

### 2001 DRAFTING REQUEST

#### Bill

Received: **07/30/2001**

Received By: **gibsom**

Wanted: **As time permits**

Identical to LRB:

For: **Gregory Huber (608) 266-0654**

By/Representing:

This file may be shown to any legislator: **NO**

Drafter: **gibsom**

May Contact:

Addl. Drafters:

Subject: **Nat. Res. - parks and forestry**

Extra Copies:

Submit via email: **NO**

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#### Pre Topic:

No specific pre topic given

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#### Topic:

Lease or exchanges of natural resources land

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#### Instructions:

Any lease or exchange of land by DNR must be subject to joint finance review as to cost. See 27.01 (3)

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#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	gibsom 09/06/2001	jdyer 09/14/2001	rschluet 09/14/2001	_____	lrb_docadmin 09/14/2001		S&L
/2	gibsom 09/27/2001	wjackson 09/28/2001	pgreensl 10/01/2001	_____	lrb_docadmin 10/01/2001		S&L
/3	gibsom 10/25/2001	jdyer 10/25/2001	rschluet 10/25/2001	_____	lrb_docadmin 10/25/2001		S&L
/4	gibsom 11/08/2001	jdyer 11/08/2001	jfrantze 11/08/2001	_____	lrb_docadmin 11/08/2001	lrb_docadmin	S&L 12/17/2001

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<END>

→ At Intro.

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Topic:

to 14 - take out (5)

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Handwritten notes: 14 11/8 jld, 10/11/8, Self 11/8

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*13 10/10/01 [Signature] 10-25-1 [Signature] PG*

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12 WLJ 9/28

10/1 ps

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#### Topic:

Lease or exchanges of natural resources ~~land~~ land

#### Instructions:

Any lease or exchange of land by DNR or ~~DOF~~ must be subject to joint finance review as to cost. See 27.01 (3) *amend*

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1?	gibsom	1 9/14 jld					

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<END>

*in addition approval review  
to any 48  
13. # (14)(d)*





State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3543/21 RMR

MGG:.....

in editing  
9/6/01

JLD

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

1                    <sup>Gen</sup>  
 AN ACT ...; **relating to:** approval by the joint committee on finance of exchanges  
 2                    or leases <sup>check A</sup> of state land under the jurisdiction of the department of natural  
 3                    resources.

*Analysis by the Legislative Reference Bureau*

<sup>plain</sup> Under current law, the department of natural resources (DNR) may not transfer ownership of state-owned land in any state park to a county, city, village, or town without the approval of the joint committee on finance (joint finance) of the state legislature <sup>check A</sup> (as to) the amount of reimbursement land that the state will receive for the land reflects the state's cost in acquiring and developing the land. This bill expands this approval process so that DNR may not lease or exchange any state-owned land under DNR's jurisdiction that was acquired for conservation purposes without first being approved by joint finance.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

4                    <sup>X</sup>  
 SECTION 1. 23.155 of the statutes is created to read:



Redraft of 354311  
bottom of p. 7

Rib Mtn

lessee has option to buy part of the park  
for 10 yrs

lessee must use "reasonable efforts" to purchase  
or option of adjacent golf course

no real exchange?? in K

above Rib Mtn K is OK - just no future  
Ks

subject sales, exchanges + leases to passive  
review

for all purposes under S. 23.09 (2)(d) except 4.  
and 5. ~~if issue applies~~ + 9.

1 Wisconsin Department of Natural Resources

2  
3 Rib Mountain State Park Ski Area

4  
5 Lease of Facilities

6  
7 This Lease of, Rib Mountain State Park Ski Area, hereafter referred to as the Premises, located in Rib  
8 Township, Marathon County, and further described in Exhibit "A", attached hereto and made a part  
9 hereof, is entered into by and between the State of Wisconsin Department of Natural Resources (Lessor),  
10 and Granite Peak Corporation, a Wisconsin corporation with a mailing address of 3610 East Fourth  
11 Street, Duluth, MN 55804 (Lessee).

12  
13 **WHEREAS**, Lessor owns and has operated the Premises through a contract with Marathon County Civic  
14 Corporation (MCCC) and a private operator for the purpose of serving the needs of the public in the area  
15 of outdoor recreation - alpine skiing/boarding with their associated services for over 20 years;

16  
17 **WHEREAS**, the current and projected levels and types of public use on the Premises have manageable  
18 and acceptable negative impacts on the existing and immediate natural environment;

19  
20 **WHEREAS**, Lessor recognizes that the public will benefit from this Lease through the continued  
21 operation of these facilities by Lessee with promotional and local support assistance from MCCC;

22  
23 **WHEREAS**, Lessor shall continue ownership of the land and to provide administrative oversight  
24 through this Lease in order to ensure the public's rights, title and interest are protected and furthered by  
25 Lessee;

26  
27 **WHEREAS**, Lessee desires to lease the Premises from Lessor for the purpose and obligation of  
28 operating an alpine ski area and to provide other recreational activities year-round that are allowed in the  
29 Lease and current Lessor-approved ski area development plan for the leased area;

30  
31 **WHEREAS**, Lessor is authorized to enter into this lease pursuant to Section 26.08(2)(b), Wis. Stats.;

32  
33  
34 **NOW THEREFORE**, for and in consideration of their mutual covenants hereinafter set forth, the Lessor  
35 and Lessee do hereby agree as follows:

- 36  
37 1. **Lease Coverage:** This lease is for the purpose of operating the Premises shown on Exhibit "A"  
38 including any future improvements or additions to the present facilities for use by the general  
39 public. With the exception of the management, maintenance, construction, and employee areas,  
40 the entire Premises shall be open to the public subject to Lessee's management and limitations  
41 including the requirement that the public purchase any lift tickets or pay for any use fees charged  
42 by Lessee. The permitted uses of the Premises under this Lease shall be alpine skiing, snow  
43 boarding, snow tubing, other winter sports, and other activities with an outdoor recreational focus,  
44 including, but not limited to: cross-country skiing, horse riding, alpine sliding, off-road mountain  
45 biking (Note: all such bicycle and horse trails shall be built to Lessor specifications shown in  
46 Exhibit D), special events that do not unreasonably affect adjacent neighbors, food/beverage  
47 preparation and sales, retail sales of clothing and gift items, snow recreation equipment sales and

1 rental, and all other activities necessary, incidental or related thereto. Beer and liquor sales and  
2 consumption are permitted if all necessary licenses are first obtained. Lessor shall have the right  
3 to approve any additional categories and types of uses of the Premises in writing, in advance, but  
4 agrees to objectively consider all proposed new uses and not unreasonably withhold approval.  
5 Lessee shall have full use of all assets of Lessor on the Premises as listed on Exhibit F and  
6 hereinafter referred to as "Lessor's Assets" and any future assets which may hereafter be funded  
7 by Lessor on the Premises. All permanent, non-moveable additions, repairs, and remodeling work  
8 by Lessee to Lessor-owned buildings including on the Premises shall be donated by Lessee to  
9 Lessor in accordance with Section 12 of this Lease (hereinafter, referred to as "Assets Donated to  
10 Lessor" and shown on Exhibit F). "Lessee's Assets" as described on Exhibit F shall, at the  
11 termination of the Lease, be sold at appraised market value to the new lessee and said new lessee  
12 shall be required by Lessor to purchase such property. Market value shall be set as described in  
13 the "Termination" clause in Section 12 of this Lease.

