

27010

**(Base) Agency:** DNR - Stewardship  
Milwaukee Lakeshore State Park

**Recommendations:**

**Paper No. 269:** Alternatives 3 & 4

**Comments:** I don't think this issue will be included in the Shibilski motion, but I'm not sure. I'll try to find out ahead of time. In any event, I doubt he will earmark funding for Lakeshore State Park, but just list it as an eligible use.

I'll have a separate sheet of talking points on this issue, but the general gist is that the governor failed to live up to his promise (from last October) in a big way.

According to most observers (and FB in paragraph 9) the plan the governor outlined at his press event last fall will cost anywhere from \$14 million to \$24 million. He provided a measly \$1 million in Stewardship and he stole \$2 million from the federal transportation money (\$241 million) set aside for transit and highways in Milwaukee. That's not exactly what I consider following through on his promise. Paragraph 18 says the governor has only provide "a fraction of the overall development proposed for the property."

You need to make a big deal about how this is the governor's project (not the City's, not Summerfest's, not the Harbor Commission's). If the governor wants to live up to his promise, he better come through with more money. Milwaukee County has only received \$1.1 million dollars in 10 years of Stewardship - none of it from the general land acquisition category - yet a major percentage of the state's population lives there. This is a "state" park, not a city one.

I've talked to Sumi a lot about this project. He feels (and so do I) that it would be good for you to raise a fuss about the governor's lack of follow through and then maybe Grobschmidt can get some concessions (i.e. additional funding) in Caucus. See especially the last sentence of paragraph 7.

The issue is about public access to Lake Michigan. And about Milwaukee finally getting some state parks funding.

Further, the governor's latest (and dumbest) plan is a scaled-back (i.e. \$6-\$7 million) version that would create a giant enclosed cesspool between Summerfest and Harbor Island. I don't know if this plan has been made public yet, but Bob Wood is talking about it.



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #269

### **Milwaukee Lakeshore State Park (DNR -- Forests and Parks and Stewardship and DOT -- Local Transportation Projects)**

[LFB 1999-01 Budget Summary: Page 437, #17; Page 472-9, #14 and Page 583, #1]

#### **CURRENT LAW**

The Bureau of Parks and Recreation in the Department of Natural Resources operates 63 recreational properties open to the public, including 40 state parks, 12 state trails, seven southern forests and four recreational areas. In addition, some parks properties are owned by the state and operated by local units of government or nonprofit organizations.

A total of \$3.5 million annually is allocated for the general property development component of the Warren Knowles-Gaylord Nelson stewardship program. This funding is used for the repair and renovation of existing DNR facilities on DNR-owned recreational properties.

A total of \$241 million in federal interstate cost estimate (ICE) funds have been set aside for Wisconsin, but have not been used. Originally, these funds were intended for the construction of a transitway or high-occupancy vehicle lanes between Milwaukee and Waukesha. The federal 1999 appropriations act for transportation, however, included a provision that allows the Governor to submit a request for using these funds for a different project or projects.

#### **GOVERNOR**

Require DNR to expend from the general property development component of the Warren Knowles-Gaylord Nelson stewardship program the funding necessary for the following for a state park to provide access to Lake Michigan from the City of Milwaukee: (a) studies and plans for the establishment and development of the state park; and (b) development of the state park. Prohibit the Department from expending more than \$500,000 for the studies and plans.

Provide \$1,000,000 from federal ICE funds annually in a new, biennial appropriation for Milwaukee lakeshore bicycle and pedestrian facilities grants. Require DOT to make grants to DNR for the construction of such facilities along Lake Michigan in the City of Milwaukee, which would be done in conjunction with the establishment of Milwaukee Lakeshore State Park. Specify that no money may be encumbered from this appropriation after June 30, 2002. In addition, create a continuing PR appropriation in DNR to receive these grants from DOT. Specify that funding received by DNR can be used for the acquisition of land, construction or development of facilities.

Also, specify that a portion of the land that the state deeded to the City of Milwaukee on which the park is proposed to be located may be used for public park purposes (in addition to harbor and fisheries purposes currently).

### **BUILDING COMMISSION**

Allow DNR to expend up to \$1,000,000 during the 1999-01 biennium from either the Warren Knowles-Gaylord Nelson stewardship program or the Stewardship 2000 program for a state park which will provide access to Lake Michigan from the City of Milwaukee. Specify that the funding may be spent on studies and plans for the establishment and development of the park and for development of the park. Require the Department to determine how the funding will be allocated between the two stewardship programs. Specify that funding be treated as moneys spent for property development.

### **DISCUSSION POINTS**

1. The issue of lakefront access at the City of Milwaukee's Maier Festival Park grounds has been a source of dispute between the state, the city and Milwaukee World Festival, Inc., the organization that stages Summerfest. Milwaukee World Festival argues that they cannot maintain proper security of their facilities and equipment if the public is allowed full access to the lakeshore, and that they provide adequate public access for visitors through Summerfest and other events held on the grounds. DNR and the City of Milwaukee, however, argue that the organization agreed to provide public access to the lakefront as part of its lease and that, since the Summerfest site is built on a public lakebed, denying access is a violation of the public trust doctrine, under which navigable waterways are to remain "forever free" to the citizens of the state.

