

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE: 3/21/25**

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Transportation and the Airport Director, Department of Transportation Requesting an Appropriation Transfer to increase expenditure authority to \$95,200,000 in Order to appropriately align design funds and to fund the construction phase for Capital Project WA0221 – GMIA International Terminal Project.

**FISCAL EFFECT:**

- |  |   |
|--|---|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input checked="" type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures            |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input checked="" type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues                |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |   |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds                  |
| <input type="checkbox"/> Increase Operating Revenues   |   |
| <input type="checkbox"/> Decrease Operating Revenues   |   |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$10,100,000	\$30,300,000
	Revenue	\$10,100,000	\$30,300,000
	Net Cost	\$0	\$0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
  - A. The MCDOT Director and the Airport Director are requesting approval to increase the capital budget for WA0221GMIA International Terminal Redevelopment in amount not to exceed \$95,200,000. This project has a life to date budget of approximately \$54,800,000. During COVID, this project was put on-hold and will resume in 2025. This is an increase of approximately \$40,400,000 above the currently approved funding. The proposed project scope has not changed in size but there have been substantial increases in project expenditures due to a variety of general global cost escalations including inflation. These cost increases have been noted across almost all capital projects.
  - B. The total anticipated expenditure for this project is approximately \$95,200,000 and this includes – design cost of approximately \$7,100,000 and construction cost of \$88,100,000. The increase in expenditures of approximately \$40.4 m which comprises of increases in design costs of approximately \$2.6 m, from \$4.5 m to \$7.1 m, and construction costs of \$37.8 m, from \$50.3 m previously to \$88.1 m. These expenditure increases are fully covered by increases in the following revenues which are approximately: Federal and State - \$14,400,000 and local funds - \$26,000,000. The local airport funds provide a match for federal and state grants and other in-eligible expenses. The incremental project spending is approximately- \$10,100,000 in 2025, \$18,900,000 in 2026, and \$11,400,000 in 2027. This transfer has no tax levy impact to the County.
  - C. The increase in expenditures will be fully offset by a combination of federal & state grants, and local airport funds. This transfer has no tax levy impact to the County.
  - D. This transfer assumes approval by the Federal Aviation Administration (FAA) of the Passenger Fee Charge #21 application and receipt of notification of intent for federal grants. The request also assumes that there are no further cost escalations within the multi-year

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

contractual period. Additionally, it is assumed that the spending will take place in years 2025-2027. Not included here are other grant revenues that may become available in the future, such as Infrastructure Investment and Jobs Act (IIJA), which could lead to a reallocation of revenues between funding sources. Infor is the source of current budget and actual revenues and expenditures.

Prepared By: Samta Bhatnagar, Director of Finance, MCDOT, Airport Division

Approved By: Donna Brown-Martin, Director, Department of Transportation

Authorized Signature



A handwritten signature in blue ink, reading "Donna Brown-Martin", is written over a horizontal line.

Did DAS-Fiscal Staff Review?

Yes  No

Did CDBP Review?<sup>2</sup>

Yes  No  Not Required