14  
15 Lessee and Lessor agree to annually update the asset lists shown on Exhibit F.

16  
17 **Use Levels:** Lessee is encouraged to expand, improve, replace and/or reposition current  
18 improvements on the Premises provided all applicable local zoning and building codes are met.  
19 Lessor's written approval must be obtained in advance of the construction of any improvements  
20 not shown on the modified Sno. engineering Development Plan Upgrade attached hereto as Exhibit  
21 B (hereinafter referred to as the "Development Plan") or road and trail improvements not meeting  
22 the specifications shown in Exhibit D. Lessor acknowledges the importance to the skiing that the  
23 top terminals of the Lifts H, G, C, and F (or future replacements) be located at the elevations  
24 shown on the Development Plan, i.e., 1775 feet for Lift H, 1780 for G, 1840 for C, and 1907 for F.  
25 Lessee acknowledges the importance to the operation of the state park that such terminals be  
26 screened to the extent practicable by vegetation. Lessee agrees to cooperate with Lessor to  
27 maintain existing vegetation or provide evergreen tree plantings to augment existing vegetation  
28 screens. In order to permit the construction and operation of new Lift F as shown on the  
29 Development Plan, Lessor agrees to close the current road to the parking area to the west of the  
30 new lift line and complete an alternative road connection to such parking lot prior to June 1, 2001.  
31 Lessor agrees to make a reasonable effort to complete the moving of the building and the  
32 abandoning of the road by September 1, 2000, but in any case, accomplish the move and  
33 abandonment by June 1, 2001. In order to assist Lessor in rerouting road access to such parking  
34 lot, Lessee agrees that subject to obtaining Lessee's Financing (as defined below), Lessee will  
35 provide Lessor up to \$5,000 to pay for part of the cost of moving the current shelter building  
36 provided the June 1, 2001, deadline is met. Lessee agrees to use reasonable efforts to obtain as  
37 soon as practicable (and in any event prior to June 30, 2000) financing or commitments for  
38 financing of at least \$5 million on terms satisfactory to Lessee for the purchase and/or replacement  
39 of current lifts, buildings, snowmaking infrastructure, equipment, and other ski area assets and the  
40 purchase and construction of the additional runs and lifts shown on the Development Plan and  
41 related buildings, snowmaking infrastructure and equipment described generally in Lessee's  
42 Proposal for the Operation of Rib Mountain Ski Area dated February 17, 2000 ("Lessee's  
43 Financing").

44  
45 Lessee shall use reasonable efforts to either purchase sufficient assets from the current lessee  
46 and/or purchase and install sufficient replacement assets prior to the 2000-01 ski season so as to  
47 maintain lift service to the top of the mountain and ski rental, food service, ski school, and ski

1 patrol operations. Lessee agrees to contact the Rib Mountain State Park Superintendent with  
2 reasonable advance notice for all desired alterations to the Premises. All construction plans for  
3 any alteration of state land other than those within the specifications shown on Exhibit B and  
4 shown on the Development Plan shall be submitted to the Lessor for approval consideration at  
5 least 60 days prior to construction. Lessor maintains approval over alterations to natural  
6 vegetation in regards to the quantity of vegetation altered and the construction plans for all  
7 buildings. Such approvals by Lessor shall not be unreasonably withheld or delayed. Lessor's  
8 decisions in such approvals shall be based on the Development Plan and the current Rib Mountain  
9 State Park Master Plan as updated to incorporate the Development Plan. Any contemplated  
10 expansions beyond what is shown in the Development Plan and updated Master Plan shall be  
11 offered for review at a public meeting in the Wausau area and may require a formal master plan  
12 amendment process involving formal public input and Natural Resources Board approval prior to  
13 Lessor's decision. Such process shall be at Lessor's expense and direction.  
14

15 **Before proceeding with any site work or improvements:** Lessee is required to submit to Lessor:

- 16
- 17 • Detailed construction documents for all site work / improvements, including, but not limited  
18 to: buildings, grading, erosion control, drainage improvements and utility improvements. Site  
19 improvements must meet all Lessor and other jurisdictional agency requirements, including  
20 those applying to a "priority watershed".  
21
- 22 • Plans for proposed ski runs and storm water retention ponds shall be accompanied by a  
23 surface storm water analysis for a 100-year storm allowing for additional water resulting from  
24 spring snow melt and ground water seepage. The storm water analysis and ground water  
25 investigation shall be prepared by a certified hydrologist or qualified licensed civil engineer.  
26
- 27 • Architectural plans, elevations, details and specifications for any modifications to new and  
28 existing structures. Americans With Disabilities Act (ADA) guidelines must be followed for  
29 new structures and additions/modifications to existing structures but only to the extent  
30 required by law.  
31

32 Lessee is required to revise the plans per Lessor's reasonable recommendations, provided such  
33 recommendations are not inconsistent with the Development Plan, and submit final plans for  
34 consideration for approval. Lessee shall not commence any work until after receiving written  
35 approval from Lessor. Such approval shall not be unreasonably withheld or delayed by Lessor.  
36

37 **Main Chalet:** Lessee shall have the exclusive right to use the Main Chalet (including any  
38 additions or expansions) and all other Lessor-owned buildings located on the Premises.  
39

- 40 2. **Term of this Lease:** The term of this Lease shall commence on the date signed by Lessor on or  
41 near April 6, 2000 and, unless renewed or earlier terminated, shall terminate on April 30, 2030, a  
42 period of thirty (30) years. Lessee agrees to provide alpine skiing and related services to the  
43 fullest extent practicable within facility and weather limitations during every winter of the term of  
44 this Lease unless prevented from doing so by circumstances beyond Lessee's control. This Lease  
45 may be renewed for a term of thirty (30) years, unless Lessor or Lessee notifies parties to the  
46 Lease in writing at least five (5) years prior to the end of the initial term, of its intent to not renew  
47 this Lease or of its intent to renew for a period of less than thirty (30) years (in which case the

1 Lease may be renewed for such additional period as agreed to by Lessor and Lessee).

2  
3  
4 In the event that Lessor or Lessee chooses not to renew this Lease beyond the initial term, Lessee  
5 shall have the right to sell and the new operator shall have the obligation to purchase Lessee's  
6 Assets in existence on the Premises at the time in accordance with Section 12 of this Lease.

7  
8 **Lease Payment:** In consideration of Lessee's right to use the Premises and Lessor's Assets,  
9 Lessee agrees to pay Lessor an annual lease payment that is a percentage of annual gross revenues  
10 from the ski area and associated operations on the Premises based on the following scale. Lessor  
11 shall annually in March, beginning with revenues of the second year of the Lease, adjust the \$1  
12 million and \$3 million thresholds for inflation based upon the average changes over the preceding  
13 twelve months in the Midwest Consumer Price Index as published by the Federal Bureau of Labor  
14 Statistics.

