

COUNTY OF MILWAUKEE
Inter-office Communication

DATE: August 15, 2024

TO: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Donna Brown-Martin, Director, Department of Transportation
Denise Wandke, President and Managing Director, Milwaukee County Transit System

SUBJECT: From the Director, Department of Transportation and the President and Managing Director, Milwaukee County Transit System, requesting approval of the request to delay capital improvement project WT153 – North South Transit Enhancement.

FILE TYPE: Action Report

POLICY

The 2022 Adopted Capital Improvements Budget for Milwaukee County included \$20M in federal funding for project WT153 – North South Transit Enhancement, to enhance transit service along the 27th Street (Purple Line) Corridor.

BACKGROUND

Subsequent to adoption of the 2022 Capital Improvement Budget, the Southeastern Wisconsin Regional Planning Commission completed the North South Transit Enhancement feasibility study (File No. 23-541). In March of 2024, the County Board approved the North South Transit Enhancement Project's Locally Preferred Alternative (File No. 24-311), also known as CONNECT 2 (CN2). Then, the Milwaukee County Transit System (MCTS) hired HNTB to provide planning and engineering services for the CN2 project.

Per the consultant contract, and in preparation for applying for a Capital Improvements – Small Starts Grant to construct the CN2 alignment, HNTB completed an operating and maintenance (O&M) cost analysis using all known and potential costs and projected underlying service. Future operating and maintenance costs were estimated at \$6M annually for CONNECT 2 service to provide underlying route service and necessary changes to connecting routes.

After the future operating and maintenance cost projections were completed, the Office of the Comptroller and the Office of Strategy, Budget and Performance issued reports projecting lower than expected sales tax revenues and increased overtime expenses that will result in less tax levy available for various county programs and projects, including enhanced transit. Furthermore, the additional O&M costs for CONNECT 2 will

require additional future tax levy support that will likely not be available. Reallocating \$15M of the \$20M of American Recovery Plan Act (ARPA) funds to transit operations to stabilize existing service for the next two to three years.

ALIGNMENT TO STRATEGIC PLAN

- 2A: Determine what, where, and how we deliver services to advance health equity.
- 2C: Apply a racial equity lens to all decisions.
- 3B: Enhance the County's fiscal health and sustainability.
- 3C: Dismantle barriers to diverse and inclusive communities.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors approves of indefinitely delaying capital improvements project WT153 – North South Transit Enhancement. It is further recommended that the County Board approves of an administrative fund transfer to reduce revenues and expenditures in project WT153 by \$15M. The American Rescue Plan Act (ARPA) funds appropriated to the capital project will be used for transit operating expenses to stabilize existing fixed route service.

FISCAL EFFECT

Of the \$20M in ARPA funds allocated to the project, the remaining \$15M will be reallocated to transit operating expenditures for a zero-tax levy impact.

VIRTUAL MEETING INVITES

Donna Brown-Martin, Director, MCDOT Donna.BrownMartin@milwaukeecountywi.gov
Denise Wandke, President and Managing Director, MCTS DWandke@mcts.org
David Locher, Manager of Enhanced Transit, MCTS, dlocher@mcts.org

PREPARED BY:

Julie Esch, Deputy Director, MCTS
David Locher, Manager of Enhanced Transit, MCTS

APPROVED BY:



Donna Brown-Martin, Director, Department of Transportation

ATTACHMENTS

Resolution
Fiscal Note
Administrative Fund Transfer

cc: Kelly Bablitch, Chief of Staff, County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk