-626, WR-627, NA-914 & NA-915 Approval Requested by April 30, 2008

1. PARCEL DESCRIPTION:

State Natural Area - Otter Creek Barrens
Dunn County

State Natural Area - Spur Lake
Oneida County

Turtle Flambeau Scenic Waters Area
Iron County

Willow Flowage Scenic Water Area
Oneida County

Grantor:

Board of Commissioners of Public Lands (BCPL)
c/o Ms. Tia Nelson, Executive Secretary
125 South Webster Street, Room 200
P.O. Box 8943
Madison, WI 53708-8943

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Acres: 598.22
Price: $844,200
Appraised Value: $844,200
Interest: Purchase in fee.
Improvements: None

Location:

**Otter Creek State Natural Area**: The 280-acre parcel is situated in the Town of Otter Creek in Dunn County about 12 miles to the northeast of Menomonie.

**Spur Lake State Natural Area**: Three non-contiguous parcels make up the 202.38 acres, which are located in the Town of Pichl and Town of Three Lakes.

**Turtle Flambeau Scenic Waters Area**: The 75.84-acre parcel is located in the Township of Sherman in Iron County. The City of Hurley is located about 31 miles north of the parcel.
Willow Flowage Scenic Water Area: The City of Rhinelander is located about 18 miles east of the property.

Land and Covertype Description:

Otter Creek State Natural Area: The parcel contains rolling upland woods.

Spur Lake State Natural Area:
  Parcel 1 is split between being rolling upland terrain to a lowland swamp area.
  Parcel 2 includes 1,300 feet of frontage along Spur Lake and is about 80% lowland swamp.
  Parcel 3 is about 30% upland terrain and 70% bog.

Turtle Flambeau Scenic Waters Area: Rolling to gently rolling land that is wooded.
Willow Flowage Scenic Water Area: The parcel is gently rolling with no major slopes and is wooded.

Zoning: Forestry, Agriculture and Shoreland.

Present Use: Currently, state-owned and managed for sustained yield timber production and public recreation.

Proposed Use: Resource Protection and Public Recreation

Tenure: The BCPL land was acquired at the beginning of statehood and with some subsequent transfers, from the federal government.

Property Taxes: All parcels are tax exempt.

Stewardship Land Access: The land will be open for public hunting and other nature-based outdoor recreation.

2. JUSTIFICATION:

The Department recommends the acquisition of 598.22 acres of land from the Board of Commissioners of Public Lands for the Statewide Natural Areas, Turtle Flambeau Scenic Waters Area and the Willow Flowage Scenic Water Area in Dunn, Oneida and Iron Counties. Department ownership of the property will provide opportunities to restore and protect wildlife habitat, provide additional opportunities for public recreation and education, and provide resource protection.

Otter Creek Oak Barrens State Natural Area:

The 280-acre property is located in north-central Dunn County in the Town of Otter Creek within the boundary of the Otter Creek Oak Barrens State Natural Area. The topography ranges from sloping to hill with a ridge running north and south along the west boundary. There are state-owned lands adjoining part of the eastern edge of the parcel. Purchase of this land will protect the natural values of the site and will consolidate state ownership providing opportunities for public recreation.

The Otter Creek Oak Barrens State Natural Area, designated as a state natural area in 1990, contains a 28-acre oak barrens dominated by large and small black oaks and several burr and hill oak grubs. The large black oaks are at least 120 years old. The smaller oaks, 8 to 20 inches in diameter, are 50 to 90 years-old. The ground layer is composed of typical oak barrens species such as lead-plant, puccoon, field wormwood, flowering spurge. American hazelnut, bastard-toadflax, false Solomon's seal, bird's-foot violet, June grass, prairie coreopsis, and little blue-stem. The surrounding southern dry forest has a high density of oaks, the canopy trees mostly single-stemmed on the slopes and multiple-stemmed on the upper slopes and ridges. On a few north-facing slopes, the dominant tree is red maple with an open understory and a ground layer dominated by interrupted fern.

Spur Lake State Natural Area:

The 202.5-acre property in eastern Oneida County consists of three non-contiguous parcels, which have approximately 1,300 feet of frontage along Spur Lake. The 202.5-acre parcel owned by the BCPL comprises almost half the lands within the Spur Lake Natural Area project boundary. The northern tract is 40 acres in size and is about 50% lowland swamp/bog. The 35.38-acre parcel on the east side contains about 1,300 feet of shoreline on Spur Lake and is about 80% lowland wetlands. East Stella Road, a town road, runs through
this parcel. The southern tract is 127 acres in size with about 70% as lowland wetlands. Purchase of this land will protect the natural values of the site and will consolidate state ownership surrounding Spur Lake providing opportunities for public recreation.

Spur Lake is a 113-acre muck-bottomed, soft-water drainage lake that supports dense beds of emergent, submergent, and floating-leaved aquatic plants. Wild rice is the dominant emergent species and annually harvested. Native Americans used the property for centuries and there is an old campground on the lakeshore. Other plants include white water-lily, bullhead water lily, large-leaved pondweed, ribbon-leaf pondweed, common pondweed, common bladderwort, pickerel weed, and soft-stem bulrush. The lake possesses a three-foot maximum depth and is subject to freeze out. Wetlands including open bog, alder thicket, and black spruce-tamarack-white cedar swamp surround the majority of the lake’s shoreline. Along the northeast corner is a small stand of old-growth hemlock hardwoods and a floating bog mat. The outlet stream, Twin Lakes Creek, flows southward, joining the Pelican River, which in turn flows to the Wisconsin River. Spur Lake is a “wild lake” with no development on the shores. The lake and surrounding wetlands provide habitat for black ducks, ring-necked ducks, osprey, and common loons. Migratory waterfowl is heavy.

Purchase of the land will provide additional opportunities for public recreation and better protect the natural and scenic resources of this site by promoting natural resource management. With this transaction, the Department will own the entire lake frontage.

The Turtle Flambeau Scenic Waters Area:

The proposed acquisition of 75.84 acres in the Turtle-Flambeau Scenic Waters Area consists of wooded land with mix of swamp hardwoods, conifers and northern hardwoods. The topography is gently rolling to rolling with ridges throughout the property. A small creek runs through the southeast corner of the parcel. The parcel falls outside the project boundary, but is adjacent to it. The parcel is important in that it will provide road frontage for a block of 1,000 acres of department land currently with very poor access. The Department will add this portion to the project boundary during future planning.

The Turtle Flambeau Scenic Waters Area was established in 1990 to provide opportunities for public recreation and to protect the scenic quality of the area. The Turtle Flambeau Flowage is the core of the Turtle Flambeau Scenic Waters project. The flowage is about 13,545 acres in size and is an excellent fishing lake with a wilderness character. Three rivers and several smaller creeks enter the flowage, and the North Fork of the Flambeau River is the outlet. Water flow is controlled by a dam.

Acquisition of this parcel would provide important access for both public recreation and management of existing Department ownership as well as continue to provide opportunities for public recreation and natural resource protection of this site.

Willow Flowage Scenic Water Area:

The proposed acquisition of 40 acres within the Willow Flowage Scenic Waters Area is located in western Oneida County, consists of 40 acres of woodlands and is located on the edge of a large block of state and county forestlands. The main cover-type is black spruce and aspen. The topography is gently rolling with no major slopes. Although the parcel is predominantly lowland woodlands, there are no streams or other water resources on the subject. Access to the property is across existing state land. Currently, the property is being managed for sustained yield timber production. Given that the property is fully within the Willow Flowage project boundary and is surrounded on all sides by state ownership, this acquisition would serve well in meeting the Department’s defined acquisition goals.

The Willow Flowage Scenic Waters project, located in Oneida County 15 miles southwest of Minocqua, was established in 1997 to perpetuate the undeveloped character of the Willow Flowage and to preserve the scenic beauty, natural resources, and heritage for future generations. The flowage is nearly undeveloped and has a wilderness character over much of its area. It is famous for its scenic qualities, natural character, wilderness setting, and fishing opportunities. The project is managed to enhance the musky and walleye fishery, to protect the water quality of the flowage and to provide natural-type public recreational and educational uses such as fishing, hunting, hiking and trapping.
The Flowage was created in 1926 when a dam was constructed on the Tomahawk River downstream of its confluence with the Willow River. The flowage is used to provide a constant flow of water for power production downstream. Of the 77 miles of total frontage, about 3.6 miles are in private ownership that includes three resorts, two campgrounds, a few private cabins, a boat tour company, and a general store. The vast majority of the flowage is undeveloped. The flowage has a maximum depth of 22 feet. While depth and surface areas vary seasonally, wildlife and the fishery flourish.

The fishery is primarily northern pike, muskellunge, and walleye. There are smaller populations of smallmouth bass and perch. The flowage has significant populations of eagles, osprey and common loons. There are six existing boat landings located on the flowage and a number of primitive campsites.

Acquiring the subject property will allow the Department to consolidate state ownership, provide additional opportunities for public recreation and better protect the natural and scenic resources of this site by preventing uses incompatible with the goals of the project and by promoting natural resource management.

