



2nd Revision
STATE/MUNICIPAL FINANCIAL
AGREEMENT FOR A STATE- LET
HIGHWAY PROJECT

This agreement supersedes the agreement signed by the Municipality on May 7, & 13, 2026 and signed by the State on May 14, 2026

Revised date: July 9, 2026
 Date: February 13, 2025, March 19, 2026
 I.D.: 2290-10-02/22/72
 Road Name: State St (STH 38)
 Title: C RACINE, STATE ST
 Limits: BRIDGE OVER ROOT RIVER, B510069
 County: Racine
 Roadway Length: 0.03 Miles

The signatory **City of Racine**, hereinafter called the Municipality, through its undersigned duly authorized officers or officials, hereby requests the State of Wisconsin Department of Transportation, hereinafter called the State, to initiate and affect the highway or street improvement hereinafter described.

The authority for the Municipality to enter into this agreement with the State is provided by Section 86.25(1), (2), and (3) of the Statutes.

NEEDS AND ESTIMATE SUMMARY:

Existing Facility - Describe and give reason for request: Improvement of a connecting highway

Proposed Improvement - Nature of work: As determined by project scoping.

Describe non-participating work included in the project and other work necessary to finish the project completely which will be undertaken independently by the municipality: A nominal amount is included to cover items in paragraph 4 (to be adjusted in the final plan). Items to be 100% locally funded could include, but may not be limited to, adjustment of water service boxes, gate valves, and manholes; adjustment of sanitary sewer manholes, placing of new sanitary manhole seals and covers.

TABLE 1: SUMMARY OF COSTS

Phase	Total Est. Cost	Federal/State Funds	%	Municipal Funds	%
2290-10-02 Preliminary Engineering:					
Plan Development	\$ 2,530,000	\$ 1,897,500	75%	\$ 632,500	25%
2290-10-22 Real Estate	\$ 20,000	\$ 20,000	100%	\$ -	0%
2290-10-72 ¹ Construction:					
Roadway	\$ 22,145,000	\$ 22,145,000	100%	\$ -	0%
² CSD Amenities	\$ 55,000	\$ 44,000	80%	\$ 11,000	20%
<i>subtotal 2290-10-72:</i>	<i>\$ 22,200,000</i>	<i>\$ 22,189,000</i>		<i>\$ 11,000</i>	
Non-Participating	\$ 15,000	\$ -	0%	\$ 15,000	100%

Total Cost Distribution \$ **24,765,000** \$ **24,106,500** \$ **658,500**

1. Estimates include construction engineering.
2. Community Sensitive Design (CSD) amenities considered to be the preference of the community are funded with 80% federal funding up to a maximum of \$208,000.
 No State funding is permitted for CSD amenities.
 Costs in excess of the CSD funding limit shall be the responsibility of the Municipality.

This request is subject to the terms and conditions that follow (pages [2] – [4]); is made by the undersigned under proper authority to make such request for the designated Municipality, and upon signature by the State and delivery to the Municipality shall constitute agreement between the Municipality and the State. The initiation and accomplishment of the improvement will be subject to the applicable federal and state regulations. No term or provision of neither the State/Municipal Financial Agreement nor any of its attachments may be changed, waived or terminated orally but only by an instrument in writing executed by both parties to the State/Municipal Financial Agreement.

Signatures certify the content has not been altered by the municipality. Signed for and in behalf of the City of Racine (please sign in blue ink)	
Name (print) Cory Mason	Title Mayor
Signature	Date
Name (print) Tara Coolidge	Title City Clerk
Signature	Date
Approved as to Form:	
Name (print) Scott R. Letteney	Title: City Attorney
Signature	Date
Provisions have been made to pay the liability that will accrue hereunder	
Name (print) Kathleen Fischer	Title Finance Director
Signature	Date
Signed for and in behalf of the State (please sign in blue ink)	
Name Tony Barth	Title WisDOT SE Region Planning Chief
Signature	Date

TERMS AND CONDITIONS:

1. The Municipality shall pay to the State all costs incurred by the State in connection with the improvement which exceeds federal/state financing commitments or are ineligible for federal/state financing. Local participation shall be limited to the items and percentages set forth in the Summary of Costs table, which shows Municipal funding participation. In order to guarantee the Municipality's foregoing agreements to pay the State, the Municipality, through its above duly authorized officers or officials, agrees and authorizes the State to set off and withhold the required reimbursement amount as determined by the State from General Transportation Aids or any moneys otherwise due and payable by the State to the Municipality.
2. Funding of each project phase is subject to inclusion in an approved program and per the State's Facility Development Manual (FDM) standards. Federal aid and/or state transportation fund financing will be limited

to participation in the costs of the following items as specified in the Summary of Costs:

- (a) Design engineering and state review services.
 - (b) Real Estate necessitated for the improvement.
 - (c) Compensable utility adjustment and railroad force work necessitated for the project.
 - (d) The grading, base, pavement, curb and gutter, and structure costs to State standards, excluding the cost of parking areas.
 - (e) Storm sewer mains, culverts, laterals, manholes, inlets, catch basins, and connections for surface water drainage of the improvement; including replacement and/or adjustments of existing storm sewer manhole covers and inlet grates as needed.
 - (f) Construction engineering incidental to inspection and supervision of actual construction work, except for inspection, staking, and testing of sanitary sewer and water main.
 - (g) Signing and pavement marking necessitated for the safe and efficient flow of traffic, including detour routes.
 - (h) Replacement of existing sidewalks necessitated by construction and construction of new sidewalk at the time of construction. Sidewalk is considered to be new if it's constructed in a location where it has not existed before.
 - (i) Replacement of existing driveways, in kind, necessitated by the project.
 - (j) New installations or alteration resulting from roadway construction of standard State street lighting and traffic signals or devices. Alteration may include salvaging and replacement of existing components.
 - (k) Eligible Community Sensitive Design (CSD) amenities considered to be the preference of the community, not to exceed CSD funding limit for the project.
3. Work necessary to complete the improvement to be financed entirely by the Municipality or other utility or facility owner includes the following items:
- (a) New installations of or alteration of sanitary sewers and connections, water, gas, electric, telephone, telegraph, fire or police alarm facilities, parking meters, and similar utilities.
 - (b) New installation or alteration of signs not necessary for the safe and efficient flow of traffic.
 - (c) Roadway and bridge width in excess of standards.
 - (d) Construction inspection, staking, and material testing and acceptance for construction of sanitary sewer and water main.
 - (e) Provide complete plans, specifications, and estimates for sanitary sewer and water main work. The Municipality assumes full responsibility for the design, installation, inspection, testing, and operation of the sanitary sewer and water system. This relieves the State and all of its employees from the liability for all suits, actions, or claims resulting from the sanitary sewer and water system construction.
 - (f) Parking lane costs.
 - (g) Coordinate, clean up, and fund any hazardous materials encountered during construction. All hazardous material cleanup work shall be performed in accordance to state and federal regulations.
 - (h) Damages to abutting property due to change in street or sidewalk widths, grades, or drainage.
 - (i) Conditioning, if required, and maintenance of detour routes.

- (j) Repair of damages to roads or streets caused by reason of their use in hauling materials incidental to the improvement.
 - (k) 20% of costs of eligible Community Sensitive Design (CSD) amenities considered to be the preference of the community up to the CSD funding limit for the project, plus 100% of costs of eligible CSD amenities in excess of the CSD funding limit for the project.
4. As the work progresses, the Municipality will be billed for work completed which is not chargeable to federal/state funds. Upon completion of the project, a final audit will be made to determine the final division of costs.
 5. If the Municipality should withdraw the project, it shall reimburse the State for any costs incurred by the State in behalf of the project.
 6. The work will be administered by the State and may include items not eligible for federal/state participation.
 7. The Municipality shall, in cooperation with the State, assist with public relations for the project and announcements to the press and such outlets as would generally alert the affected property owners and the community of the nature, extent, and timing of the project and arrangements for handling traffic within and around the project.
 8. Basis for local participation:
 - a. Funding for preliminary engineering for a connecting highway 75% State 25% Municipal based on the Department's policy for connecting highways.
 - b. Funding for real estate required for standard roadway construction, 100% State
 - c. Funding for construction of standard roadway items – 100% State.
 - d. CSD amenities are funded with 80% Federal funding up to a maximum of \$208,000 when the Municipality agrees to provide the remaining 20% and any funds in excess of the CSD funding limit. CSD amenities included in the project are:
 - Decorative bridge railing
 - Decorative light poles
- CSD funding is governed by Wis. Stat. 85.0205. The department will regularly review the total CSD funding on this and any associated improvement projects to ensure total CSD funding does not exceed statutory limits. If at any point CSD funding exceeds statutory limits, the department will notify the Municipality of any adjustments to CSD funding that may be required to remain in compliance with state statutes.
- e. Funding for non-participating items 100% Municipality.

Comments and Clarification: This agreement is an active agreement that may need to be amended as the project is designed. It is understood that these amendments may be needed as some issues have not been fully evaluated or resolved. The purpose of this agreement is to specify the local and state involvement in funding the project. A signed agreement is required before the State will prepare or participate in the preparation of detailed designs, acquire right-of-way, or participate in construction of a project that merits local involvement.