

# State of Wisconsin

SENATE CHAIR  
**Alberta Darling**

317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-5830



ASSEMBLY CHAIR  
**John Nygren**

309 East, State Capitol  
P.O. Box 8593  
Madison, WI 53708-8953  
Phone: (608) 266-2343

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: April 17, 2015

Re: 14-Day Passive Review Approval – DNR

Pursuant to s. 23.0917(6m), Stats., attached is a 14-day passive review request from the Department of Natural Resources, received on April 17, 2015.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Wednesday, May 6, 2015**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm

State of Wisconsin  
DEPARTMENT OF NATURAL RESOURCES  
101 S. Webster Street  
Box 7921  
Madison WI 53707-7921

Scott Walker, Governor  
Cathy Stepp, Secretary  
Telephone 608-266-2621  
FAX 608-267-3679  
TTY Access via relay - 711



April 7, 2015

The Honorable Alberta Darling, Co-Chair  
Committee on Joint Finance  
Room 317 East  
State Capitol  
PO Box 7882  
Madison WI 53707-7882

The Honorable John Nygren, Co-Chair  
Committee on Joint Finance  
Room 309 East  
State Capitol  
PO Box 8953  
Madison, WI 53707-53708

Dear Senator Darling and Representative Nygren:

Pursuant to s. 23.0917(6m)(a) and (c), Wis. Stats., the Department of Natural Resources is notifying you of a proposed Knowles-Nelson Stewardship Program grant in the amount of \$512,518.50 to the City of Two Rivers for the reconstruction of the seawall at Harbor Park and the creation of docking facilities for Great Lakes boaters. This award is in addition to the original award amount approved by Joint Committee on Finance on January 3, 2013. The proposed additional grant award brings the total grant to 46.72% of the estimated total project costs. This boating facility is located in the City of Two Rivers, Manitowoc County.

The proposed project will reconstruct the deteriorating seawall adjacent to Harbor Park. A new steel sheet pile wall approximately 470 feet long will be put in place. This sheet wall will have enhancements that create docking facilities for all types of boaters, large and small. These transient docking facilities will serve Lake Michigan boaters traveling the Great Lakes, visiting cities along the way. And will also serve the needs of boaters as a harbor of refuge when inclement weather on Lake Michigan forces them to seek shelter.

As provided in s. 23.0917(6m)(a), Wis. Stats., if the Department does not receive notification of the scheduling of a hearing from either of the Joint Committee on Finance co-chairpersons within 14 working days from today, the Department will award this grant.

Thank you for your consideration.

Sincerely,

Cathy Stepp  
Secretary

C: Kristy Rogers, CAES Division Administrator  
Sanjay Olson, Lands Division Administrator  
Mary Rose Teves – CF/2  
Diane Conklin, Grant Manager  
Chris Halbur, Grant Specialist, Northeast

**DATE:** April 7, 2015  
**TO:** Members of the Joint Committee on Finance  
**FROM:** Cathy Stepp, Secretary

**SUBJECT: REQUEST FOR APPROVAL OF STEWARDSHIP DEVELOPMENT GRANT FOR FUNDING GREATER THAN \$250,000**

Pursuant to s. 23.0917(6m)(a) and (c), Wis. Stats., the Department of Natural Resources is notifying you of a proposed Knowles-Nelson Stewardship Program grant in the amount of \$512,518.50 to the City of Two Rivers for the reconstruction of the seawall at Harbor Park and the creation of docking facilities for Great Lakes boaters. This award is in addition to the original award amount approved by Joint Committee on Finance on January 3, 2013. The Knowles-Nelson Stewardship program is funded under s. 20.866(2)(ta), Wis. Stats.

**I. PROJECT DETAILS:**

**Project Sponsor:** City of Two Rivers  
**Grant sub-program:** Recreational Boating Facilities (RBF)

**Location:** The Harbor Park Seawall Replacement and Public Docking Facility is located in the City of Two Rivers, Manitowoc County. This public boating facility is located on the south bank of the East Twin River, at the entrance to Lake Michigan. The public will access the docking facilities via the river. From land, the seawall and docks can be accessed from Harbor Park and East Street.

**Project Description:** The project will reconstruct the deteriorating seawall and create enhanced docking and waterfront facilities for boaters, especially those traveling the Great Lakes and visiting communities along the Lake Michigan shoreline. The City received an RBF grant for this project in early 2013. Since then, final design and associated costs have increased substantially. The City requested additional RBF grant funds; the Wisconsin Waterways Commission approved the City's original grant request and the supplemental request of \$512,518.50. A map and conceptual site plan are attached in Appendix A. Appendix B is future development site plan.

This project includes a new steel sheet pile bulkhead with docking facilities, concrete stairs and ramps making the docking area ADA accessible, lighting and other safety features, and utilities and municipal services. In late 2012, the City estimated project costs at \$1,948,023; an RBF grant amount of \$876,610.35 was awarded in early 2013. Following that award, the City received input from a marine contractor and material supplier to incorporate greater structural integrity of the surrounding environment and seawall design modifications. Finalized plans were put out for bid in 2014.

When bids were received, they were significantly higher than the original project cost estimate. The greatest cost difference between the engineering estimate and the final bids was associated with the stone supply and placement; specific material quoted in the grant application was no longer available in the identified quarry. Stone supply will need to come from a quarry farther away, will require more stone cutting, and that stone is now in higher demand and so at a higher cost.

Letter from the City of Two Rivers City Manager explaining the design and bidding timelines in detail, including an explanation for the increased costs, is included as Attachment C. Beside the cost increase associated with acquiring the stone, the improving economy has resulted in increased contractor and materials demand resulting in increased construction costs. Pictures of damage at the existing seawall and docking facilities are included as Attachment D.

**Project Goals:** Seawall Reconstruction and Docking Facilities at Harbor Park meets the following goals:

- Provides new and enhanced public access to Lake Michigan and the Twin Rivers, including for those with physical limitations.
- Renovates existing public nature-based outdoor recreational facilities.
- Meets the needs of boaters in distress looking for a harbor of refuge.
- Implements recommendations from the City of Two Rivers Harbor Master Plan, City of Two Rivers Comprehensive Plan, and Bay Lake Regional Planning Commission Comprehensive Plan.

The project will also implement the following goals from the Statewide Comprehensive Outdoor Recreation Plan (SCORP):

- Assess, understand, and adapt to growing recreation tourism demands and preferences
- Improve integration of outdoor recreation interests and needs in land use and other relevant planning efforts
- Continue to provide and enhance public access to Wisconsin waters
- Address funding challenges associated with managing Wisconsin outdoor recreation resources
- Promote outdoor recreation as a means of improving public health among Wisconsinites

**Public Uses:** The Harbor Park Seawall and Docking Facility will be available to the public 24 hours a day, 7 days per week, 365 days per year. The City's normal park operation hours are 6 a.m. to 11 p.m.; however, the use of the seawall as a tie-up location for boaters in distress mandates that it remain available at all times. Visitors will be able to dock boats, fish, enjoy nature, walk into the Downtown area and take part in recreation events hosted by the City. The City anticipates approximately 10,000 visitors will enjoy this facility annually.

**Property Management:** The Harbor Park Docking Facility will be operated and maintained by the City of Two Rivers Parks and Recreation Department, consistent with their management policy.

**Timetable:** Construction will begin in 2015 and be completed and fully open to the public by early 2016.

**Partnerships:**

- The City of Two Rivers: Responsible for reconstruction, development, operation and maintenance of the facility.
- Department of Natural Resources: Provides financial grant assistance.
- Department of Transportation Harbor Assistance Program: Provides financial assistance.

**II. PROJECT FINANCES:**

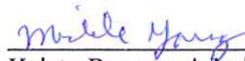
Total Project Costs	\$2,973,060.00
DOT Harbor Funds	\$672,993.00
City of Two Rivers Funds	\$910,938.15
RBF grant approved by Jt. Finance on Jan 3, 2013	\$876,610.35
Additional RBF grant	\$512,518.50

(NOTE: Total RBF grant amount equals 46.72% of the total project costs.)

**III. RECOMMENDED:**

  
\_\_\_\_\_  
Mary Rose Teves, Director  
Bureau of Community Financial Assistance

6 April 2015  
Date

  
\_\_\_\_\_  
Kristy Rogers, Administrator  
Customer and Employee Services Division

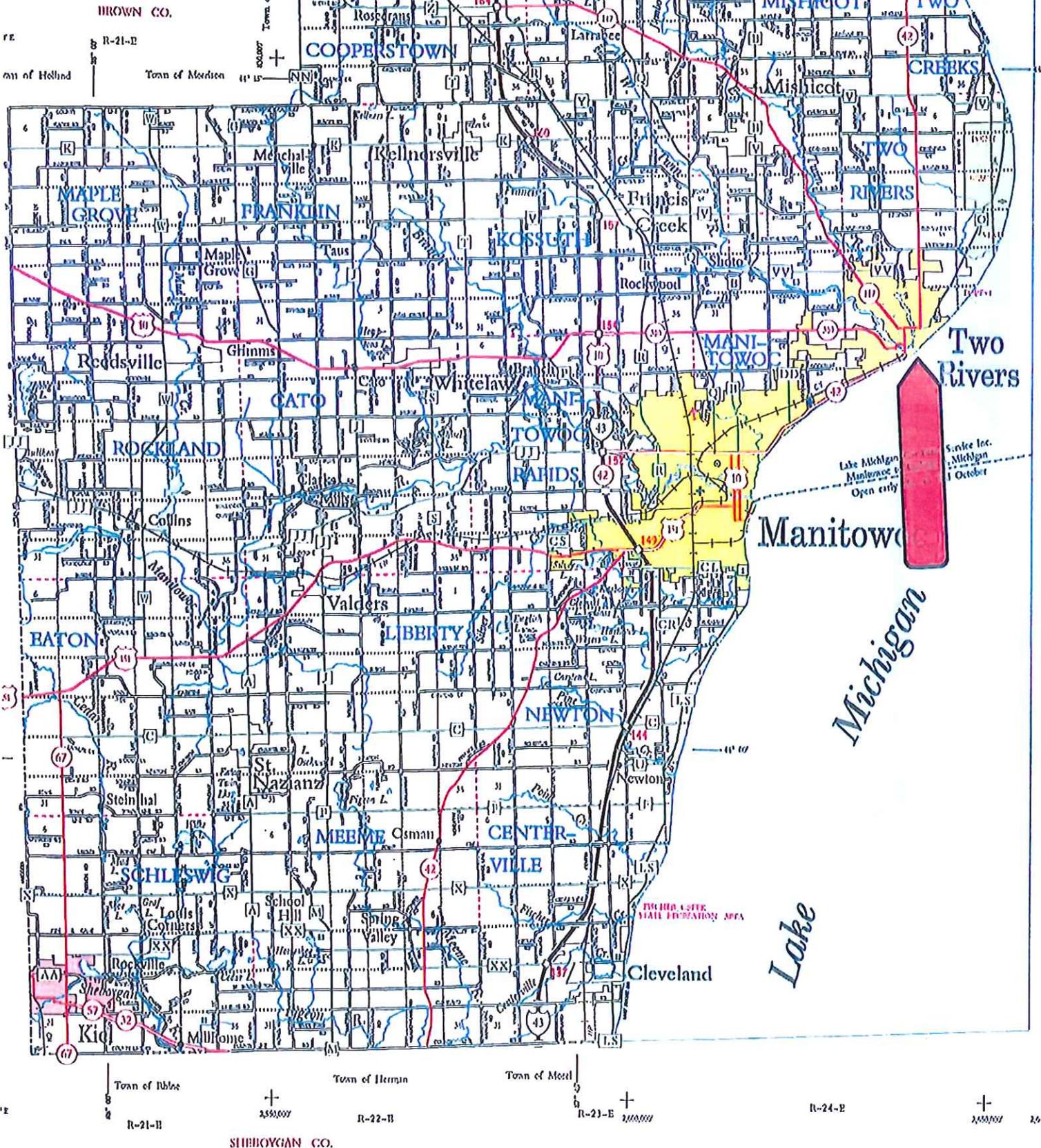
April 6, 2015  
Date

  
\_\_\_\_\_  
Sanjay Olson, Administrator  
Lands Division

4/8/15  
Date

Attachments:

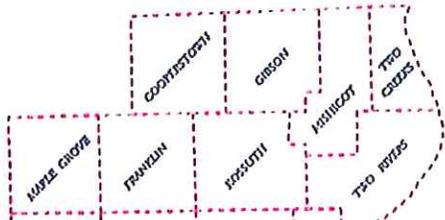
- Appendix A – Map and Conceptual site plan
- Appendix B – Future Development Site Plan
- Appendix C -- Letter from the City of Two Rivers City Manager



**LEGEND**

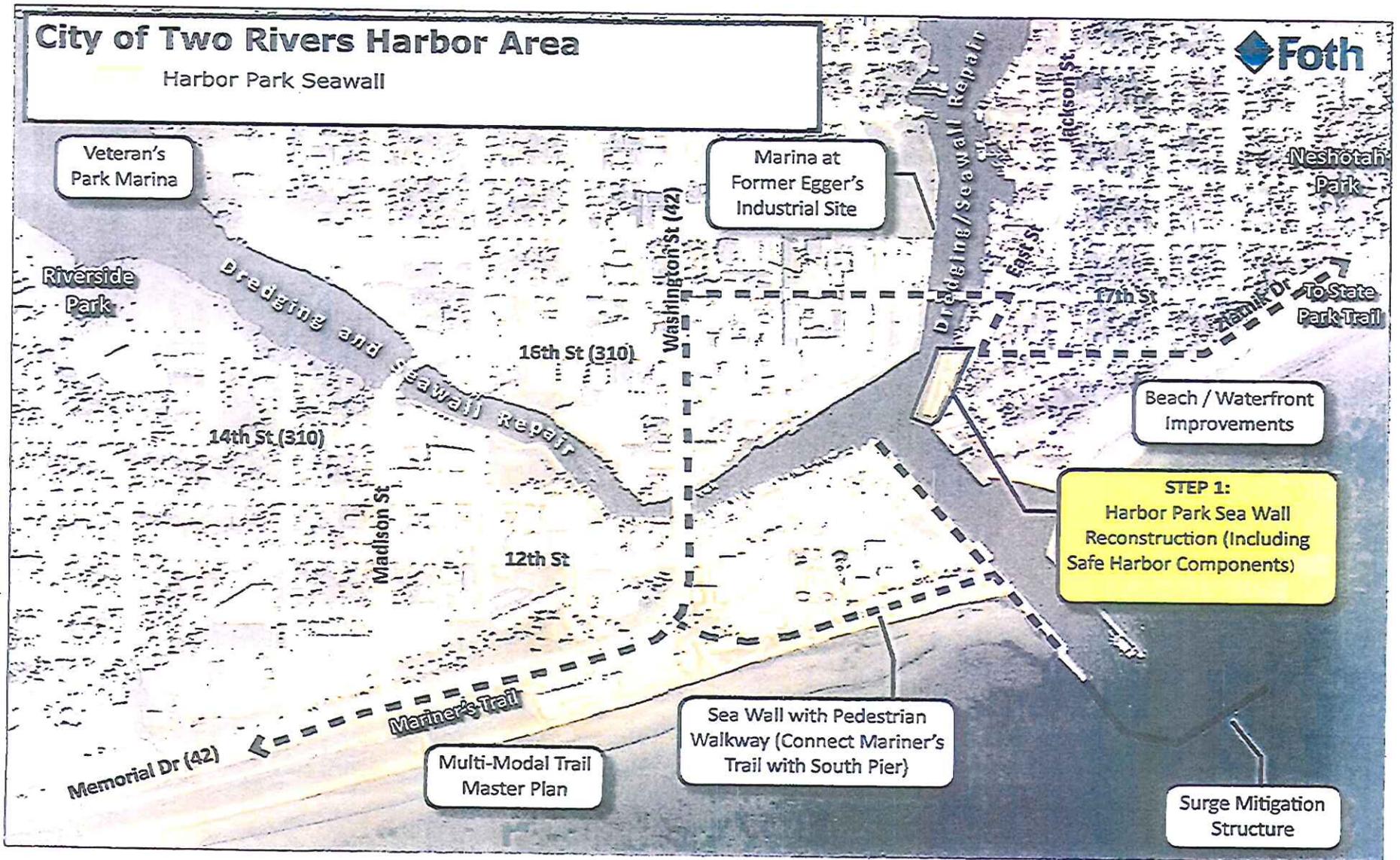
- Dam
- Hospital
- Schools
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm

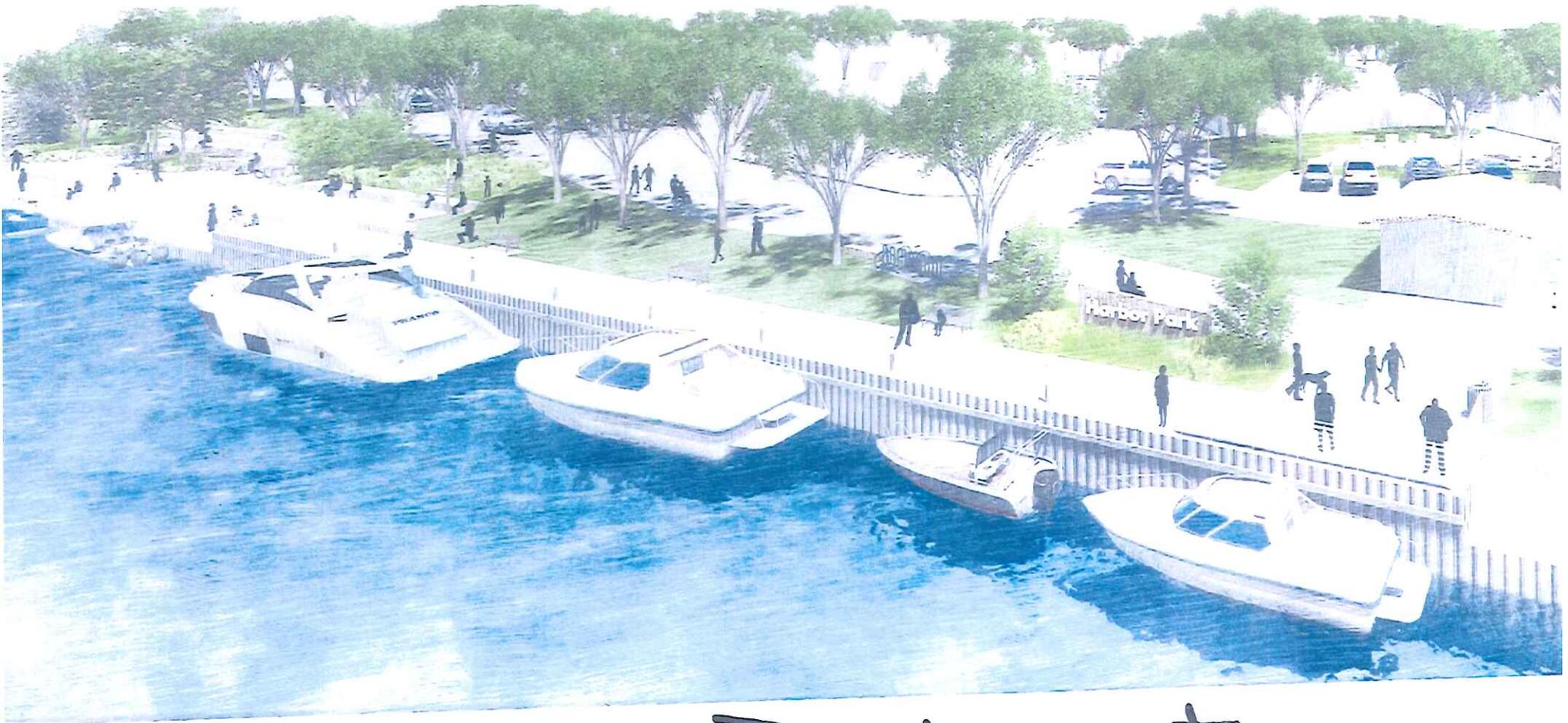
**CIVIL TOWNS**



**Attachment A**

- + Grid based on Wisconsin coordinate system, south zone and the NAD 27
- ◇ For boundaries of public hunting and fishing grounds please contact the Department of Natural Resources





Future Development

Attachment B

**Council Manager Government Since 1924**



**Office of the City Manager**  
1717 East Park Street  
Post Office Box 87  
Two Rivers, WI 54241-0087  
Telephone.....920/793-5532  
Fax.....920-793-5563

January 6, 2015

Wisconsin Department of Natural Resources  
Attn: Ms. Chris Halbur, Northeast Regional Program Supervisor  
2984 Shawano Avenue  
Green Bay, WI 54313

RE: Request for Additional RBF Grant Funding  
Recreational Boating Facilities Grant Award RBF-1403  
Two Rivers Harbor Park Seawall Project

Dear Ms. Halbur:

Per our recent discussions, the City of Two Rivers is seeking additional funding support for the above-referenced project from the RBF Program.

The project addresses a severely deteriorating sea wall and related public infrastructure at the adjacent City-owned Harbor Park. The following is a history of project cost development and an explanation of this request for additional funds

Foth Infrastructure & Environment (Foth) in partnership with SmithGroupJJR, Inc. (JJR) was contracted by the City of Two Rivers to develop a design solution for this failing infrastructure, and improve the area to serve recreational boaters, as described in our funding application.

On May 29, 2012, a preliminary project cost estimate was generated for budget purposes. This was based on a conceptual design, with input from a local marine contractor, McMullen & Pitz. The preliminary cost estimate was \$1,577,213 for construction, \$1,948,023 total. These numbers were included in the Cost Estimate Worksheet included in the original RBF application.

In spring of 2014, the original project cost estimate was further refined, prior to bidding the project. Again, a local marine contractor was used along with a material supplier to better estimate the project cost. The construction component of the cost estimate was increased to \$1,880,508.00, which was \$303,295 greater than the original estimate used in the RBF application. The reason for the cost increase was due to better understanding the

**Attachment C**

structural integrity of the surrounding environment, and modifying the seawall design accordingly.

On July 2, 2014, an advertisement for bid was released for Phase 1 construction. On July 18, 2014, bids were received from two qualified construction firms and opened. The bid tabulation is attached. The most cost effective bid was submitted by Michels Corporation, of Brownsville, Wisconsin for \$2,505,516. This low bid was \$625,008., or 33%, greater than the most recent engineering cost estimate.

The bidding results were a bit disappointing. As depicted in the bid tabulation, the greatest cost difference between the engineering cost estimate and the bids was associated with the stone supply and placement. The stone material was going to be provided by the same supplier that provided the basis for the engineering cost estimate generation. But when it came to the bidding, the cost of the material was quoted significantly greater.

Subsequent discussion took place with the rock supplier in question concerning the reasons for the increase in costs over a relatively short time span. The reasons provided for the increase, included the following:

- The specific material was no longer available in the identified quarry. The material would need to be acquired from a quarry further away.
- The construction tolerance required stone cutting, thus increasing the costs; and
- The demand for the material had increased, thus the price was increased.

