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**PARKS, RECREATION & FACILITIES  
MANAGEMENT**

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TO: Finance Committee

FROM: Dean R. Gazza

DATE: 5/6/2020

RE: Action: Request to accept a DNR Stewardship grant in the amount of \$249,000 for the construction of the Lawe Street Trestle Trail

On April 3, 2019 the Common Council approved a resolution submitted by our department to apply for a DNR Stewardship grant which would pay up to 50% of the cost of construction of the Lawe Street Trestle Trail. At that time, engineering was not completed, but our consultant provided an estimated project cost of \$1.8 million.

On August 26, 2019, we were notified that the City of Appleton was tentatively selected to receive \$911,810, or 50% of the construction cost. However, on March 18, 2020, we were notified by Representative Amanda Stuck's office that there was an objection from a member of the Joint Committee on Finance relating to this project as well as projects in the Cities of Ashland, Milwaukee and Hartford. Unfortunately, those who object are allowed to remain anonymous, therefore we were unable to obtain a reason for their objection. The DNR has indicated that rather than the grant simply being approved, it now needs to have a hearing and a vote before the funding can be awarded for the project.

On April 21, 2020, we were contacted by the DNR State Grant Administrator indicating that all future committee meetings have been postponed with no indication of when they might be rescheduled. The DNR indicated future hearings could result in the grant amount being reduced to zero, and offered \$249,000, which is the allowable limit to avoid a hearing, to avoid the risk of not receiving any funding. They also indicated that any trail construction costs incurred prior to a hearing would not be reimbursable, thus if a meeting does not occur until summer, we would no longer be eligible for any grant funding as the project would be substantially complete.

As a result of this chain of events, we recommend accepting the grant for \$249,000. Although it is less than the potential grant amount promised previously, we feel securing this reduced amount outweighs the risk of losing all funding for the project.

Finally, it is important to note that the original grant amount, \$911,810, represented 50% of the approximate \$1.8 million estimated project costs at the time. Because the bids came in lower than anticipated (approximately \$1.3 million), applying the lower grant award of \$249,000 coupled with a \$200,000 grant from Outagamie County, the City's net cost is estimated to be approximately \$851,000. From a budget perspective, \$654,753 was approved in the 2019-2020 carryover request for this project along with \$278,190 in the 2020 Budget, totaling \$932,943, thus no additional City funds are being requested.

Please contact me at 832-5572 or at [dean.gazza@appleton.org](mailto:dean.gazza@appleton.org) with any questions.