2. In October, 1998, the Governor announced that planning would begin for the creation of Milwaukee Lakeshore State Park in part to resolve issues surrounding public lakeshore access. The Governor indicated that the park's location in the heart of Milwaukee's downtown would offer year-round public access to the Lake Michigan shore, along with state park amenities geared to an urban population and the unique attributes of the site.

3. The land for the park encompasses approximately 22 acres of open space along the lakefront of Lake Michigan, including Harbor Island (17 acres) and the City's Urban Park South.

The state park may also serve as the easternmost focal point of a bike trail system that could eventually link the Hank Aaron, Glacial Drumlin and Military Ridge State Trails between the Milwaukee lakeshore and Dodgeville.

4. In November, 1998, DNR hired a consultant to develop a concept plan for the park, which outlined a description of the property, the goals of the park, likely land management and recreational uses of the property, the issues and major stakeholders in the park planning process, and cost estimates for development and operation of the park.

5. The acquisition of land by the state is required to develop the recreational facilities envisioned in the concept plan. Currently, the City of Milwaukee owns all of the land in the project area. The City has also expressed some interest in maintaining ownership of some of the land, including Urban Park South. The State and the City will have to negotiate a plan for the transfer of land ownership in the project area for park development to proceed.

6. Natural Resources Board action to designate the official boundaries of Milwaukee Lakeshore State Park is not expected to occur until after budget passage, when the Department knows what financial resources are available to develop the park.

7. Nearly \$4 million is expected to be needed for the construction of an approximately half-mile long walkway that would parallel the shoreline (which would resolve the dispute over access to the Summerfest grounds), extension of the walkway to Urban Park South, extension of a local street and improvements to a walkway on Harbor Island, signage and design work. Harbor Island would remain connected at the south end of the Summerfest grounds at its current location, near the Marcus Amphitheater. While this plan would provide lakeshore and Harbor Island access, it would not allow for development typical of a state park.

8. A total of nearly \$7 million is estimated to be needed for additional development to provide for some level of park amenities. In addition to the improvements identified above, funding would also be available for a causeway, walkway and bridge to Harbor Island from Urban Park South and a park building and plaza. Under this alternative, Harbor Island would be connected to the Summerfest grounds at two points.

9. Cost estimates for development of what is considered to be the preferred concept for the state park range from \$14 million to \$22 million, depending on the extent of maritime development that would be undertaken. This alternative involves the creation of two lake basins separated by a new northerly causeway to Harbor Island. A variety of uses would be allowed in the "maritime basin" adjacent to Urban Park South, including docking space for the schooner being built by the Wisconsin Lake Schooner Educational Association, dinner cruise ships and charter boats. Opportunities for boat camping would be provided as well. A "quiet water basin" located south of the causeway is anticipated to be designated a slow-no-wake zone to promote canoeing, kayaking and other nonmotorized boating activities. Shore fishing is anticipated to be a major activity in this basin, with the establishment of a cool water fishery supported by walleye stocking.

10. Additional park development costs under this scenario include: a breakwater at various places on the property; shoreline stabilization and rip rap revetments; rock excavation at the southerly connection of Harbor Island; dredging; trees, topsoil and other foliage; lighting, utilities and electrical services; fish cleaning stations; an observation platform; picnic shelter; and other parks amenities.

11. The bill would create an appropriation in DOT for making grants to DNR for constructing bicycle and pedestrian facilities in conjunction with the establishment of the Lakeshore Park and would provide \$1,000,000 annually using federal ICE funds. The funds could be used for building bicycle and pedestrian paths along the causeway, on Harbor Island, along the lakeshore or for connecting the park to the Hank Aaron State Trail. Although the bill would create a continuing appropriation within DNR to receive the federal ICE funds from DOT, the DOT appropriation would be biennial, and so the funds would have to be encumbered before the end of the biennium.

12. The federal law provision that allows the Governor to submit a request for using the \$241 million in ICE funds requires the Governor to consult with local government officials for the use of half of that amount (\$120.5 million), but gives the Governor discretion on the use of the other half. On April 26, the Governor, the Milwaukee County Executive and the Mayor of the City of Milwaukee signed an agreement pursuant to this requirement. The \$2,000,000 in ICE funds for the Milwaukee Lakeshore Park was assumed to be an allocation of the Governor's share of the funds and so was not part of the agreement.

13. The \$1 million allocated from the property development components of stewardship represents 17% of the proposed \$5,725,000 for this purpose in the 1999-01 biennium under current law and the Building Commission's recommendations for Stewardship 2000. Parks staff indicate that the stewardship provisions allowing for funding to be used for studies would likely be used for engineering analyses necessary for development of specific facilities.