The City continues to work the project to reduce project costs. Although stacked stone was introduced during the engineering design phase to reduce the volume of steel needed for the project, the City has continued worked to further reduce the stone volume for the project. As of the writing of this letter, the new revised project cost estimate, following a Change Order to reduce stone volumes, is identified at \$2,213,271. That's still \$636,058 greater than the original construction cost estimate that was used in the City's original RBF application.

The following table summarizes the project cost fluctuation.

Cost Estimate	Date	Construction Cost	Design Costs/ Ancillary Fees	Total Cost
Original project cost estimate	May 29, 2012	\$1,577,213	\$370,810	\$1,948,023
Engineered cost estimate	Spring 2014	\$1,880,508		
Bid response costs	July 18, 2014	\$2,505,516		
Revised project cost estimate	Sept. 8, 2014	\$2,213,271	\$759,789	\$2,973,060

Based upon revised project construction cost estimate and with redesign costs, project contingency and construction administration, the total project cost is estimated to be

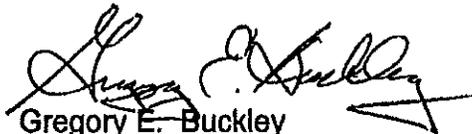
Ms. Chris Halbur  
January 6, 2015  
Page 3

\$2,973,060. To date, the City has been awarded RBF funding of \$876,610, has \$672,993 in awards from other grant programs, and has committed \$400,000 in City funds, for a total of \$1,949,603 in available resources. Additional funds totaling just over \$1 million are needed to move forward with this important harbor infrastructure project.

To that end, the City is requesting \$565,000 in additional funding from the RBF program to help make up this cost difference. Additionally, we are seeking additional funding from other sources (both City borrowing and other grants) to make up the balance of the needed funding.

Please let me know if you require any additional information or have any questions. We look forward to the opportunity to present this supplemental funding request to the Wisconsin Waterways Commission.

Sincerely,

  
Gregory E. Buckley  
City Manager

CC: Diane Conklin, WDNR  
Jim McDonald, City Engineer/Public Works Director  
Brian Hinrichs, Foth Environment and Infrastructure

Attachment C

Project Name:  
Harbor Park Seawall Replacement

Project Location:  
City of Two Rivers, Manitowoc County, Wisconsin

Photo No.  
1

Description:  
View north, along  
failing sea wall,  
Harbor Park to the  
right.

