

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

*Joint Committee on  
Finance  
(JC-Fi)*

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

- Appointments ... Appt
- 
- Clearinghouse Rules ... CRule
- 
- Committee Hearings ... CH
- 
- Committee Reports ... CR
- 
- Executive Sessions ... ES
- 
- Hearing Records ... HR
- 
- Miscellaneous ... Misc
- 97hr\_JC-Fi\_Misc\_pt06f\_DPR
- 
- Record of Comm. Proceedings ... RCP
-

Joint Finance

16.515/16.505

14 Day Passive  
Reviews

7/25/97 —

12/4/97

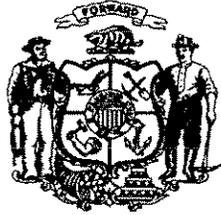
DNR

11/17/97

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

119 MLK, Room LL1  
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

November 18, 1997

Secretary George Meyer  
Department of Natural Resources  
101 South Webster Street  
Madison, Wisconsin 53707-7921

Dear Secretary Meyer:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your October 30, 1997, request pursuant to s. 23.0915(4) Stats., regarding the proposed 72.5 acre state land purchase from the Nature Conservancy in the amount of \$750,000.

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 Gard in black ink.

**JOHN GARD**  
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance



## Legislative Fiscal Bureau

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

November 12, 1997

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Proposed DNR Purchase of 72.5-acre Property in the Lulu Lake Natural Area

On October 29, 1997, the Department of Natural Resources requested approval to purchase 72.5 acres in the Lulu Lake Natural Area in Waukesha County from the Nature Conservancy for \$750,000 from the Warren-Knowles Gaylord Nelson Stewardship Program under s. 23.0915(4) of the statutes. The Nature Conservancy would also donate to DNR approximately 127 acres of land in the Baileys Harbor Boreal Forest Natural Area in Door County. If there are no objections to the request, the purchase will be approved on November 18. If an objection is raised, a meeting of the Committee would be scheduled to consider the DNR request.

The stewardship program was created in 1989 Act 31 for the purpose of acquiring land to expand recreational opportunities and protect environmentally sensitive areas. The Legislature has authorized \$231 million in bonding for this purpose over a ten-year period, ending in fiscal year 1999-2000. The law allocates funding among twelve categories of land acquisition and development programs.

The Lulu Lake Natural Area was established by the Department in 1987 with a current acreage goal of 2,130 acres. To date, the Department has acquired approximately 750 acres (35% complete). The proposed Nature Conservancy purchase consists generally of kettle moraine topography with oak woods mixed with rolling grasslands. There are several kettle lakes and natural communities on the parcel.

The Nature Conservancy purchased the property in July of 1997 for \$750,000, based on a private appraisal done in June of 1996 placing the value of the property at \$790,000. Two private appraisals requested by the Department after the Nature Conservancy purchase placed the value of the property at \$501,000 and \$353,000. The Department approved the appraisal with

the value of \$501,000, which was done in March of 1997. The Department generally uses the approved appraisal value as a basis for negotiating the purchase price for a parcel of land.

Acquisition of the property on Lulu Lake would protect the natural and scientific values of the land, allow public access to the property, allow for management of the land as a natural area and consolidate state ownership within the project's boundaries. These same reasons, along with opportunities for public recreation, are cited in support of state ownership of the Baileys Harbor parcel.

The purchase price of the Lulu Lake property is almost \$250,000 higher than the median appraised value of the land that was approved by the Department, and almost \$400,000 over the lowest appraised value of the property. Department staff believe that the Nature Conservancy negotiated the best price it could for the land and that the purchase price of \$750,000 is appropriate, given that it is \$40,000 less than the highest appraised value of the land.

At the request of the DNR Board, the Department will consider selling the two lakefront lots totalling approximately one acre (on Eagle Spring Lake, which is not in the DNR project boundary) in the Lulu Lake parcel which are not needed for the purposes of the natural area. Department staff estimate the current market value of the lakefront property to be \$200,000. Any sale of land would likely not be considered for several years, in accordance with the wishes of the previous owner.

In addition to selling the Lulu Lake property, the Nature Conservancy has offered to donate a 127-acre property in Baileys Harbor Boreal Forest Natural Area in Door County. The project was established in 1995 with a current acreage goal of 1,180 acres (11% complete). The property is located along the Lake Michigan shoreline, with 3,417 feet of frontage on the lake. The lakefront land is low shoreland and wetland, while the interior is forested land. The property has several natural communities, including several endangered and threatened species. The property was donated to the Nature Conservancy in 1996. A 1995 private appraisal put the value of the property at \$350,000. A recent update by the same appraiser put the value at \$420,000, while another recent appraisal done by DNR staff put the property's value at \$312,300.

If there are questions regarding this issue, please contact this office.

Prepared by: Russ Kava

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

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Phone: (608) 266-8535



ASSEMBLY CHAIR  
**SCOTT JENSEN**

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Madison, WI 53708-8952  
Phone: (608) 264-6970

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative Scott Jensen  
Co-Chairs, Joint Committee on Finance

Date: October 30, 1997

Re: 14 Day Passive Review/Land Purchase

Attached is a copy of a request from Secretary George Meyer regarding a proposed 72.5 acre state land purchase from the Nature Conservancy in the amount of \$750,000. This request is pursuant to s. 23.0915(4), Stats., which requires the Department of Natural Resources to notify the Joint Committee on Finance of all stewardship projects in excess of \$250,000.

Please review this item and notify **Senator Burke** or **Representative Jensen** no later than **Monday, November 17, 1997**, if you have any questions about this request or would like the Committee to meet formally to consider it. If no objections are heard by that date, the request will be approved.

Also, please contact us if you need further information.

BB:SJ:jc



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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

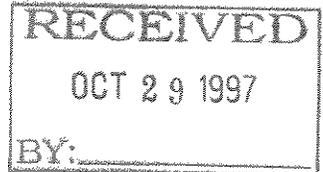
PO Box 7921
101 South Webster Street
Madison, Wisconsin 53707-7921
TELEPHONE 608-266-2621
FAX 608-267-2750
TDD 608-267-6897

OCT 29 1997

IN REPLY REFER TO: NA-641

Honorable Brian Burke
Member State Senate
LL1, 119 MLK Blvd.

Honorable Scott Jensen
Member State Assembly
Room 315N
CAPITOL



Dear Senator Brian Burke and Representative Scott Jensen:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 72.5-acre land purchase from The Nature Conservancy for \$750,000. 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 October meeting. The land is required for Natural Area Protection and Public Recreation for Lulu Lake State Natural Area. There are sufficient funds appropriated to complete the purchase. When the Department has the opportunity to, it will consider selling two lakefront lots, which are not needed for the natural area. Estimated value of the land to be resold is \$200,000.00, however, the sale will be based on current market values at the time of sale. The sale is not likely to occur for a number of years due to commitments made to a previous landowner. Concurrently the Nature Conservancy desires to donate 126.98 acres valued at \$350,000 to the Department for a different Department project, Bailey's Harbor Boreal Forest state Natural Area, in Door County.

The file number is NA-641 and the land is located in Waukesha County. Attached please find a memo and maps describing this transaction. The Department has notified local elected officials and state representatives regarding this transaction and I have not received any objections. 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 David Morehouse at 266-3462. Mr. Morehouse is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,

George E. Meyer
Secretary

cc: Legislative Fiscal Bureau



CORRESPONDENCE/MEMORANDUM

State of Wisconsin

DATE: September 24, 1997 FILE REF: NA-641
TO: Governor Thompson
FROM: George E. Meyer
SUBJECT: Proposed Land Acquisition, The Nature Conservancy Tract
File # NA-641, Approval Requested by November 30, 1997

1. PARCEL DESCRIPTION:

Parcel 1 (NA-641)
Lulu Lake State Natural Area
Waukesha County

Parcel 2 (NA-641A)
Bailey's Harbor Boreal Forest State Natural Area
Door County

Grantor:

Peter McKeever
The Nature Conservancy
633 W. Main
Madison, WI 53703

Acres: Parcel 1--72.5; Parcel 2--126.98

Price: Parcel 1--\$750,000; Parcel 2--donation

Appraised Values: Parcel 1--\$790,000, \$501,000, \$353,000;
Parcel 2--\$350,000

Interest: Both--fee

Improvements: Parcel 1--none; Parcel 2--old shed

Location: Parcel 1 is located about two miles southeast of Eagle in southwestern Waukesha County. Parcel 2 is located about 20 miles northeast of Sturgeon Bay along the shore of Lake Michigan in Door County.

Land Description: Parcel 1 consists of a rolling and undulating kettle moraine with lake overlooks and frontage. Parcel 2 is level wooded land with an open wetland shoreline along Lake Michigan.

Covertypes Breakdown:

Table with 3 columns: Covertypes Breakdown, Type, and Acreage. Rows include Parcel 1, Wooded Upland (25.5), Grasslands (30.5), Wetland (16.5), and Total (72.5).



