

SUBJECT: LAND ACQUISITION – STATEWIDE NATURAL AREA – SAWYER COUNTY

FOR: AUGUST 2009 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an option to purchase 400 acres of land from Helania, Ltd. for \$1,720,000 for the Statewide Natural Area – Wild Lakes Program in Sawyer County. The item is being submitted due to the level of the purchase price.

The Statewide Natural Area program was established in 1972 to protect the best remaining examples of Wisconsin's native vegetation as well as habitat for endangered and threatened plants and animals. Natural areas will help protect the natural diversity of the landscape and preserve for future generations a living history of the past. Under the Natural Areas Program, the Department has created a Wild lakes Initiative as pristine lakes in Wisconsin are rapidly disappearing due to development. The purpose of the Wild Lakes Program is to protect and preserve high quality endangered wild lakes. The goals of the program are achieved through the use of easements and land acquisition. For the purpose of the Stewardship program, a "wild lake" is defined as a lake or flowage of at least five acres, or significant portions thereof, identified in the Wisconsin registrar of waterbodies, where human influence, such as structural development of its shorelands, is not significant or can be removed at reasonable costs. Natural areas are used for study by elementary to college age school groups and researchers as well as the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

The 400-acre property encompasses Lake Helane, a 51-acre seepage lake located in northern Sawyer County, and classified as a wild lake in the Department's Statewide Natural Areas Wild Lakes Program. Lake Helane is a soft water, seepage lake, with approximately 11,350 feet of shoreline and a maximum depth of 27 feet. The lake bottom is mostly sand and gravel, with very good water clarity. Fisheries consist primarily of bass and pan fish. Lake Helane has two separate basins with a narrow navigable channel connecting the two lobes. The northwestern basin is slightly larger and features two islands, which are included in this purchase.

Lake Helane ranks high as a wild lake and with acquisition would be protected from further development pressure. Scattered boggy wetlands with leatherleaf, cranberry, and various sedges surround the lake. While the uplands have seen recent timber harvest, the lake and its immediate shore still contain a very high quality northern dry-mesic forest dominated by red and white pine. Birds surveyed include belted kingfisher, olive-sided flycatcher, least flycatcher, golden-winged warbler, Nashville warbler, black and white warbler, mourning warbler, black-throated blue warbler, and Baltimore oriole.

The property also includes a four-acre pond, is comprised of 91 percent upland, and nine percent lowland, with moderate to sharply rolling topography. The land is enrolled in the Managed Forest Tax Law Program and was cut approximately 15 years ago, leaving a forest cover of young aspen, white birch, and pole-sized, mixed northern hardwoods along with scattered red and white pine. The lowland areas are mainly keg-brush scattered with small conifers and swamp hardwoods.

The property is improved with a one-story seasonal cabin, a 10 by 20-foot quonset-type metal storage shed, and a 12 by 16-foot boathouse with pier. The landowners will be reserving a 10-year tenancy on the land surrounding these improvements, approximately five to nine acres in size. However, the majority of the land and lake is still fully accessible by the public from the town road, and other than the area under the tenancy reservation, the property will be open to hunting, fishing, trapping, hiking and skiing for public recreation. Once the tenancy term is up, the Department will have full management of the improved area.

A town road, Lake Helane Road, skirts the lake along the northwestern edge, providing public access along the right-of-way. However, the steep terrain has been causing some erosion and run-off issues. If acquired, the Department intends to develop a carry-in site for lake access at a more suitable location on another portion of the property. There is no adjacent or proximate state lands to the property. However, it adjoins a large block of Sawyer County forestland on the west, north, and east. Private tracts border the subject to the south and east.

Acquiring the subject property will allow the Department to provide additional opportunities for public recreation and to 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.

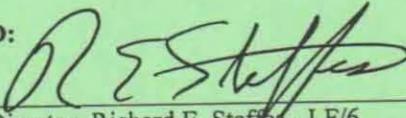
RECOMMENDATION: That the Board approve the purchase of 400.0 acres of land for \$1,720,000 for the Statewide Natural Area in Sawyer County.

