

County of Milwaukee Interoffice Communication

DATE: 2/19/2021
TO: Marcelia Nicholson, Chairman, Milwaukee County Board of Supervisors
FROM: Donna Brown-Martin, Director, Department of Transportation
SUBJECT: Request to Transfer Bus purchase bond funds to Kinnickinnic HVAC and North-South Transit Enhancement Project

BACKGROUND

The adopted 2021 Milwaukee County Capital Budget includes \$7 million in bonds for the purchase and inspection of fourteen (14) diesel buses for the transit system (capital project WT125). The actual per-bus price came in slightly higher than the amount included in the budget, necessitating an increase in expenditure authority. The Department of Transportation (MCDOT) has grant funding available through the Section 5339 Bus and Bus Facilities program to cover a substantial part of the total cost of this purchase, which would allow some of the currently-allocated bond funding to be reallocated for other, needed transit projects. MCDOT has identified two such projects.

The first project is the HVAC system at the Kinnickinnic (KK) facility. The design phase of capital project WT108 HVAC Replacement-KK Bus Storage/Washhouse was approved in the 2020 budget. Design work was not completed in time for the construction phase to be included in the 2021 budget, thereby pushing consideration of this phase to the 2022 budget. The construction phase has since taken on added urgency given that KK will be the primary depot for the battery electric buses (BEBs) slated to be used in the East-West Bus Rapid Transit (E-W BRT) project. Due to the roof-mounted battery packs, the physical height of these buses is such that they will not clear the HVAC infrastructure within the storage building. The construction cost of the HVAC system replacement is estimated to be approximately \$1.57 million. With the initial delivery of BEBs scheduled for 2022, replacement of the HVAC system is crucial.

The second project is the initial phase of the North-South Transit Enhancement Project (NSTEP). In April 2020, Milwaukee County requested that the Southeastern Wisconsin Regional Planning Commission (SEWRPC) conduct a transit study along and near 27th Street to enhance transit service, increase frequency, add amenities, and potentially expand the existing Milwaukee County Transit Service (MCTS) Purple Line service area. Several alternatives, varying in length, destinations served, and transit technology used, are still under consideration for the NSTEP. Technologies being considered include Bus Rapid Transit (BRT), Commuter Rail, Light Rail, and Streetcar options, which have substantial variability in their cost per mile.

These transit improvements are expected to increase transit ridership along the corridor and will serve those residents and businesses along the preferred alternative. SEWRPC is conducting the study at no cost to the County and is expected to provide their results and recommendations at the end of 2021. An informational report (File# 20-897) was provided to the County Board in December 2020.

This request of \$2.2M would cover part (0.4% - 24% depending on the final project proposal) of the range of cost estimates for the Engineering, Design and NEPA (National Environmental Policy Act) phases of the project. Using the NEPA process, agencies evaluate the various environmental, social, and economic effects of their proposals. These costs are commonly estimated to be approximately 10% of the total cost of the project, which in this case ranges from \$95.1M to \$5.4B. Thus, at the low end of overall project costs, the total engineering, design, and NEPA costs would be approximately \$9.5M. Projects at the upper end may not be financially feasible for the County.

Factors considered for the range of the total cost estimate for the NSTEP spanning from \$95.2M to \$5.4B include:

- \$95.1M (lowest cost) is based on a per mile cost of Milwaukee EW BRT x 5% inflation rate x 15 miles representing enhanced BRT service on the existing Purple Line. In the event this option is selected, additional Engineering, Design and NEPA funding of approx. \$7.3M would be needed.
- \$5.4B (highest cost) is based on a cost per mile of both Portland and Phoenix Light Rail projects x 22.8 miles, representing an alternative that provides service from Brown Deer (W. Brown Deer Road and N. Green Bay Road) to Franklin (S. Howell Avenue and just south of E. Puetz Road).

The NSTEP Cost estimate ranges were developed using similar transit projects around the U.S. that were recently awarded Capital Investment Grants from the U.S. Department of Transportation Federal Transit Administration (FTA).

There are several outside funding sources being considered for the NSTEP. One such potential source, FTA Small Starts (as awarded for the East-West Bus Rapid Transit), requires that a community demonstrate its commitment to funding the local share of 20% at minimum. Allocation of these funds would be an initial step toward demonstrating that commitment.

Passage of this item does not irrevocably commit Milwaukee County to any specific course of action at this time.

FISCAL EFFECT

The 2021 adopted budget includes \$7 million in bonds for the purchase and inspection of fourteen diesel buses. It is proposed to utilize \$3,925,569 in federal funds for WT125, which would then permit \$1,570,000 in bond funding to be allocated to the KK HVAC system project, and \$2,201,625 to be allocated to the North-South Transit Enhancement Project as shown in the table on the next page.

	Adopted	Proposed	Change
2021 Budget for buses	\$6,965,000	\$7,118,944	\$153,944
2021 Budget for inspection	\$35,000	\$35,000	\$ -
Bonds (inspection)	\$35,000	\$35,000	\$ -
Bonds (bus local share)	\$6,965,000	\$3,193,375	(\$3,771,625)
Federal bus share	\$ -	\$3,925,569	\$3,925,569
KK HVAC Upgrade	\$ -	\$1,570,000	\$1,570,000
Bonds	\$ -	\$1,570,000	\$1,570,000
N-S Transit Enhancement	\$ -	\$2,201,625	\$2,201,625
Bonds	\$ -	\$2,201,625	\$2,201,625

RECOMMENDATION

The Director of the Milwaukee County Department of Transportation requests that the Department of Administrative Services and the Office of the Comptroller be authorized to process an administrative fund transfer to facilitate the following:

- Increase expenditure authority for project WT125 by \$153,944
- Recognize federal revenue in the amount of \$3,925,625 for project WT125
- Reallocate \$3,771,625 in bonds from WT125 as follows:
 - Expedite the construction phase of KK HVAC project WT108, funded with \$1,570,000 in bonds transferred from WT125
 - Create and authorize capital project WTXXX North-South Transit Enhancement Project, funded with \$2,201,625 in bonds transferred from WT125

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