Parcel 2	Wooded Lowland	50.8
	Wooded Upland	<u>76.18</u>
Total		126.98

Zoning: Parcel 1--Land Preservation and Transition, Agricultural Land Preservation and Conservancy District, Residential Lake Overlay; Parcel 2--Wetland and Estate

Present Use: Privately Protected Natural Area

Proposed Use: Natural Area Protection and Public Recreation

Tenure: Parcel 1--1 year (purchased for \$750,000) Parcel 2--1 year (received as a donation)

Property Taxes: Parcel 1--\$3,100 (estimated); Parcel 2--\$2,361.33

2. JUSTIFICATION:

Parcel 1:

The Department proposes to purchase 72.5 acres from The Nature Conservancy in Waukesha County to protect land in the Lulu Lake Natural Area. Ownership will protect the natural and scientific values of the tract from damage or destruction, allow public access to the parcel, allow natural area management, and to consolidate state ownership in this area of the project.

Land on Lulu Lake was first acquired by the Department in 1974. The Lulu Lake Natural Area was established in 1987 with the goal of protecting 1,660 acres around the lake through fee acquisition or the purchase of conservation easements. The purpose of the Natural Area program is to protect the best remaining examples of Wisconsin's native plant and animal communities, their component species, and habitat for rare plant and animal species. Natural areas protect the natural diversity of the landscape for future generations. Natural areas are used for study by school groups of all ages and researchers as well as by the general public. Other recreational activities such as hiking, cross-country skiing, fishing, and hunting are also popular.

Lulu Lake is located two miles northwest of East Troy and 25 miles southwest of Milwaukee in south central Wisconsin in the upper Mukwonago River watershed. The natural area includes calcareous fens, tamarack bog, sedge meadow, a high quality hardwater drainage lake, oak openings, and remnant prairies. Nowhere else in southeast Wisconsin can such a diversity of natural types and richness of species be found. Lulu Lake itself is a 40-foot-deep, 84-acre lake with a large border of emergent vegetation.

The Nature Conservancy parcel is an integral part of Lulu Lake State Natural Area. It contains six natural communities including calcareous fen and oak opening and a population of kittentails, a state-threatened plant species. The tract consists of two parcels, a 0.95-acre parcel with 200 feet of frontage on Eagle Spring Lake and a 71.55-acre parcel that anchors the northeastern portion of the Lulu Lake State Natural Area. The smaller parcel is open grass that slopes to the lakeshore. The larger parcel consists of typical kettle moraine topography with ridges with oak openings and oak woods interspersed with rolling grassland. There are several kettle lakes.

The larger parcel has 500 feet of frontage on County Trunk Highway E. In addition, it has frontage on town roads on the western part of the parcel. The smaller lake front parcel may be sold by the Department at a future date if it is determined not to be needed for conservation purposes.

There are three appraisals on this property that range in value from \$353,000 to \$790,000, all done by private appraisers. All three appraisals were accepted by Department reviewers; the Department approved the \$501,000 appraisal. The Nature Conservancy purchased the property for the best price they could negotiate, at \$750,000. The Department proposes to purchase the land from them at that price since it does not exceed the highest appraised value.

The Department recommends the purchase of this property to protect the land in its natural condition for scientific and natural education purposes, to provide opportunities for public recreation, and to allow natural area management.

Parcel 2:

The Nature Conservancy has offered to donate a 126.98-acre property in Door County to the Department as part of Bailey's Harbor Boreal Forest Natural Area. Department ownership would allow natural area management, protect natural values of the site, provide opportunities for public recreation, and consolidate state ownership within the project boundary.

Bailey's Harbor Boreal Forest and Wetlands Natural Area was established in 1995 to protect natural communities and populations of rare species along 1.5 miles of Lake Michigan shoreline in Door County. The natural communities protected here range from cobble and bedrock beaches to boreal forest dominated by white spruce and balsam fir and northern wet-mesic forest dominated by white cedar. Many rare species are found in the area including 48 species of plants (15 on Wisconsin's Endangered and Threatened Species List), 5 species of birds, and 5 species of dragonflies. The project includes areas that provide important habitat for migratory shorebirds and waterfowl. The spawning grounds here produce a significant proportion of the Lake Michigan whitefish population in this region.

The Nature Conservancy property is located along the Lake Michigan shoreline in Door County and has 3,417 feet of frontage on the lake. The land along the lake is low shoreland and wetland with fractured bedrock and cobble beach. The interior of the property is second-growth northern wet-mesic forest dominated by white cedar. The changing water levels create a broad expanse of beach with pools of water, conditions that provide habitat for rare beach, fen, and other alkaline-loving species.

The property has an access through an adjacent property. The Department owns land along the southern boundary of this property which could provide access to this property.

The Nature Conservancy received this property as a donation from the Fifield family in 1996. The appraised value of the property as of November, 1995 was \$350,000.