LIST OF ATTACHED MATERIALS:

No Fiscal Estimate Required
No Environmental Assessment of Impact Statement Required
No Background Memo

Yes Attached
Yes Attached
Yes Attached

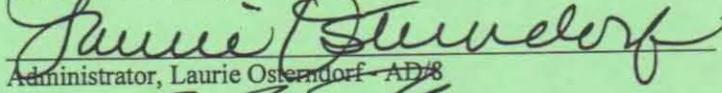
APPROVED:



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

7-1-09

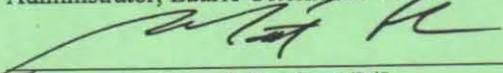
Date



Administrator, Laurie Osterndorf - AD/8

7/8/09

Date



Secretary, Matthew J. Frank - AD/8

7-22-09

Date

cc: S. Miller - LF/6
R. Steffes - LF/6
L. Ross - AD/8
S. Holtz - ER/6
J. Gozdialski - NOR/Spooner

CORRESPONDENCE/MEMORANDUM

DATE: July 1, 2009
 TO: Governor Doyle
 FROM: Matthew J. Frank *MJF*
 SUBJECT: Proposed Land Acquisition, Helania, Ltd. Tract, File # NA 20026,
 Option Expires September 30, 2009

FILE REF: NA 20026

1. PARCEL DESCRIPTION:

Statewide Natural Area
 Sawyer County

Grantor:

Helania, Ltd.
 c/o Jane Cordero, President
 7140 State Road 78
 Sauk City, WI 53583

Acres: 400.0
Price: \$1,720,000
Appraised Value: \$1,500,000 and \$1,740,000
Interest: Fee Title Purchase
Improvements: Cabin, shed and boathouse

Location: The property is located in north-central Sawyer County 13 mile northeast of Hayward.

Land Description: The land is sharply rolling uplands with level lowlands.

<u>Covertypes Breakdown:</u>	<u>Type:</u>	<u>Acreage:</u>
	Water	55.0
	Building Site	1.5
	Upland Woodland	312.5
	Lowland Woodland	<u>31.0</u>
	TOTAL:	400.0

Zoning: Forestry
Present Use: Recreation and Forest Management
Proposed Use: Natural Resource Protection and Public Recreation
Tenure: In the family or family corporation for more than 20 years
Property Taxes: \$1,464 (MFL)
Option Date: May 20, 2009

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:

The Department has obtained an agreement to purchase a 400-acre parcel in fee title from Helania Ltd. The 400-acre parcel completely surrounds Lake Helane, a 51-acre seepage lake located in northern Sawyer County, and classified as a wild lake in the Department's Wild Lakes program.

The Statewide Natural Area program was established in 1972 to protect the best remaining examples of Wisconsin's native vegetation as well as habitat for endangered and threatened plants and animals. Natural areas will help protect the natural diversity of the landscape and preserve for future generations a living history of the past. Under the Natural Areas Program the Department has created a Wild Lakes Initiative as pristine

lakes in Wisconsin are rapidly disappearing due to development. The purpose of the Wild Lakes Program is to protect and preserve high quality endangered wild lakes. The goals of the program are achieved through the use of easements and land acquisition. For the purposes of the Stewardship program, a "wild lake" is defined as a lake or flowage of at least five acres, or significant portions thereof, identified in the Wisconsin registrar of waterbodies, where human influence, such as structural development of its shorelands, is not significant or can be removed at costs deemed warranted by the DNR. Natural areas are used for study by elementary to college age school groups and researchers as well as the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

The 400-acre subject encompasses Lake Helane, a 51-acre seepage lake. Lake Helane is a soft water, seepage lake, with approximately 11,350 feet of shoreline and a maximum depth of 27 feet. The lake bottom is mostly sand and gravel, with very good water clarity. Fisheries consist primarily of bass and pan fish. Lake Helane has two separate basins with a narrow navigable channel connecting the two lobes. The northwestern basin is slightly larger and features two islands, which are included in this purchase.

Lake Helane ranks high as a wild lake and with acquisition would be protected from further development pressure. Scattered boggy wetlands with leatherleaf, cranberry, and various sedges surround the lake. While the uplands have seen recent harvest, the lake and its immediate shore still contain the highest quality northern dry-mesic forest dominated by red and white pine. Birds surveyed include belted kingfisher, olive-sided flycatcher, least flycatcher, golden-winged warbler, Nashville warbler, black and white warbler, mourning warbler, black-throated blue warbler, and Baltimore oriole.

The property also includes a four-acre pond, is comprised of 91 percent upland, and nine percent lowland, with moderate to sharply rolling topography. The land is enrolled in the Managed Forest Tax Law Program and has undergone a managed forest harvest cut approximately 15 years ago, leaving a forest cover of young aspen, white birch, and pole-sized, mixed northern hardwoods along with scattered red and white pine. The lowland areas are mainly leg-brush scattered with small conifers and swamp hardwoods.

