



Legislative Fiscal Bureau

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August 27, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Transportation: Governor's Section 13.10 Request for Use of Federal Economic Stimulus Funds for the Cassville Car Ferry Replacement Project -- Agenda Item VI

REQUEST

The Governor submitted a request, in a letter dated August 14, 2009, for approval of the use of federal economic stimulus funding of \$1,800,000 for the replacement of the Cassville car ferry under the federal ferry boat discretionary (FBD) grant program.

BACKGROUND

The federal American Recovery and Reinvestment Act (ARRA) includes \$60 million in funding available from the FBD grant program administered by the U.S. Department of Transportation's Federal Highway Administration (FHWA). FHWA received \$430 million in applications for the \$60 million in funding. On July 23, FHWA informed the Wisconsin Department of Transportation (DOT) that the \$1.95 million Cassville Ferry replacement project submitted by the Village of Cassville in Grant County was selected to receive \$1.8 million in ARRA funding through the FBD program. The Village is among 29 successful applicants for the funding.

FHWA has requested that DOT administer the \$1.8 million in funding to the Village of Cassville under a state-municipal grant agreement. While the ARRA funding could fund up to 100% of the \$1.95 million in project costs, the grant application commits the Village to \$150,000 for the project. The funding can only be used to reimburse the costs for the Cassville Ferry replacement project outlined in the Village's application in accordance with federal ARRA legislation and FBD program requirements and must be obligated by September 30, 2010, and expended by September 30, 2015. For the purposes of ARRA funding, Grant County has been deemed an economically distressed area.

The Cassville car ferry is the oldest ferry service in Wisconsin, dating back to 1852. The ferry port is located in the Village of Cassville and operates between Cassville, Wisconsin, and the Turkey River landing located south of Guttenberg, Iowa. The ferry typically operates from May 1st to November 1st each year and over the past four years has averaged 23,900 passengers per year, with an average of 4,200 automobiles, 3,400 motorcycles, 35 tractor trailers/buses, 125 trucks, and 1,200 walk-on passengers.

The Village of Cassville owns and operates the current 43-year old ferry boat. Since the ferry route does not connect to a state highway, the ferry relies on passenger fares and business sponsorship to cover its operating costs. No state subsidy for operation of the ferry is currently provided. The Village indicated in its federal funding application that the existing ferry is due to be dry docked in 2011 for inspection by the U.S. Coast Guard and could be in need of total replacement or major renovations. The Village also indicated that the Village alone does not have the means to fund the ferry's replacement.

CONCLUSION

The Governor's request for the use of \$1,800,000 in federal economic stimulus funds for the Cassville ferry replacement project satisfies a requirement in 2009 Wisconsin Act 2 that a plan be submitted to the Committee for the expenditure of such funds. Since the funding was awarded by the federal government specifically for this ferry replacement project, no alternative uses of the funds are possible under the federal program.

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