14. The Department has identified a number of possible funding sources for additional development funding in subsequent biennia, including additional stewardship moneys, recreational boating projects aids funding and federal Land and Water Conservation Fund, Dingle-Johnson, ICE and CMAQ (federal congestion mitigation and air quality improvement program) funds. Further, potential participation by the city, county, Harbor Commission, Milwaukee World Festival, Inc. and private sources has not been determined.

15. DNR has also prepared some estimates of the operational costs for the park over the next three biennia. In the 1999-01 biennium, the Department estimates that \$430,000 would be needed for three positions (a park superintendent, an assistant superintendent and a park naturalist) as well as LTE clerical support. Capital equipment (a patrol vehicle, law enforcement equipment) and supplies and services (office supplies, promotional material) are also included in the estimate. DNR estimates an additional \$270,000 would be needed in the 2001-03 biennium and an additional \$860,000 would be needed in the 2003-05 biennium for law enforcement, maintenance and customer service staff as well as additional supplies and capital equipment. Under this scenario, total operations costs for the property would be nearly \$1.6 million annually by 2004-05.

16. While operational funding for Milwaukee Lakeshore State Park is not included in AB 133, Joint Finance adopted a provision to allow DNR to seek additional funding for parks maintenance projects and year-round parks operations costs of up to \$1.4 million during the 1999-01 biennium under s. 13.10 without the finding of an emergency. The Department could choose to seek operations funding for the park through this mechanism or subsequent legislation after the park has been established and operational details have been developed.

17. Given the urban nature of the property and lack of vehicular access control points, the Department does not anticipate requiring a vehicle admission sticker for entrance to the park. However, parks staff indicate that limited revenue might be generated through a special event use fee for the proposed picnic shelter on Harbor Island, which staff anticipate could be rented on a daily basis by private parties.

18. The proposed funding for Milwaukee Lakeshore State Park could be seen as a first step in the process of developing the park. While the proposed funding for the 1999-01 biennium represents a fraction of the overall development proposed for the property, it could be viewed as an initial investment in what will likely be a multi-biennia process of budgeting resources for development and operation of the proposed park. Provision of the funding would allow DNR to move ahead with initial development on the property knowing that some financial resources are available for the project.

19. If the Committee wished to provide additional funding to accelerate the development of the park, \$3 million from both federal ICE funds and stewardship (a total of \$6 million) could be allocated. This would provide DNR with a greater proportion of funding identified to allow for both public access to the Summerfest grounds and initial development of basic park amenities.

20. If additional ICE funds are provided for the development of Milwaukee Lakeshore State Park, it would reduce the amount of ICE funds available for the reconstruction of the Marquette Interchange in Milwaukee, tentatively scheduled to begin in 2003. This is because the Governor would use any ICE funds that are not spent on the Lakeshore Park, or that are not reserved for other projects by the agreement, for the reconstruction of the interchange. In order for ICE funds to be used on the park, including additional amounts allocated by the Legislature, the Governor would have to submit a request to the Secretary of the U.S. Department of Transportation asking that the designated amount be approved for lakeshore bicycle and pedestrian facilities.

21. In addition, allocating \$3 million from stewardship property development would represent 52% of proposed funding for this purpose. To address this, the Committee could give the Department the discretion to choose the categories of stewardship from which park development expenditures could be allocated.

22. On the other hand, given that the Natural Resources Board has not yet designated a park on the proposed site or set a property boundary, providing funding could be viewed as premature. Given the uncertainty as to when the state will take ownership of the land, or under what terms, and the scope of the proposed development and operations, the Committee could

choose to provide no funding at this time. The administration and DNR could seek any necessary development and operations funding in subsequent legislation once the project scope, development plan, costs and funding sources were determined.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$2 million from federal interstate cost estimate (ICE) funds for bicycle and pedestrian facilities for Milwaukee Lakeshore State Park and require DNR to expend from the general property development component of the Warren Knowles-Gaylord Nelson stewardship program the funding necessary for development of the park, with a maximum amount of \$500,000 allowable for studies.

2. Approve the Governor's recommendation related to federal ICE funds. Further, approve the Building Commission's recommendation to limit the amount that can be expended during the 1999-01 biennium from the property development components of either the Warren Knowles-Gaylord Nelson stewardship program or the Stewardship 2000 program for Milwaukee Lakeshore State Park to a total of \$1 million.

3. Approve the Governor's recommendation related to federal ICE funds. Further, limit the amount that can be expended during the 1999-01 biennium from the property development components of stewardship for the park to a total of \$3 million (rather than \$1 million).

4. Modify any of the above alternatives to give DNR discretion as to which components of stewardship funding for the park can be drawn.

5. Provide an additional \$500,000 annually from federal interstate cost estimate (ICE) funds for park facilities.

<u>Alternative 5</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	\$1,000,000	\$1,000,000	\$2,000,000

6. Maintain current law. (DNR could fund development with available stewardship property development funds or seek funds through legislation after plans are finalized.)

<u>Alternative 6</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	-\$2,000,000	-\$2,000,000	-\$4,000,000

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