The property is improved with a one-story seasonal cabin, a 10 by 20-foot quonset-type metal storage shed, and a 12 by 16-foot boathouse with pier. The landowners will be reserving a 10-year tenancy on the land surrounding these improvements, approximately five to nine acres in size. However, the majority of the land and lake is still fully accessible by the public from the town road, and other than the area under the tenancy reservation the property will be open to hunting, fishing, trapping, hiking and skiing for public recreation. Once the tenancy is term is up, the Department will have full management of the improved area.

A town road, Lake Helane Road, skirts the lake along the northwestern edge, providing public access along the right-of-way. However, due to the steep terrain and public use of the right-of-way has been causing some erosion and run-off issues. If acquired, the Department intends to develop a carry-in site for lake access at a more suitable location on another portion of the property. There is no adjacent or proximate state lands to the subject property. However, the subject adjoins a large block of Sawyer County forestland on the west, north, and east. Private tracts border the subject to the south and east.

It is the Department's recommendation that the property be acquired in fee title. The property is an excellent addition to the Statewide Natural Areas - Wild Lakes Program. Acquiring the property will allow the Department to provide additional opportunities for public recreation and to 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.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to Natural Areas program (FY10):	Balance after proposed transaction:
\$3,700,000	\$112,000

4. ACQUISITION STATUS OF THE STATEWIDE NATURAL AREA:

Established: 1972
Acres Purchased to Date: 37,070.76
Acquisition Goal: 41,000.0 acres
Percent Complete: 90.2%
Cost to Date: \$21,733,219

5a. APPRAISAL:

Appraiser: Wayne Gibson
Valuation Date: July 15, 2005
Appraised Value: \$1,500,000
Highest and Best Use: Private Recreation or Subdivision

Allocation of Values:

- a. land: 400.0 acres @ \$3,587.50 per acre: \$1,435,000
- b. improvements: \$ 65,000
- c. total: \$1,500,000
- d. market data approach used, three comparable sales cited
- e. adjusted value range: \$93.00 to \$139.00 per front foot

Appraisal Review: Phil Lepinski – September 29, 2005

5b. APPRAISAL:

Appraiser: Norman Mesum
Valuation Date: July 15, 2005
Appraised Value: \$1,740,000
Highest and Best Use: Large tract Residential with possible residential subdivision

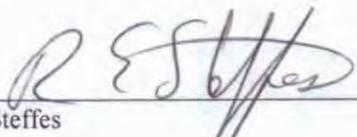
Allocation of Values:

- a. land: 400.0 acres @ \$4,270 per acre: \$1,707,750
- b. improvements: \$ 31,500
- c. total: \$1,740,000 (Rounded)
- d. market data approach used, six comparable sales cited
- e. adjusted value range: \$4,543 to \$5,401

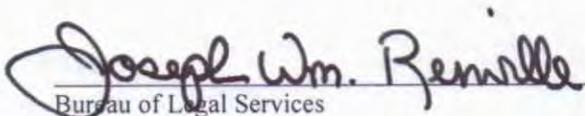
Appraisal Review: Phil Lepinski – September 21, 2005

Comments: The appraisals are four years old. However, the landowners were willing to sell for \$1,720,000 and the Department feels this is a fair current value.

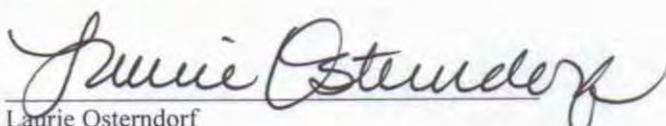
RECOMMENDED:


Richard E. Steffes

7-1-09
Date


Bureau of Legal Services

7/7/09
Date


Laurie Osterndorf

7/8/09
Date

Helania Ltd. Fee

T42N R7W Sec. 15 & 16
Town of Spider Lake
Sawyer County, WI

NA 20026

Statewide
Natural Area



PLSS Section

Fee

State Recreation Tr.



The DNR Managed Lands represents the boundaries of lands managed by the Wisconsin Department of Natural Resources. The Wisconsin DNR manages these lands through ownership, easement or lease rights. This data is a compilation of information from the Wisconsin DNR, Bureau of Fisheries and Lands (BFL), and may include errors and/or omissions. The data should not be interpreted as a legal representation of legal ownership boundaries.

