

## County of Milwaukee

### Interoffice Communication

**DATE:** 6/15/2017

**TO:** Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee

**FROM:** Brian Dranzik, Director, Department of Transportation

**SUBJECT:** MCTS Review of Recommendations Pursuant to Public Policy Forum Report to Improve Workers' Access to Employment Opportunities in Milwaukee County and in the Metro Milwaukee Region

#### POLICY

In accordance with File No. 17-407, Milwaukee County Transit System (MCTS) reviewed recommendations pursuant to Public Policy Forum (PPF) Report, *The Last Mile: Connecting Workers to Places of Employment*, so to improve workers' access to employment opportunities in Milwaukee County and in the Metro Milwaukee region.

#### BACKGROUND

In March 2017, PPF issued their report, *The Last Mile: Connecting Workers to Places of Employment*, which discusses options used in other communities to improve last mile connections for workers that may be viable in the Milwaukee area. The PPF report was commissioned by MetroGO! whose mission is to support the preservation and expansion of robust transit service to fuel the economy and workforce growth and build vibrant connected communities. The PPF's efforts were financially supported with contributions from Bader Philanthropies, Waukesha County, Menomonee Valley Business Improvement District, Commercial Association of Realtors WI, and the Greater Milwaukee Foundation.

Many in the community first look to transit as the solution to the last mile problem. However, it is important to keep in mind that PPF reports that transit systems cannot be expected to solve all of Metro Milwaukee's last mile challenges on their own. In fact, PPF clearly declares: "Previous land use decisions have made it difficult or impossible for transit systems to effectively serve many employer locations – particularly given budget realities."

Before exploring the options presented in the PPF report that mostly looks outside of the current MCTS service area, MCTS service that provides rides within Milwaukee County should be reviewed to determine its effectiveness in providing access to employment. In other words, the question can be asked: What is MCTS's role in getting riders to jobs and how well is it doing? A recently released study from the University of Minnesota (UM), "Access Across America: Transit 2015" sheds light on the answer. According to the UM report, Milwaukee ranks 13th nationally in accessibility to jobs by transit. MCTS ranked higher than transit systems in larger communities such as Atlanta, Dallas, Houston, Miami and San Diego.

The UM report ranked metropolitan areas on how quickly riders can get to jobs using transit. According to the findings, people across Milwaukee County have access to more than 22,000 jobs in just a 30-minute bus ride. If you ride MCTS for 40 minutes that increases your access to 65,000 jobs. The UM report also lays out a path to improving access to jobs - increase bus frequency, especially in job corridors. MCTS's interest in increasing the proportion of high frequency bus routes from 40% to 60% is consistent with the

recommendation as is our continued interest in and pursuit of the east-west bus rapid transit line that will serve the largest employment centers in the region.

Like many other services provided by Milwaukee County, MCTS faces significant budget pressure, and therefore, must balance the needs of providing existing service with requests for new service. New funding from federal or state sources is unlikely in the near term. While the Milwaukee County Vehicle Registration Fee (VRF) provides a stable local funding source to complement tax levy, the transit system is still supported by local tax levy which is extremely limited. In addition, opportunities for increasing passenger fares are limited.

While the PPF report provides interesting insight as to what other areas are doing, it also should be noted that the opportunity to experiment with these local solutions are different from one area to another given the governance and funding structures of each independent transit system. MCTS continues to monitor these options to see if any may be of benefit for policy makers to consider. The following addresses the PPF report findings and the subsequent requests made in Resolution File 17-407.

### **Mobile Application**

Under a Resolution (File No. 17-407), MCTS is asked to provide a plan for the implementation of a more advanced MCTS Mobile Application, to enable passengers to purchase bus passes, add value to fare cards, receive transit directions, track bus arrivals in real-time, and to access Waukesha County's transit and Ozaukee County's share-ride taxi through the use of mobile devices.

In the wake of the success of Pre>Fare, the app-based e-ticket MCTS created for Freeway Flyer service to Summerfest in 2016, MCTS has been working on developing a mobile application that can be used year-round on MCTS buses. The app is still in development and is expected to be released by the end of 2017. The app will allow passengers to purchase bus passes (e.g. \$2 for 2 hours), receive transit directions, track bus arrivals in real-time, and access important transit news and alerts. The app is also being designed for potential future integration with other transit systems and ride sharing services. Once the MCTS app is developed, consideration can be given to the feasibility of expanding the app to also include nearby Waukesha and Ozaukee County transportation alternatives.

### **Bike Share Services**

Under a Resolution (File No. 17-407), Milwaukee County Department of Transportation (MCDOT) is asked to request Bublr Bikes pursue options to make bike sharing more equitable and financially accessible to economically disadvantaged citizens across Milwaukee County.

MCTS is proud to be a business partner with Bublr Bikes. Since 2016, MCTS's on-board automated bus stop announcement system has been mentioning Bublr Bike Station locations that are a quarter mile or less away from bus stops. In turn, Bublr helps cross-promote MCTS online and on some bikes. Ideas to extend Bublr discounts to anyone with an MCTS M-Card are also in development. Independent of MCTS, Bublr has demonstrated a commitment to equitable accessibility to bike sharing by increasingly expanding to neighborhoods beyond Downtown Milwaukee. For example, Bublr stations have been installed outside public housing facilities, and residents have been encouraged to use the service through deep discounts. A grant funded program allows residents of Housing Authority of the City of Milwaukee properties to be eligible for an unlimited ride pass for \$8 for 1-year, which is a 90% discount from the regular annual Bublr Bike pass cost.

### **Flexible Transit**

Under a Resolution (File No. 17-407), MCDOT and MCTS are asked to report on the feasibility of piloting a flexible transit service on the North and South sides (of Milwaukee County).

PPF describes flexible transit as small 14-passenger buses or vans making diversions from set routes to serve dispersed businesses and other destinations. The option is recommended for suburban areas of metro Milwaukee on the edges of existing transit services where demand is too low to sustain regular, fixed route bus services. According to PPF, other communities consider the service as viable for low-density areas where between three and ten passengers per bus hour (PBH) would be expected.

Feasibility of an idea is determined after carefully considering: strengths and weaknesses of a proposal, opportunities and threats present in the environment, resources required to implement a proposal, and prospects for success.

*Strengths and Weaknesses of Flexible Transit* – There are advantages to smaller vehicles including slightly lower costs and the potential for improved perceptions regarding whether a transit vehicle is ‘empty’. The disadvantage of flexible transit is that both workers and employers need to understand that variability in arrival times is common with flexible transit routes; therefore, employers will have to accept that employees may be late for work with some regularity due to the lack of a route schedule and variability in arrival times.

*Opportunities and threats of Flexible Transit* – Areas of Milwaukee County primarily in the southern portion do not currently have transit services, which creates opportunity for flexible transit. MCTS also operates several fixed route transit services at less than 10 passengers per bus hour (PBH). There is an opportunity for flexible transit to replace these services: Routes 276, 219 and 223. The threat to flexible transit is largely fiscal. If MCTS were to provide flexible service with smaller vehicles there would need to be additional operating and capital support for such a program. New vehicles and associated capital would need to be purchased. In addition operating procedures would have to be developed. For example, while traditional fixed route transit has scheduled service, this service would rely less on a traditional schedule and therefore everything from training drivers to marketing service to build awareness would need to be considered. In addition, adding flexible transit operations create new types of liabilities to be considered by Risk Management. MCTS would need to further explore the feasibility of providing service on its own or perhaps through an agency or vendor who provides these types of services similar to how paratransit is operated.

*Resources required to implement Flexible Transit* – As discussed, this mode could be added in-house, which would necessitate purchasing additional equipment and technology/software, adding administrative staff, and developing policies and procedures to support the on-demand nature of the operation. Alternatively, this mode could be out-sourced because it is largely similar to on-demand paratransit services in Milwaukee County which are operated by third-party van service providers. Out-sourcing tends to be more cost effective, and has advantages of a quicker start-up time because the vehicles, equipment, technology and administrative personnel are already largely in place. Given the low expected ridership (3 to 10 PBH), the cost per ride would range from \$5 to \$17 or more with only a small portion of each ride covered by a fare.

*Prospects for success of Flexible Transit* – If MCTS initiates operation of flexible transit, the prospect for long-term success is not good largely because this mode of transportation has a high cost per passenger relative to the other transit services operated by MCTS. Flexible transit, by design, serves low density low ridership areas at a significant cost for each ride.

Traditionally, the lowest performing routes and highest cost per ride services are targets for modification or elimination whenever MCTS is faced with significant budget gaps. What transit has experienced in the past when serving targeted business developments on the north and south side is low ridership from the onset, and over time as an individual’s employment is more secure, they find other transportation options other than transit. However, if MCTS were to invest in flexible transit, the ability to make service level adjustments would be much more difficult given the capital and operating investment should service levels decline or never really materialize. In addition, both MetroGo and MCTS have talked to employers outside

of the transit service area who have stated they have a need for employees. Yet when asked if they would contribute to a cost sharing structure, even if provided by another service other than traditional transit, the answer is no.

Since MCTS has few options for generating local transit funds it is not advisable that MCTS allocate resources into a flexible transit venture at this time. To a large extent the success that MCTS has had in getting riders to jobs is a result of focusing its limited existing resources on what we do best – fixed route transit services to large concentrated employment centers where employment opportunities already exist. Allocating resources to a flexible transit start-up would distract from operations that are already performed with lower levels of administrative staff than our peers.

Given the benefits to employers of flexible transportation, there remain opportunities for business associations, business improvement districts, and other employer organizations to create, administer and more sustainably fund flexible transportation networks whether they are located on the north, or southside. As these arrangements are created, MCTS could be a partner in providing rides to locations on its existing service network to points at which independent flexible transportation providers can then take employees to their final destinations.

In conclusion, the last mile problem is best categorized as a new term for a long standing issue. PPF has researched the subject well, and acknowledges that it is difficult for transit to be the single solution. Factors such as the location of available labor force in relation to facility location are significant contributors to growing concern for businesses. In addition, alternatives used in other parts of the country may appear attractive to decision makers in those communities because a larger variety of funding sources are available to them and they can afford to experiment with new modes of transportation.

While it may be an understandable first reaction to ask transit to provide a solution to the labor versus job spatial mismatch, it may be more appropriate to have business properly vet the needs of maintaining an available labor force to consistently maintain optimal levels of productivity and determine their location needs. MCTS will continue to monitor developments within the industry relative to what can be feasible locally given the current funding and service area limitations. In addition, MCTS will continue to work with those in the private and non-profit sector to determine what its role can be in providing a right-sized solution to current employment challenges.

#### RECOMMENDATION

This report is for informational purposes unless otherwise directed.

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