Form 1100-1
Rev 5-91

NATURAL RESOURCES BOARD AGENDA ITEM

Item No 3.B.9

SUBJECT: LAND ACQUISITION – LULU LAKE NATURAL AREA – WALWORTH COUNTY

FOR: MAY 2009 BOARD MEETING

TO BE PRESENTED BY: Richard Steffes

SUMMARY: The Department has obtained an option to purchase 50.5 acres of land from the Keske Living Trust for $360,000.00 for the Lulu Lake Natural Area in Walworth County. The item is being submitted because the price exceeds $150,000.

The Lulu Lake State Natural Area is an assemblage of exceptionally high quality and diverse wetland and upland communities on glacial topography in the Kettle Moraine region. The Lulu Lake complex has been identified by the Southeastern Wisconsin Regional Planning Commission as among the most valuable natural areas in the state containing a large concentration of elements of natural diversity. Many of the natural communities protected here have been virtually eliminated from southeastern Wisconsin. Lulu Lake is in a high priority area for protecting bur oak openings and medium–sized rivers and streams. The area has been identified as a site for management focus in the Department's "Managing Habitat for Grassland Birds – A Guide for Wisconsin." Lulu Lake and wetlands are designated by the Wisconsin Wetlands Association as one of 100 "Wetland Gems" in Wisconsin. The Lulu Lake area is also near the South Kettle Moraine State Forest's Important Bird Area. Ten native plant communities are present including oak opening, bog relict, and deep, hard, drainage lake. The natural area provides habitat for 17 bird species, three fish, two amphibians, and four invertebrates that are species of greatest conservation need. Twenty-one rare plants are present including purple milkweed, forked aster, kitten tails, small white lady's-slipper (all state listed). The focal point of the area is the 95-acre Lulu Lake, a 40-foot deep, hard-water, drainage kettle lake fed by the Mukwonago River and situated at the base of glacial deposits. The lake's clear waters harbor a diverse fish, amphibian, and reptile fauna including the long-ear sunfish, pug-nose shiner, Blanding's turtle, (all state-threatened), and pickerel frog. The Lulu Lake project area was designated in 1977 and is owned jointly by the Department and The Nature Conservancy, with the Department concentrating on the east side of the area.

The property is located three miles northwest of Village of East Troy. Twenty-seven of the 50.5 acres are within the Lulu Lake project boundary. The property is bordered by department lands to the north and west. A parking lot on Highway J provides access to the area. The tract contains 48 acres of cropland that, if acquired, will be restored to prairie to provide habitat for grassland wildlife and will compliment the prairie that is being restored on adjacent land. Protection of this parcel will also aid in management of the existing Department land. The 23.5 acres outside the project boundary front on the highway. Including that area will improve project and wildlife habitat.

RECOMMENDATION: That the Board approve the purchase of 50.5 acres of land for $360,000.00 for the Lulu Lake Natural Area in Walworth County and modification of the project boundary to include the entire parcel.

LIST OF ATTACHED MATERIALS:

No ☒	**Fiscal Estimate Required**	Yes ☐	**Attached**
No ☒	**Environmental Assessment of Impact Statement Required**	Yes ☐	**Attached**
No ☐	**Background Memo**	Yes ☒	**Attached**

APPROVED:

Real Estate Director, Richard E. Steffes - LF/6 — Date 4-14-09

Administrator, Laurie Ostrendorf - AD/8 — Date 4/17/09

Secretary, Matthew J. Frank - AD/8 — Date 5-14-09

cc: S. Miller – LF/6
R. Steffes – LF/6
L. Ross – AD/8
S. Holtz – ER/6
G. McCutcheon – SER/Milwaukee

State of Wisconsin

CORRESPONDENCE/MEMORANDUM

DATE: April 14, 2009 FILE REF: NA 20023

TO: Governor Doyle

FROM: Matthew J. Frank

SUBJECT: Proposed Land Acquisition, Keske Living Trust Tract, File # NA 20023, Option Expires June 1, 2009

1. PARCEL DESCRIPTION:

Lulu Lake Natural Area
Walworth County

Grantor:

Keske Living Trust
c/o Russell and Patricia Keske
N8740 Pickerel Lake Road
East Troy, WI 53120

Acres: 50.5
Price: $360,000.00
Appraised Value: $360,000.00
Interest: Fee title purchase
Improvements: None

Location: The property is located 2.5 miles northwest of East Troy.

