

MINUTES OF THE JOINT MEETING

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

**Advisory Committee on Transportation System
Planning and Programming in the Milwaukee Urbanized Areas**

DATE: April 3, 2009
TIME: 9:30 A.M.
PLACE: Milwaukee County Downtown Transit Center
Harbor Lights Room
909 East Michigan Street
Milwaukee, Wisconsin

Milwaukee Urbanized Area Members Present

Voting Members

Brian Dranzik..... Fiscal and Policy Administrator,
Chairman Department of Transportation and Public Works, Milwaukee County
Tom Barrett..... Mayor, City of Milwaukee
(Representing City of Milwaukee)
John M. Bennett.....City Engineer-Director of Public Works, City of Franklin
Rollin Bertran..... Traffic Engineering, Department of Transportation and Public Works,
Transportation Division, Milwaukee County
Scott Brandmeier Director of Public Works/Village Engineer, Village of Fox Point
Allison Bussler..... Interim Director, Department of Public Works, Waukesha County
Roy De La Rosa Director, Intergovernmental Relations, Milwaukee County
Robert R. DreblowHighway Commissioner, Ozaukee County
Thomas M. Grisa Director of Public Works, City of Brookfield
Robert C. Johnson..... Transit Director, Waukesha Metro Transit, City of Waukesha
William A. Kappel..... Director of Public Works, City of Wauwatosa
David Karnes Project Engineer, Department of Transportation and Public Works,
(Representing Milwaukee County) Milwaukee County
Michael Lewis.....City Engineer, City of West Allis
Michael J. MaierleManager of Long-Range Planning, City of Milwaukee
Jeffery J. Mantes Commissioner, Department of Public Works, City of Milwaukee
Michael J. Martin Director of Public Works, Village of Hales Corners
Jeffrey S. Polenske..... City Engineer, City of Milwaukee, Milwaukee County
Jack Takerian Interim Director, Department of Transportation and Public Works,
(Representing Scott Walker) Milwaukee County
Clark Wantoch Administration and Transportation Design Manager,
(Representing Paul Vornholt) City of Milwaukee

Non-Voting Members

Kenneth R. Yunker Executive Director, SEWRPC

Guests and Staff Present

Fred Abadi Director of Public Works, City of Waukesha
Tim Barbeau..... Engineer, Village of Butler, R.A. Smith National
Brian Bliesner Local Program Engineer Chief,
Bureau of Project Development,
Wisconsin Department of Transportation
Dustin Block Reporter, Daily Reporter
Charlene Brady Board Supervisor, Washington County
Peter Daniels Project Engineer, City of West Allis
Jon Edgren Highway Commissioner, Washington County
Daniel Goetz Board Supervisor, Washington County
Lois C. Gresl Major Projects Manager, City of Milwaukee
Henry Hamilton III Environmental Justice Task Force (Chair),
Milwaukee Branch, NAACP
Christopher T. Hiebert Chief Transportation Engineer, SEWRPC
Thomas Kempinski Village President, Village of Germantown
Michael Loughran Planning and Development Manager, City of Milwaukee
Dan Ludwig Public Works Director, Village of Germantown
N. Lynnette McNeely Attorney, Law Offices of Thomas J. Awen, NAACP
David Nguyen Major Projects Manager, Office of Recovery and
Reinvestment, Wisconsin Department of Transportation
Ann Olson Legislative Policy Advisor, Waukesha County
Tim Rhode Village Administrator, Village of Butler
Xylia N. Rueda Research Analyst, SEWRPC
David A. Schornack Village Administrator, Village of Germantown
Robert Schmidt Local Program Manager, Division of Transportation System Development,
Wisconsin Department of Transportation
David Simpson City Engineering/Director of Public Works Projects, City of Muskego
Jodie Tabak Spokeswoman for the Mayor of Milwaukee, City of Milwaukee
Thomas W. Tollaksen Village Manager, Village of River Hills
Martin Weddle Research Analyst, County Board, Milwaukee County
Bill Wehrley City Engineer, City of Wauwatosa
Scott Williams Reporter, Milwaukee Journal Sentinel

ROLL CALL

Chairman Dranzik called the meeting of the Advisory Committee on the Transportation System Planning and Programming for the Milwaukee Urbanized Area to order at 9:30 a.m. He noted that a sign-in sheet was being circulated for the purposes of taking roll and recording the names of all persons in attendance at the meeting, and declared a quorum of the Committee present.