The Department recommends acceptance of this property from The Nature Conservancy.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$1,432,386	\$850,486

4. ACQUISITION STATUS OF LULU LAKE STATE NATURAL AREA:

Established: 1987  
Acres Purchased to Date: 750.28  
Acquisition Goal: 2,130 Acres  
Percent Complete: 35%  
Cost to Date: \$1,213,200

ACQUISITION STATUS OF BAILEY'S HARBOR BOREAL FOREST STATE NATURAL AREA:

Established: 1995  
Acres Purchased to Date: 128.62  
Acquisition Goal: 1,180 Acres  
Percent Complete: 10.9%  
Cost to Date: \$1,220,000

5. APPRAISAL:

Parcel 1

Appraiser: Richard Larkin (Private Appraiser)  
Valuation Date: March 7, 1997  
Appraised Value: \$501,000  
Highest and Best Use: two 35+-acre building sites for 71.55-acre piece  
and residential development for 0.95-acre  
lakefront piece

Allocation of Values:

- a. land: 71.55 acres @ \$4,200 per acre: \$300,510  
200 front feet and \$1,000/ff: \$200,000  
total: \$500,510  
rounded to \$501,000
- b. market data approach used, four comparable sales cited for larger  
piece and three sales cited for lakefront piece
- c. adjusted value range: \$3,939 to \$4,185 per acre for larger piece and  
\$901 to \$1,260 per front foot for lakefront piece

Appraisal Review: Greg Delwiche - May 6, 1997

Comments: Two other appraisals were completed for this property, both by private appraisers. The appraisers appraised the value at \$790,000 and \$353,000. The Nature Conservancy negotiated the best price they could at \$750,000.

Parcel 2

Appraiser: Mary Buckman (Private Appraiser)

Valuation Date: November 8, 1995

Appraised Value: \$350,000

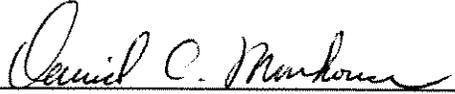
Highest and Best Use: low density residential and/or recreational

Allocation of Values:

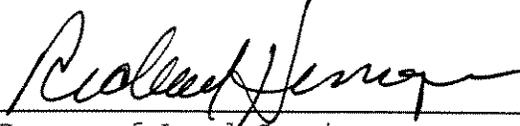
- a. by acreage: 126.98 acres @ \$2,900 per acre: \$368,242
- by front foot: 3,417 front feet @ \$100 per ff: \$341,700
- reconciliation: \$350,000
- b. market data approach used, three comparable sales cited
- c. unadjusted value range: \$3,919 to \$14,895 per acre; \$103 to \$483 per front foot

Comments: Appraiser hired by landowner. An update ordered by the Department has not arrived as of this writing.

RECOMMENDED:

  
 \_\_\_\_\_  
 David C. Morehouse

9/29/97  
 \_\_\_\_\_  
 Date

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

9/29/97  
 \_\_\_\_\_  
 Date

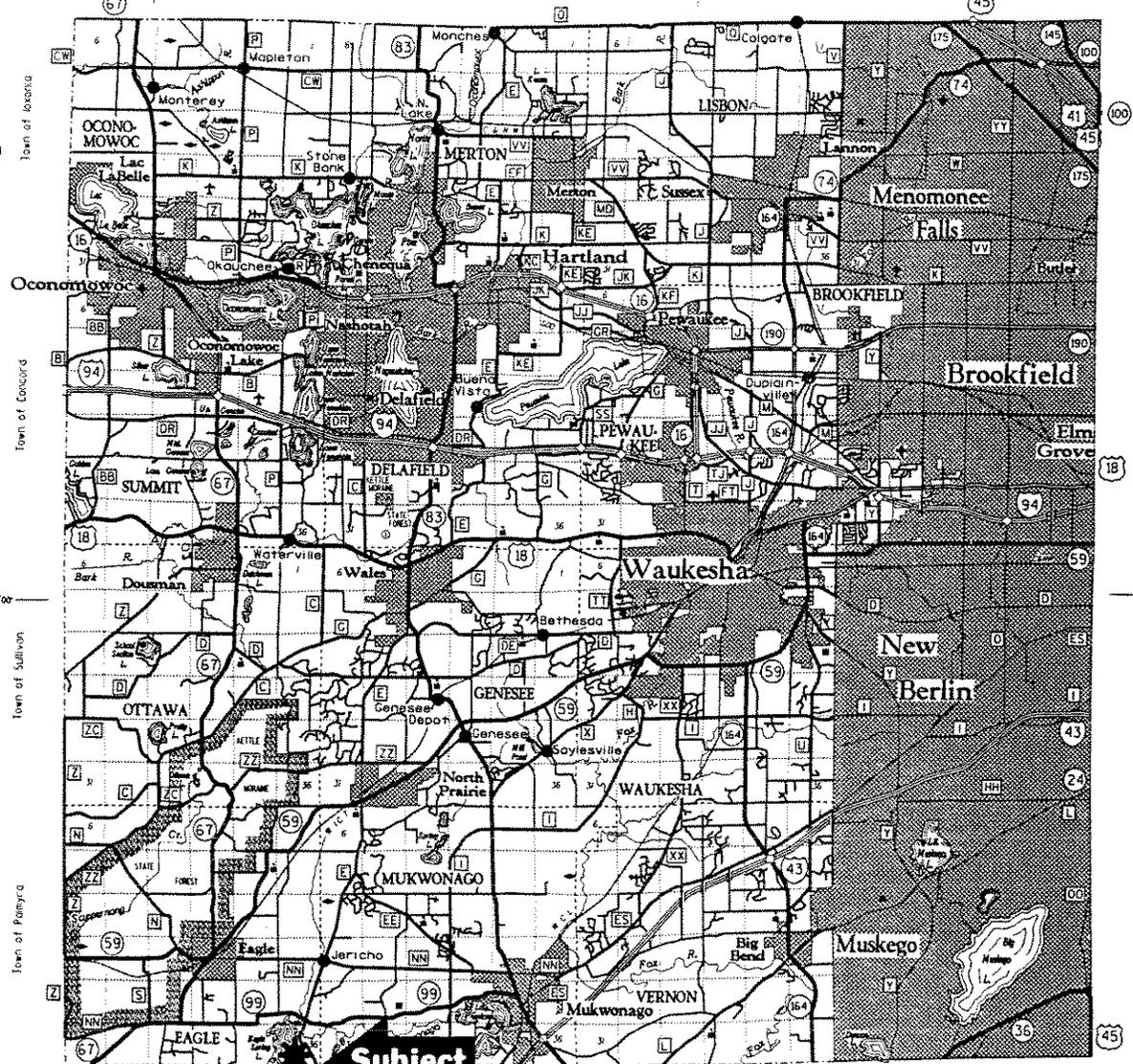
  
 \_\_\_\_\_  
 Steven W. Miller

10-3-97  
 \_\_\_\_\_  
 Date

RES:jp

DODGE CO. DODGE CO. WASHINGTON CO. WASHINGTON CO.

2,300,000 2,400,000 2,450,000 2,500,000 2,550,000  
 R-17-E R-18-E R-19-E R-20-E  
 450,000 400,000 300,000 200,000 100,000



JEFFERSON CO. TOWN OF BOONVILLE T-8-N T-7-N T-6-N T-5-N  
 43°00' 30,000 20,000 10,000  
 WORTH CO. TOWN OF TROY R-17-E R-18-E WORTH CO. TOWN OF WATERFORD R-20-E R-19-E TOWN OF NORWAY RACINE CO.  
 2,400,000 2,450,000 2,500,000 2,550,000

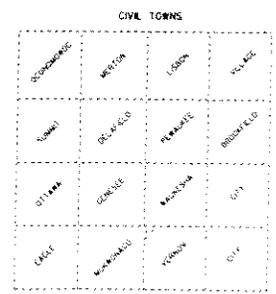
**LEGEND**

- Freeway
- U.S. or State Hwy
- County Trunk Hwy
- Town Road
- Firelane
- Multilane Divided
- Interchange
- Highway Separation
- Interstate Highway No.
- U.S. Highway No.
- State Highway No.
- County Highway Letter
- Railroad
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Corporate Limits
- Nat. & State Forest Land
- Dam
- Hospital
- Schools
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt or Fish Grd.
- Public Camp & Picnic Grd.
- Ranger Station
- State Park
- County Park
- Wayside
- Elementary School
- Univ. of Wis. Center - Waukesha Co.



**TOWNSHIP NUMBERING**

6	5	4	3	2
7	8	9	10	11
12	13	14	15	16
17	18	19	20	21
22	23	24	25	26
27	28	29	30	31
32	33	34	35	36