Land Description: The s land is level

Covertype Breakdown:	Type:	Acreage:
	Cropland	48.0
	Grass/Pasture	2.5
	TOTAL:	50.5

Zoning: Agriculture plus 35-acre minimum lot
Present Use: Agriculture
Proposed Use: Resource Protection and Public Recreation
Tenure: More than 10 years
Property Taxes: $161.00
Option Date: April 2, 2009

Stewardship Land Access: This property will be open to the public for all nature-based outdoor recreational activities to include hunting, fishing, trapping, hiking and cross-country skiing.

2. JUSTIFICATION:

The Department proposes to purchase 50.5 acres from the Keske Living Trust for the Lulu Lake State Natural Area. Department ownership will allow restoration of the natural and scientific values of the tract and allow natural area management, allow public access to the parcel, and will consolidate state ownership in this area of the project.

The Lulu Lake State Natural Area is an assemblage of exceptionally high quality and diverse wetland and upland communities on glacial topography in the Kettle Moraine region. The Lulu Lake project area was designated in 1977 and is owned jointly by the Department and The Nature Conservancy, with the

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Department concentrating on the east side of the area. Ten native plant communities are present with the state natural area including oak opening, bog relict, and deep, hard, drainage lake. The natural area provides habitat for 17 bird species, three fish, two amphibians, and four invertebrates that are species of greatest conservation need. Twenty-one rare plants are present including purple milkweed, forked aster, kitten tails, small white lady's-slipper (all state listed). The focal point of the area is the 95-acre Lulu Lake, a 40-foot deep, hard-water, drainage kettle lake fed by the Mukwonago River and situated at the base of glacial deposits.

The lake's clear waters harbor a diverse fish, amphibian, and reptile fauna including the long-ear sunfish, pug-nose shiner, Blanding's turtle, (all state-threatened), and pickerel frog. A large wetland complex with patches of calcareous fen and shrub carr embedded within a sedge meadow matrix surrounds the lake on the north and west. An inlet stream contains many rare species such as beaked spike-rush, slender bog arrow grass, Ohio goldenrod, lesser fringed gentian, Kalm's lobelia, and downy willow herb. A small bog surrounded by tamarack forest is also present along with a good complement of other northern bog species including the uncommon dragon's mouth orchid. Scattered patches of prairie grow within the oak opening and woodlands and harbor the state-threatened kitten tails. Other rare species include the dion skipper butterfly.

Lulu Lake State Natural Area is located in a Priority Conservation Opportunity Area in the Southeast Glacial Plains Ecological Landscape for Bur Oak Openings (Global Significant) and Medium-sized Rivers and Streams (Upper Midwest/Regional significance). It is important to acquire farmed uplands in the watershed so they can be restored to help maintain the water quality of the Mukwonago River. Lulu Lake SNA is a "site for management focus" in the Department's *Managing Habitat for Grassland Birds – A Guide for Wisconsin*. Habitats of focus at Lulu Lake are southern sedge meadow, wet-mesic or wet prairie, oak savanna, dry prairie, shrub swamp, dry old field, and open bog. Bird species of management concern found at Lulu Lake include Henslow's sparrow, dickcissel, bobolink, eastern meadowlark, sedge wren, grasshopper sparrow, vesper sparrow, savanna sparrow, blue-winged teal, northern harrier, and short-eared owl.

