

6/29/99 7:20:15 PM

Page 1 \*

**1999 DRAFTING REQUEST****Assembly Amendment (AA-ASA1-AB133)**Received: **06/25/99**Received By: **gibsom**Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**By/Representing: **Walter**This file may be shown to any legislator: **NO**Drafter: **gibsom**

May Contact:

Alt. Drafters:

Subject: **Nat. Res. - LWSR stewardship**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus #2633,

**Topic:**

Panoramic project under urban rivers program

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gibsom 06/28/99	chanaman 06/28/99		_____			
/1			ismith 06/28/99	_____	lrb_docadmin 06/28/99		
/2	gibsom 06/28/99	chanaman 06/28/99	kfollet 06/29/99	_____	lrb_docadmin 06/29/99		
/3	gibsom 06/29/99	chanaman 06/29/99	martykr 06/29/99	_____	lrb_docadmin 06/29/99		

6/29/99 7:20:16 PM

Page 2

FE Sent For:

**<END>**

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: **06/25/99**

Received By: **gibsom**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

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

Drafter: **gibsom**

May Contact:

Alt. Drafters:

Subject: **Nat. Res. - LWSR stewardship**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus #2633,

**Topic:**

Panoramic project under urban rivers program

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gibsom 06/28/99	chanaman 06/28/99		_____			
/1			ismith 06/28/99	_____	lrb_docadmin 06/28/99		
/2	gibsom 06/28/99	chanaman 06/28/99	kfollet 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

*Handwritten:*  
 6/29  
 JED/MGD  
 6/29  
 <END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/25/99

Received By: gibsom

Wanted: Soon

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: gibsom

May Contact:

Alt. Drafters:

Subject: Nat. Res. - LWSR stewardship

Extra Copies:

Pre Topic:

SDC:.....Walter - Caucus #2633,

Topic:

Panoramic project under urban rivers program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gibsom 06/28/99	chanaman 06/28/99		<u>RJM</u> <u>WJ</u>			
/1		cmw 6/28 /2	ismith 06/28/99	_____	lrb_docadmin 06/28/99		
FE Sent For:			kjt 6/29				

<END>

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: 06/25/99

Received By: gibsom

Wanted: Soon

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: gibsom

May Contact:

Alt. Drafters:

Subject: Nat. Res. - LWSR stewardship

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus #2633,

**Topic:**

Panoramic project under urban rivers program

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gibsom	cmr 6/28	IS 6/28	WLj rjm			

FE Sent For:

<END>

caucus number 2633

duplicate flag:

duplicate with:

Other reference numbers:

LFB Sum #: page 664

bill number/amendment number:

LRB draft #

LRB P-draft:

description: Designate \$100,000 from the urban rivers grant program for the Panoramic project in Janesville that was the highest ranked urban project submitted for the 1998-99 stewardship grant cycle

*in addition to what St. finance gave them*

other notes

drafting instructions: See above and attached

more instructions:

caucus number 2787

duplicate flag:

duplicate with:

Other reference numbers: Paper 260

LFB Sum #:

FM 1146

bill number/amendment number:

LRB draft #

LRB P-draft:

description: Delete FM 1146 to Paper 260 which specifies that the Kickapoo Reserve Management Board be included as a local unit of government for grant eligibility under the Stewardship Program.

other notes

drafting instructions: Delete FM 1146 to Paper 260.

more instructions:

caucus number 3203

duplicate flag:

duplicate with:

Other reference numbers:

LFB Sum #: page 664

bill number/amendment number:

LRB draft #

LRB P-draft:

description: Provides \$750,000 rather than \$500,000 for the Root River Multi-Purpose Pathway Project

other notes

drafting instructions: See above and attached

more instructions:

caucus number 3501

duplicate flag:

duplicate with:

Other reference numbers: Paper 261-269

LFB Sum #:

bill number/amendment number:

LRB draft #

LRB P-draft:

description: Multiple stewardship changes

other notes

drafting instructions: see attached memos

more instructions:

+

CN 2633

June 18, 1999  
Budget Amendment  
[REDACTED]

Re: Natural Resources – Stewardship

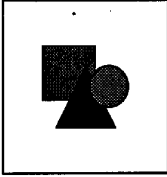
**Earmarked Projects**

Designate \$100,000 from the urban rivers grant program for the Panoramic project in Janesville that was the highest ranked urban rivers project submitted for the 1998-99 stewardship grant cycle.

See LFB Comprehensive Summary page 664

Change to bill: None

(+2) only  
per Russ  
Kawa



## **Legislative Fiscal Bureau**

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

April 21, 1999

**TO:** Members  
Joint Committee on Finance

**FROM:** Bob Lang, Director

**SUBJECT:** Natural Resources: Stewardship Grant to City of Janesville for Rock River Acquisition -- Agenda Item VII

### **REQUEST**

The Department of Natural Resources (DNR) requests approval to expend \$342,500 from the Warren Knowles-Gaylord Nelson stewardship program for an urban rivers grant to the City of Janesville for the acquisition of nearly 17.4 acres of land, including improvements, that borders on the Rock River.

### **BACKGROUND**

#### **Stewardship and Urban Rivers**

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 general obligation 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 urban rivers grant program is funded at a level of \$1.9 million annually. The program provides grants to towns, cities, villages, counties, tribal governments and nonprofit conservation organizations (NCOs) for land acquisition on, or adjacent to, rivers that flow through urban areas. Urban rivers projects must emphasize the preservation or restoration of urban rivers or riverfronts for the purposes of economic revitalization and outdoor recreation, such as fishing, wildlife observation, enjoyment of scenic beauty, canoeing, boating, hiking and bicycling.



The Department considers all of the following criteria in awarding grants: (a) the diversity of outdoor recreational opportunities provided to all segments of the population; (b) the extent of preservation or restoration of an urban riverfront; (c) the project's aesthetic value; (d) the project's potential for increased tourism; (e) the extent of planning, coordination and local support which exists for the project; (f) the potential economic benefits to the community; (g) the extent to which the project preserves an area of historical or cultural value; (h) the improvement of public access to the riverfront; and (i) the project's relation to brownfields redevelopment.

No municipality may receive more than 20 percent of the funds available for urban river grants (\$380,000) in any fiscal year. A municipality must provide at least a 50 percent match from private, local or federal funding, in-kind contributions or non-DNR state funding. By rule, the administrative costs associated with land acquisition and the development, operation and maintenance costs of land are not eligible for grant assistance under the urban rivers program. Title to land acquired through the urban rivers grant program is vested in the local governmental unit or NCO. Land acquired with urban rivers grant funding may not be converted to uses inconsistent with stewardship without DNR approval.

### **Proposed Janesville Grant**

The proposed grant would be used to purchase nearly 17.4 acres of land, including an estimated 1,500 feet of frontage, along the Rock River from the Panoramic Corporation. Of the total acreage, approximately 10.4 acres is located in a floodplain area and has been designated as wetlands by DNR. The remaining seven acres of land are considered developable, and it is this part of the property on which a manufacturing plant, warehouse, loading area, parking lots and landscaped areas are located.

The land is currently zoned M-2 General Industrial, which is designed to accommodate those industrial activities which may produce moderate nuisances or hazards in areas that are relatively remote from residential development. The assessed value of the property in 1996, including improvements, was \$241,700, while in 1997 it was \$250,900. The property is currently used for manufacturing cardboard and plastic packing material.

The proposed use for the property is for open space to expand the Rock River Recreational Corridor, with hiking, biking and roller blading trails and fishing, canoeing and picnicking facilities. The Department also indicates that the purchase would preserve a walleye spawning area, wildlife habitat, shoreline and wetlands. The trail is also expected to be a link in a larger regional trail that could eventually connect the Cities of Beloit, Janesville, Fort Atkinson and Jefferson.

Portions of the manufacturing plant, the oldest, continuously-used industrial structure in the city, would be razed, with the historic core building potentially restored as a museum or other public facility, with restroom and concession facilities and canoe and bike rental shops. If the plans for such a public facility are not successful, the City would likely seek an additional grant for demolition of the remainder of the building. The Department indicates that such a grant would be considered separately from this proposed grant, and that grants for the demolition of buildings are

generally not a high priority for urban rivers funding. In addition, Panoramic would relocate its operations to a new facility in an industrial park in Janesville, which City officials anticipate would generate property taxes and allow for the creation of additional jobs.

