

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE: August 21, 2012

TO: Marina Dimitrijivic, Chairwoman, County Board of Supervisors
Michael Mayo, Sr., Chairperson, Committee on Transportation, Public Works & Transit

FROM: Frank Busalacchi, Director, Department of Transportation

SUBJECT: **Creation of a Capital Improvement Project to Implement Independent Heating Systems at the Milwaukee County Fleet Management Facility and the Vel Phillips Juvenile Justice Center Replacing Steam Currently Purchased from WE Energies**

POLICY:

The Wisconsin Department of Transportation (WisDOT) has been legislatively authorized to reconstruct the Zoo Interchange by the State of Wisconsin and by the Federal Highway Administration (FHWA) under various state and federal statues and codes. Milwaukee County Board approval will be required for the conveyance price of Milwaukee County owned property to WisDOT, needed for the reconstruction project. In addition, the Milwaukee County 2012 Budget establishes as Milwaukee County policy that the WE Energies steam lines serving Milwaukee County facilities west of Highway 45 are to be abandoned, removed or not replaced by the Zoo Interchange Project.

BACKGROUND:

WisDOT requires certain lands and improved property, including property located in and near the interchange of U.S. Highway 45, Swan Boulevard and Watertown Plank Road in order to advance the reconstruction project. Milwaukee County (County) owns and operates the Fleet Maintenance Facility on a County-owned parcel of land located at 10190 West Watertown Plank Road and the Vel Phillips Juvenile Justice Center on a County-owned parcel of land located at 10201 West Watertown Plank Road (Exhibit 1 attached). These County facilities are within the area that will be impacted by the Zoo Interchange reconstruction. To construct the new US Highway 45, the existing WE Energies underground steam lines serving Milwaukee County facilities west of Highway 45 will require either relocation or abandonment. Since the County by budget action in the 2012 Adopted Budget, Org Unit 1192 Economic and community Development, has authorized that the WE Energies steam lines serving County facilities west of Highway 45 be abandoned, WisDOT, in conjunction with WE Energies, has chosen to abandon the existing steam lines located under the new Highway 45 project and reimburse the County for all planning, design and construction costs to install independent heating systems (natural gas fired boilers and hot water heaters) at the Fleet Management Facility and the Vel Phillips Juvenile Justice Center. (Exhibit 2 attached)

WisDOT has agreed to pay the County the fair market value of the current land parcels required for the Highway 45 reconstruction project and will also include in that transaction compensation for the actual cost incurred to install the independent heating systems. The County will need to begin the project immediately in order to meet the completion deadline of September 2013 established by WisDOT. It is anticipated that the County will accept

WisDOT's offer to pay the County the fair market value of the current land parcels required for the Highway 45 reconstruction project and will also include compensation for the actual cost incurred to install the independent heating systems. The estimated cost to install independent heating systems (natural gas fired boilers and hot water heaters) at the Fleet Management Facility and the Vel Phillips Juvenile Justice Center is \$1,600,000.

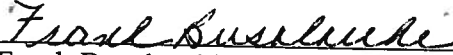
WisDOT has already conducted and paid for two separate studies of the proposed independent heating system installation for the County facilities mentioned above and also the County Technology Innovation Center (Muirdale building), the Wauwatosa Fire Station and the WE energies M-10 building (Exhibit 3 attached). WisDOT has agreed to reimburse the costs to install independent heating systems in those latter 3 facilities as well under separate agreements. Also, both studies did review the proposal to install separate cooling system in the Vel Phillips Juvenile Justice Center to allow for abandoning of the existing WE Energies chilled water piping. However, WisDOT determined that due to higher cost of this proposal it would be more cost effective for them to replace the chilled water lines under the Highway 45 reconstruction project rather than pay for the new cooling system that would allow them to abandon the lines under their highway project.

RECOMMENDATION:

Staff respectfully requests that the Committee on Transportation, Public Works, and Transit recommend to the County Board of Supervisors that authorization be given to the Department of Administrative Services (DAS) to process a \$1,600,000 administrative fund transfer to create a capital project for the independent heating systems at Fleet Management and the Vel Phillips Juvenile Justice Center which will result in the County incurring costs upfront with reimbursement to be provided from the State upon payment of the compensation for the property interests as required as part of the Zoo Interchange Project.

Prepared by: Greg High, Director, AE&ES Section, DAS-FM

Approved by:


Frank Busalacchi, Director
Department of Transportation

Attachments: Exhibits 1-3

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Amber Moreen, Chief of Staff, County Executive Office
Supervisor Jim Luigi Schmitt, District 6
Kimberly Walker, Corporation Counsel
Patrick Farley, Director, Department of Administrative Services (DAS)
James Burton, Director, Facilities Management Division, DAS
James Martin, Fiscal Management Analyst, DAS
Pam Bryant, Office of the Comptroller
Greg High, Director, AE&ES, DAS-FM
Gary Waszak, DAS-FM