This data set does not differentiate between lands that are open or closed to the public for hunting and/or general public access. Some lands represented in this data set may not be open to the general public, or may have special restrictions or regulations on hunting or other activities. For more information on hunting and other activities, please contact the DNR Wildlife and State Lands Division at (608) 785-3300.

For information about the actual management, including public use and public access, please contact the DNR Regional Office, DNR Regional Office, Contact Information for DNR Regional Offices and Service Centers is provided on the following internet site:

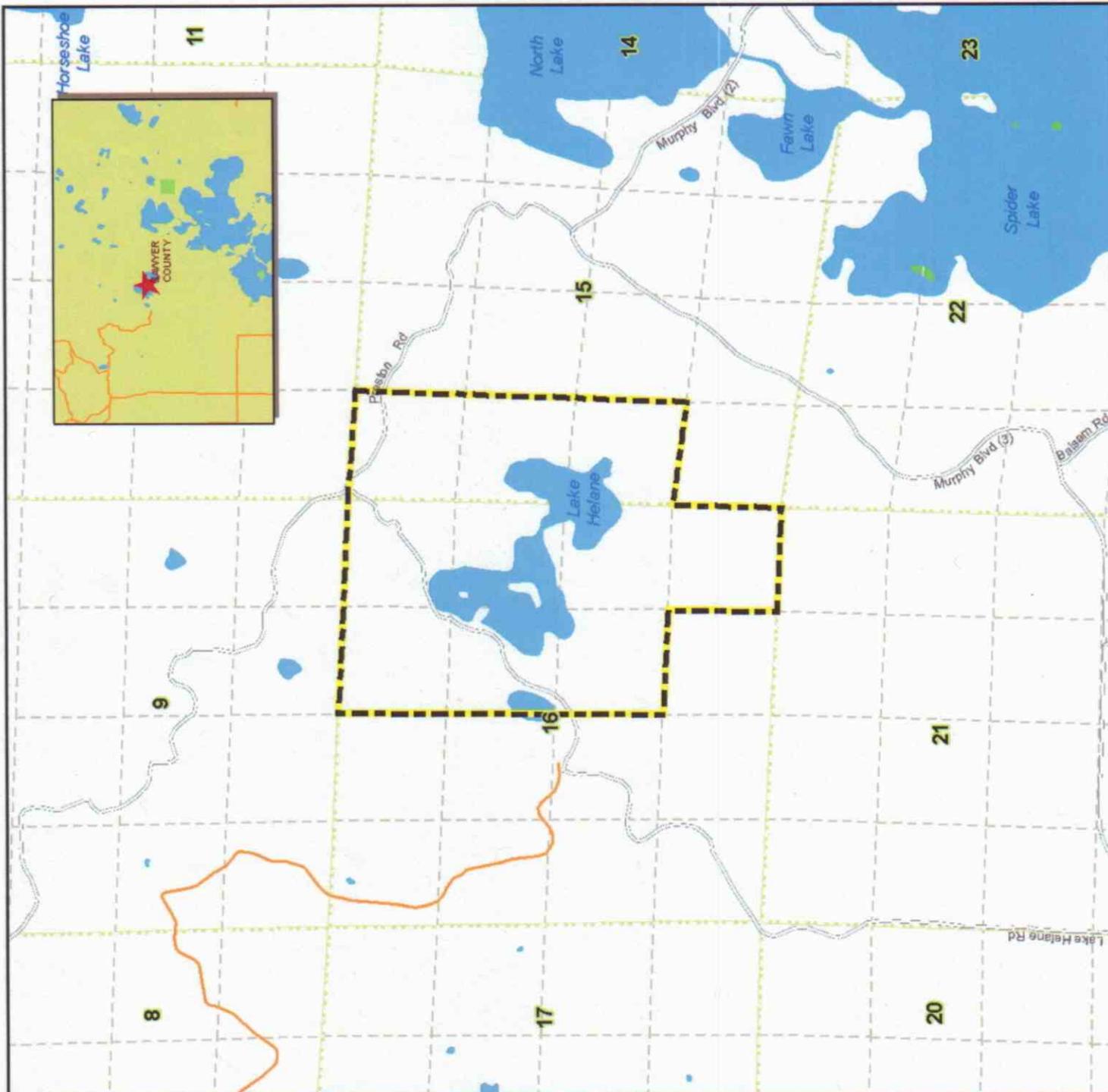
<http://www.dnr.state.wi.us/org/office/locations.htm>

Updates to this data set are ongoing, and will be incorporated into future versions when available.

STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES

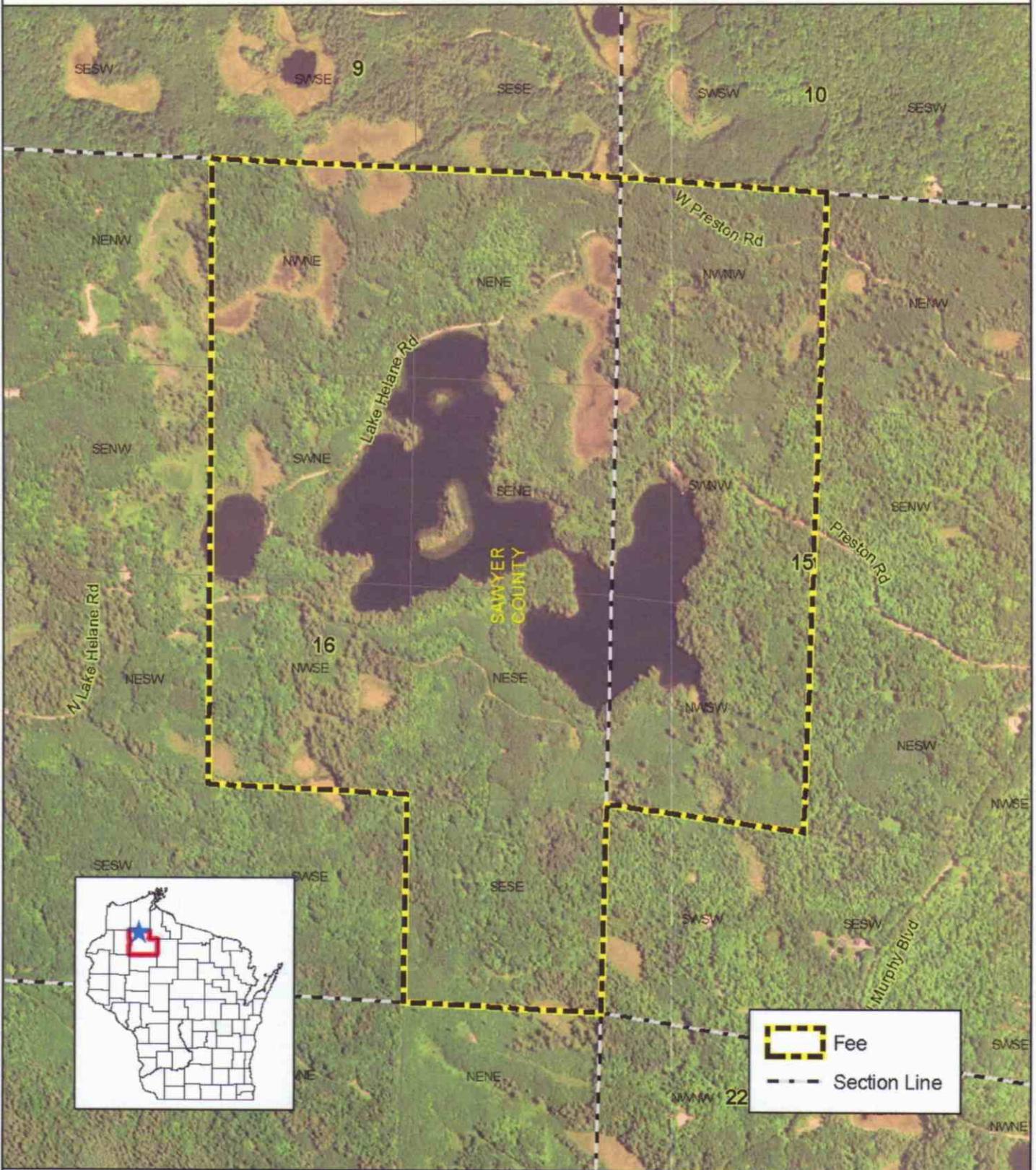


Bureau of Facilities and Lands
June 10, 2009

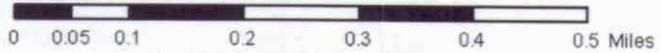


Helania Ltd. Fee

T42N R07W Sec. 15 & 16, Town of Spider Lake, Sawyer County, WI



NA 20026
Orthophoto
Statewide
Natural Area



Created by Bureau of Facilities and Lands
Real Estate Section
June 16, 2009