Lulu Lake and wetlands are designated by the Wisconsin Wetlands Association as one of 100 "Wetland Gems" in Wisconsin. The *Wetland Gems* designation was created by the Wisconsin Wetlands Association to recognize sites for their ecological value as well as the valuable functions, services and recreational and educational opportunities they provide. The adjacent Kettle Moraine State Forest-Southern Unit is an approved "Important Bird Area". This area has been estimated to hold about 100,000 adult birds of 137 species (including 103 land bird species) during the breeding season. Savanna restoration may allow species such as red-headed woodpeckers to increase in numbers. Other high conservation priority species found at Lulu Lake Natural Area include American woodcock, yellow-billed cuckoo, belted kingfisher, willow flycatcher, yellow-throated vireo, eastern wood-pewee, and wood thrush. The IBA attracts over 200 species of migrating land birds. Sample counts yielded an estimate of 2.35 million birds utilizing this IBA as migratory stopover habitat during the autumn of 2005.

The Keske property is located three miles north of Village of East Troy and has 27 of the 50.5 acres within the Lulu Lake project boundary. It is bordered by department lands to the north and west. Access is via CTH J and a department parking lot on Highway J just to the west provides access to the area. The Natural Resources Board will consider adding to the project the portion of the subject lying out of the boundary, about 23.5 acres, thus, extending the boundary to the road. The road is a natural division, which provides a much better boundary than the current location. The road stops encroachment from neighbors, provides an excellent management/fire break, creates another point of access for the public

The tract is primarily cropland. It will be restored to mesic prairie using local genotype seed to provide habitat for grassland species including badger, Henslow's sparrow, dickcissel, bobolink, eastern meadowlark, sedge wren, grasshopper sparrow, vesper sparrow, savanna sparrow, blue-winged teal, northern harrier, and short-eared owl. Mesic prairie is the rarest prairie type in the state and the only way to restore this community is through restoration. This will be the largest block of grassland in the Lulu Lake project. Restoration will compliment the 60 acres of prairie that are being restored on adjacent land. Protection of this parcel will also aid in management of the existing department land in being able to remove a box elder fence line and in conducting prescribed burns.

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

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
$1,400,000	$469,260

4. ACQUISITION STATUS OF THE LULU LAKE NATURAL AREA:

Established: 1987
Acres Purchased to Date: 1,614.23
Acquisition Goal: 2,310.00
Percent Complete: 69.88%
Cost to Date: $3,444,475.00

5. APPRAISAL:

Appraiser: Philip Vander Male
Valuation Date: March 7, 2008
Appraised Value: $360,000.00
Highest and Best Use: Residential Estate

Allocation of Values:

a. land: 50.5 acres @ $7,128.71 per acre: $360,000.00
b. market data approach used, four comparable sales cited
c. adjusted value range: $5,900.00 to $11,000.00 per acre