**MILES OF HIGHWAY as of Jan. 1, 1991**

STATE	230
COUNTY	384
LOCAL ROADS	437
OTHER ROADS	10
<b>TOTAL FOR COUNTY</b>	<b>1061</b>

LAND AREA 156 sq. mi.  
 POPULATION 280,080  
 COUNTY SEAT WAUKESHA

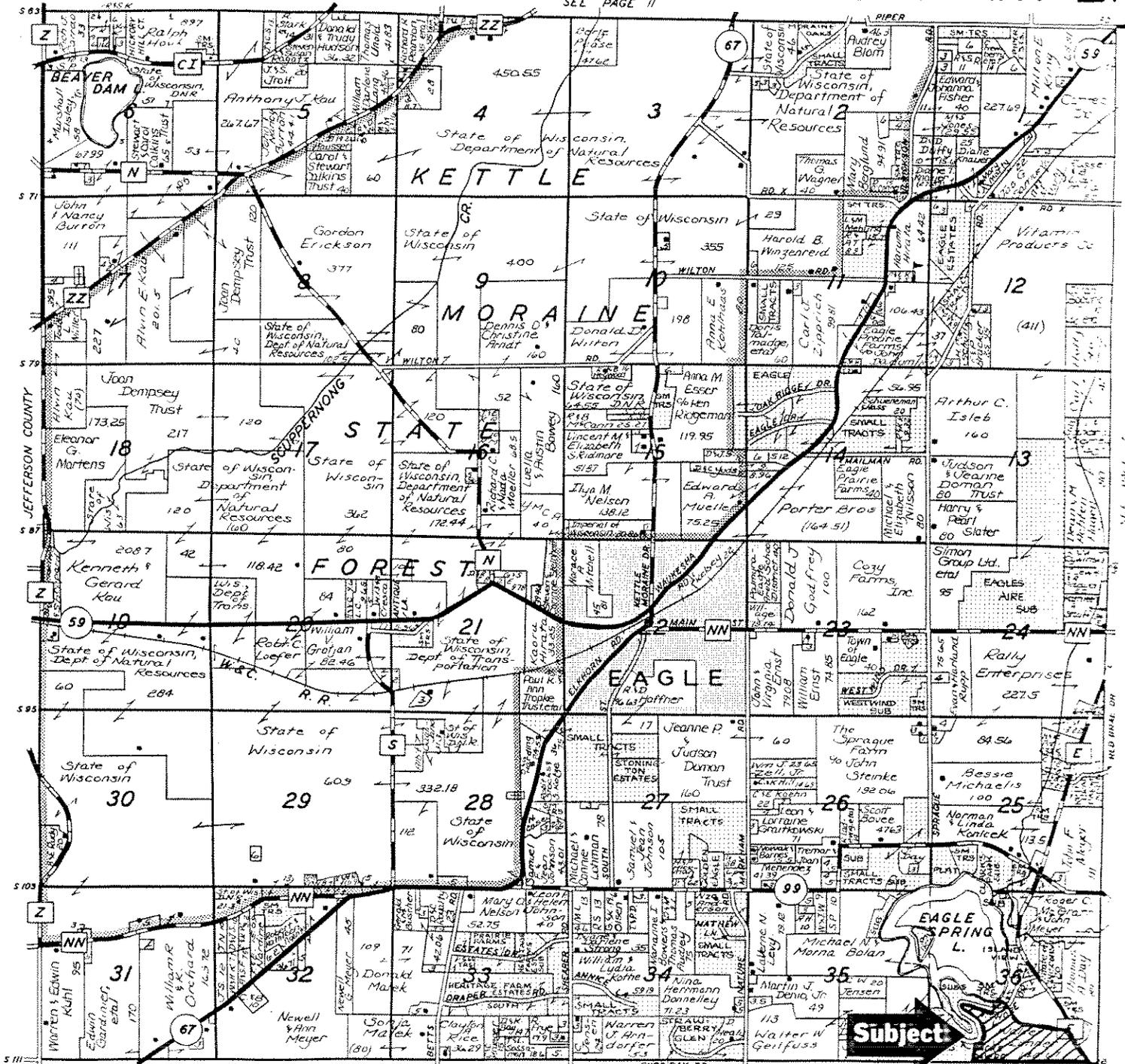
**WAUKESHA CO.**  
 DEPARTMENT OF TRANSPORTATION  
 STATE OFFICE BUILDING  
 MADISON, WISCONSIN  
 0 1 2  
 SCALE \_\_\_\_\_ MILES  
 Corrected for  
 JAN. 1992  
 Base compiled from U.S.G.S. quadrangles  
 100,000 Series

\* Public hunt & fish grds not shown inside Kettle Moraine State Forest.  
 For boundaries of public hunting and fishing grounds please contact the Department of Natural Resources

