

# STATE OF WISCONSIN

F

SENATE CHAIR  
BRIAN BURKE

316 South, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-8535



ASSEMBLY CHAIR  
JOHN GARD

315 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

October 10, 2000

Mr. George Lightbourn, Secretary  
Department of Administration  
101 East Wilson Street  
Madison, WI 53703

Dear Secretary Lightbourn:

This is to inform you that the members of the Joint Committee on Finance have reviewed your letter of September 15, 2000, regarding the Administration's plan to incorporate the \$11,237,100 of federal income augmentation funds into the Governor's 2001-03 budget recommendations. No member has objected to that plan. Therefore, the Committee will not schedule a meeting on the plan and it is approved.

In preparing the Governor's 2001-03 budget recommendations, however, we would ask that you be cognizant of the concerns of DHFS Secretary Leean and others regarding the BadgerCare program. On June 2, 2000, Secretary Leean forwarded a letter to us which outlined the fiscal demands of the program and indicated that a funding shortfall may need to be addressed by the Legislature upon its return in January, 2001.

We acknowledged Secretary Leean's letter and asked that he keep us apprised of funding estimates, potential federal waivers and reestimated enrollment projections. The most recent information available to us indicates that approximately \$13.5 million GPR will be needed to fully fund the program for the remainder of the current biennium.

If that is so, we would suggest that some amount be set aside in order that the Legislature may act, upon its return in January, to address this matter.

Sincerely,



BRIAN BURKE  
Senate Chair



JOHN GARD  
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance  
Secretary Leean

# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: September 26, 2000

Re: Federal Income Augmentation Funds

Attached is a copy of a report from the Secretary of the Department of Administration which identifies the DOA plan for use of \$11,237,100 of federal income augmentation funds.

Also attached is a copy of a memorandum from the Legislative Fiscal Bureau which describes the Department's plan and the statutes which govern the Committee's review and approval.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Monday, October 9, 2000**, if you have any concerns about the report or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

BB/JG/js

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
SECRETARY



Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842  
TTY (608) 267-9629

September 15, 2000

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 South, State Capitol  
Madison, WI 53702

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 315 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Pursuant to s. 46.46(2), the Department of Health and Family Services (DHFS) has submitted to the Department of Administration a plan for expenditures of \$11,237,100 of federal income augmentation funds. I have not approved the plan submitted by DHFS. Rather, the use of the income augmentation funds will be specified in the Governor's 2001-03 Executive Budget recommendations.

Sincerely,

  
George Lightbourn  
Secretary



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

September 26, 2000

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Plan for Income Augmentation Revenue

On August 31, 2000, the Department of Health and Family Service (DHFS) submitted, to the Secretary of the Department of Administration, a proposed plan for the use of federal income augmentation revenues that were generated through the end of the previous state fiscal year, as provided under s. 46.46(2) of the statutes. "Income augmentation revenues" are unanticipated federal funds DHFS receives under Titles IV-E (foster care), XVIII (Medicare) and XIX (Medicaid) of the federal Social Security Act as reimbursement for costs that were initially paid with state or local revenue. DHFS contracts with a consulting firm, Maximus, Inc., to conduct activities that are designed to increase federal reimbursement the state receives under these programs.

Under current law, DHFS must distribute at least 50% of the income augmentation revenues it receives under Title IV-E to counties for services and projects to assist children and families. The rest of these income augmentation revenues may be used to fund: (1) costs exclusively related to the operational costs of its income augmentation activities; and (2) other activities identified in a plan developed by DHFS, approved by the DOA Secretary and by the Joint Committee on Finance.

The DHFS plan identified \$11,231,100 in federal income augmentation funds that are available after amounts allocated for community aids and administrative costs of the income augmentation project are subtracted. There are no other state or federal restrictions relating to the use of these funds. Consequently, these funds may be used for any purpose.

In a letter dated September 15, 2000, DOA Secretary Lightbourn informed the Committee's Co-Chairs that he did not approve the plan submitted by DHFS and that, instead, the Governor's 2001-03 executive budget would include recommendations relating to the use of these revenues. The Secretary's letter represents the administration's plan for the use of these funds.

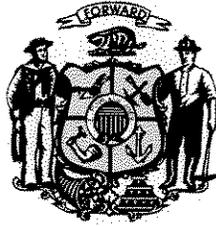
Under s. 46.46(2) of the statutes, the administration's plan will be approved if the Finance Committee's Co-Chairs do not notify the DOA Secretary within 14 working days after the plan was submitted that the Committee has scheduled a meeting for the purpose of reviewing the plan. Because the Co-Chairs received the DOA Secretary's letter on September 22, the Co-Chairs must notify the DOA Secretary by Wednesday, October 11 if the Committee wishes to meet on the administration's plan.

BL/lah

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
SECRETARY



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Post Office Box 7864  
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September 15, 2000

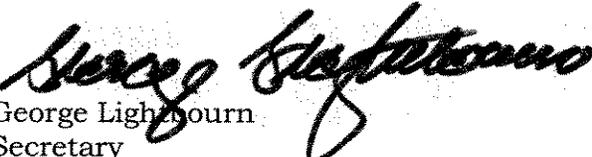
The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 South, State Capitol  
Madison, WI 53702

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 315 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Pursuant to s. 46.46(2), the Department of Health and Family Services (DHFS) has submitted to the Department of Administration a plan for expenditures of \$11,237,100 of federal income augmentation funds. I have not approved the plan submitted by DHFS. Rather, the use of the income augmentation funds will be specified in the Governor's 2001-03 Executive Budget recommendations.

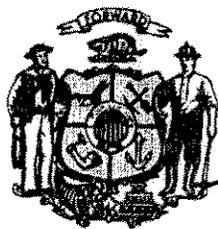
Sincerely,

  
George Lightbourn  
Secretary

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
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GEORGE LIGHTBOURN  
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September 15, 2000

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 South, State Capitol  
Madison, WI 53702

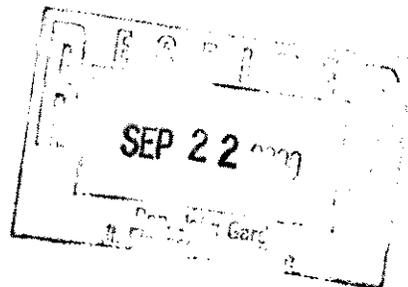
The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 315 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

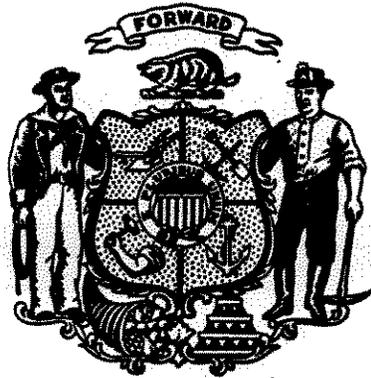
Pursuant to s. 46.46(2), the Department of Health and Family Services (DHFS) has submitted to the Department of Administration a plan for expenditures of \$11,237,100 of federal income augmentation funds. I have not approved the plan submitted by DHFS. Rather, the use of the income augmentation funds will be specified in the Governor's 2001-03 Executive Budget recommendations.

Sincerely,

  
George Lightbourn  
Secretary



*END*

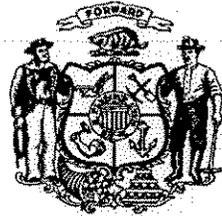


*END*

# THE STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

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JOHN GARD

315-N Capitol  
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Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

October 11, 2000

Secretary George Lightbourn  
Department of Administration  
101 E. Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53702

Dear Secretary Lightbourn:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received on September 22, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

No objections have been raised to this request. Therefore, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE  
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD  
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance  
Secretary Joe Leean, Department of Health and Family Services  
Robert Lang, Legislative Fiscal Bureau  
Vicky LaBelle, Department of Administration

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: September 22, 2000

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, received on September 22, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Tuesday, October 10, 2000**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB/JG/ckm

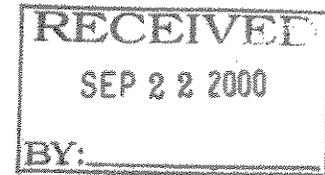
STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
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**Date:** September 22, 2000  
**To:** The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
  
The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
**From:** George Lightbourn, Secretary  
Department of Administration  
*George Lightbourn*  
**Subject:** S. 16.515/16.505(2) Request(s)



Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

AGENCY	DESCRIPTION	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DHFS 20.435(6)(g)	Nursing facility resident protection				1.00 *

\* Project position ending 06/30/02.

As provided in s. 16.515, the request(s) will be approved on October 13, 2000, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments



**Date:** September 8, 2000

**To:** George Lightbourn, Secretary  
Department of Administration

**From:** Melissa Mullikin, Budget and Policy Analyst *MUM*

**Subject:** Request Under s. 16.505 from the Department of Health and Family Services for 2.0 FTE two-year project positions

**REQUEST:**

The Department of Health and Family Services (DHFS) requests 2.0 FTE two-year project positions in the appropriation under s. 20.435(6)(g), numeric 621, Nursing Facility Resident Protection. The two positions will staff the Value Added Technical Assistance Project, DHFS's new pilot designed to improve the quality of care at Wisconsin nursing homes.

**REVENUE SOURCES FOR APPROPRIATION(S):**

Revenues in the appropriation under s. 20.435(6)(g) are civil money penalties assessed against nursing homes for violations of federal health and safety regulations. DHFS will reserve at least half of the funds in this appropriation for costs related to maintaining quality patient care in nursing homes that are in receivership to the state.

**BACKGROUND:**

The Value Added Technical Assistance Project is a pilot project aimed at adding a new dimension to the nursing home regulatory process through the provision of technical assistance and expert consultation to nursing homes. Under this project, the current regulatory environment which is focused on enforcement will be supplemented with an approach that seeks to create collaborative partnerships between DHFS and nursing homes to help homes ensure compliance with state and federal regulations. Under this pilot, two nurse consultants will be assigned to the Southern Region and will work with nursing homes that have traditionally had problems meeting state and federal health and safety standards. The goal is to provide homes with the technical assistance and quality improvement strategies necessary to help them meet and exceed health and safety standards.

**ANALYSIS:**

In the 1999-2001 biennial budget process, DHFS sought and obtained a statutory language change allowing it to use funds collected through civil money penalties "for innovative projects designed to protect the health and property of a resident in a nursing facility." The department had originally planned to solicit quality improvement proposals from nursing homes and distribute \$150,000 in "mini-grants" based on those proposals. Upon further review, the department decided that a technical assistance program would be more effective and efficient in reaching more nursing homes.

Officials in DHFS's Bureau of Quality Assurance (BQA) report that the nursing home industry has responded favorably to this proposal and that they welcome the idea of a more cooperative, rather than confrontational, relationship with government regulators.

The balance in appropriation 621, which contains funds collected from civil money penalties, has grown quickly over the past three years. The FY98 ending balance for 621 was \$189,305 and at the end of FY99 it was \$571,952. DHFS projects a \$986,000 balance by the end of FY00, with ongoing revenues of \$400,000 per year. According to officials at DHFS, the federal Health Care Financing Administration (HCFA) is monitoring states' civil money penalty balances and has inquired about DHFS's plans for the funds. HCFA regulations severely limit the uses of civil money penalties. Regulations state:

*Civil money penalties collected by the State must be applied to the protection of the health or property of residents of facilities that the state or HCFA finds noncompliant, such as—*

- (1) Payment for the cost of relocating residents to other facilities;*
- (2) State costs related to the operation of a facility pending correction of deficiencies or closure; and*
- (3) Reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or by individuals used by the facility to provide services to residents.*

HCFA has granted states limited latitude to use the proceeds from civil money penalties to fund special projects aimed at improving nursing home care, such as technical assistance programs. At the same time, HCFA requires states to provide technical assistance to nursing homes but does not provide federal reimbursement for those services. The use of civil money penalty funds to provide technical assistance is a good way for the state to meet HCFA's requirement that the state provide such assistance without having to use GPR.

It is important to note that if the project is successful, nursing home care should improve, resulting in fewer civil money penalties and funding for the program will decline. DHFS has and will continue to look into alternative funding mechanisms, possibly including provider contributions for the service.

September 15, 2000

In an effort to limit the growth of the DHFS workforce, the State Budget Office (SBO) did explore the possibility of reallocating existing vacant position authority in DHFS. However, DOA is limited in its authority to reallocate position authority in PR appropriations to transfers that occur within an alpha. There are no positions currently funded out of the alpha in question, s. 20.435 (6)(g), and therefore no vacant positions which might be used for the proposed purpose.

As an alternative, SBO agreed to support the proposal with conditions that would limit the growth of the DHFS workforce. SBO offered DHFS two options:

1. SBO would recommend approval of just new 1.0 FTE project position, or
2. SBO would support a reallocation of existing PR position authority within the department to support 2.0 FTE project positions for this pilot project.

DHFS prefers option 1.

**RECOMMENDATION:**

Approve 1.0 FTE project position effective October 1, 2000 through September 30, 2002.



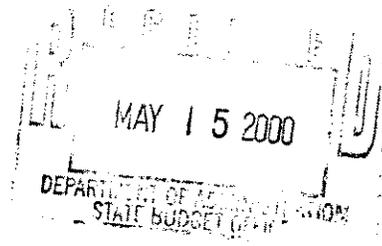
State of Wisconsin  
Department of Health and Family Services

Tommy G. Thompson, Governor  
Joe Leean, Secretary

MM  
JAK

May 12, 2000

Mr. Richard G. Chandler  
State Budget Director  
Department of Administration  
101 East Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53702



Dear Mr. Chandler:

Under the provisions of s. 16.505, the Department requests 2.0 FTE PRO project positions in the appropriation under s. 20.435(6)(g), numeric 621. The two positions, both with the classification Nursing Consultant 2, are requested from July 1, 2000 through June 30<sup>th</sup>, 2002. The Department also requests \$97,400 PRO spending authority in FY 01 and \$51,100 PRO in FY 02.

The two positions would serve as the staff for the "Value Added Technical Assistance Project," a new pilot project designed to improve the quality of care and quality of life for nursing home residents. Through the project, the Department will help participating nursing homes meet and surpass state and federal health and safety standards by providing them with technical assistance informed by the latest research and by analysis of clinical outcome data from each facility.

The technical assistance will supplement the usual survey and enforcement processes for the facilities, offering a way for the Department to work collaboratively with facilities to improve quality of care. Traditionally, regulatory agencies compel providers to comply with performance standards through regular inspections and enforcement actions such as fines or license revocations. Often an adversarial relationship develops between the provider and the regulator, which is unfortunate since most providers are genuinely concerned with the welfare of their clients and most regulators have considerable knowledge and experience regarding quality improvement. Through this project, the Department will be able to bring providers and regulators together in a cooperative environment to solve problems regarding services to residents.

Nursing homes in the 13 counties in the Department's Southern Region will be eligible to participate in the project. The two requested positions will each provide technical assistance to an estimated 12 facilities per year and are expected to spend three days per week at facilities.

Staff, for example, may determine from resident clinical data that residents in a facility experience a higher than normal number of falls, or that a facility applies restraints to residents more frequently than is appropriate, and will work with the facility to solve those problems. The positions will spend the remainder of their time researching best practices, providing training to larger groups of providers, developing training materials, and consulting with Department staff.