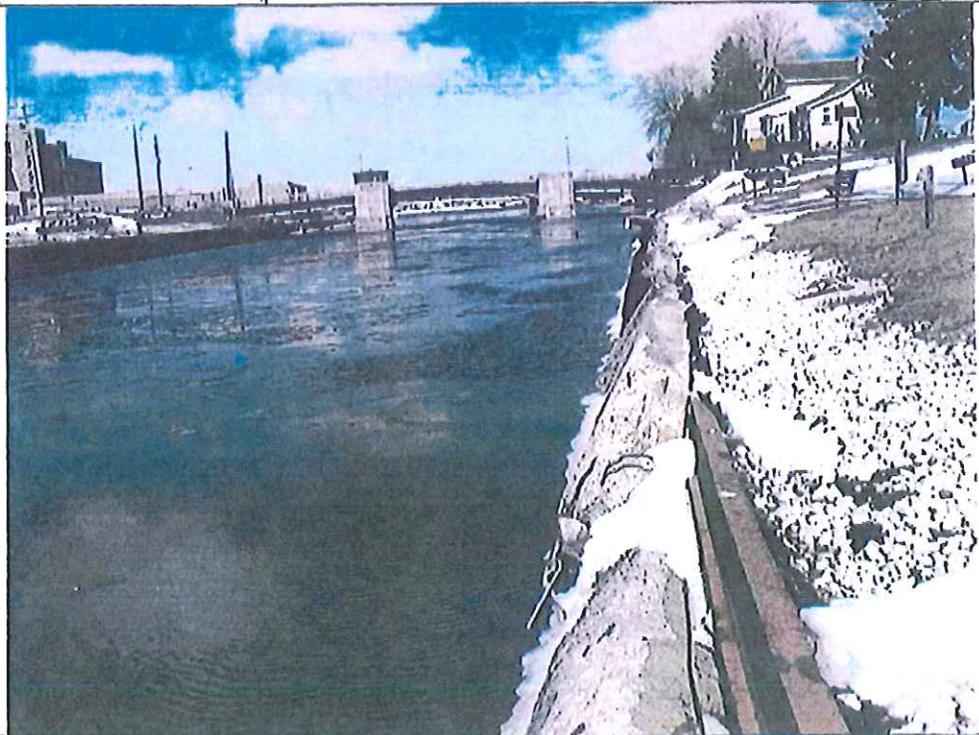
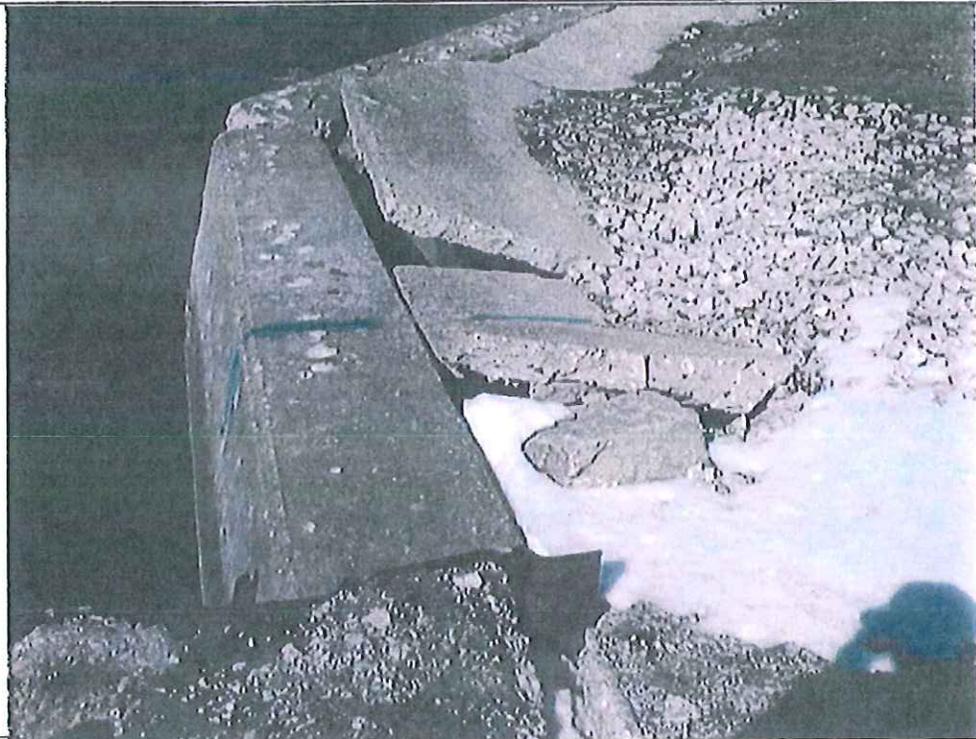


Photo No.  
2

Description:  
Sea wall cap failure  
with voids. The  
green line seen on the  
concrete cap denotes  
the location of the  
sanitary sewer  
inverted syphon river  
crossing.



Photographic Log

Wisconsin Waterways Commission Financial Assistance Application, January 2012

Project Name:  
Harbor Park Seawall Replacement

Project Location:  
City of Two Rivers, Manitowoc County, Wisconsin

Photo No.  
9

Description:  
October 1, 2010  
Evidence of Vertical Drop over Sanitary Sewer River Crossing (Inverted Syphon). Note the relative vertical distance between the top of the sea wall (concrete cap) and the adjacent Metal Sea Wall extending from the US Coast Guard Sea Wall system.



Photo No.  
10

Description:  
October 5, 2011  
Again, note the vertical distance between the top of the concrete sea wall cap and the adjacent US Coast Guard extended sheet piling. The green line seen on the concrete cap denotes the location of the sanitary sewer inverted syphon river crossing.