The appraisal approved by the Department for determining the grant amount estimated the value of the Panoramic property at \$635,000. The valuation, completed in January, 1998, indicates the highest and best use of the property is for light manufacturing and warehouse facilities for the developable land and recreational use for the land in the floodplain. The breakdown of valuation of the various components of the property are shown in the following table.

#### **DNR-Approved Appraisal for Panoramic Property**

<u>Component</u>	<u>Value</u>
Building and site improvements	\$540,000
7.0 acres of developable land	85,000
10.4 acres of wetlands	<u>10,000</u>
Total	\$635,000

A business relocation payment of \$50,000 to Panoramic is also included for determining the amount of the grant. Thus, the total project cost would be \$685,000, with DNR proposing to provide a grant for 50% of that amount, or \$342,500.

A second appraisal of the property was completed in February, 1998. This appraisal, which was accepted by the Department, set the value of the property at \$725,000. The value of the improvements was placed at \$628,000, while the land was estimated to be worth \$96,500.

The Department indicates that the proposed grant to Janesville was the highest ranking urban rivers project submitted for the 1998-99 stewardship grant cycle. In addition to the City, the project is also receiving support from the Rock River Coalition, the Rock Trail Coalition and the Janesville Foundation. The City of Janesville has received four previous stewardship grants related to acquisition and development along the river. The City currently owns 11 miles, or 71 percent, of the Rock River Corridor. If the City acquires the Panoramic property, that would increase to 73 percent.

#### **Joint Finance Review**

Under s. 23.0915(4) 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 encumbrance or expenditure. If the Co-chairpersons of the Committee do not notify the DNR within 14 working days after the Department's notification that a meeting has been scheduled to review the request, then DNR may make the encumbrance or expenditure. If an objection to the project is made, then the Co-chairpersons must schedule a meeting to review the request. The Department may make the proposed expenditure only with Committee approval.

DNR notification of the proposed grant to the City of Janesville was received by the Co-chairpersons on March 8, 1999. On March 26, 1999, the Co-chairpersons notified DNR that a meeting would be scheduled to consider the proposed grant.

## ANALYSIS

The funding for the grant would come from the urban rivers component of stewardship. As of January 31, 1999, the Department indicates that the urban rivers category of stewardship had an unobligated balance of \$2.0 million.

The fact that a stewardship grant is being proposed for a purchase of property where 85 percent of the appraised value is related to factors other than the land itself may raise concerns. To reflect this concern, the Committee could approve a grant for half of the value of only the land, or \$47,500. Given the overall cost of the proposed purchase by the City, the Committee could also approve a grant for the full value of the land, or \$95,000.

On the other hand, the purchases of improvements on parcels of land is not uncommon in stewardship land acquisition. In addition, by statute the urban rivers component emphasizes historical and cultural preservation, tourism and economic development in addition to natural resources-related land acquisition. For example, a previous grant under the urban rivers program was for a total of \$560,000 over two consecutive fiscal years (prior to enactment of the Joint Finance passive review provision) to the City of Beloit for the acquisition of 8.53 acres, which provided the City with the opportunity to remove blighted buildings along the Rock River.

In addition, City officials indicate that they approached Panoramic several times over the last decade about the possibility of purchasing a smaller parcel of the property that included some portion of the river frontage and excluded the building and improvements. City officials indicate that these offers were not accepted.

Given that the proposed grant would be used to purchase land in a developed, high-growth area, the cost could be considered high compared to potential grant purchases in most other areas of the state. It could be argued that the Department could better use stewardship funding for grants to purchase larger areas of land in less-developed areas of the state. In this way, the purchasing power of stewardship in terms of acres acquired and landscape preserved could be better maximized. This would then maintain relatively larger areas of land under state control as development spreads into new areas of the state.

On the other hand, the nature of the urban rivers category of stewardship is that it focuses on land preservation and redevelopment in areas of the state where land may often be valued relatively high. In administrative code, urban area is defined for the urban rivers component of stewardship as any area that is within or is characteristic of a city or village. To the extent that heavily improved land with relatively high value is characteristic of cities, grants for land purchases similar to the proposed Rock River grant may be seen as an inevitable part of this component. In addition, under

administrative rule, DNR places principal emphasis on acquisition of lands in the more heavily populated areas of the state and in places readily accessible to such areas.