- 15  
16 • From \$0 to \$1,000,000 of gross revenue.....0% of gross  
17 • \$1 million to \$3 million of gross revenue .....2.0% of gross  
18 • Above \$3 million of gross revenue.....2.5% of gross

19  
20 For purposes of applying this percentage, "gross revenues" shall include all revenues collected on  
21 Premises arising from charges and fees collected by the Lessee directly resulting from the  
22 Premises operation. Such revenue would apply to lift tickets, food/beverage sales, ski and other  
23 outdoor recreational equipment sales and rentals, special event fees, and restaurant revenue from  
24 facilities operating on the Premises. Lift ticket sales shall be subject to this lease payment  
25 percentage regardless of the point of sale – on or off Premises. "Gross revenues" shall not  
26 include: sales tax collected, any items sold on behalf of the Lessor, donations to Lessee, the value  
27 of charitable donations by Lessee, the value of complimentary lift tickets or the value of lift  
28 tickets, rentals, food, beverages or other products or services provided as part of a marketing trade  
29 out in connection with the purchase by Lessee of an advertising product or service or otherwise  
30 provided for commercially reasonable promotional purposes. In general, usual and normal fees  
31 may not be labeled as donations to avoid lease payments.

32  
33 Lessee's lease payment shall be made to the Department annually by May 31 delivered or sent by  
34 certified mail to such place as Lessor shall designate in writing to Lessee. A late payment penalty  
35 fee of 1 ½ % per month prorated by day applied to the unpaid lease payment balance due (the  
36 interest is not compounded) shall be paid by Lessee commencing June 1<sup>st</sup>.

- 37  
38 3. **Fee Levels:** Lessee may charge reasonable fees for outdoor recreational activities, food,  
39 beverages, equipment sales and rentals, supplies, training, instruction and special events. Lessee  
40 and Lessor agree that "reasonable fees" shall mean within the range of the fees charged by other  
41 ski areas or related businesses with comparable facilities within the Midwestern states of  
42 Wisconsin, Michigan, Minnesota, Illinois, and Iowa. In the event that Lessee offers value in  
43 excess of the competition, Lessee may charge fees whose levels are higher than the range of other  
44 ski areas in the Midwest.

45  
46 4. **Lessee agrees:**

- 47 a. **Regulations/Laws:** To comply with all applicable local, state and federal licenses, approvals,

1 ordinances, permits, rules, and regulations regarding food and beverage sales, and the storage,  
2 handling and disposal of all waste and/or hazardous materials generated, stored or brought to  
3 the site by Lessee. In addition, Lessee shall abide by all applicable environmental regulations  
4 related to the operation and development of the ski area. Examples include handling storm  
5 runoff from ski trails, sediment runoff during construction, and protection of endangered  
6 species as described by applicable State and Federal laws. The Main Chalet shall be smoke-  
7 free except for bar and associated lounge areas if allowed by local ordinance.  
8

9 b. **State Park Rules:** To comply with all Wisconsin Department of Natural Resource rules not  
10 inconsistent with Section 1 of this Lease. In addition, no firearms or other weapons are  
11 allowed without prior written approval of Lessor. During the non-snow season the lifts and  
12 lights on the hill shall not be used past 11:00 p.m. In addition, no Premises-based operation  
13 may adversely affect in a material manner the operation of the traditional state park activities  
14 occurring within Rib Mountain State Park.  
15

16 c. **Maintenance:** To maintain, repair and if necessary, replace or contract for the maintenance,  
17 repairing or replacement at Lessee's expense, of all machinery, equipment, lands, and  
18 improvements located on the Premises to the reasonable level of industry standards. Examples  
19 include, but are not limited to the Main Chalet, roads, parking lots, chair lifts, snow guns,  
20 structures, trails, landscaping, and erosion control. Lessor shall have no expenses in the  
21 operation or development of the ski area. If Lessor reasonably determines that excessive  
22 erosion is occurring on the Premises, Lessee shall correct such erosion to the reasonable  
23 satisfaction of Lessor within a reasonable time period and/or cease the particular operation  
24 causing the problem. Lessee further agrees to abide by American National Standards Institute  
25 codes for maintenance of skiing equipment.  
26

27 d. **Public Health:** To maintain the Premises in a reasonably neat, safe, sanitary, usable and  
28 litter-free condition, normal wear and tear excepted, so as to preserve and protect the property  
29 and public health and safety. Lessee shall be solely responsible for all necessary maintenance  
30 of the grounds, facilities, buildings, sewer/water, other infrastructure, and any improvements.  
31

32 e. **Operational Expenses:** To provide all tools, equipment and supplies that the Lessee deems  
33 necessary to conduct its business. Lessee shall be responsible for all electrical, heating, sewer,  
34 water, telephone and any other utility expenses as well as all other operational expenses.  
35

36 f. **Lessor Access:** To allow authorized employees and agents of the Lessor onto the Premises at  
37 any reasonable time to conduct Lessor business including, but not limited to, inspections, law  
38 enforcement and fire control. Lessor agrees to limit access to normal business hours and to  
39 give Lessee at least two hours advance notice regarding access to any buildings except in  
40 times of emergency. The Lessor shall not unnecessarily disrupt or interfere with the Lessee's  
41 business operation except in cases of emergency. Lessor shall take all reasonable measures to  
42 prevent Park users from interfering with Lessee's operations at the ski area or damaging  
43 Lessee's assets. In the case of emergencies, the Lessor shall interfere with Lessee's business  
44 operation only to the extent necessary under the circumstances. Lessee further agrees that  
45 Lessor shall be allowed one meeting per year during the non-ski season for the duration of one  
46 day or less to be held on the Premises at no charge to Lessor for building use or utilities. All  
47 other fees for food, beverage and equipment shall apply at the rates charged the general public.