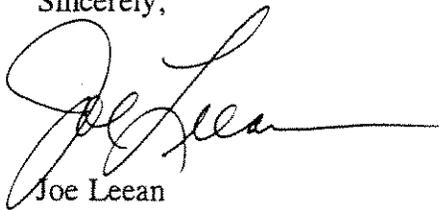
The Department also plans to contract with an independent evaluator to measure whether patient outcomes improve in participating facilities. If the pilot project is successful, the Department hopes to extend it to providers across the state.

Revenue Source for the Appropriation. Revenues in the appropriation under s. 20.435(6)(g) are civil money penalties (CMPs) assessed against nursing homes for violations of federal health and safety regulations. The 1999-2001 biennial budget gave the Department the authority under s. 49.499, Stats., to "distribute funds for innovative projects designed to protect the health and property of a resident in a nursing facility." With this expanded authority, the Department had originally planned to allocate \$150,000 in "mini-grants" to nursing homes that submitted proposals for quality improvement projects. However, after further consideration, the Department concluded that it could improve the quality of care to a greater degree in a greater number of homes through the technical assistance project.

CMP revenues are projected to total \$986,000 by the end of FY 00, with ongoing annual revenues of roughly \$400,000. The Department intends to reserve fifty percent of revenues for the other statutory purposes for CMP funds, which are the maintenance of operation of a nursing home pending closure or correction of deficiencies, the costs of relocating residents to other nursing facilities, and the reimbursement of residents for funds misappropriated by nursing home staff.

Thank you for considering this request. If you have any questions please contact Andrew Forsaith at 266-7684.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Llean", with a long horizontal flourish extending to the right.

Joe Llean  
Secretary

**Table 1**

<b>Proposed Funding Levels, Appropriation (6)(g)</b>	<b>FY 01</b>	<b>FY 02</b>
<b>By Funding Categories</b>		
Positions	\$ 195,500	\$ 190,600
Evaluation	\$ 41,400	
Facility Training	\$ 10,500	\$ 10,500
<b>Total</b>	<b>\$ 247,400</b>	<b>\$ 201,100</b>
<b>By Budget Line</b>		
Salary	\$ 117,700	\$ 121,200
Fringe	\$ 41,700	\$ 42,900
Supplies and Services	\$ 84,200	\$ 33,200
Internal Services	\$ 3,800	\$ 3,800
<b>Total</b>	<b>\$ 247,400</b>	<b>\$ 201,100</b>
<b>Existing Budget Level</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>
<b>Additional Budget Need</b>	<b>\$ 97,400</b>	<b>\$ 51,100</b>

**Table 2****Workload Estimate****Productive Hours per FTE**

Total Hours	2,080
Vacation	(120)
Holiday	(72)
Personal Days	(28)
Sick Leave	(24)
Training	(80)

**Total Productive Hours per FTE** 1,756

**Hours per month** 146

**Activities for Each Project Position**

**Hours per  
month**

**On site technical assistance**

1 provider per month  
3 days per week 96

**In office activities**

Phone consultation  
Material development (brochure, manuals)  
Data analysis  
Literature review and best practice review  
Total hours 20

**Other activities**

Attend 1 or 2 association mtgs (half day) 6  
Provider training (1 every 6 months, average  
one day preparation per month 8  
Attend monthly BQA regional office scheduling  
meetings to share information with surveyors 8  
Participate in one survey quarterly 8

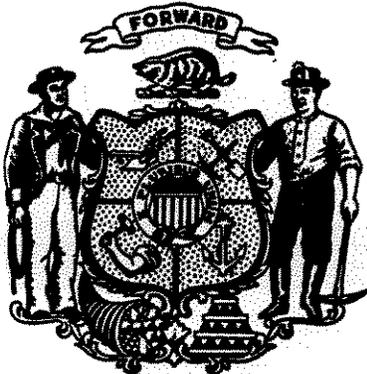
**Total Hours per Month** 146

Table 3

Appropriation (6)(g) 621 Nursing Facility Resident Protection

	FY 99	FY 00	FY 01	FY 02
Beginning Cash	\$ 189,306	\$ 571,952	\$ 986,020	\$ 1,152,688
Current Year Revenue	\$ 382,646	\$ 414,068	\$ 414,068	\$ 414,068
Expenditures				
Value Added Initiative			\$ (247,400)	\$ (201,100)
Balance	\$ 571,952	\$ 986,020	\$ 1,152,688	\$ 1,365,656
Amount of Balance Reserved for Receptions/Relocations/Reimbursements	\$ 285,976	\$ 493,010	\$ 576,344	\$ 682,828

*END*



*END*

# THE STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

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ASSEMBLY CHAIR  
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## JOINT COMMITTEE ON FINANCE

September 6, 2000

Secretary George Meyer  
Department of Natural Resources  
101 S. Webster St., 5<sup>th</sup> Floor  
Madison, Wisconsin 53703

Dear Secretary Meyer:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received August 17, 2000, concerning the proposed 582.7 acre land purchase in Iron County from Fraser Paper, Inc. for \$875,000.

No objections to this request have been raised. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE  
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD  
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance  
Robert Lang, Legislative Fiscal Bureau  
Vicky LaBelle, Department of Administration



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

August 31, 2000

TO: Senator Burke and Representative Gard

FROM: Rebecca Hotynski, Fiscal Analyst

SUBJECT: Proposed Department of Natural Resources Stewardship Purchases in Dane and Iron Counties

### REQUEST

The Department of Natural Resources (DNR) requests approval for two expenditures from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 program. One request for \$595,332 would be used to purchase approximately 207 acres from Giles and Monica Gobel adjacent to the Brooklyn Wildlife Area and the Story Creek Streambank Protection project in Dane County. The exact acreage may vary by a few acres based on a final survey. The second request for \$875,000 would be used to purchase 582.7 acres from Fraser Paper, Inc. in Iron County. This parcel would become part of the Turtle Flambeau Scenic Waters area, the Flambeau River State Forest, and the Hay Creek-Hoffman Lake Wildlife area.

### BACKGROUND

#### Stewardship Program

The 1999-01 biennial budget act (1999 Act 9) provides \$460 million in bonding for a ten-year reauthorization of the Warren Knowles-Gaylord Nelson stewardship program beginning in 2000-01 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The annual bonding authority under the program is \$46 million, ending in fiscal year 2009-10. Of the annual authority, \$28.5 million in 2000-01 and \$34.5 million in each of the nine fiscal years thereafter is allocated to general land acquisition for conservation and recreational purposes.

Both the Department and nonprofit conservation organizations (NCOs) are eligible to use funding from the land acquisition subprogram. The statutory priorities enumerated for land acquisition funding are: (a) acquisition of land that preserves or enhances the state's water

resources (including land along the shores of the Great Lakes); (b) acquisition of land for the stream bank protection program; (c) acquisition of land for habitat areas and fisheries; (d) acquisition of land for natural areas; and (e) acquisition of land in the Middle Kettle Moraine.

Currently, with the approval of the Natural Resources Board, the Joint Committee on Finance and the Governor, the Department can obligate up to the entire allocation under the land acquisition subprogram for large or uniquely valuable acquisitions. Funding of \$25 million has been utilized from the reauthorized program for the purchase of approximately 32,000 acres from Packaging Corporation of America in northern Wisconsin commonly referred to as the Great Addition. At its June 28, 2000, meeting, the Natural Resources Board approved an allocation plan for stewardship funding for fiscal year 2000-01. Of the \$28.5 million in the land acquisition subprogram that year, the Department will allocate \$22.5 million to DNR land purchases and \$6.0 million for NCO grants. The allocation plan approved by the Board indicates that \$6.25 million of the Great Addition purchase (one-fourth of the purchase) would be applied against the 2000-01 land acquisition program allocation (leaving \$16.25 million for other DNR land purchases).