CONSIDERATION OF APPROVAL OF THE THREE REMAINING PROJECTS IN THE MILWAUKEE URBANIZED AREA APPROVED BY THE GOVERNOR AND THE WISCONSIN STATE LEGISLATURE JOINT FINANCE COMMITTEE FOR AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDING IN THE STAGE 1 SOLICITATION

Mr. Yunker reviewed the three remaining projects in the Milwaukee Urbanized Area approved by the Governor and the Wisconsin State Legislature Joint Finance Committee in the Stage 1 solicitation for American Recovery and Reinvestment Act Federal Highway Administration Surface Transportation Program – Milwaukee Urbanized Area (ARRA FHWA STP-MUA) funding: reconstruction with additional traffic lanes of CTH Q between USH 41 and Pilgrim Road in Washington County (\$3,500,000), reconstruction with additional traffic lanes of CTH Y between CTH Q and STH 175 in Washington County (\$3,658,000), and the rehabilitation of the River Road bridge over Indian Creek in the Village of River Hills (\$307,734). He noted that the Advisory Committee at its March 20, 2009, meeting, acted to defer selection of these three remaining Stage 1 solicitation projects until a listing of eligible Stage 2 solicitation projects is made available by the Wisconsin Department of Transportation (WisDOT) for review by the Advisory Committee. This action was taken by the Advisory Committee based on the understanding from WisDOT staff present at the meeting that deferring the selection of these projects until eligible Stage 2 solicitation projects are available for review would still permit them to be under construction in 2009. Mr. Yunker stated that following the March 20, 2009, meeting, WisDOT staff had informed Commission staff that the three remaining Stage 1 solicitation projects need to be approved by April 6, 2009, if the construction is to occur in 2009. The following questions and comments were raised in the ensuing discussion:

1. Mayor Barrett stated that the three projects should be funded with the \$354.5 million in discretionary ARRA FHWA STP funds available statewide, instead of being funded with the \$38.7 million of ARRA FHWA STP funds allocated to the Milwaukee urbanized area. Mr. Yunker noted that WisDOT staff had indicated to Commission staff that should the remaining three Stage 1 solicitation projects be approved for ARRA FHWA STP funding by the Advisory Committee, the funding source for the projects would be the \$38.7 million in ARRA FHWA STP funds allocated to the Milwaukee urbanized area.
2. Mr. De La Rosa stated that projects located in economically distressed areas should be given priority in selecting projects for ARRA FHWA STP-MUA funding.
3. Mr. Takerian asked whether the three remaining Stage 1 solicitation projects approved by the Governor and the Wisconsin State Legislature's Joint Finance Committee had submitted an application for the ARRA funds. Mr. Bliesner replied that the bridge project selected in the Stage 1 solicitation had been approved for Federal bridge replacement funds but its implementation had been deferred because of an over-programming of those funds. He also noted that Washington County had submitted applications for the CTH Y and CTH Q reconstruction projects during the Stage 1 solicitation.
4. Mr. Takerian suggested that the Advisory Committee continue to defer selection of the three remaining Stage 1 solicitation projects until WisDOT has made available to the Advisory Committee a listing of eligible Stage 2 solicitation projects, and inquired about WisDOT's desired timeframe for Advisory Committee selection of the three remaining Stage 1

solicitation projects. Mr. Bliesner responded that the three remaining Stage 1 solicitation projects would need to be selected by April 6, 2009, so that the projects could be let and constructed in 2009.