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- g. **Emergencies:** That in the event that an emergency which threatens the health or safety of the general public exists, Lessee shall temporarily cease all or such portions of its operations for such amount of time as is reasonably necessary to correct such emergency condition. Lessee shall not be entitled to any reimbursement of lost income from Lessor in such cases.
  - h. **Prohibited Sales:** To refrain from selling or allowing the use of pyrotechnics, any illegal or illicit items or any items that Lessor reasonably determines are in conflict with the mission of the State Park System on the Premises. Lessee shall not sell tobacco products and shall provide a non-smoking area in any restaurant and snack area on the Premises. The sale of alcoholic beverages is permitted if necessary licenses are obtained by Lessee.
  - i. **Encumbrances:** To not create or allow the creation of any lien, judgment, security interest, mortgage or encumbrance on or in the Premises or any Lessor Assets other than those created as a matter of law or whose creation is beyond the control of Lessee. Lessee shall use best efforts to attempt to immediately satisfy all liens. Ownership of the names: "Rib Mountain Ski Area", "Rib Mountain", "Rib Mountain Ski Hill" shall not be copyrighted or otherwise owned by Lessee or others.
  - j. **Sublease:** To not assign or transfer this Lease or sublease all or any part of the Lease without prior written approval of Lessor which approval shall not be unreasonably withheld. All assignees and sub-lessees shall provide revenue and attendance figures in such detail as reasonably requested by Lessor. Any assignment or sublease shall be written and subject to Lessor's review and not inconsistent with this Lease. Lessor may reject any proposed assignee or sublessee if Lessor reasonably determines that the proposed sublessee is not financially responsible or does not have sufficient capital to operate the ski area or portion thereof.
  - k. **Nuisance:** To not create, store or allow any nuisance upon the Premises and to take reasonable action to guard against entry to the buildings and improvements on the Premises by unauthorized persons.
  - l. **Recyclables:** To haul or contract to haul, at Lessee expense, refuse and recyclables generated by the operation of the ski area.
  - m. **Acknowledgments:** To clearly identify the Premises as owned by the Wisconsin Department of Natural Resources in all promotional material, publications and any entrance signs.
  - n. **Nondiscrimination:** To comply with all applicable federal, state and local laws and regulations relating to discrimination against any employee or employee applicant or authorized user of the Premises.
  - o. **Indemnification & Insurance:** To indemnify the Lessor and MCCC against any cause of action, claim, liability, damage or expense, including reasonable attorney's fees, arising from the use of the Premises by Lessee and its customers or from breach or default by the Lessee in the performance of this Lease or from any negligence of the Lessee at the Premises. In case any action or proceeding is brought against the Lessor or MCCC by reason of such cause of

1 action or claim, the Lessee, upon notice from the Lessor, shall defend the Lessor and MCCC  
2 by counsel reasonably satisfactory to the Lessor. The Lessee shall maintain, during the term  
3 of this Lease, worker's compensation insurance for all employees of Lessee. Lessee shall prior  
4 to Lessee commencing on-site construction or operations procure and maintain during the term  
5 of this Lease commercial liability and property damage insurance against any claim(s) which  
6 might occur in carrying out the terms of this Lease. Minimum coverages shall be \$1,000,000  
7 liability for bodily injury and property damage including products liability and completed  
8 operations. Provide motor vehicle insurance for all owned, non-owned, and hired vehicles that  
9 are used in carrying out the Lease. Minimum coverage shall be \$1,000,000 per occurrence  
10 combined single limit for automobile liability and property damage. The "Department and its  
11 employees" shall be named as additional insureds on the general liability insurance policy.  
12 Insurance certificates shall be provided to Lessor indicating this coverage, counter-signed by  
13 an insurer licensed to do business in Wisconsin, and covering the term of the Lease. Lessor  
14 understands and accepts that coverage for the term of this Lease may be accomplished through  
15 a series of incremental policies of shorter duration rather than one policy for the entire 30-year  
16 term. Cancellation or modification of said insurance policies require immediate notice to  
17 Lessor.

- 18
- 19 **p. Property Insurance:** That prior to Lessee commencing on-site construction or operations,  
20 procure and maintain, at its sole expense, property replacement insurance insuring its personal  
21 property and casualty insurance covering any or all Lessee Assets and Assets Donated to  
22 Lessor within 75% to 100% of its replacement value, and property damage insurance insuring  
23 its personal property located on or within the Premises. Insurance certificates shall be  
24 provided to Lessor indicating this coverage for the term of the Lease. Cancellation or  
25 modification of said insurance policy shall require immediate notice to Lessor. In addition,  
26 Lessee may, at its sole discretion, insure the Main Chalet and any other Lessor Assets used in  
27 Lessee's operations for loss at the level Lessee deems appropriate.
- 28
- 29 **q. Financial Statements:** To maintain, and submit to Lessor, audited annual financial (income and  
30 expenses) statements and to maintain and make available for review by Lessor: daily receipts,  
31 ledgers, and attendance records whether electronic or in hard-copy for each fiscal year concerning the  
32 operation of the ski area and associated facilities on the Premises in such reasonable detail as the  
33 Lessor may reasonably require. These reports and statements from each fiscal year shall be submitted  
34 to or made available for review by Lessor annually, no later than 120 days after the close of the  
35 Lessee's fiscal year. Lessor reserves the right to conduct an on-site fiscal audit or contract for such  
36 audit by a licensed CPA at Lessor's expense.
- 37
- 38 **r. Taxes:** To be responsible for any and all taxes, assessments or charges, including penalties and  
39 interest imposed by virtue of this Lease and the conditions contained herein. Lessee shall obtain and  
40 maintain a Wisconsin Sales Tax number and pay all necessary sales tax.
- 41
- 42 **s. Land Acquisition:** To not purchase land within the current official boundary of Rib Mountain State  
43 Park (as shown in Exhibit A attached hereto) as approved by the Natural Resources Board without  
44 prior written approval of Lessor. Lessor acknowledges that pursuant to Section 20 of this Lease, the  
45 official boundary will need to be changed to allow Lessee to exercise Lessee's Land Option as shown  
46 on Exhibit B.
- 47

- 1 t. **Public Service:** To allow specific events or groups such as local high schools' ski teams, Badger  
2 State Games alpine event held annually the first weekend in February or such other weekend  
3 mutually agreed to by Lessee and Badger State Games officials, and Skiing with Partners program (or  
4 similar) that matches disabled skiers with skiing guides to use the ski lifts and slopes for fees  
5 determined by Lessee. Lessee may choose to allow free access to certain groups or events. The  
6 skiing guides accompanying disabled skiers shall have free lift tickets for the time that they are  
7 actually assisting disabled skiers or being trained for such duties. Lessor strongly encourages the  
8 integration of adaptive ski programs into the traditional ski activities. Badger State Games shall be  
9 provided reasonable access to the ski hill to allow their events to be held, but not to the significant  
10 exclusion of the general public.  
11
- 12 u. **Ski Patrol:** To provide a reasonable and necessary number of qualified ski patrol persons that meet  
13 the standards of acceptability set by the National Ski Patrol Association or provide an equivalent  
14 level of safety that meets or exceeds industry standards at the time. Lessee shall provide a room in  
15 the base chalet or other building at the base of the ski hill to be devoted primarily to first aid. The  
16 room shall have sufficient size to accommodate at least two accident victims and appropriate  
17 emergency care personnel. The room shall be located so as to allow easy access to ambulances and to  
18 the Ski Patroller toboggans off the hill.  
19
- 20 v. **Ski School:** To provide and maintain a ski school that meets industry standards at the time.  
21
- 22 w. **MOU :** To enter into a Memorandum of Understanding with Marathon County Civic Corporation  
23 and the Department that delineates the roles and interaction of all three entities (shown in Exhibit E).  
24
- 25 5. **Pre-existing Conditions:** The Lessor or previous lessee(s) shall be responsible for any existing  
26 environmental conditions created or caused prior to the signing of this Lease. The Lessor's ability to pay  
27 for such matters are subject to the availability of future appropriations.  
28
- 29 6. **Pre-existing Conditions - Lessee's Rights:** If funding is not available and as a result, such remediation  
30 of environmental problems is not performed by Lessor, Lessee may terminate this Lease but not seek  
31 financial restitution for any losses resulting from Lessor's failure to make such replacement or repairs. In  
32 such cases, Lessee may, in its sole discretion, use its own resources to complete the necessary work and  
33 offset the cost of such work against future Lease payments.  
34
- 35 7. **Rebuild - Replace:** If all or a substantial portion of the land, Main Chalet or other Lessor-owned  
36 structures is destroyed or damaged by virtue of whatever cause, the Lessor reserves the right to not  
37 rebuild, restore, replace or repair such land or structures. In the event the Lessor elects not to rebuild,  
38 restore, replace or repair such land or structures, Lessee may elect to either (a) restore, rebuild, or repair  
39 them using its own funds or any available insurance proceeds (in which case, the Main Chalet or other  
40 structures – but not the land, shall become a Lessee Asset), or (b) terminate the Lease at any time  
41 thereafter.  
42
- 43 8. **Law Enforcement:** The Lessor retains management, supervision and control over the Premises to the  
44 extent necessary and for the purpose of enforcing Chapter NR 45, Wisconsin Administrative Code and  
45 state laws, when needed to protect the Premises or the public. Such control shall not be unreasonably  
46 exercised by Lessor so as to unnecessarily and adversely affect Lessee's operation of the Premises.  
47