# EAGLE

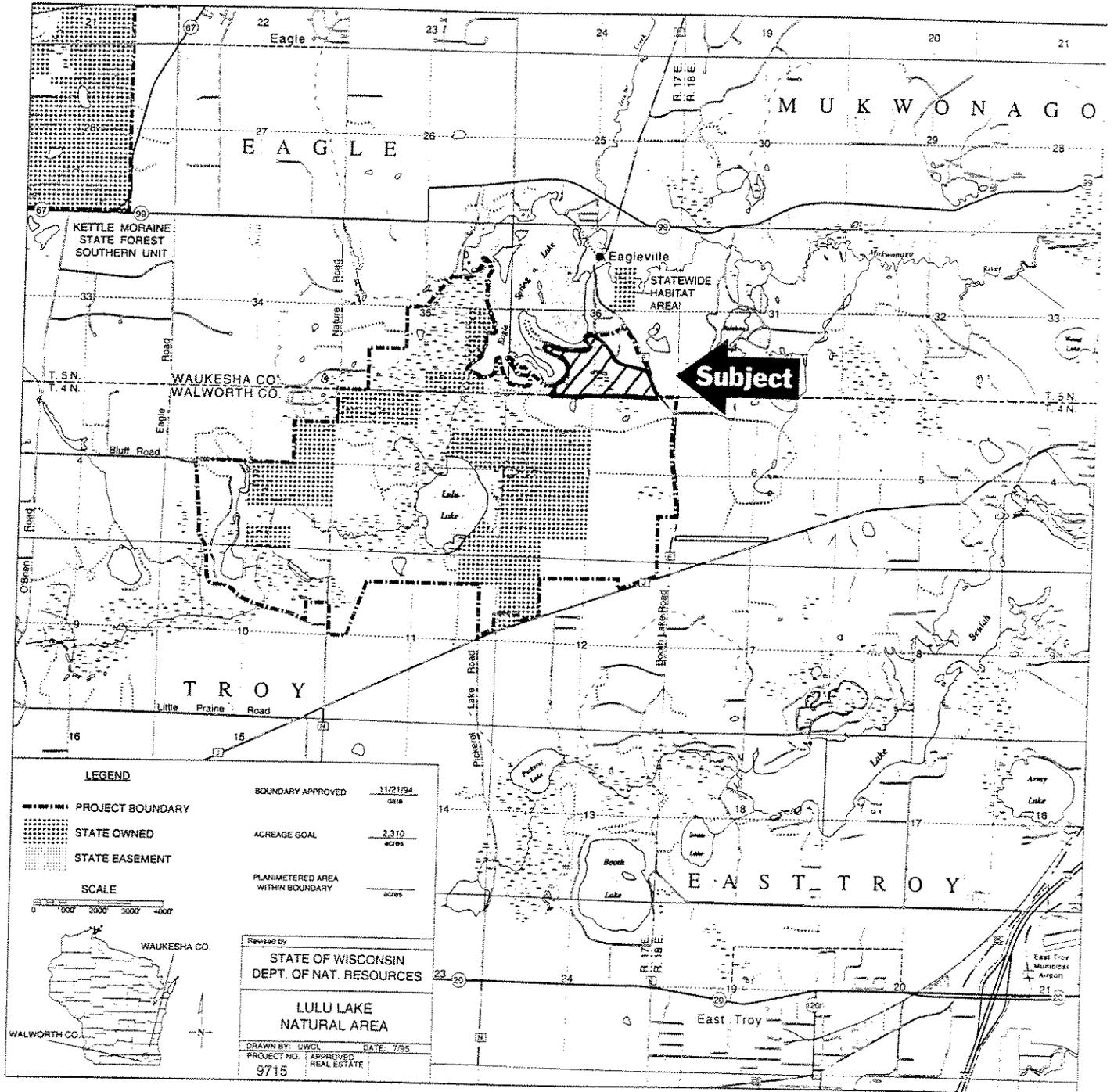
# T.5 N.-R.17 E.

SEE PAGE 11



W 400 ©1994 Rockford Map Pubs, Inc. W 390 W 380 W 370 W 360 W 350 Waukesha County, Wis

72.5 ACRE PURCHASE FOR LULU LAKE





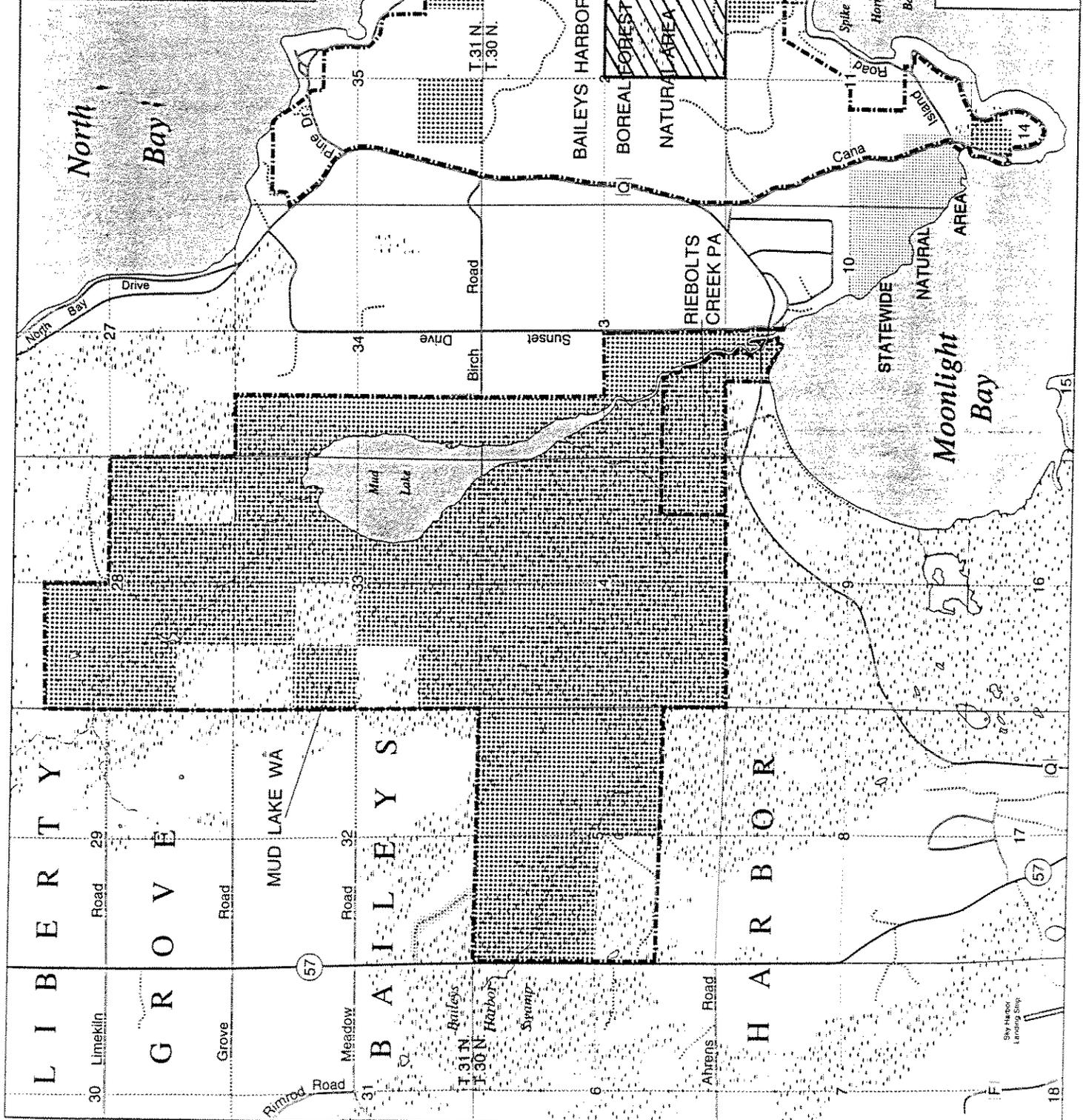


# Lake Michigan

Revised by U.W.C.L. 3.95	STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	12/1/89 DATE	121189 PROJECT NO.	BOUNDARY APPROVED	121189 ACRES
Revised by U.W.C.L. 3.95	RIEBOLTS CREEK PUBLIC ACCESS	DATE 6.95	2110 PROJECT NO.	BOUNDARY APPROVED	2110 ACRES
Revised by U.W.C.L. 3.95	STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	DATE 6.95	8080 PROJECT NO.	BOUNDARY APPROVED	55/82 ACRES
Revised by U.W.C.L. 3.95	MUD LAKE WILDLIFE AREA	DATE 6.95	8080 PROJECT NO.	BOUNDARY APPROVED	1,860.5 ACRES

Revised by U.W.C.L. 3.95	STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	2/10/95 DATE	210/95 PROJECT NO.	BOUNDARY APPROVED	210/95 ACRES
Revised by U.W.C.L. 3.95	BAILEYS HARBOR BOREAL FOREST NA	DATE 6.95	1180 PROJECT NO.	BOUNDARY APPROVED	1180 ACRES

Revised by U.W.C.L. 3.95	STATE OF WISCONSIN DEPT. OF NAT. RESOURCES	DATE 6.95	9680 PROJECT NO.	BOUNDARY APPROVED	9680 ACRES
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**LEGEND**

- PROJECT BOUNDARY
- STATE OWNED
- STATE EASEMENT

**SCALE**

0 1000 2000 3000 4000



Shirley  
Landmark Ship