5. Mr. Takerian asked whether WisDOT could fund the three remaining Stage 1 solicitation projects from the \$38.7 million of ARRA FHWA STP-MUA allocation should the projects not be selected for funding by the Advisory Committee. Mr. Nguyen responded that the State would only approve the projects for ARRA funding implementation if the Advisory Committee approved the projects for FHWA ARRA STP-MUA funding. Mr. Yunker added that, as the Metropolitan Planning Organization for the Milwaukee urbanized area, the Commission looks to the Advisory Committee for project selection for Federal funding for projects within the urbanized area. He noted that Commission has always accepted the recommendations of the Advisory Committee.
6. Mr. Goetz stated that the two projects in Washington County are ready now for implementation, and noted that the projects would create jobs and economic stimulus in 2009. Mr. Kempinski noted that the segments of CTH Q between USH 41 and Pilgrim Road and CTH Y between CTH Q and STH 175 in Washington County need to be reconstructed based on their current condition. He added that the right-of-way acquisitions required to implement these projects has been completed.
7. Responding to a question by Mr. Grisa, Mr. Yunker stated that the Advisory Committee determines which projects are selected for use of the \$38.7 million in ARRA FHWA STP-MUA funding. Mr. Grisa then asked whether the Advisory Committee could approve the Stage 1 solicitation projects with the stipulation that the funding to implement them comes from the \$354.5 million of discretionary ARRA FHWA STP funding received by the State that is available for projects statewide. Mr. Yunker replied that the Advisory Committee does not have the authority to approve projects under the State's discretionary ARRA FHWA funds, but could request that WisDOT consider funding these three State 1 solicitation projects out of the State's discretionary funds. Mayor Barrett noted that the State Legislature's Joint Finance Committee had already approved the three projects for funding.
8. In response to an inquiry by Ms. Bussler, Mr. Yunker noted that WisDOT expedited the selection of projects for use of the ARRA FHWA funding under the Stage 1 project solicitation to meet timeframes specified to implement projects in draft versions of the ARRA legislation, which were more restrictive than the timeframes eventually specified in the final ARRA legislation. Mr. Nguyen added that the longer timeframes to implement projects within the final ARRA legislation allowed WisDOT to solicit another stage of candidate projects for ARRA FHWA STP funding. Mr. Bliesner stated that the Advisory Committee should have had an opportunity to review the projects in the Milwaukee urbanized area prior to their approval by the Joint Finance Committee.
9. Mr. Brandmeier noted that the projects in question meet the Governor's criteria for funding under the ARRA legislation—projects are eligible for FHWA STP funding in 2009, design of projects can be completed to allow implementation in 2009, and projects would not otherwise have been completed during 2009. He added that they were approved for funding by the State Legislature's Joint Finance Committee, and suggested that they should be funded with the \$354.5 million in discretionary ARRA FHWA STP funding

10. Mr. Takerian asked whether it was possible to reimburse the Milwaukee urbanized area the amount that would be spent on these projects with the State's discretionary funds should the Committee approve the three projects for ARRA FHWA STP-MUA funding. Mr. Nguyen responded that it was possible that WisDOT could reimburse the Milwaukee urbanized area, but the projects are local projects in the Milwaukee area and are intended to be funded with Milwaukee area funds.
11. Mayor Barrett stated that the City had attempted to submit projects during the Stage I solicitation, but none of their candidate projects were deemed eligible. He noted that there were no projects in the City of Milwaukee in the Governor's list submitted to the State Legislature's Joint Finance Committee. He said that he had been informed by State officials that none of the projects approved by the State Legislature's Joint Finance Committee would be funded out of the \$38.7 million in ARRA funds designated for the Milwaukee Urbanized Area

Mayor Barrett motioned that the Advisory Committee on Transportation System Planning and Programming in the Milwaukee Urbanized Area recommend to the Wisconsin Department of Transportation that the three remaining Stage 1 solicitation projects—reconstruction with additional lanes of CTH Q between USH 41 and Pilgrim Road in Washington County, CTH Y between CTH Q and STH 175 in Washington County, and the rehabilitation of the River Road bridge over Indian Creek in the Village of River Hills—be funded within the \$354.5 million in ARRA FHWA STP discretionary funds received by the State of Wisconsin. Ms. Bussler seconded the motion. Mr. Dranzik asked whether there were any comments or questions prior to Advisory Committee voting on the issue. The following comments and questions were raised by Committee members:

1. Mr. Schornack stated that should the three remaining Stage 1 solicitation projects not be approved by the Advisory Committee for a portion of the \$38.7 million in ARRA FHWA STP-MUA funds, the projects would likely not be implemented.
2. Responding to a question by Mr. Johnson, Mr. Yunker stated that the Advisory Committee would be able to review the three remaining Stage 1 solicitation projects with the eligible Stage 2 solicitation projects, should WisDOT refuse to fund the three Stage 1 projects using discretionary funding, but noted that any delay in selecting these projects for ARRA FHWA STP-MUA funding may result in the construction of the Stage 1 projects not being initiated in 2009.
3. Mr. Tollaksen noted that if the Advisory Committee deferred the selection of the three remaining Stage 1 solicitation projects, the potential creation of jobs by these projects may be delayed until 2010. Mr. Kempinski added that the intent of the ARRA legislation was to implement projects as soon as possible. He requested that the Advisory Committee select these projects for ARRA FHWA STP-MUA funding. Mr. Takerian cautioned the Advisory Committee concerning selecting the three remaining Stage 1 solicitation projects for ARRA FHWA STP-MUA funding.
4. Mr. Hamilton noted that the ARRA legislation required priority be given to projects located within economically distressed areas. Mr. Goetz noted that the project contracts for the two

