

Engineering Division of the Public Works Department

To: Mayor Stocks and Committee Members
From: Andrew Beyer, P.E., Public Works Director
Date: May 5, 2026
Subject: Finance Committee Meeting of May 11, 2026

[Review and take possible action: State Municipal Financial Agreement for Wisconsin Department of Transportation W. Main Street 2033 Project](#)

Background

In 2033, the Wisconsin Department of Transportation (WisDOT) is planning to reconstruct STH 19 (Main Street) from approximately 0.03 miles east of Welsh Road to Church Street in the City of Watertown. The proposed project includes replacement of the existing pavement, updates to curb ramps to meet current ADA standards, installation of a proposed shared-use path, and associated roadway improvements.

The existing roadway is a two-lane principal arterial and connecting highway with an urban cross section and parking lanes. The concrete roadway is deteriorated with corner breaks, spalled joints and corners, and faulting. The roadway segment from Izaak Walton Street to Church Street has previously been overlaid with asphalt and is deteriorated with cracking and raveling.

As part of the proposed reconstruction project, the City of Watertown Water and Wastewater Divisions are proposing replacement of aging water main and sanitary sewer infrastructure within the project corridor. A shared-use path within the project area was also recommended as part of the City-Wide Bike & Pedestrian Plan and is currently included in the initial project scope.

Additionally, WisDOT will be reviewing potential traffic signal installation at the intersection of Dayton Street and Main Street during project development to determine whether a signal is warranted at the time of construction. Under WisDOT policy, roadway improvements associated with the state highway are eligible for State and Federal participation; however, water main and sanitary sewer improvements, and non-participating roadway costs, are the responsibility of the City of Watertown.

The proposed State/Municipal Financial Agreement establishes the funding responsibilities between WisDOT and the City for project development and construction. The agreement also outlines the City's participation requirements for design engineering, parking lane construction costs, sidewalk/shared-use path costs, and all utility-related improvements.

The agreement is required for WisDOT to proceed with project design and future construction programming.

Financial Impact

The estimated total project cost is approximately \$18,108,900, with approximately \$11,750,000 funded through State and Federal transportation funding sources and approximately \$6,358,900 funded by the City of Watertown.

Estimated City participation includes:

- \$250,000 for preliminary engineering/design engineering participation.
- \$2,536,000 for parking lane and sidewalk/shared-use path related costs.
- \$3,067,900 for water main replacement.
- \$505,000 for sanitary sewer replacement.

Final project costs will be refined as the project advances through design and may be amended through future revisions to the agreement.

Funding for the utility-related improvements is anticipated to be incorporated into future utility capital planning and borrowing discussions consistent with the project schedule.

Recommendation

Staff recommends approval of the Wisconsin Department of Transportation State/Municipal Financial Agreement for the STH 19 Reconstruction Project from Welsh Road to Church Street, contingent upon review by the City Attorney's Office.

Enclosed: State Municipal Financial Agreement