Under s. 23.0917(6) of the statutes, the Joint Committee on Finance reviews all stewardship projects of more than \$250,000. DNR must notify the Co-chairpersons of the Committee in writing of the proposed project. If the Co-chairpersons of the Committee do not notify DNR within 14 working days after the Department's notification that a meeting has been scheduled to review the request, then DNR may obligate funding for the project. If an objection to the project is made, then the Co-chairpersons must schedule a meeting to review the request. The Department may then obligate funding for the project only with Committee approval.

DNR notification of the proposed Gobel and Fraser Paper, Inc. purchases were received by the Co-chairpersons on August 17, 2000. If no objection has been raised by September 7, 2000, the requests will be approved.

#### **Fraser Paper, Inc. Land Purchase**

The 582.7 acres proposed for purchase from Fraser Paper, Inc. consists of 89.0 acres of wooded lowland, 406.0 acres of wooded upland, 8.7 acres of wetland, 13.0 acres of grasslands, 49.0 acres of brushlands, and 17.0 acres of water. The area is level to moderately rolling, with most of the property as developable upland, with high banks along the Flambeau River. The parcel has approximately 13,200 feet of frontage on both banks of the Flambeau River. While portions of the property have been logged in the past, there remains a heavily wooded area 300 feet wide along the river shore. The stand consists of Aspen, White Birch, and Balsam Fir with scattered White Pine and White Spruce. Additional regeneration of Aspen stands has also been reported, as well as white cedar, mixed conifers, and brush near the interior wetland area. There are no structures on the land. The property is surrounded by state-owned land acquired as part of the Great Addition as well as land owned by the Nature Conservancy along part of its eastern edge. The parcel itself would fall into three of the Department of Natural Resource's established projects. It would add 440 acres to the Turtle Flambeau Flowage Scenic Waters Area, 20 acres to the Flambeau River State Forest, and 122.7 acres to the Hay Creek-Hoffman Lake Wildlife area.

This would bring these areas to within 71.9%, 96.4%, and 71.1% of their acquisition goals, respectively.

The Department of Natural Resources would like to acquire the land for wildlife habitat management, water quality protection, and public recreation. The region draws visitors from a wide area, and is accessible by US Highway 2, US Highway 51, and County Highway FF. Recreational opportunities include grouse and deer hunting, muskellunge and small-mouth bass fishing, canoeing, hiking, sight-seeing and limited camping.

The land is currently zoned F-1 Forestry, with timber production as its primary use. Given the quality of the surrounding environment and the quantity of land in the area already preserved by the State of Wisconsin or conservation organizations, its best use was assessed as development into seasonal or year-round private recreational property, with subdivisions expected to enhance profitability. Either of these options would be financially feasible and legally permissible. As zoned, seasonal dwellings are permitted with a conditional use permit. Minimum allowable lot size is 20,000 square feet within shoreland areas and 60,000 square feet outside of shoreland areas. Minimum lot width is 100 feet. Independent appraisers indicated that a very active market for this type of property existed, and expected little difficulty in marketing the land for private purchase and development.

Two private appraisals were completed on the property. The appraisal that was approved by the Department for just compensation purposes estimated the value of the property at \$875,000, or \$1,500 per acre. The appraisal used the sales comparison method, with adjusted per-acre values of four comparable sales cited ranging from \$1,248 to \$1,777. The second appraisal estimated the value of the property at \$1,550 an acre, for a total of \$900,000. This appraisal also relied on the sales comparison method, and generated adjusted per-acre values of four comparable sales ranging from \$1,541 to \$1,560.

## ANALYSIS

If the Fraser, Inc. land is acquired, DNR would be required to pay aids in lieu of property taxes on the land to the Town of Mercer in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The town then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu payments are made from a sum sufficient GPR appropriation. Payment for the Fraser, Inc. land would be approximately \$16,600 GPR for the first year (as opposed to \$6,700 in property taxes paid in 1999, based on a \$288,800 assessment for property tax purposes).

If DNR is allowed to make this purchase, it will create a large, contiguous area of state-owned land, as well as consolidate state ownership of 10 miles of the Flambeau River (with the exception of ¼ mile of privately owned riverbank downstream). This will enable the state, in cooperation with the Nature Conservancy, to protect the natural and scenic resources of the site, and to better facilitate planning of natural resource management over the entire area. If the

Department is not allowed to make the purchase, the funding that would otherwise have been spent on the Fraser, Inc. property would revert to the unobligated balance of the land acquisition subprogram of stewardship. As indicated in the appraisals, the highest and best use of the land, if it were not publicly owned, would be for seasonal or year-round private recreational use.

## **BACKGROUND**

### **Gobel Land Purchase**

The 207-acre parcel proposed for purchase from Giles and Monica Gobel in Dane County consists of level to rolling cropland that is bordered by the state-owned Brooklyn Wildlife Area on two sides. The Department of Natural Resources proposes to add this parcel to the Story Creek Streambank Protection Area. While the property contains no actual stream frontage, Story Creek lies within 200 feet of the western edge of the parcel (within the existing Brooklyn Wildlife Area). The Story Creek Watershed is a Class 2 trout stream that originates at a large spring just north of the Gobel property. Possession of this property would expand control over a significant portion of the Story Creek watershed for resource management purposes, and would bring acquisition totals to nearly 3,000 acres. Specifically, it is intended to provide a buffer from agricultural, construction site, or rural residential runoff. The property would also allow for restoration of wetlands and grassland habitat, and will provide nesting habitat for area-sensitive grassland birds. The DNR intends for the area to be available for hunting, fishing, and other recreational purposes.

The land is currently zoned A-1 Exclusive Agricultural by the Town of Oregon and Dane County. This would permit most recreational as well as agricultural use. In addition, residential use would also be permitted on land areas of 35 acres or more in size. The property tax assessment for the land in 1999 was \$209,554, with \$4,940 paid in property taxes.

Two private appraisals were completed on the property. The appraisal that was approved by the department for just compensation purposes estimated the value of the property at \$525,000, or \$2,517 per acre. The second appraisal placed the value of the property at \$732,000, with a per-acre cost of \$3,492. Both appraisals utilized the sales comparison method. Adjusted per acre values of the lower appraisal ranged from \$2,152 to \$2,662 an acre. The five sales used in the first appraisal were comparable in size and contained similar physical characteristics to the proposed purchase property. They were also more recent than those used in the second appraisal, which placed the per-acre value of comparable properties sold in the \$3,213 to \$4,524 range. The properties compared in the second appraisal were smaller and in general were considered to be more attractive for residential use than the Gobel property. Both appraisals based their assessments on residential subplots or agricultural use being the highest and best use of the property.

The DNR plans to resell approximately 140 acres of the cropland to remain in agricultural use. The parcel would carry a deed restriction to further the goals of watershed management, runoff control and recreational accessibility. The deed restrictions will include allowing public access (after seasonal crop removal), management in line with the guidelines of the USDA Farm

Services Agency, and prohibition of structures, dumping, or advertising signs. In addition, the mineral rights would be retained by the state. The Department will perform a secondary appraisal to determine the resale value of the property with the deed restrictions before reselling the land through a broker. It is estimated that the resale value (with the deed restrictions) may be in the \$1,400 per acre range, or roughly \$200,000 for the 140-acre parcel. Any funds accruing to the Department from the resale of this property would be deposited into an appropriation in the conservation fund, as directed under s.23.15 (4). These funds could then be used exclusively for land acquisition related to the general conservation functions of the Department (such as fish and game refuges, forests, parks, trails, recreational areas, natural areas, and habitat areas).

## ANALYSIS

If the Gobel property is acquired, the DNR would be required to pay aids in lieu of property taxes on the land to the Village of Oregon in an amount equal to the tax that would be due on the estimated value of the property at the time that it was purchased (generally the purchase price). This would be adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The town would then pay each taxing jurisdiction (including the county and school district) a proportional share of the payment, based on its levy. Aids in lieu payments are made from a sum sufficient GPR appropriation. Payment for the Gobel property would be approximately \$13,680 for the first year (as opposed to \$4,940 in property taxes paid in 1999). After the resale of the 140-acre deed-restricted parcel, the state would continue to pay aids in lieu of property taxes on the 67 acres added to the Brooklyn Wildlife area. This would decrease the payment in lieu of taxes amount to approximately \$4,300 each year. The purchaser of the remaining 140 acres would assume responsibility for the property taxes for that parcel. Taxes would be determined by assessment, most likely based on the use value of the property as agriculture-exclusive. In general, deed restrictions have not led to lower overall assessments of property values.

The sellers are retaining the homesite, farm buildings and some surrounding property from a larger parcel. The actual purchase price for the DNR property will be determined by survey at \$2,876 per acre. The estimated cost is \$595,332 for 207 acres but the final area may vary by a few acres.

If DNR is allowed to make this purchase, it will add at least 67 acres to the Brooklyn Wildlife Area and the Story Creek Streambank Protection project. In addition, approximately 140 acres will be permanently protected from development and will remain in agricultural production, with funds from the sale deposited to the conservation fund. In addition, the 140 acres will be available to the public for hunting, fishing and recreational purposes, with use of the land restricted to facilitate protection of the Story Creek watershed area. If DNR is not allowed to make this purchase, the funding that would otherwise have been spent on the Gobel property would revert to the unobligated balance of the land acquisition subprogram of stewardship. As indicated in the appraisals, the highest and best use of the land, if it were not publicly owned, would be for residential subplots or agricultural use.

RH/sas

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard

Re: 14-Day Passive Review Approval

Date: August 17, 2000

Attached is a copy of a letter from the Department of Natural Resources, received August 17, 2000, concerning a proposed 582.7 acre land purchase in Iron County from Fraser Paper, Inc., for \$875,000.

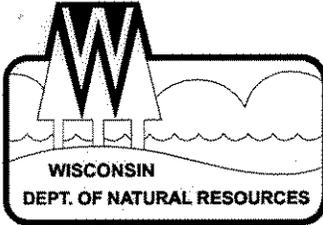
The notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Finance Committee of all stewardship projects of \$250,000 or more in cost.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, September 5, 2000**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
FAX 608-267-3579  
TDD 608-267-6897

AUG 17 2000

IN REPLY REFER TO: WR-514

Honorable Brian Burke  
Member State Senate  
Room 316S  
CAPITOL

Honorable John Gard  
Member State Assembly  
Room 315N  
CAPITOL

Dear Senator *Brian* Burke and Representative *John* Gard:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 582.7 acre land purchase from Fraser Paper, Inc., for \$875,000. This notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$250,000 in cost. The Natural Resources Board approved the purchase at the August meeting. The land is required for Forestry, Wildlife and Fishery Management, Scenic Water Protection and Public Recreation.

The file number is WR-514 and the land is located in Iron County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Richard Steffes at 266-0201. Mr. Steffes is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,

*George*  
George E. Meyer  
Secretary

Attach.

cc: Legislative Fiscal Bureau  
Department of Administration

## CORRESPONDENCE/MEMORANDUM

DATE: July 26, 2000 FILE REF: WR-514  
 TO: Governor Thompson  
 FROM: George E. Meyer *George*  
 SUBJECT: Proposed Land Acquisition, Fraser Paper, Inc., Tract, File # WR-514,  
 Option Expires September 25, 2000

1. PARCEL DESCRIPTION:

Turtle Flambeau Scenic Waters Area  
 Flambeau River State Forest  
 Hay Creek -- Hoffman Lake Wildlife Area  
 Iron County

Grantor:

Fraser Paper, Inc.  
 c/o Jeff McCulloch, Director of Environmental Affairs  
 P.O. Box 340  
 Park Falls, WI 54552

Acres: 582.7Price: \$875,000Appraised Value: \$875,000Interest: Purchase in fee,Improvements: None

Location: The tract is located twenty-six miles southwest of the City of Hurley, in southwestern Iron County.

Land Description: The subject area is level to moderately rolling, with most of the property as developable upland, with high banks along the Flambeau River.

Coverttype Breakdown:

<u>Type</u>	<u>Acreage</u>
Wooded Lowland	89.0
Wooded Upland	406.0
Wetland	8.7
Grasslands	13.0
Brushlands	49.0
Water	<u>17.0</u>
TOTAL	582.7

Zoning: ForestryPresent Use: Timber ProductionProposed Use: Forestry, Wildlife, and Fishery Management; Scenic Water Protection; and Public RecreationTenure: 22 yearsProperty Taxes: \$6,703.45Option Date: June 27, 2000

2. JUSTIFICATION:

The Department proposes to purchase the 582.7-acre Fraser Paper, Inc., parcel in Iron County. The parcel is the entire section, and falls within three established projects. This acquisition will provide 440.0 acres for the Turtle Flambeau Flowage Scenic Waters Area, 20.0 acres for the Flambeau River State Forest, and 122.7 acres for the Hay Creek - Hoffman Lake Wildlife Area. This transaction will allow natural resource management, prevent development incompatible with the goals of the project, consolidate state ownership, and protect the scenic resources of the site.

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 and is an excellent fishing lake with a wilderness character. Three rivers and several smaller creeks enter the flowage. The North Fork of the Flambeau River is the outlet. Water flow is controlled by a dam. There are several areas of improvements on the flowage that include both resorts and privately owned cabins. They are widely scattered, and the Flowage has a wilderness atmosphere.

The Flambeau River State Forest is located in northwestern Wisconsin. The project was established in 1931 to manage 93,500 acres along the North and South Forks of the Flambeau River for a variety of uses, particularly forestry and fish management. The shorelands along the river are managed for a wilderness experience where manmade development is strictly controlled and existing impacts are removed wherever possible. The property is used by the public for hunting, fishing, trapping, cross-country skiing, hiking and other outdoor recreation. The Flambeau River is known throughout the midwest as an exceptional scenic "wilderness" canoeing river.

The Hay Creek - Hoffman Lake Wildlife Area is located in north central Wisconsin in Iron and Ashland Counties. The project is bordered on all sides by State and Federal land projects: the east by the Turtle Flambeau Flowage, the south and west by the Chequamegon National Forest, and on the north by the Flambeau River State Forest. Land in the project area was first purchased in 1944. The goal of the project is to manage the 16,418-acre area for a diversity of game, non-game, and rare or endangered wildlife and plant communities, plus to provide a range of outdoor recreational activities, such as hunting, trapping, cross-country skiing, and hiking.

The Fraser Paper, Inc., parcel is 582.7 acres in size. Quite a bit of the property has been logged in the past few years, but there is a heavily wooded area 300 feet wide along the river shore which has remained uncut for aesthetic reasons. The remaining timber resource is regenerating nicely into aspen stands. The subject has approximately 13,200 feet of total frontage on both banks of the Flambeau River, which provides exceptional scenic and recreational opportunities. Additionally, there is an interior wetland area north of the river, with white cedar and other mixed conifers and brush.

State land borders this parcel on all sides, with Nature Conservancy land on part of the east edge. Acquisition will create a very large contiguous area of state-owned land. This parcel provides some of the best buildable frontage on the entire Flambeau River System, and some of the most scenic frontage in the state. If not purchased, this parcel will surely be subdivided and developed, causing loss and fragmentation of this unique river frontage. Ownership will provide an exceptional opportunity for additional recreation as well as block in three important projects at one time. Other than ¼ mile of river in private ownership a few miles downstream, this purchase will consolidate state ownership on 10 miles of the Flambeau River.