Washington County projects could specify that a percentage of the workers on the project reside within economically distressed areas.

5. Mayor Barrett read from a letter sent from the State Legislative Fiscal Bureau to members of the State Legislature's Joint Finance Committee regarding the Governor's request for use Federal economic stimulus funding for 49 local transportation projects, which include the three projects in question (see Attachment A). He noted that based on the letter it appears that WisDOT does not intend to fund local projects (including the three projects in question) with funds from the \$354.5 million in discretionary ARRA FHWA funding allocated to the State.
6. Mr. Grisa suggested that the Advisory Committee approve the three remaining Stage 1 solicitation projects and request that WisDOT reimburse the Milwaukee urbanized area with State discretionary ARRA funds. Mr. Dreblow agreed and suggested that elected officials in the Milwaukee urbanized area put pressure on the State to reimburse the funds.

Mr. Brandmeier made a motion to amend the earlier motion specifying that the Committee approve the three projects to be funded within the \$38.7 million of ARRA FHWA STP-MUA funds, and request reimbursement from the State's \$354.5 million in discretionary ARRA FHWA STP funds. Mr. Dreblow seconded the motion.

Responding to an inquiry by Mr. Yunker, Mr. Brandmeier stated that the purpose of his motion is to allow the three remaining Stage 1 solicitation projects to begin construction in 2009. Mr. Yunker noted that Mr. Brandmeier's proposal would approve the funding of the three remaining projects with ARRA FHWA STP funds allocated to the Milwaukee urbanized area, and that there would be no guarantee that WisDOT would refund the urbanized area for the projects with the State's \$354.5 million in discretionary ARRA FHWA STP funds. Mr. Brandmeier then withdrew his motion, and made a new motion to amend the earlier motion that the Committee allow the State to determine which source of ARRA funds to use to fund the projects. This motion by Mr. Brandmeier was not seconded.

There being no further discussion on the original motion by Mayor Barrett, Chairman Dranzik asked for the motion to be put to a vote. The motion that the Advisory Committee on Transportation System Planning and Programming in the Milwaukee Urbanized Area recommend to the Wisconsin Department of Transportation that the three remaining Stage 1 solicitation projects—reconstruction with additional lanes of CTH Q between USH 41 and Pilgrim Road in Washington County, CTH Y between CTH Q and STH 175 in Washington County, and the rehabilitation of the River Road bridge over Indian Creek in the Village of River Hills—be funded within the \$354.5 million in ARRA FHWA STP discretionary funds received by the State of Wisconsin passed with a vote of 14 ayes and 5 nays, with Mr. Dreblow, Mr. Grisa, Mr. Lewis, Mr. Martin, and Mr. Brandmeier voting against the motion.

Chairman Dranzik suggested that the Commission staff write a letter to WisDOT notifying them of the Advisory Committee's recommendation to not fund the projects with ARRA FHWA STP-MUA funds, and to instead fund the projects with the State discretionary ARRA FHWA STP funding.

[Secretaries Note: A copy of the letter transmitted to WisDOT by Commission staff is included as Attachment B to these minutes.]

Responding to an inquiry from Ms. Bussler, Mr. Yunker explained that according to discussions with WisDOT staff, the Joint Finance Committee had not been aware that the funding was coming out of the ARRA FHWA STP funds allocated to the Milwaukee Urbanized Area.

