



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #923

Park East Freeway (DOT -- State Highway Program)

[LFB 2001-03 Budget Summary: Page 664, #4]

CURRENT LAW

A 1999 agreement between Governor Thompson and the City and County of Milwaukee allocated a total of \$241 million in federal interstate cost estimate (ICE) funds available to the state among various transportation projects in southeastern Wisconsin. In compliance with federal law, the agreement allocated one-half of the ICE funds to the state and the other half to the local governments. It specified that \$21,250,000 of ICE funds would be used for the Park East Freeway demolition project, of which, \$6,800,000 would be from the state's share and \$14,450,000 would be from the local share.

GOVERNOR

Provide \$21,250,000 FED, \$1,200,000 SEG and \$2,550,000 SEG-L in 2001-02 in the state highway rehabilitation program for the demolition of a portion of the Park East Freeway (STH 145) in Milwaukee, the construction of a new bridge spanning the Milwaukee river and surface street improvements to accommodate increased traffic. Specify that the maximum state share for the demolition project shall be \$8,000,000, of which \$6,800,000 shall be federal interstate cost estimate (ICE) funds received by the state, as provided in an agreement entered into on April 20, 1999, between the City of Milwaukee, Milwaukee County and the state. Specify that the local share of the project shall not be less than \$17,000,000, of which \$14,500,000 shall be ICE funds received by the City or County, as provided in the 1999 agreement.

MODIFICATION

Specify that of the \$17,000,000 minimum local share for the Park East Freeway project, \$14,450,000, instead of \$14,500,000 under the bill, shall be ICE funds received by the City or County.

Explanation: The bill's statutory requirement that local governments use not less than \$14,500,000 in ICE funds is based on a rounded figure, cited in the agreement. The unrounded figure, which is the basis for the appropriation adjustment, is \$14,450,000. This amount more precisely reflects the provisions of the agreement, which require the local governments to pay not less than \$17,000,000 of the total project cost, of which 85% would be ICE funds and 15% would be a local match, as required under federal law.

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