The Department recommends purchase of this property to protect the natural and scenic resources of the site, to allow natural resource management, to consolidate state ownership, to provide opportunities for public recreation, and to prevent development incompatible with the goals of the projects.

3. FINANCING:

State Stewardship bond funds are anticipated:

	Funds allotted to program:	Balance after proposed transaction
Stewardship Bond:	\$4,600,000	\$1,231,800

4. PROJECT ACQUISITION STATUS:

	Turtle Flambeau Flowage Scenic Waters Area	Flambeau River State Forest	Hay Creek – Hoffman Lake Wildlife Area
<u>Established:</u>	1990	1931	1944
<u>Acres Purchased to Date:</u>	31,958.48	90,147.35	11,557.73
<u>Acquisition Goal:</u>	45,076.7 acres	93,529.94 acres	16,417.47
<u>Percent Complete:</u>	70.9%	96.4%	70.4%
<u>Cost to Date:</u>	\$15,358,962	\$5,042,620	\$133,161

5. APPRAISAL:

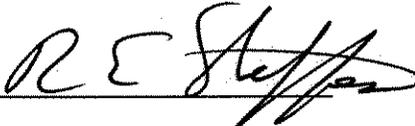
Appraiser: Wayne Gibson (Private Appraiser)  
Valuation Date: May 2, 2000  
Appraised Value: \$875,000  
Highest and Best Use: Outdoor Recreation or Subdivision

Allocation of Values:

- a. land: 582.7 acres @ \$1,500 per acre: \$875,000
- b. market data approach used, four comparable sales cited
- c. adjusted value range: \$1,248 to \$1,777 per acre

Appraisal Review: Phil Lepinski -- May 25, 2000

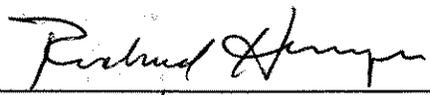
RECOMMENDED:



Richard E. Steffes

7-26-00

Date



Bureau of Legal Services

8/1/00

Date



Steven W. Miller

8/2/00

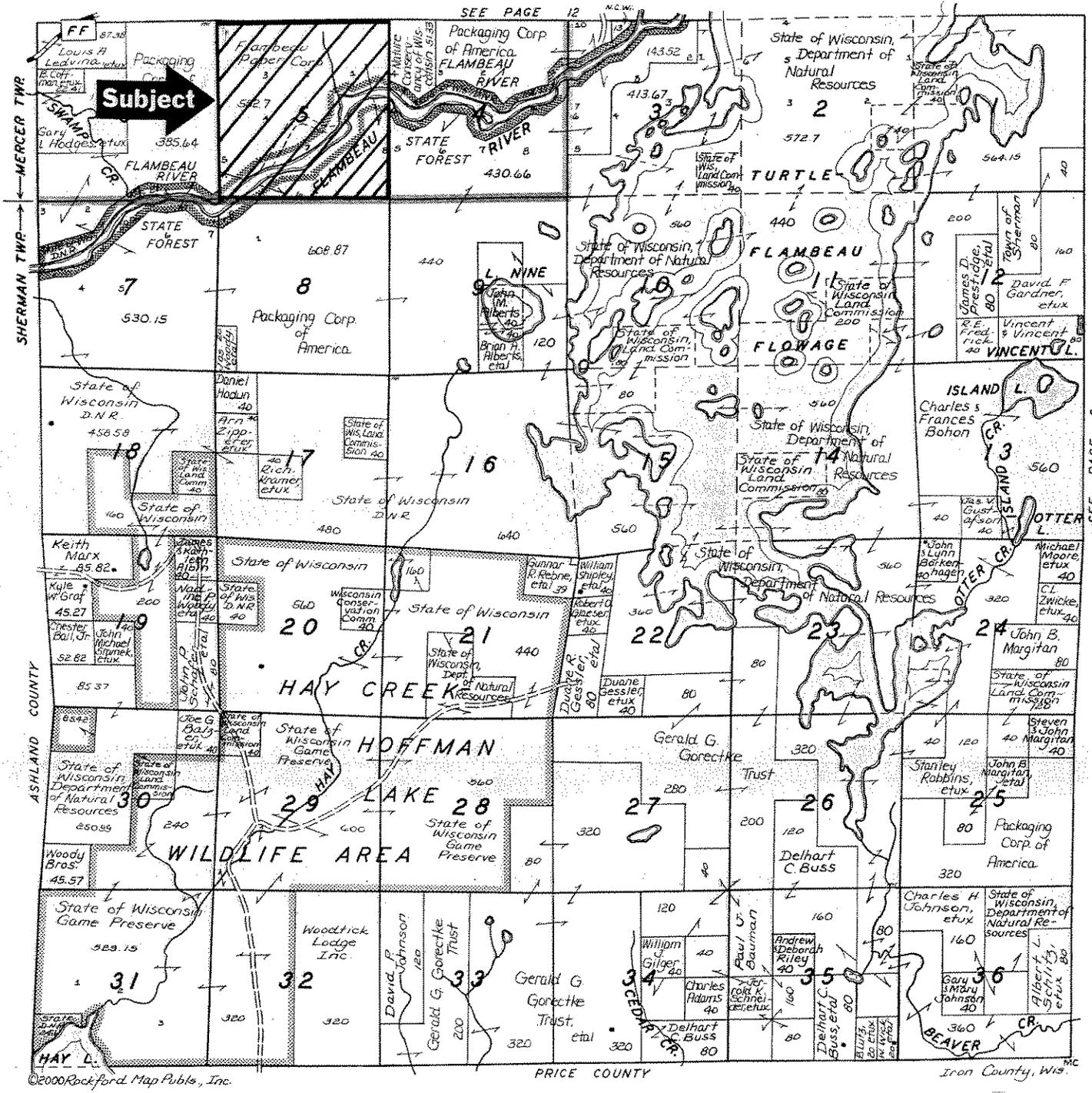
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Map Publishers, Inc. Rockford, Illinois"



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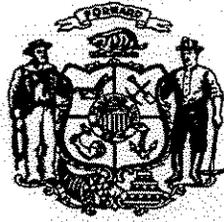


*END*

# THE STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
JOHN GARD

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

September 6, 2000

Secretary George Meyer  
Department of Natural Resources  
101 S. Webster St., 5<sup>th</sup> Floor  
Madison, Wisconsin 53703

Dear Secretary Meyer:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received August 17, 2000, concerning the proposed 207.0 acre land purchase in Dane County from Giles and Monica Gobel for \$595,332.

No objections to this request have been raised. Accordingly, the request is approved.

Sincerely,

  
BRIAN BURKE  
Senate Chair

  
JOHN G. GARD  
Assembly Chair

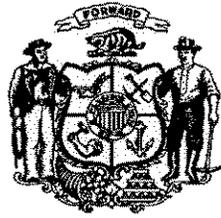
BB:JG:dh

cc: Members, Joint Committee on Finance  
Robert Lang, Legislative Fiscal Bureau  
Vicky LaBelle, Department of Administration

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard

Re: 14-Day Passive Review Approval

Date: August 17, 2000

Attached is a copy of a letter from the Department of Natural Resources, received August 17, 2000, concerning a proposed 207.0 acre land purchase in Dane County from Giles and Monica Gobel for \$595,332.

