



## Legislative Fiscal Bureau

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April 18, 2018

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Stewardship Grant for West Bend Riverwalk Project -- Agenda Item V

On March 14, 2018, the Department of Natural Resources requested approval under s. 23.0917(6m) of the statutes to provide a local assistance grant of \$655,100 from the property development and local assistance subprogram of the Warren Knowles-Gaylord Nelson Stewardship Program to the City of West Bend for an amendment to the existing Downtown Riverwalk Rehabilitation project. Notice of an objection to the proposed grant amendment was made on March 30, 2018.

### ANALYSIS

#### Background

Under current law, the Warren Knowles-Gaylord Nelson Stewardship program is allocated \$33.25 million in annual bonding authority each year through fiscal year 2019-20. Under the program, DNR acquires land and provides grants to local units of government and non-profit organizations for land acquisition and property development activities. Currently, \$9.75 million is available annually for the property development and local assistance subprogram, with \$6 million available annually for local assistance grants. Funding obligated for local assistance may be used for: (a) grants for acquisition of urban green space; (b) grants for acquisition and development of local parks; (c) grants for acquisition of property development rights; and (d) grants for acquisition and development of urban rivers. Stewardship funds may generally be provided for up to 50% of total eligible project costs of all project phases, equal to at least a dollar-for-dollar match of non-state funds by the grant recipient. Grants may be up to 75% of project costs for certain grants to non-profit conservation organizations.

In April, 2013, the Joint Committee on Finance approved a grant for \$706,100 to the City of West Bend for the Downtown Riverwalk Rehabilitation project. The original scope of the project

consisted of reconstruction of the downtown portion of the City's Riverwalk on the east side of the Milwaukee River. This was to include reconstruction of the deteriorating riverbank, rehabilitation of two pedestrian bridges, and construction of a new eight-foot wide trail after riverbank stabilization was completed. Estimated project costs for the original project scope totaled approximately \$1,412,200, with the City of West Bend providing \$706,100 in project funds.

## **Request**

Original cost estimates were based on planned repairs to the pedestrian bridges, which initial inspections indicated would be sufficient to restore structural integrity. Direct costs for bridge repairs were initially budgeted at \$50,000. However, after detailed inspections revealed more extensive bridge deterioration, the City determined that both pedestrian bridges would require replacement to ensure public safety. At that time, the City suspended the project and solicited community input on an updated design to replace both bridges.

Table 1 lists the project components completed to date, components still to be completed, and the corresponding costs of each. Project cost estimates currently total \$2,780,100, with increases attributable to bridge replacement costs and updated costs based on the project's final design. Activities completed to date have been funded primarily with a Federal Highway Administration Transportation Alternatives Program grant of \$353,000, city matching funds and the initial stewardship grant. To date, the City has spent approximately \$1.2 million for demolition and replacement of the north bridge, upland component design and engineering, south bridge inspection and reconstruction design, and prepayment for utility relocation associated with the south bridge. Whereas the larger north bridge structure was completely replaced, including new concrete abutments, the City can reuse the existing concrete abutments for the south bridge, resulting in significant cost savings relative to the north bridge. Remaining project components consist primarily of demolition and replacement of the south bridge, as well as upland components such as concrete walkways, concrete river steps, storm sewer upgrades, and associated erosion control measures. Pending Committee approval of the stewardship grant, the City has a contract with Janke General Contractors Inc. for \$1,077,800 to complete this work. Other remaining costs include landscaping and amenities, utility payments, construction management costs, and public works street work costs such as painting road lines.

**TABLE 1****City of West Bend Downtown Riverwalk Rehabilitation Project Components**

	<u>North Bridge</u>	<u>South Bridge</u>	<u>Upland Components*</u>	<u>Total</u>
<b>Completed Project Components</b>				
North bridge demolition, new bridge fabrication, and installation	\$526,800			\$526,800
Retaining wall fabrication			\$175,000	175,000
North bridge design and engineering	128,400			128,400
Upland design and engineering			125,900	125,900
Utility relocation pre-payment			113,000	113,000
South bridge design and fabrication		\$75,000		75,000
Soil borings, survey, site work	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>	<u>17,700</u>
Subtotal	<u>\$661,100</u>	<u>\$80,900</u>	<u>\$419,800</u>	<u>\$1,161,800</u>
<b>Remaining Project Components</b>				
South bridge demolition, new bridge installation, riverwall, upland components (concrete walkways, concrete river steps, storm sewer upgrades)		\$50,000	\$1,209,800	\$1,259,800
Upland finish work (landscaping, lighting, benches)			240,000	240,000
Soil remediation			80,500	80,500
Construction management		<u>19,000</u>	<u>19,000</u>	<u>38,000</u>
Subtotal		<u>\$69,000</u>	<u>\$1,549,300</u>	<u>\$1,618,300</u>
Total	\$661,100	\$149,900	\$1,969,100	\$2,780,100

\* Upland Components include shoreline rehabilitation, riverwalk surface, and shared costs.

Table 2 lists budgeted funds for the project by source. If the additional requested funds of \$655,100 are provided, stewardship funds will make up \$1,361,200, or 49% of total estimated project costs.

**TABLE 2****City of West Bend Downtown Riverwalk Rehabilitation Project --  
Revised Total Estimated Project Costs by Funding Source**

<u>Funding Source</u>	<u>Funding</u>	<u>Percent</u>
City of West Bend	\$1,065,900	38%
DNR Stewardship Grant (2013)	706,100	25
DNR Stewardship Grant (Proposed 2018 Amendment)	655,100	24
Federal Highway Administration Transportation Alternatives Grant	<u>353,000</u>	<u>13</u>
Total	\$2,780,100	100%

According to the Department, if the additional \$655,100 in stewardship funds were not awarded, the City has not identified sufficient local funds to complete the project and would suspend the project indefinitely. Alternative project funding may be possible through other state or federal grant or loan programs, or through private donations or financing. However, it is not known to what extent such financing could fully supplant the proposed stewardship grant. City representatives indicated to the Department that they would attempt to solicit private donations and then make a final determination regarding the project based on available funds. However, DNR notes that the City has already raised more than \$500,000 in private funds for the project to be used as part of their required matching funds. The stewardship grant funds would be available for other stewardship local assistance projects that originally ranked lower in the Department's ranking criteria. DNR indicates there are approximately \$11 million in unfunded 2017-18 local assistance grant requests.

## **ALTERNATIVES**

1. Approve the Department's request to provide a stewardship grant of \$655,100 in property development and local assistance subprogram funds to the City of West Bend for the completion of the Downtown Riverwalk Rehabilitation project.
2. Deny the request. Stewardship funds would be reallocated to a lower ranking project or projects.

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