Another option available to the Committee for setting the amount of the grant would be to follow the recommendation of the Governor's Blue Ribbon Task Force on the Stewardship Program for setting grant amounts to local units of government for land that is not zoned agricultural. The Task Force recommended that such grants be based on the lesser of the property's appraised value or an amount equal to one and one-half times the average of the sum of the property's appraised value plus the equalized assessed values for the two most recent years. This formula generates a result of \$563,800, half of which is \$281,900.

However, this Task Force recommendation is not reflected in current law; rather, it is meant to apply to grants under any reauthorized stewardship program. It could be argued that such a mechanism for setting the grant amount should not apply to selected communities under the current stewardship program until a new formula for setting grant amounts is established by statute and would be applied uniformly to all projects.

If the proposed grant is not approved, the funding would remain in the overall balance of the stewardship program and would be available for future urban rivers grants. City officials indicate that if this grant is not approved, they may reapply for a stewardship grant in the next grant cycle. Local staff also believe that such a delay could result in the loss of grants anticipated from other partners for the purchase of the property and could affect the timetable for the Panoramic relocation. In addition, if new appraisals are done for a future grant application, the appraised value of the property may be greater than the DNR-approved appraisal for this grant.

## **ALTERNATIVES**

1. Approve the DNR request to expend \$342,500 from the Warren Knowles-Gaylord Nelson stewardship program for an urban rivers grant to the City of Janesville for the acquisition of nearly 17.4 acres of land, including improvements on the land, that borders on the Rock River.
2. Approve a grant expenditure of \$281,900 (the amount generated by the formula recommended for a reauthorized stewardship program by the Governor's Blue Ribbon Task Force).
3. Approve a grant expenditure of \$95,000 (the full appraised value of only the land).
4. Approve a grant expenditure of \$47,500 (half of the appraised value of only the land).
5. Deny the request.

Prepared by: Russ Kava



State of Wisconsin  
1999 - 2000 LEGISLATURE

RMR  
1  
LRBb12768  
MGG.....  
CMH

soon (D-Note)

SDC:.....Walter - Caucus #2633, Panoramic project under urban rivers program

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page <sup>450</sup> <sup>13</sup> line <sup>✓</sup> after that line insert:

3 (2m) ROCK RIVER; RECREATIONAL CORRIDOR. From the appropriation under s.

4 20.866 (2) (tz), the department shall provide funding to the city of Janesville under

5 the urban rivers <sup>grant</sup> program under s. 30.277 for the Rock River Recreational Corridor.

6 The amount provided by the department may not exceed that amount that equals the

7 matching contributions made for the corridor by the city of <sup>Janesville</sup> Port Atkinson or

8 ~~\$212,000~~ <sup>\$100,000</sup> whichever is less. The requirements for matching contributions under s.

9 30.277 (5) shall apply. "

10 (END)

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

LRBb1276/1dn  
MGG & JTK.....

*emj*

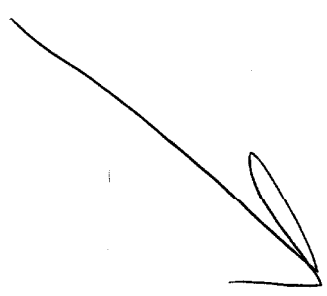
*If any of the \$100,000 provided  
in this draft is for reallocation  
assistance,*

*the*  
↓  
1. *ll* Under article VIII, section 7 (2) (a), of the Wisconsin constitution, the purposes for which this state may incur debt are strictly limited. With minor exceptions, these purposes are (1) to acquire, construct, develop, extend, enlarge or improve land, waters, property, highways, railways, buildings, equipment or facilities for public purposes; and (2) to make funds available for veterans' housing loans. ~~It is possible that a court would find that relocation assistance provided under the urban rivers program is not directly tied to one of these purposes and therefore may not, as proposed in this draft, be financed from bond revenue.~~

*INSERT - A*

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

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778



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

LRB

.....