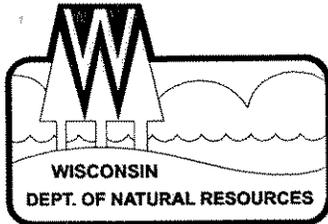
The notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Finance Committee of all stewardship projects of \$250,000 or more in cost.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, September 5, 2000**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
FAX 608-267-3579  
TDD 608-267-6897

AUG 17 2000

IN REPLY REFER TO: Fi-2667

Honorable Brian Burke  
Member State Senate  
Room 316S  
CAPITOL

Honorable John Gard  
Member State Assembly  
Room 315N  
CAPITOL

Dear Senator *Brian* Burke and Representative *John* Gard:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 207.0 acre land purchase from Giles and Monica Gobel for \$595,332. This notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$250,000 in cost. The Natural Resources Board approved the purchase at the August meeting. The land is required for Wildlife Habitat Management, Water Quality Protection and Public Recreation.

The file number is Fi-2667 and the land is located in Dane County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Richard Steffes at 266-0201. Mr. Steffes is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,

*George*  
George E. Meyer  
Secretary

Attach.

cc: Legislative Fiscal Bureau  
Department of Administration

## CORRESPONDENCE/MEMORANDUM

DATE: July 26, 2000 FILE REF: Fi-2667

TO: Governor Thompson

FROM: George E. Meyer *George*

SUBJECT: Proposed Land Acquisition, Giles and Monica Gobel Tract, File # Fi-2667,  
Approval is Requested by September 22, 2000

1. PARCEL DESCRIPTION:

Streambank Protection Fee Program  
Dane County

Grantor:

Giles and Monica Gobel  
5858 Bellbrook Drive  
Brooklyn, WI 53521

Acres: 207.0\*Price: \$595,332\*

Comments: \* The final purchase price for this transaction will be determined by survey at \$2,876 per acre.  
The parcel is currently estimated at 207.0 acres with a valuation of \$595,332.

Appraised Value: \$525,000 and \$732,000Interest: Purchase in feeImprovements: NoneLocation: The tract is located five miles southwest of the City of Oregon, in south central Dane County.Land Description: The subject area is level to rolling agricultural lands.

<u>Covertypes Breakdown:</u>	<u>Type</u>	<u>Acreage</u>
	Cropland	207.0

Zoning: Exclusive AgriculturePresent Use: AgricultureProposed Use: Wildlife Habitat Management, Water Quality Protection and Public RecreationTenure: 44 yearsProperty Taxes: \$4,942.39Option Date: May 18, 20002. JUSTIFICATION:

The Department proposes to purchase a 207.0-acre parcel from Giles and Monica Gobel in Dane County. The land would be added to the Story Creek Streambank Protection Area to protect the stream from runoff and erosion, to allow wildlife habitat management, and to provide opportunities for public recreation.

The goal of the Streambank Protection Program is to protect water quality, instream fisheries, and aquatic habitat from urban and rural nonpoint source pollution. Protection will be accomplished by acquiring easements or fee ownership along shorelands and managing the land to maintain permanent cover.

The Gobel parcel is approximately 207 acres in size and consists entirely of rolling to level cropland. State land borders this parcel to the north and west, as part of the Brooklyn Wildlife Area. There is no stream frontage, but Story Creek lies within 200 feet of the western edge of the parcel, on state land. This acquisition will protect a significant portion of the Story Creek watershed from agricultural, construction site, or rural residential runoff. It will enhance opportunities for hunting, fishing, and other recreation in a rapidly urbanizing Dane County. Additionally, it will allow for restoration of wetlands and grassland habitats to provide a large block of nesting habitat for area-sensitive grassland birds.

Purchase of this land will bring the state ownership for the Brooklyn Wildlife Area and the Story Creek Streambank Protection projects to nearly 3,000 acres, providing a significant landscape scale management area for grassland birds in southern Wisconsin. This parcel alone is large enough to provide nesting habitat for at least 7 species of state endangered, threatened, or special concern grassland birds.

After studying conservation needs and retaining the more erodable slopes, the Department proposes to resell 140 acres of the cropland. As deed restricted, the land will be available for agricultural production. Deed restrictions will include:

- Public access, i.e., hunting, hiking, cross-country skiing (after agricultural crops are removed each season)
- Management in line with guidelines of the USDA Farm Services agency
- Mineral rights retained by state
- Prohibition of:
  - structures
  - dumping
  - advertising signs

The Department recommends acquisition of this property to provide protection of the wetlands and scenic attributes in the Story Creek watershed.

3. FINANCING:

State Stewardship bond funds are anticipated:

	Funds allotted to program:	Balance after proposed transaction
Stewardship Bond:	\$2,000,000	\$1,404,668

Comments: The purchase price will be paid in two installments with a 5% interest on the unpaid balance. Estimated interest cost is \$6,000.

4. ACQUISITION STATUS OF THE STREAMBANK PROTECTION FEE PROGRAM:

Established: 1994  
Acres Purchased to Date: 3,290.72  
Acquisition Goal: 30,334.0 Acres  
Percent Complete: 10.8%  
Cost to Date: \$2,870,641

5. APPRAISAL:

Appraiser: Linn Duesterbeck (Private Appraiser)  
Valuation Date: December 27, 1999  
Appraised Value: \$525,000  
Highest and Best Use: Rural Residential and Agriculture

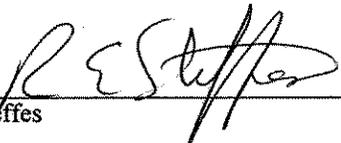
Allocation of Values:

- a. land: 208.63 acres @ \$2,517 per acre: \$525,000
- b. market data approach used, five comparable sales cited
- c. adjusted value range: \$2,152 to \$2,662 per acre

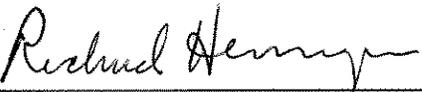
Appraisal Review: Ron Olson -- February 8, 2000

Comments: Two appraisals were completed for this transaction. The first appraisal was completed by Robert Richardson (Private Appraiser) on November 30, 1999 with a valuation of \$3,492 per acre (\$732,000 for assumed size of 209 acres). The second appraisal was completed by Linn Duesterbeck (Private Appraiser) on December 27, 1999 with a valuation of \$2,517 per acre. Final price was determined during negotiations at \$2,876 per acre or \$595,332 for an assumed size of 207 acres.

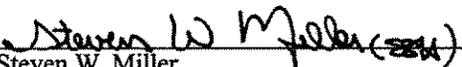
RECOMMENDED:

  
\_\_\_\_\_  
Richard E. Steffes

7-26-00  
Date

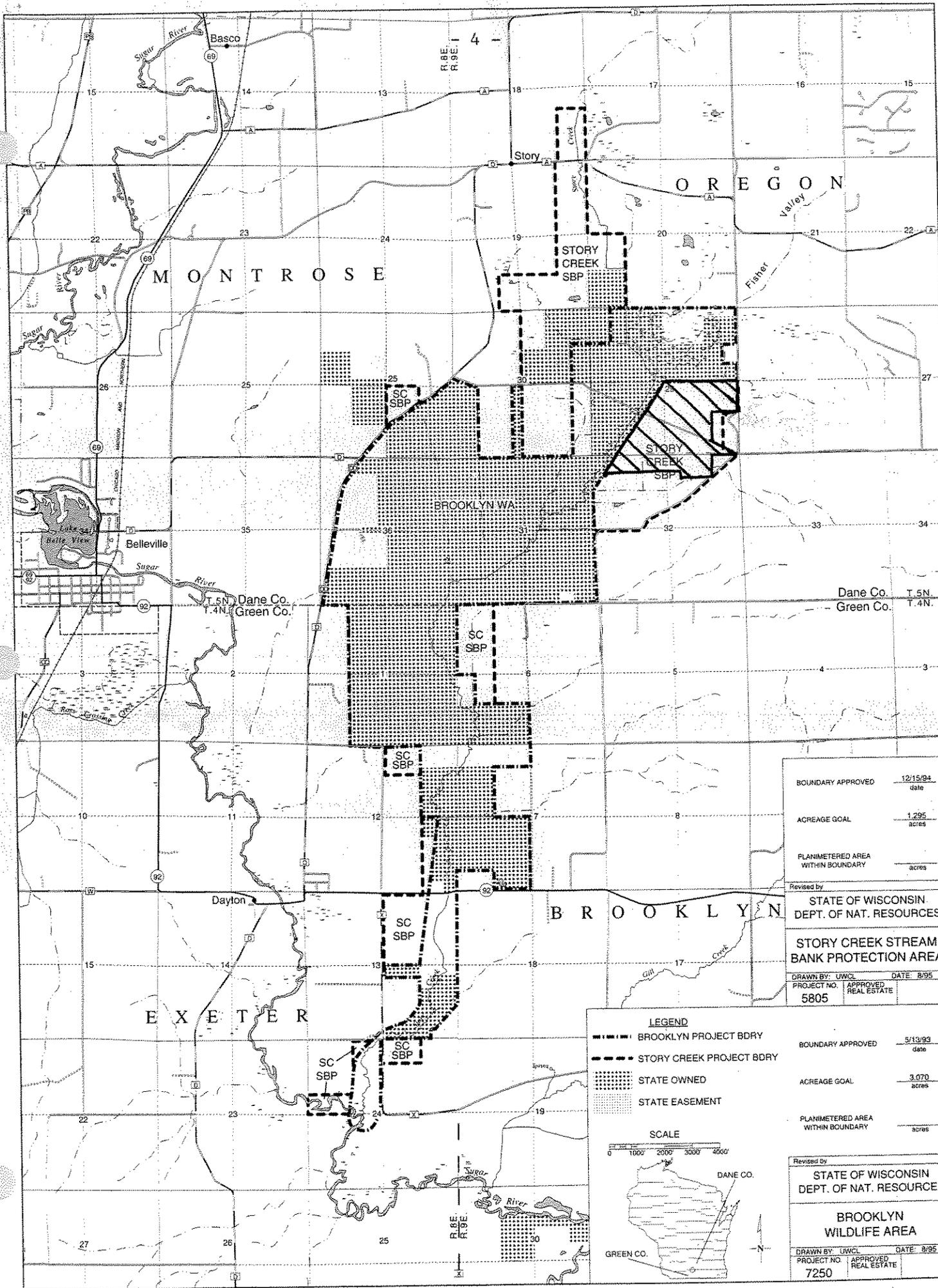
  
\_\_\_\_\_  
Bureau of Legal Services

7/28/00  
Date

  
\_\_\_\_\_  
Steven W. Miller

7/28/00  
Date

RES:jp

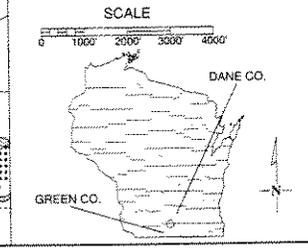


BOUNDARY APPROVED	12/15/94
	date
ACREAGE GOAL	1,295
	acres
PLANIMETERED AREA WITHIN BOUNDARY	_____
	acres

Revised by	
STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	
STORY CREEK STREAM BANK PROTECTION AREA	
DRAWN BY: UWCL	DATE: 8/95
PROJECT NO. 5805	APPROVED REAL ESTATE

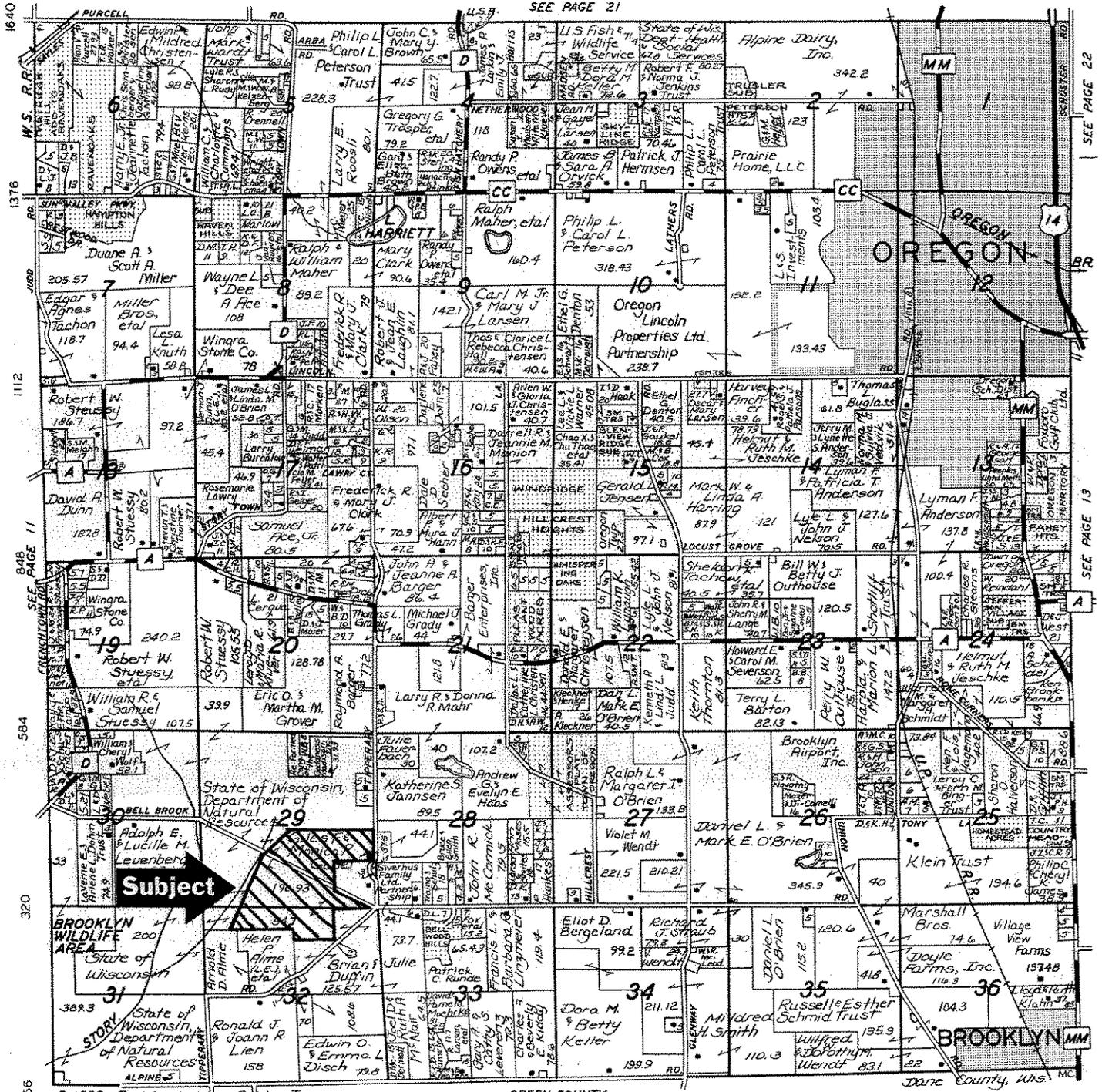
<b>LEGEND</b>	
--- BROOKLYN PROJECT BDRY	
--- STORY CREEK PROJECT BDRY	
STATE OWNED	
STATE EASEMENT	

BOUNDARY APPROVED	5/13/93
	date
ACREAGE GOAL	3,070
	acres
PLANIMETERED AREA WITHIN BOUNDARY	_____
	acres



Revised by	
STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	
BROOKLYN WILDLIFE AREA	
DRAWN BY: UWCL	DATE: 8/95
PROJECT NO. 7250	APPROVED REAL ESTATE





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GREEN COUNTY

5016

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*END*



*END*