- 1 9. **Licenses, Approvals & Permits:** Lessee shall secure, maintain and comply with required federal, state  
2 and local licenses for operations on Premises.
- 3 10. **Assigns:** In this Lease, Lessor and Lessee include their respective employees, officers, members,  
4 directors, agents, servants, contractors, representatives, partners, assigns, and successors. This Lease  
5 shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors  
6 and permitted assigns.
- 7
- 8 11. **Independent Contractor:** Lessor recognizes Lessee as an independent contractor for all purposes and  
9 Lessee and Lessee's employees are not employees or agents of Lessor.
- 10
- 11 12. **Termination of the Lease:** Lessor may terminate this Lease in the event of (i) Lessee's failure to obtain  
12 a binding commitment for Lessee's Financing prior to the close of business on June 30, 2000; (ii)  
13 Lessee's failure to use reasonable efforts to either purchase sufficient assets from the prior lessee and /or  
14 purchase and install sufficient replacement assets prior to the 2000-01 ski season so as to maintain lift  
15 service to the top of the mountain and ski rental, food service, ski school and ski patrol operations; (iii)  
16 Lessee's failure to provide alpine skiing or related services within facility and weather limitations during  
17 every winter of the term of this Lease unless prevented from doing so by circumstances beyond Lessee's  
18 control or (iv) Lessee fails to substantially comply with the material terms of this Lease after having  
19 received written notice from Lessor to cure such breach of this Lease and having not taken reasonable  
20 steps to accomplish the cure within 120 days of receiving such written notice from Lessor. Notice of  
21 Lessor's intent to terminate under clause (ii) shall be effective only after Lessee has had an opportunity to  
22 review with Lessor Lessee's efforts to purchase/replace such assets. Notice of Lessor's intent to  
23 terminate under clauses (iii) and (iv) shall be made to Lessee at least six (6) months in advance of the  
24 intended termination date. In addition to Lessee's other specific rights of termination set forth in this  
25 Lease, Lessee may terminate this Lease with 30-days notice in the event that any of the following occur:
- 26 1. Lessee fails to obtain a binding commitment for Lessee's Financing prior to the close of  
27 business on September 30, 2000.
  - 28 2. Lessor fails to provide the water permit pursuant to Section 19 by August 1, 2000 provided  
29 Lessee has otherwise satisfied the provisions of Section 19.
  - 30 ③ Lessor fails to successfully change the project boundary, gain public input and obtain all  
31 necessary approvals of Lessee's Land Option by December 31, 2000.
  - 32 4. Lessor fails to successfully complete the Rib Mountain State Park Master Plan amendment or  
33 updating process, including gaining public acceptance, and obtaining all necessary approvals  
34 of the Master Plan by December 31, 2000.
  - 35 5. Lessor fails to acquire the lands necessary to complete runs #16 and #17 on the Development  
36 Plan by September 1, 2000.
- 37

38 Lessee may terminate this Lease at any time with a minimum of eighteen (18) months notice to Lessor.

39

40 In the event of any termination of this Lease by Lessor under clause (iii) or any termination of this Lease  
41 by Lessee or any expiration of the term of the Lease or non-renewal of the Lease, Lessee shall be entitled  
42 to the payment of the fair market value of Lessee's Assets immediately prior to the effective date of  
43 termination of the Lease. Lessor in its sole discretion may elect to purchase such assets itself or find a  
44 new lessee to purchase Lessee's Assets at fair market value. Unless Lessor desires to purchase Lessee's  
45 Assets itself, Lessor will begin the process of soliciting bids for a new lessee within two (2) years of the  
46 anticipated date of termination. Lessee may assist in this process by identifying potential possible lessees  
47 and requesting Lessor to send a bid package to such party. Lessee shall cooperate fully with the bid

1 process and give access to potential bidders to Lessee's Assets and the Premises. All potential bidders  
2 will be required to pay fair market value for Lessee's Assets as a condition to being awarded a new lease.  
3 Fair market value shall be determined by valuing the fair market value of Lessee's Assets of the ski area  
4 and other operations conducted by Lessee on the Premises immediately prior to termination. Fair market  
5 value shall be determined assuming the continuation of such operations under the terms of a new lease  
6 containing substantially the same terms (including length of lease, percentage scale of lease payments,  
7 and termination provisions) as this Lease. Fair market value of the entire operation shall then be  
8 allocated among Lessor's Assets, Assets Donated to Lessor, and Lessee's Assets in proportion to their  
9 relative value.

10  
11 Fair market value and the allocation among Lessor's Assets, Assets Donated to Lessor, and Lessee's  
12 Assets shall be determined by an independent licensed appraiser with previous experience evaluating ski  
13 area assets whom is mutually agreed to by Lessor and Lessee. In the event Lessor and Lessee can not  
14 agree to an appraiser within 90 days of the issuance of a notice of termination, Lessor and Lessee shall  
15 each, within 30 days, choose a licensed appraiser with previous experience evaluating ski area assets and  
16 each such licensed appraiser shall have 90 days to determine the fair market value of Lessee's Assets.  
17 The final value that Lessee shall be paid for its assets shall be the mid-point between the values arrived at  
18 by the two appraisers.

19  
20 Lessee shall be entitled to continue its operations on the Premises until it has been paid in full for the fair  
21 market value of Lessee's Assets by Lessor or by a subsequent lessee. The actual donation of Assets  
22 Donated to Lessor shall take effect at the closing of the purchase of Lessee's Assets or at such earlier  
23 time as determined by Lessee in its sole discretion.