INSERT A

typed  
(need to read  
all)

2. It is possible that a Wisconsin court would find this legislation to be a "private or local bill" which, under Article IV, section 18, of the Wisconsin constitution, must be enacted as single-subject legislation. If so this legislation cannot validly be enacted as part of the budget bill, which clearly encompasses more than one subject. In light of this, the committee may wish to consider introduction of this legislation as a separate bill.

caucus

Mary Gibson-Glass  
Senior Staff Counsel  
267-3215

(END OF INSERT)

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

LRBb1276/1dn  
MGG&JTK:cmh:ijs

June 28, 1999

1. Under Article VIII, section 7 (2) (a), of the Wisconsin constitution, the purposes for which this state may incur debt are strictly limited. With minor exceptions, these purposes are (1) to acquire, construct, develop, extend, enlarge or improve land, waters, property, highways, railways, buildings, equipment or facilities for public purposes; and (2) to make funds available for veterans' housing loans. If any of the \$100,000 provided in this draft is for reallocation assistance, it is possible that a court would find the relocation assistance provided is not directly tied to one of these purposes and therefore may not, as proposed in this draft, be financed from bond revenue.

2. It is possible that a Wisconsin court would find this legislation to be a "private or local bill" which, under Article IV, section 18, of the Wisconsin constitution, must be enacted as single-subject legislation. If so this legislation cannot validly be enacted as part of the budget bill, which clearly encompasses more than one subject. In light of this, the caucus may wish to consider introduction of this legislation as a separate bill.

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

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778



*soon*

*RMR*

SDC:.....Walter - Caucus #2633, Panoramic project under urban rivers program

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 450, line 13: after that line insert:

3 "(2m) ROCK RIVER; RECREATIONAL CORRIDOR. <sup>(a)</sup> From the appropriation under s.)

4 20.866 (2) (tz), the department shall provide funding to the city of Janesville under

5 the urban rivers grant program under s. 30.277 for the Rock River Recreational

6 Corridor. The amount provided by the department <sup>under this paragraph</sup> may not exceed that amount that

7 equals the matching contributions made for the corridor by the city of Janesville or

8 \$100,000, whichever is less. The requirements for matching contributions under s.

9 30.277 (5) shall apply."

10

(END)

*(b) The funding under par. (a) is in addition to any encumbrance or expenditure approved by the joint committee on finance under s. 23.0917 (b) for the Rock River Recreational Corridor.*

RMR

SDC:.....Walter - Caucus #2633, Panoramic project under urban rivers program

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

D-Note  
2/20/00

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 450, line 13: after that line insert:

3 "(2m) ROCK RIVER; RECREATIONAL CORRIDOR. (a) From the appropriation under  
4 s. 20.866 (2) (tz), the department shall provide funding to the city of Janesville under  
5 the urban rivers grant program under s. 30.277 for the Rock River Recreational  
6 Corridor. The amount provided by the department under this paragraph may not  
7 exceed that amount that equals the matching contributions made for the corridor by  
8 the city of Janesville or \$100,000, whichever is less. The requirements for matching  
9 contributions under s. 30.277 (5) shall apply.

1 (b) The funding under par. (a) is in addition to any encumbrance or expenditure  
2 approved by the joint committee on finance under s. ~~23.0917(6)~~ for the Rock River  
3 Recreational Corridor." (23.0915(4))

4 (END)

D-Note cmh

This redraft corrects a cross-reference in par. (b).  
=

MGR

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

LRBb1276/3dn  
MGG:cmh:km

June 29, 1999

This redraft corrects a cross-reference in par. (b).

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



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1276/3  
MGG:cmh:km

SDC:.....Walter - Caucus #2633, Panoramic project under urban rivers program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 450, line 13: after that line insert:

3 **“(2m) ROCK RIVER; RECREATIONAL CORRIDOR.** (a) From the appropriation under  
4 s. 20.866 (2) (tz), the department shall provide funding to the city of Janesville under  
5 the urban rivers grant program under s. 30.277 for the Rock River Recreational  
6 Corridor. The amount provided by the department under this paragraph may not  
7 exceed that amount that equals the matching contributions made for the corridor by  
8 the city of Janesville or \$100,000, whichever is less. The requirements for matching  
9 contributions under s. 30.277 (5) shall apply.