**Summary:**

The Department recommends the purchase of the all of the above-described properties totaling 598.22 acres to allow management for wildlife habitat, to insure public access for recreation, and provide resource protection. All parcels block well with existing department lands and will consolidate department ownership within the project boundaries.

3. **FINANCING:**

   State Stewardship bond funds are anticipated:

<table>
<thead>
<tr>
<th>Funds allotted to program:</th>
<th>Balance after proposed transaction:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000,000</td>
<td>$1,096,706</td>
</tr>
</tbody>
</table>

4a. **ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA:**
   - Established: 1972
   - Acres Purchased to Date: 35.273
   - Acquisition Goal: 41,000 Acres
   - Percent Complete: 86.03%
   - Cost to Date: $18,598,851

4b. **ACQUISITION STATUS OF THE TURTLE FLAMBEAU SCENIC WATERS AREA:**
   - Established: 1990
   - Acres Purchased to Date: 35.020
   - Acquisition Goal: 45.077 Acres
   - Percent Complete: 78%
   - Cost to Date: $17,729,040

4c. **ACQUISITION STATUS OF THE WILLOW FLOWAGE SCENIC WATERS AREA**
   - Established: 1997
   - Acres Purchased to Date: 26.069
   - Acquisition Goal: 34.804 Acres
   - Percent Complete: 75%
   - Cost to Date: $18,892,651

5a. **APPRAISAL** for Otter Creek Barrens State Natural Area parcel:
   - Appraiser: Michael Augustyn (Private Appraiser)
   - Valuation Date: November 29, 2006
   - Appraised Value: $448,000
   - Highest and Best Use: Recreational, Forestry
Allocation of Values:
   a. land: 280 acres @ $1,600 per acre: $448,000
   b. market data approach used, four comparable sales cited
   c. adjusted value range: $1,505 to $1,624 per acre

5b. APPRAISAL for the Spur Lake State Natural Area parcel:
   Appraiser: Kyle Zastrow (Private Appraiser)
   Valuation Date: September 13, 2006
   Appraised Value: $250,000
   Highest and Best Use: Recreational Woodlands, Hunting
   Allocation of Values:
   a. land: 202.38 acres @ $1,235 per acre: $250,000
   b. market data approach used, 10 comparable sales cited
   c. adjusted value range: $1,284 to $3,050 per acre

5c. APPRAISAL for Turtle Flambeau parcel:
   Appraiser: Brod Appraisal Services, LLC (Private Appraiser)
   Valuation Date: May 8, 2007
   Appraised Value: $106,200
   Highest and Best Use: Recreation, Sustained Yield Timber Production
   Allocation of Values:
   a. land: 75.84 acres @ $1,400 per acre: $106,200
   b. market data approach used, four comparable sales cited
   c. adjusted value range: $1,247 to $1,626 per acre

5d. APPRAISAL for Willow Flowage parcel:
   Appraiser: Brod Appraisal Services, LLC (Private Appraiser)
   Valuation Date: October 16, 2006
   Appraised Value: $74,100
   Highest and Best Use: Recreation
   Allocation of Values:
   a. land: 40 acres @ $1,000 per acre: $40,000
   b. market data approach used, 3 comparable sales cited
   c. adjusted value range: $908 to $1,129 per acre

RECOMMENDED:

[Signature]
Richard E. Steffes
Date: 2-12-08

[Signature]
Bureau of Legal Services
Date: 2/12/08

[Signature]
Laurie Osterndorf
Date: 2/11/08

RES:ch
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Spur Lake
SNA Priority FY08
Oneida County
T37N-R11E, Sec. 6, 7; T38N-R11E, Sec. 31

[Diagram of Spur Lake area with marked boundaries and roads]
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BCPL Property

Spur Lake SNA

Subject Property
WDNR Owned
WDNR Eased
WDNR Leased
Ice Age Trail
Project Boundary
SNA Project Boundary
Open Water

The DNR Managed Lands represent the boundaries of lands managed by the Wisconsin Department of Natural Resources. The Wisconsin DNR manages these lands through ownership, management, or lease, and a portion of the lands may be closed to the public or managed for some purposes only. Some lands may be open to the general public, or may have specific limitations on access. Information about the public use and management of these lands is available from the Wisconsin Department of Natural Resources.

STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES

Bureau of Facilities and Lands
February 5, 2010
Spur Lake
SNA Priority FY08
Oneida County
T37N-R11E, Sec. 6, 7; T38N-R11E, Sec. 31
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