24  
25 After a new operator has signed a Lease and Lessee has received payment in full for the fair  
26 market value of Lessee's Assets, Lessee shall have 60 days to vacate the Premises. Any items  
27 formerly owned by Lessee and not sold to the new lessee still on the Premises after that 60-day  
28 period shall be considered Lessee-donated property. Any and all liens, judgments, security  
29 interests, mortgages or encumbrances on or in the land and any improvements shall not be  
30 transferred to Lessor, but remain the independent obligation of Lessee.

31  
32 **13. Lessee May Terminate:** Lessee may terminate this Lease at any time for any reason with a minimum of  
33 eighteen (18) months notice to Lessor.

34  
35 **14. Creditors' Rights:** Lessor understands that in order to finance the lifts, runs, chalets and other  
36 buildings, equipment and vehicle purchases, snowmaking infrastructure and other improvements  
37 contemplated by the Development Plan, Lessee will be obtaining loans from one or more banks,  
38 governmental agencies, trusts, insurance companies or other entities, persons or institutions not affiliated  
39 with Lessee ("Institutional Lenders"). In the event of any default under any such loans, Lessor hereby  
40 agrees that to the extent provided under applicable loan documents with Lessee, (i) such Institutional  
41 Lenders shall have the right to enter upon the Premises, assume all of Lessee's rights under the Lease  
42 (including Lessee's right under Section 4j. hereof to assign, transfer or sublease this Lease), take  
43 immediate possession of Lessee's Assets, use, operate, manage, and control Lessee's Assets, Assets  
44 Donated to Lessor, Lessor Assets, and the Premises in any lawful manner consistent with this Lease and  
45 collect and receive all revenue, income, earnings and profits therefrom and (ii) all lease payments  
46 hereunder shall automatically be subordinate to the repayment of principal and interest under such loans.  
47 Lessor further agrees that in connection with any such financings or refinancings with Institutional

1 Lenders, Lessor will promptly execute any subordination agreements consistent with terms of this  
2 paragraph, assignments of lease, or other documents reasonably requested by Institutional Lenders to  
3 evidence the foregoing creditor rights.  
4

5 15. **No Public Debt:** This Lease shall not be construed as creating a public debt in contravention of Article  
6 VIII, Wisconsin Constitution, and all the Lessor's duties and obligations herein are subject to future  
7 legislation appropriations.  
8

9 16. **Governed By Wisconsin Laws:** This Lease shall be governed by and construed in accordance with the  
10 laws of the State of Wisconsin.  
11

12 17. **Miscellaneous:** This Lease contains all agreements between the parties. As of the date this Lease is  
13 signed, no prior agreements or understandings exist and the terms of this Lease shall not be altered or  
14 amended except in writing signed by Lessor and Lessee. This Lease is not intended to create any third  
15 party beneficiary rights and no party other than Lessor and Lessee (and Lessee's lenders) shall be entitled  
16 to enforce the terms of this Lease. Lessor and Lessee have authority to enter into this Lease and to  
17 perform their respective obligations under the Lease. This Lease may be executed in counterparts, each of  
18 which shall be deemed an original but all of which shall constitute one and the same instrument.  
19

20 18. **Authorized to Sign:** Each party to this Lease represents that they have the authority to sign for their  
21 respective interests.  
22

23 19. **River Water Permit:** Lessor acknowledges that securing additional sources of water for snowmaking is  
24 essential for the proper operation of the ski area and for the expansion of the ski area in accordance with  
25 the Development Plan. Lessee agrees to promptly apply for and make a reasonable effort to provide the  
26 necessary information and fees to obtain such permit. Lessor shall grant to Lessee on or before August 1,  
27 2000, a permit valid until termination of the Lease (including any renewal) to draw up to 140 million  
28 gallons of water per winter from Big Rib River provided Lessee complies with standard Department of  
29 Natural Resources' rules regarding the placement and construction of water pumps and structures within  
30 the waterway. Lessor further agrees to permit Lessee to pump water from one of the existing State Park  
31 wells near the top of Rib Mountain at all times the well is not being utilized for State Park purposes  
32 (minimally November 1<sup>st</sup> through April 1<sup>st</sup>) and to permit Lessee to drill such additional wells on the  
33 Premises as Lessee deems reasonably necessary. Lessee may also add such additional ponds or  
34 reservoirs on the Premises for storage of water for snowmaking as Lessee deems reasonably necessary.  
35

36 20. **Lessee's Land Option:** Subject to formal State of Wisconsin Natural Resources Board approval (which  
37 Lessor shall use its best efforts to obtain prior to December 31, 2000), Lessor hereby agrees to grant  
38 Lessee the option exercisable for a period of 10 years commencing on or before January 1, 2001, at a  
39 price of \$5,000 per acre to purchase up to 30 acres of the parcel of land ("Lessee's Land Option") shown  
40 on Exhibit B. Lessor agrees to cooperate with Lessee in obtaining the rezoning of such land from SR-2  
41 or SR-3 to a Unified Design District (similar to a Planned Unit Development) or other commercial zoning  
42 classification desired by Lessee that is not in conflict with other terms of this Lease. Lessor shall jointly  
43 attend such meetings and hearings with Lessee and send such pertinent letters and other documents  
44 without unreasonable delay as Lessee reasonably requests. Lessee agrees to use reasonable efforts to  
45 purchase or obtain an option to purchase from the owner of the adjacent golf course prior to December  
46 31, 2000, at a price of up to \$5,000 per acre for up to 15 acres of land adjacent to the current parking lot  
47 and for each acre so purchased or subject to such option, the number of acres subject to Lessee's Land

1 Option shall be reduced accordingly.  
2  
3

4 21. **Previous Lessee Assets:** Lessor represents that the current lessee is obligated under the previous lease to  
5 vacate the Premises, including removal of all lessee's assets, prior to September 30, 2000. Lessor agrees  
6 to promptly take all appropriate measures, including seeking injunctive relief or other legal remedies, to  
7 (i) require the previous lessee to promptly comply with its obligations to vacate the Premises and remove  
8 its assets, (ii) take measures to stop the previous lessee from damaging the Premises, any snow-making  
9 pond, the Main Chalet, any land improvement or any other asset not owned by the previous lessee, and  
10 (iii) take measures to stop the previous lessee from interfering with Lessee's use of the Premises or  
11 Lessee's construction of any lifts, buildings, runs, reservoirs or other improvements. Lessor  
12 acknowledges that Lessee's current intention is to possibly make an offer to purchase certain limited  
13 assets of the previous lessee (and not attempt to purchase many other assets) but that Lessee does not  
14 wish to have direct contact with the previous lessee unless the previous lessee indicates an initial  
15 willingness to sell the specific assets desired by Lessee for prices acceptable to Lessee. In the event  
16 requested by Lessee, Lessor will send the previous lessee an outline provided by Lessee identifying the  
17 assets that Lessee is possibly interested in purchasing and either proposing a price (or price range subject  
18 to further inspection) for each such asset or requesting a sales price from the previous lessee for each  
19 such asset. Lessor agrees to continue to act as an intermediary to the extent reasonably requested by  
20 Lessee. In the event that Lessor is successful in acquiring any assets from the previous lessee, such assets  
21 shall become Lessor Assets and shall be available for use by Lessee in its operations for no additional fee  
22 other than percentage lease payments accruing under Section 2, and at any time Lessee shall be entitled to  
23 remove such assets at its own cost and, at Lessor's option, Lessee will either turn such assets over to  
24 Lessor or attempt to sell such assets and turn over any sales proceeds to Lessor.  
25