Mr. Yunker stated that based on the deadlines specified in the ARRA legislation, the Advisory Committee needs to develop in a short timeframe the process for selecting projects for use of ARRA FHWA STP-MUA funding. He noted that the deadline for local governments to submit projects under the Stage 2 project solicitation is April 8, 2009, after which WisDOT staff will review the applications for eligibility and deliverability. WisDOT would then transmit the list of eligible projects to the Commission for selection of projects to receive ARRA funding. He noted that WisDOT staff has not indicated when they expect to complete their review. Mr. Yunker added that Commission staff will hold a public meeting in April to solicit public input on the process to select the Stage 2 solicitation projects for ARRA FHWA STP-MUA funding, and the Advisory Committee will need to meet again in late April and May to make their project funding decisions.

ADJOURNMENT

There being no further business to come before the Committees, the meeting was adjourned on a motion from Mr. Kappel, seconded by Mr. Dranzik, and carried unanimously by the Committees.

Respectfully submitted,

Kenneth R. Yunker
Acting Secretary

* * *

KRY/CTH/RWH/SD/XNR/mlh
8/16/10

#143979 V1 - TIP '09-'12 MUA COMMITTEE MEETING MINUTES 04-03-09

Attachment A



Legislative Fiscal Bureau

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

March 17, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Governor's Request for Use of Federal Economic Stimulus Funding for Transportation Projects

REQUEST

The Governor requests approval for the use of \$42,455,100 received under transportation provisions of the federal American Recovery and Reinvestment Act of 2009 for 49 local transportation projects. The specific projects are shown below, separated by projects with a proposed letting date in April (these are all bridge projects), and those with a May or June letting date.

Proposed Bridge Projects with an April Letting Date

<u>Unit of Government</u>	<u>County</u>	<u>Project</u>
Town of Barron	Barron	18th Avenue-Yellow River Bridge
Town of Freeman	Crawford	Rush Creek Road Bridge
Village of Rockdale	Dane	CTH B-Koshkonong Creek Bridge
Town of Cloverland	Douglas	McNeil's Landing Road-Brule River Bridge
Town of Oakland	Douglas	Rice Farm Road-Little Amnicon River Bridge
Town of Auburn	Fond du Lac	Youth Camp Road Bridge
City of Hurley	Iron	Poplar Street-Montreal River Bridge
Lafayette County	Lafayette	CTH J-Fever River Bridge
Town of Skanawan	Lincoln	Little Pine Creek Bridge
Town of Manitowoc	Manitowoc	Valley Drive Bridge
Town of Meeme	Manitowoc	South Cleveland Road Bridge
Town of Meeme	Manitowoc	County Line Road Bridge
Town of Newton	Manitowoc	Newton Road Bridge
Town of Wilton	Monroe	Kettle Road-Birch Sleighton Creek Bridge
Town of Prentice	Price	Morner Road-Douglas Creek Bridge
Sauk County	Sauk	CTH G-Baraboo River Bridge
City of Medford	Taylor	Allman Street-Black River Bridge
Tempealeau County	Trempealeau	Bruce Valley Creek Bridge
Village of Oconomowoc Lake	Waukesha	Valentine Road-Oconomowoc River Bridge

Attachment A (continued)

Proposed Local Transportation Projects with May or June Lets

<u>Unit of Government</u>	<u>County</u>	<u>Project</u>	<u>Type</u>
Town of Sherwood	Clark	Ballard Road-Hay Creek Bridge	Bridge
Dane County	Dane	CTH N-Yahara River Bridge	Bridge
City of Madison	Dane	Starkweather Creek Bike/Pedestrian Trail	Enhancements
Dodge County	Dodge	CTH G-Glen Drive to STH 73	Highway
City of Sturgeon Bay	Door	Michigan Street -1st Avenue to 4th Avenue	Highway
Town of Alto	Fond du Lac	Lake Maria Road Bridge	Bridge
Town of Alto	Fond du Lac	Oak Grove Road Bridge	Bridge
Forest County	Forest	CTH W-CTH Q to USH 8	Highway
Grant County	Grant	CTH C-Warner Creek Bridge	Bridge
Green Lake County	Green Lake	CTH I-Grand River Crossing	Bridge
Town of Arena	Iowa	River Road Bridge	Bridge
Jackson County	Jackson	CTH A-8th Street to CTH F	Highway
City of Onalaska	La Crosse	Oak Avenue-Oak Forest Dr. to Enterprise Ave.	Highway
Marathon County	Marathon	CTH NN-STH 107 to USH 51	Highway
Marathon County	Marathon	CTH F-CTH H to CTH S	Highway
Menominee County	Menominee	CTH M-STH 47 to Strawberry Lane	Highway
Village of River Hills	Milwaukee	River Road Bridge	Bridge
Portage County	Portage	CTH P-West River Drive Rocky Run Crossing	Bridge
Town of Ogema	Price	Hallstrand Road-Holmes Creek Bridge	Bridge
Richland County	Richland	CTH I-Gault Hollow Creek Bridge	Bridge
Rock County	Rock	CTH A-Blackhawk Creek Bridge	Bridge
Sauk County	Sauk	CTH PF-Seeley Creek Bridge	Bridge
Town of Pershing	Taylor	Hannibal Road-Branch Fisher River Bridge	Bridge
Town of Westboro	Taylor	Westboro Road-Mondeaux River Bridge	Bridge
Trempealeau County	Trempealeau	CTH G-Pine Creek Bridge	Bridge
Village of Sharon	Walworth	CTH C-Stateline Road to Pleasant Street	Highway
Village of Germantown	Washington	CTH Y (Lannon Road)	Highway
Village of Menomonee Falls	Washington	CTH Q (County Line Road)	Highway
Washington County	Washington	CTH W-Bridge over east branch of Rock River	Bridge
Wood County	Wood	Branch of Mill Creek Crossing	Bridge

The total estimated cost of the April projects is \$8,192,400, while the estimated cost of the May and June projects is \$34,262,700. The Department of Transportation has asked that estimates of the individual cost of the projects be kept confidential to avoid adversely affecting the bidding process.

BACKGROUND

The State of Wisconsin will receive a total of \$529.1 million in funds under the highway formula component of the American Recovery and Reinvestment Act of 2009. A provision of 2009 Wisconsin Act 2 requires the Department of Transportation to allocate federal stimulus funding to 47 projects listed in the act, with an estimated total cost of \$298.7 million. The Department has certified these projects with the federal government and indicates that contracts for them will be let prior to the end of fiscal year 2008-09. All but one these projects are on the state highway system, accounting for \$298.6 million of the total estimated cost.

Attachment A (continued)

The federal economic stimulus act requires states to allocate a total of 30% of the highway funds to specific areas subdivided by population. Areas with a urbanized area population exceeding 200,000 have their own set-asides, which in Wisconsin are the urbanized areas of Madison and Milwaukee, and a portion of the Round Lake Beach, Illinois, urbanized area in western Kenosha County. Urbanized areas with a population less than 200,000 and areas with a population less than 5,000 do not have their own set-asides, but states are required to set aside a portion of the funds in aggregate for these areas. In addition, the federal act requires that 3% of the highway funds be allocated to the transportation enhancements program, which funds alternative transportation projects such as bicycle and pedestrian facilities. The following table shows these set-aside amounts for Wisconsin.

Wisconsin Economic Stimulus Highway Funding and Set-Asides

Total Highway Funding	\$529,111,900
Population Area Subgroups	
Greater than 200,000 Population*	\$49,074,000
Less than 200,000 Population	95,035,800
Less than 5,000 Population	<u>14,623,700</u>
Total Population-Based Set-Aside	\$158,733,500
Transportation Enhancements	\$15,873,400
Funds for Any Area	\$354,505,000

* Of the amount designated for urbanized areas with a population exceeding 200,000, Milwaukee is to receive \$38,736,200, Madison is to receive \$9,752,300, and the portion of the Round Lake Beach, Illinois, urban area that lies in western Kenosha County is to receive \$585,500.

Although the federal stimulus act requires the state to set aside funds as shown above, the funds are not required to go to highways under local jurisdiction. Instead, the set-asides represent the minimum amounts that must be spent within the respective areas, on either state or local highways that are eligible for federal aid.

The 49 projects included in the Governor's request are all of the projects that the Department of Transportation has determined meet three criteria. First, all were determined to be federal-aid eligible. Second, all the projects have completed plans and are ready for the 2009 construction season. Finally, all of the projects would not have otherwise been completed during the 2009 construction season, consistent with the federal goal of supplementing, rather than supplanting, the states' resources for transportation.