Appraisal Review: Paul Scott - May 15, 2008

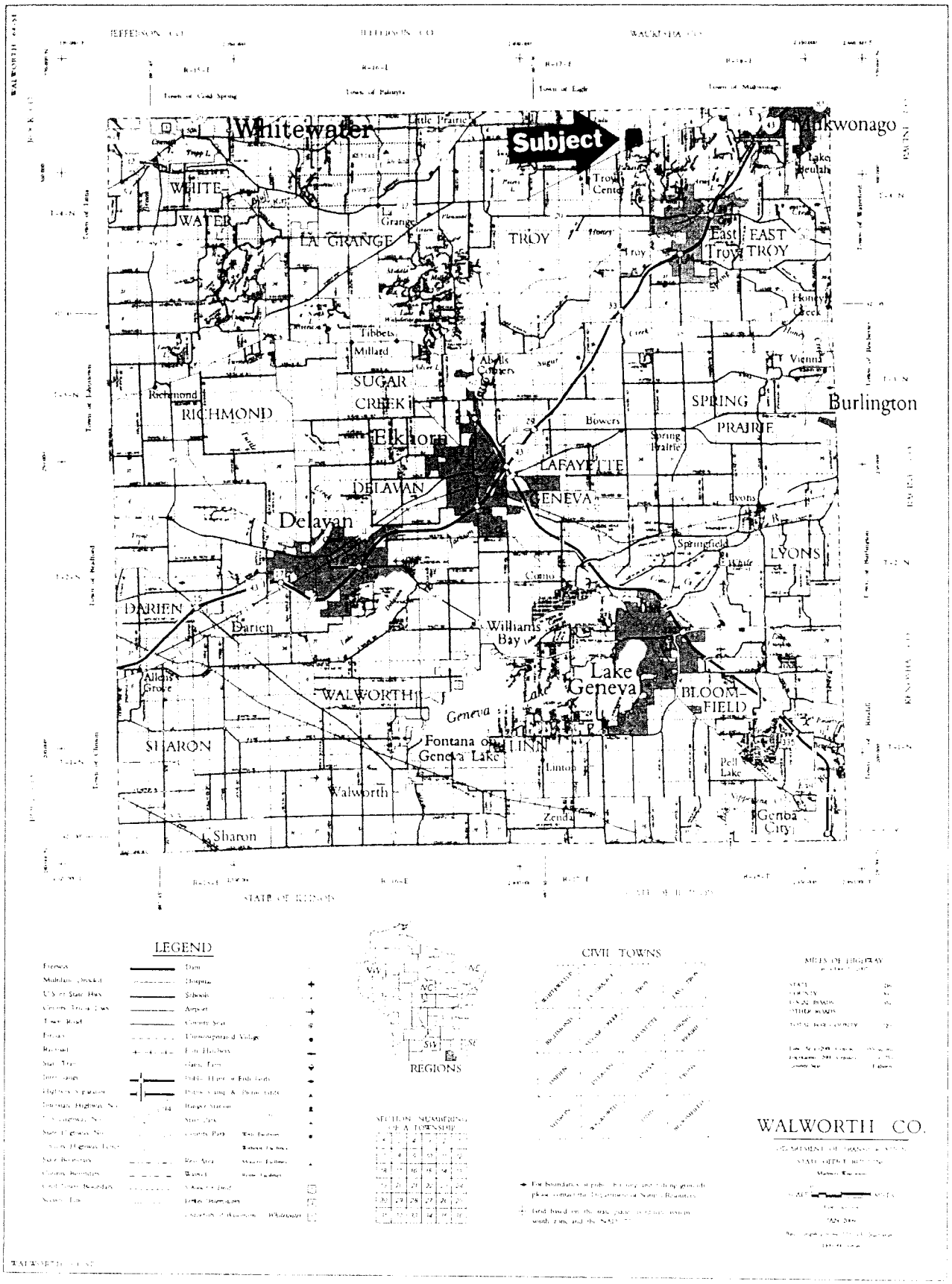
RECOMMENDED:

Richard E. Steffes — Date: 4-14-09

Bureau of Legal Services — Date: 4/15/09

Laurie Osterndorf — Date: 4/17/09

RES:ch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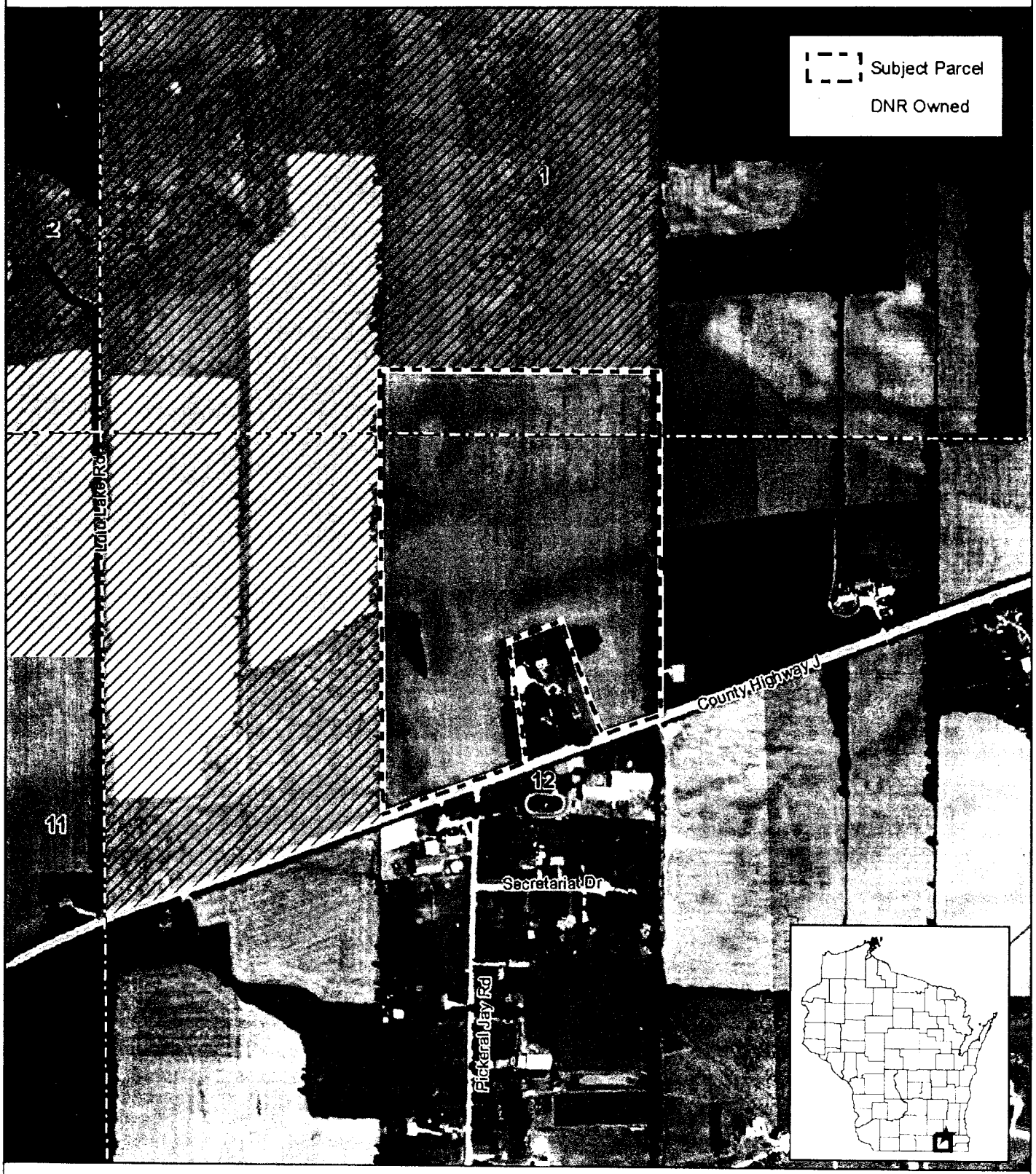
WALWORTH CO.

Keske Living Trust Property

T04N R17E Secs 1 & 12, Town of Troy, Walworth County



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0 0.25 Miles

Created by Bureau of Facilities and Lands
Real Estate Section
April 09, 2009

Keske Living Trust Property

Lulu Lake State Natural Area

N
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Subject Property

WDNR Owned

WDNR Easement

Project Boundary

0 1,500 Feet

The DNR Managed Lands represent the boundaries of lands managed by the Wisconsin Department of Natural Resources. The Wisconsin DNR manages these lands through ownership, easement or lease rights. The data set is a spatial representation of the Oracle Land Records System maintained by the DNR, Bureau of Facilities and Lands (LF), and may include errors and/or omissions. The data should not be interpreted as a legal representation of legal ownership boundaries.

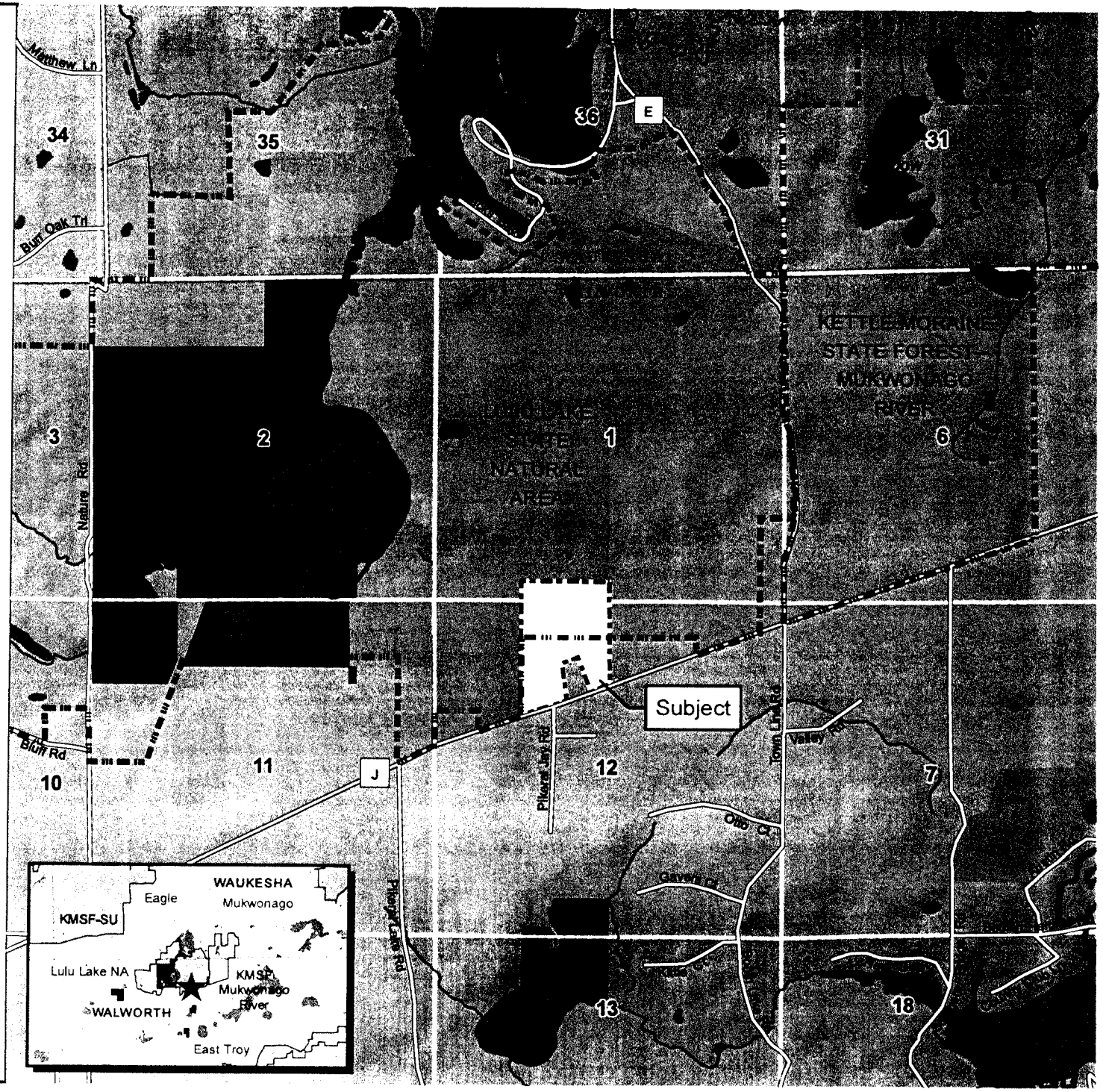
This data set does not differentiate between lands that are open or closed to the public for hunting and/or general public access. Some lands represented in this data set may not be open to the general public, or may have specific limitations or restrictions on public use. This data set is not intended for use as a land management tool, i.e. a listing of all DNR real estate transactions that have occurred on these lands over time.

For information about the actual management, including public use and public access of the lands, contact the nearest DNR Regional office. Contact information for DNR Regional Offices and Service Centers is provided on the following internet site:

http://www.dnr.state.wi.us/org/caer/cs/servicecenter/locations.htm

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

STATE OF WISCONSIN
DEPT. OF NATURAL RESOURCES

Bureau of Facilities and Lands

April 09, 2009