26 In witness hereof, the State of Wisconsin Department of Natural Resources has caused this Lease of Rib  
27 Mountain State Park Ski Area to be signed at Madison, Wisconsin by its Secretary:  
28  
29  
30

31 STATE OF WISCONSIN, DEPARTMENT OF NATURAL RESOURCES  
32  
33  
34

35 \_\_\_\_\_  
36 George E. Meyer, Secretary

\_\_\_\_\_ Date

37  
38 In witness thereof, the Lessee has caused this Lease to be signed by:  
39  
40  
41

42 \_\_\_\_\_  
43 Charles Skinner, Jr., President and CEO  
44 Granite Peak Corporation, a Wisconsin Corporation

\_\_\_\_\_ Date

45  
46  
47 attachments.

noon

D-Note

# 2001 BILL

contracts to sell, exchange, or lease

REGEN

1 AN ACT to create 23.155 of the statutes; relating to: approval by the joint  
2 committee on finance of <sup>sales,</sup> exchanges or leases of state land under the jurisdiction  
3 of the department of natural resources.

### Analysis by the Legislative Reference Bureau

Under current law, the department of natural resources (DNR) may not transfer ownership of state-owned land in any state park to a county, city, village, or town without the approval of the joint committee on finance (joint finance) of the state legislature as to the amount of reimbursement land that the state will receive for the land reflects the state's cost in acquiring and developing the land. This bill expands this approval process so that DNR may not lease or exchange any state-owned land under DNR's jurisdiction that was acquired for conservation purposes without first being approved by joint finance.

N 5  
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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

4 SECTION 1. 23.155 of the statutes is created to read:



**BILL**

1        **23.155 Leases and exchanges of state-owned lands under the**  
 2 **jurisdiction of the department.** (1) In this section, "department land" has the  
 3 meaning given in s. 23.0917 (1) (c).

4        (2) The department may not <sup>sell</sup> lease department land unless the department  
 5 receives the approval of the joint committee on finance regarding the appropriate  
 6 level of reimbursement to be received by the state to reflect the state's cost in  
 7 acquiring and developing the land. ~~The department may not exchange department~~  
 8 ~~land for other land unless the joint committee on finance determines that the value~~  
 9 ~~of the land to be received by the state in the exchange reflects the state's cost in~~  
 10 ~~acquiring and developing the department land.~~

11        (4) ~~The~~ approval process under sub. ~~is~~ is in addition to any approval process  
 12 that may apply to the lease or exchange of the department land under s. 13.48 (14)  
 13 (d).        *sub. (2) and (3)*

**SECTION 2. Initial applicability.**

15        (1) This act first applies to <sup>contracts</sup> ~~agreements~~ <sup>sell,</sup> to lease, or exchange land that are  
 16 entered into on the effective date of this subsection.

(END)

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2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

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ANL

9 Under this bill, DNR may not enter into a contract to sell, exchange, or lease state-owned land that is under DNR's jurisdiction that was acquired for certain conservation purposes without first notifying joint finance of the proposed contract. Under the bill, if joint finance wishes to review the proposed contract, joint finance must notify DNR within 14 working days of receiving the notice from DNR that it has scheduled a meeting to review the proposed contract. DNR may then enter into the contract only with the approval of joint finance. ~~In order~~ to approve the proposed contract joint finance must determine that the amount or the value of the land received by DNR under the transaction adequately reimburses the state.

meeting to

1 SECTION 1. 23.155 of the statutes is created to read:

2 **23.155 Contracts to sell, exchange, or lease state-owned land under**  
3 **the jurisdiction of the department. (1)** In this section, "department land" means

INS  
2-10

4 an area of land that is owned by the state, that is under the jurisdiction of the  
5 department, and that is used for one of the purposes described in s. 23.09 (2) (d) 1.  
6 2., 3., 6., 7., 8., 10., 11., 12., 13., 14., 15. or 16.

7 (2) The department may not enter into a contract to sell, exchange, or lease  
8 department land unless it first notifies the joint committee on finance in writing of  
9 the proposed contract. If the cochairpersons of the committee do not notify the  
10 department within 14 working days after the date of the department's notification  
11 that the committee has scheduled a meeting to review the proposed contract, the  
12 department may enter <sup>into</sup> the contract. If within 14 working days after the notification  
13 by the department the cochairpersons of the committee notify the department that  
14 the committee has scheduled a meeting to review the proposed contract, the  
15 department may enter <sup>into</sup> the contract only on the approval of the committee.

16 (3) The committee on joint finance may approve a contract under sub. (2) to  
17 sell department land only if the committee determines that the level of  
18 reimbursement to be received by the state adequately reimburses the state for its

↘

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1 cost in acquiring and developing the land. The committee on joint finance may  
2 approve a contract under sub. (2) to exchange department land for other land only  
3 if the committee determines that the the value of the land to be received by the state  
4 in the exchange adequately reflects the state's cost in acquiring and devaluing the  
5 department land. The committee on joint finance may approve a contract under sub.  
6 (2) to lease department land only if the committee determines that the level of  
7 reimbursement to be received by the state adequately reimburses the state for the  
8 use by the lessee of the department land.

(end)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-3543/2dn

MGG: ~~rs~~

Wlj

Any contracts to sell, exchange, or lease DNR land that are entered into after the effective date of this legislation will be subject to this joint finance review, including any additional contract entered into for land in Rib Mountain State Park. OK?

Mary Gibson-Glass  
Senior Legislative Attorney  
Phone: (608) 267-3215

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-3543/2dn  
MCC:wlj:pg

October 1, 2001

Any contracts to sell, exchange, or lease DNR land that are entered into after the effective date of this legislation will be subject to this joint finance review, including any additional contract entered into for land in Rib Mountain State Park. OK?

Mary Gibson-Glass  
Senior Legislative Attorney  
Phone: (608) 267-3215



SOON

## 2001 BILL

Regen

1 AN ACT *to create* 23.155 of the statutes; **relating to:** approval by the joint  
 2 committee on finance of contracts to sell, <sup>or</sup> exchange ~~or lease~~ state land under  
 3 the jurisdiction of the department of natural resources.

(department land)

### *Analysis by the Legislative Reference Bureau*

Under current law, the department of natural resources (DNR) may not transfer ownership of state-owned land in any state park to a county, city, village, or town without the approval of the joint committee on finance (joint finance) of the state legislature as to the amount of reimbursement land that the state will receive for the land reflects the state's cost in acquiring and developing the land.