Although federal law does not require the urbanized area or enhancements funds set-asides to be used on local jurisdiction projects, the Department has notified local governments that the full amount of the required set-asides, or \$158.7 million for highways and bridge projects, and \$15.9 million for transportation enhancements, could be made available for local government projects if

there are enough eligible projects to use those amounts within the one-year deadline established for the use of funds by the federal act. The Department has established an April 1 application deadline for other local projects not included in the Governor's request. These additional projects would likely be let next February or March for construction during the 2010 season. If there are not enough eligible projects to use the full amount of the set-asides, the Department indicates that the minimum allocations could be satisfied with projects on state highways in the respective set-aside areas.

If the Department receives applications for eligible projects exceeding the amount of the designated set-asides, the Department indicates that projects would be awarded funding using various priorities for transportation projects established in the federal act. For instance, states are asked to give preference to projects that can be delivered expeditiously, that are in economically distressed areas, and that use funds in a manner that maximizes job creation and economic benefit.

ANALYSIS

If the Committee denies the Governor's request, most, if not all, of the projects would not be completed during the 2009 construction season. The Department indicates the bridge projects designated for April lets, in particular, would need approval at this time in order to stay on schedule for advertisement, bidding, and construction during 2009, since some stages of the work cannot be done during certain parts of the year for environmental reasons, or the length of time needed to complete the project requires an early season start. Approval of the projects scheduled for a May or June let is requested in order to leave sufficient time for project agreements to be finalized and other federal requirements to be met. Any delayed projects could be reconsidered for construction in 2010, but such a delay would reduce the state's progress toward achieving one of the principal goals of the federal act, which is to quickly increase the number of highway construction jobs during a time of high unemployment in the industry.

Approving the Governor's request, on the other hand, has two implications that should be noted. First, approval of the Governor's request would create a first draw on the local set-asides, prior to having complete information on other potential projects. This would use \$42.5 million of the \$174.6 million in local set-asides, with all but one project coming from the \$158.7 million set-aside for highway and bridge projects. If the request is denied, the 49 listed projects would have to compete for funding with any other eligible projects for funding in 2010, using the criteria outlined in the federal act. That is, no project would be given preferential treatment based on its readiness for construction in 2009. However, this would only be an issue if the amount of additional local project applications exceeds the amount of the remaining local project set-asides.

Second, approval of the Governor's request would reduce the amount of economic stimulus funding that can be used in the 2009-11 budget bill. The Governor's budget bill would allocate a total of \$281.9 million of economic stimulus funds for DOT programs, as shown in the following table. All funds would be appropriated in state fiscal year 2009-10.

**Allocation of Federal Economic Stimulus Funds
Under the Governor's 2009-11 Budget Bill**

<u>Program</u>	<u>2009-10</u>
State Highway Rehabilitation--Statewide Projects	\$110,010,700
State Highway Rehabilitation--Milwaukee & Madison Urbanized Areas	22,056,500
Major Highway Development	76,000,000
Southeast Wisconsin Freeway Rehabilitation	61,100,000
Transportation Enhancements	<u>12,683,300</u>
 Total	 \$281,850,500

Since the Governor's bill was largely developed before the federal economic stimulus act was passed, the Department of Administration had assumed that the state would receive a larger amount of economic stimulus funds for highways than the final act provided. Consequently, the bill reflects \$51.5 million more in stimulus funds for use in 2009-10 than the state will receive, after subtracting the \$298.7 million in stimulus funds allocated by Act 2. If the Governor's request is approved, that shortfall would increase to \$94.0 million.

Furthermore, it should be noted that \$94.0 million would be the overall shortfall in stimulus funds, but the shortfall relative to the Governor's proposed level of funding for state highway improvement programs could be greater, since the bill would not provide enough stimulus funds for local projects to fund the full amount of the set-asides to local governments. The following table illustrates this point by showing the amount of economic stimulus funding received and the actual and potential commitment of funds. The local set-asides and project commitments are shown separately from the statewide funds and state highway program commitments. For the purposes of this table, it is assumed that the full amount of the set-asides would be dedicated to local jurisdiction projects, reflecting the amounts identified in the Department's solicitation of applications for local projects. The allocations under the Governor's 2009-11 budget bill are identified as "AB 75."