Under this bill, DNR may not enter into a contract to sell, <sup>or</sup> exchange ~~or lease~~ state-owned land that is under DNR's jurisdiction that was acquired for certain conservation purposes without first notifying joint finance of the proposed contract. Under the bill, if joint finance wishes to review the proposed contract, joint finance must notify DNR within 14 working days of receiving the notice from DNR that it has scheduled a meeting to review the proposed contract. DNR may then enter into the contract only with the approval of joint finance. To approve the proposed contract joint finance must determine that the amount or the value of the land received by DNR under the transaction adequately reimburses the state.

INS  
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**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 23.155 of the statutes is created to read:

2           **23.155 Contracts to sell** <sup>or</sup> ~~exchange~~ <sup>or</sup> ~~or lease~~ **state-owned land under**  
3 **the jurisdiction of the department.** (1) In this section, "department land" means  
4 an area of land that is owned by the state, that is under the jurisdiction of the  
5 department, and that is used for one of the purposes described in s. 23.09 (2) (d) 1.,  
6 2., 3., 6., 7., 8., 10., 11., 12., 13., 14., 15. <sup>or</sup> 16.

7           (2) The department may not enter into a contract to sell <sup>or</sup> ~~exchange~~ <sup>or</sup> ~~or lease~~  
8 department land unless it first notifies the joint committee on finance in writing of  
9 the proposed contract. If the cochairpersons of the committee do not notify the  
10 department within 14 working days after the date of the department's notification  
11 that the committee has scheduled a meeting to review the proposed contract, the  
12 department may enter into the contract. If within 14 working days after the  
13 notification by the department the cochairpersons of the committee notify the  
14 department that the committee has scheduled a meeting to review the proposed  
15 contract, the department may enter into the contract only on the approval of the  
16 committee.

17           (3) The joint committee on finance may approve a contract under sub. (2) to sell  
18 department land only if the committee determines that the level of reimbursement  
19 to be received by the state adequately reimburses the state for its cost in acquiring  
20 and developing the land. The joint committee on finance may approve a contract  
21 under sub. (2) to exchange department land for other land only if the committee

**BILL**

*developing*

1 determines that the value of the land to be received by the state in the exchange  
 2 adequately reflects the state's cost in acquiring and ~~developing~~ the department land.  
 3 ~~The joint committee on finance may approve a contract under sub. (2) to lease~~  
 4 ~~department land only if the committee determines that the level of reimbursement~~  
 5 ~~to be received by the state adequately reimburses the state for the use by the lessee~~  
 6 ~~of the department land.~~

7 (4) The approval process under subs. (2) and (3) is in addition to any approval  
 8 process that may apply to the ~~lease~~ <sup>of - sale</sup> or exchange of the department land under s. 13.48  
 9 (14) (d).

← INSERT  
3-9

**SECTION 2. Initial applicability.**

11 ~~(1) This act first applies to contracts to sell, lease, or exchange land that are~~  
 12 ~~entered into on the effective date of this subsection.~~

(END)



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FROM THE  
LEGISLATIVE REFERENCE BUREAU

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selling or exchanging department land

①

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The bill exempts from this requirement any existing contract and any contract that DNR enters into to sell or exchange department land that is a result of exercising an option to purchase that is in effect on the date this bill become law.

on which ③

(5) This section does not apply to any of the following:

INS 3-9

(a) A contract to sell, lease, or exchange department land that is in effect on the effective date of this paragraph ... [revisor inserts date].

(b) Any contract to sell or exchange department land that is the result of the exercising of an option to purchase department land contained in a contract that is in effect on the effective date of this paragraph .... [revisor inserts date].

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(end ins 3-9)



State of Wisconsin  
2001 - 2002 LEGISLATURE

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LRB-3543/3 4  
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2001 BILL

Regen

- 1 AN ACT *to create* 23.155 of the statutes; **relating to:** approval by the joint  
2 committee on finance of contracts to sell or exchange state land under the  
3 jurisdiction of the department of natural resources.

---

*Analysis by the Legislative Reference Bureau*

Under current law, the department of natural resources (DNR) may not transfer ownership of state-owned land in any state park to a county, city, village, or town without the approval of the joint committee on finance (joint finance) of the state legislature as to the amount of reimbursement land that the state will receive for the land reflects the state's cost in acquiring and developing the land.

Under this bill, DNR may not enter into a contract to sell or exchange state-owned land that is under DNR's jurisdiction that was acquired for certain conservation purposes (department land) without first notifying joint finance of the proposed contract. Under the bill, if joint finance wishes to review the proposed contract, joint finance must notify DNR within 14 working days of receiving the notice from DNR that it has scheduled a meeting to review the proposed contract. DNR may then enter into the contract only with the approval of joint finance. To approve the proposed contract joint finance must determine that the amount or the value of the land received by DNR under the transaction adequately reimburses the state.

The bill exempts from this requirement any existing contract selling or exchanging department land and any contract that DNR enters into to sell or exchange department land that is a result of exercising an option to purchase that is in effect on the date on which this bill becomes law.

**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. 23.155<sup>X</sup> of the statutes is created to read:

2           **23.155 Contracts to sell or exchange state-owned land under the**  
3 **jurisdiction of the department.** (1) In this section, "department land" means an  
4 area of land that is owned by the state, that is under the jurisdiction of the  
5 department, and that is used for one of the purposes described in s. 23.09 (2) (d) 1.,  
6 2., 3., 6., 7., 8., 10., 11., 12., 13., 14., 15., or 16.

7           (2) The department may not enter into a contract to sell or exchange  
8 department land unless it first notifies the joint committee on finance in writing of  
9 the proposed contract. If the cochairpersons of the committee do not notify the  
10 department within 14 working days after the date of the department's notification  
11 that the committee has scheduled a meeting to review the proposed contract, the  
12 department may enter into the contract. If within 14 working days after the  
13 notification by the department the cochairpersons of the committee notify the  
14 department that the committee has scheduled a meeting to review the proposed  
15 contract, the department may enter into the contract only on the approval of the  
16 committee.

17           (3) The joint committee on finance may approve a contract under sub. (2) to sell  
18 department land only if the committee determines that the level of reimbursement  
19 to be received by the state adequately reimburses the state for its cost in acquiring  
20 and developing the land. The joint committee on finance may approve a contract  
21 under sub. (2) to exchange department land for other land only if the committee

**BILL**

1 determines that the value of the land to be received by the state in the exchange  
2 adequately reflects the state's cost in acquiring and developing the department land.

3 (4) The approval process under subs. (2) and (3) is in addition to any approval  
4 process that may apply to the sale or exchange of the department land under s. 13.48  
5 (14) (d).

6 (5) This section does not apply to any of the following:

7 (a) A contract to sell or exchange department land that is in effect on the  
8 effective date of this paragraph .... [revisor inserts date].

9 (b) Any contract to sell or exchange department land that is the result of the  
10 exercising of an option to purchase department land contained in a contract that is  
11 in effect on the effective date of this paragraph .... [revisor inserts date].

12

(END)



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

November 8, 2001

### MEMORANDUM

To: Representative Huber

From: Mary Gibson-Glass, Senior Legislative Attorney

Re: LRB-3543/4 Lease or exchanges of natural resources land

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY  JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 267-3215 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.