**Use of Local Set-Aside and Statewide Stimulus Funds
(\$ in Millions)**

Total Stimulus Funds Received	\$529.1
Local Set-Asides	
Funds Received	
Highway and Bridge Funds	\$158.7
Transportation Enhancements Funds	<u>15.9</u>
Total Local Funds Received	\$174.6
Local Funds Commitments	
Act 2 Project	\$0.1
Governor's Local Project Request	42.5
AB 75 Urbanized Area Allocation	22.1
AB 75 Transportation Enhancements	<u>12.7</u>
Total Local Funds Commitments	\$77.4
Remaining Local Funds Unallocated	\$97.2
Statewide Funds	
Statewide Funds Received	\$354.5
Statewide Funds Commitments	
Act 2 State Highway Projects	\$298.6
AB 75 State Highway Programs	<u>247.1</u>
Total Statewide Funds Commitments	\$545.7
State Highway Program Shortfall	-\$191.2
Net Shortfall, All Funds	-\$94.0

As the table shows, if the full amount of the federally-mandated set-asides are committed to local jurisdiction projects, the Governor's proposed funding levels for state highway programs would have to be reduced by \$191.2 million. During its deliberations on the 2009-11 budget, the Committee will have to reduce the allocations of federal stimulus funds for transportation, either by reducing the bill's allocation of funds to state highways or reducing the amount of the set-asides designated for local jurisdiction projects.

ALTERNATIVES

1. Approve one or both of the following parts of the Governor's request:
 - a. a request to use \$8,192,400 in federal economic stimulus funds for 19 local bridge

Attachment A (continued)

projects scheduled for letting in April.

b. a request to use \$34,262,700 in federal economic stimulus funds for 30 local bridge, highway, and transportation enhancements projects scheduled for letting in May and June.

2. Deny the request.

Prepared by: Jon Dyck

Attachment B

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

W239 N1812 ROCKWOOD DRIVE • PO BOX 1607 • WAUKESHA, WI 53187-1607 •

TELEPHONE (262) 547-6721
FAX (262) 547-1103

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April 8, 2009

Ms. Aileen I. Switzer
Chief, Urban Planning Section
Division of Transportation Investment Management
Wisconsin Department of Transportation
4802 Sheboygan Avenue, Room 933
P. O. Box 7913
Madison, WI 53707-7913

Dear Ms. Switzer:

On April 3, 2009, the Commission's Advisory Committee on Transportation System Planning and Programming for the Milwaukee Urbanized Area and the Executive Committee of the Commission met to consider approval of three Stage 1 projects to receive Federal Highway Administration (FHWA) Surface Transportation Program-Milwaukee Urbanized Area (STP-MUA) American Recovery and Reinvestment Act (ARRA) funding. These three projects were the reconstruction with additional traffic lanes of CTH Q between U.S. Highway 41 and Pilgrim Road in Washington County, the reconstruction with additional traffic lanes of CTH Y between CTH Q and STH 175 in Washington County, and the rehabilitation of the River Road Bridge over Indian Creek in the Village of River Hills. The Advisory Committee determined not to recommend funding of these projects with FHWA STP-MUA ARRA funding, but did recommend that the Wisconsin Department of Transportation consider funding these projects within the \$354.5 million of discretionary ARRA FHWA funds received by the State of Wisconsin. The Advisory Committee in making this recommendation recognized that these three projects would represent about \$7.4 million of construction and economic stimulus in the 2009 construction season, but were concerned that by allocating about 20 percent of the available FHWA STP-MUA funding to these projects, that they may not in turn receive a fair share of this funding, that the three projects were not located in economically distressed areas, and that there may be Stage 2 projects as well that could provide construction and economic stimulus in the 2009 construction season. The Executive Committee of the Commission at their April 3, 2009, meeting approved the Advisory Committee's recommendation.

Should you have any questions about the Advisory Committee's or the Commission's actions with respect to these three projects, please do not hesitate to contact us.

Sincerely,

Kenneth R. Yunker, PE
Executive Director

KRY/lw
#143990 v1 - SwitzerLtr/StimulusFunding

Attachment B (continued)

Ms. Aileen I. Switzer

April 8, 2009

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cc: Sandra K. Beaupre, Director, Bureau of Planning and Economic Development, Division of
Transportation Investment Management, Department of Transportation
Donna L. Brown, Systems Planning Group Manager, Southeast Region, Wisconsin Department
of Transportation
Rodney A. Clark, Director, Bureau of Transit, Local Roads, Rails and Harbors, Division of
Transportation Investment Management, Department of Transportation
Dwight E. McComb, Planning and Program Development Engineer, Federal Highway
Administration, U.S. Department of Transportation