The Milwaukee County Transit System Development Plan is nearing completion. The last newsletter documented the findings of a performance and peer evaluation of the transit system and solicited public feedback on the evaluation. Since then, the following actions have occurred:

- Informational meetings were held in February and March of 2007 for the public to learn about and comment on the study.
- All public comments were reviewed and summarized by staff at the Southeastern Wisconsin Regional Planning Commission and the study Advisory Committee (see box on page 2).
- Using the evaluation findings and public comments, staff developed three potential service plans, or “alternatives”, for making short-term (five year) improvements to the transit system and presented the alternative plans to the study Advisory Committee.
- Milwaukee County decided to seek Federal Transit Administration (FTA) funds to study and implement Bus Rapid Transit (BRT) service over Fond du Lac, National, and Greenfield Avenues following an express bus alignment similar to one identified in two of the alternative improvement plans.

This newsletter describes the three alternative plans developed for the transit system development plan, including their funding requirements. It also provides information on the proposed Milwaukee County BRT project. It concludes with a comparison of alternative funding options, which will be critical for implementing the final recommended service plan.

Public comments on the service improvement alternatives and the Milwaukee County BRT project submitted before March 16, 2009 will be taken into consideration in the development of the final recommended transit system development plan and the Milwaukee County BRT service proposal submitted for FTA approval. For more information on how to comment, see the last page of this newsletter. All documentation on plan development is available on the project website at www.sewrpc.org/milwctdp.
In February and March of 2007, Commission staff solicited public feedback on the transit development plan. Staff conveyed the plan findings at four public informational meetings, and several newspaper articles focused attention on transit issues. In total, 212 comments were submitted at informational meetings, or via letter, email, telephone, or through the Commission website. The full record of public comments is available online at www.sewrpc.org/milwcdtp.

Many individuals expressed support of the transit system in their comments, including 25 people who asked that service not be cut any further, and 19 people who favored establishing new dedicated funding sources for transit service.

**Comments on Unmet Transit Service Needs**

The public comments confirmed the unmet needs identified in the transit system performance evaluation prepared by Commission staff:

- **Areas Not Served.** A number of people identified a need for more service in northern Milwaukee County, such as east-west service on Brown Deer Road. Five people asked for more service in southern Milwaukee County in the Cities of Oak Creek and Franklin, and four expressed support for more service to the Village of Hales Corners.

- **Lengthy Travel Times.** A need for faster travel times was indicated by the 11 comments requesting to restore the express bus services formerly provided over Fond du Lac Avenue; Forest Home Avenue; and Bluemound Road and Wisconsin Avenues. More frequent transit service would also result in faster travel times, and support for more frequent service was expressed in many comments.

- **Inadequate Service Frequency.** A number of people expressed support for more frequent transit service in general, and also on specific routes. Two people supported implementing 10-minute headways at all times, while two others suggested implementing peak-period headways of less than 10 minutes.

- **Inadequate Service Hours.** Four people identified a need for longer hours of service on freeway flyer and UBUS routes, and several identified a need for longer hours of service on local routes serving the far northern and southern portions of the County.

- **Travel between Milwaukee and Surrounding Counties.** A number of comments expressed support for more transit service between Milwaukee County and surrounding counties, including local bus service to Mequon in southern Ozaukee County, Germantown in southeastern Washington County, and various communities in eastern Waukesha County.

**Additional Unmet Transit Service Needs Identified in Public Comments**

Public feedback in the comments helped staff identify additional unmet transit service needs that were not included in the initial performance evaluation:

- **Bicycle Accommodation on Buses.** A total of 52 people expressed support for installing bicycle racks on MCTS buses. The benefits cited include a potential for increased transit ridership, a larger transit service area because bicycles enable longer travel to and from bus stops, and increased mobility by increasing the number of transportation options.

- **Insufficient Options for Fares, Tickets and Passes.** A number of people expressed support for offering a greater variety of passes, including three people who requested rechargeable “smart” fare cards, three who requested a one-day pass, and two who requested: monthly passes.

- **Lack of a Regional Transit Authority.** Eight people expressed support for using a regional approach or a regional transportation authority to fund and operate transit service. The benefits cited by supporters include a potential for improved travel between Milwaukee County and surrounding counties, and the potential to use a dedicated funding source for transit.

**Response to Public Comments**

The transit service improvement alternatives were developed to respond to the public comments and the findings of the system performance evaluation. In addition, MCTS has already applied for Federal grants to purchase and install bicycle racks on the front of buses; Route No. 19 - Greenfield Avenue was extended south on Miller Park Way to serve Centennial Plaza at Lincoln Avenue; and freeway flyer Route 40U was changed to serve a new stop at the Rockwell Park-Ride Lot near the intersection of Greenfield Avenue and 4th Street.

The preceding priorities are reflected in the proposed service improvements under both Alternatives 1 and 2, as described in the following sections. Alternative 3, which would maintain the transit system at 2008 service levels, represents a baseline for comparison against the other alternatives.

**ALTERNATIVE 1: EXTENSIVE SERVICE EXPANSION**

Of the three potential service improvement plans, Alternative 1 represents the most aggressive attempt to address the priorities for service improvements identified above. Overall, the plan would:
Expand fixed-route bus service by about 22 percent (4 percent per year) from 1,340,000 bus hours budgeted for in 2008, to 1,629,000 bus hours in 2013. This service level would be about one percent below the 1,650,000 bus hours provided in 2000.

Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership).

To address the unmet needs for service in the far northern, western, and southern portions of the County, Alternative 1 would extend several bus routes and add several new

![Map 1](image)

**CHANGES TO THE LOCAL BUS ROUTES OF THE MILWAUKEE COUNTY TRANSIT SYSTEM PROPOSED UNDER ALTERNATIVES 1 AND 2**

![Map 2](image)

**CONVERT LOCAL BUS SERVICE TO EXPRESS BUS SERVICE IN THREE CORRIDORS**

Alternative 1 proposes converting high-ridership local bus routes into express bus routes in order to improve transit travel times. Map 2 displays three proposed express bus routes along with proposed changes to the five local bus routes that would be affected. All routes would operate between 5:00 a.m. and 1:00 a.m. seven days a week, with frequent service. Buses would arrive every 7-10 minutes during weekday peak periods; every 9-16 minutes during weekday off-peak periods; and every 10-20 minutes on weekends.

- Route 10/30X would run from the Milwaukee Regional Medical Center in Wauwatosa to the University of Wisconsin-Milwaukee (UWM) over portions of Route Nos. 10 and 30. This route could also be extended north on Oakland Avenue to the intersection of Oakland Avenue and Kensington Boulevard in Shorewood.
- Route 18/23X would operate between Summit Place (S. 70th St. and Greenfield Avenue) and Midtown Center (N. 60th Street and Fond du Lac Avenue) over portions of Route Nos. 18 and 23.
- Route 27X would be a north-south route between the Bayshore Shopping Center and Wal-Mart (S. 27th Street and Sycamore Street) over the entire length of Route No. 27, with the addition of an extension to the Bayshore Shopping Center. This route could be extended south to the Northwestern Mutual Life Insurance Co. Campus at S. 27th Street and Drexel Avenue, or to the new Wheaton Franciscan Healthcare hospital near S. 27th Street and Oakwood Road.

The specific service improvements proposed under Alternative 1 are identified below.

**Add New Local Routes and Adjust Alignments of Existing Local Bus Routes**

To address the unmet needs for service in the far northern, western, and southern portions of the County, Alternative 1 would extend several bus routes and add several new

- An east-west route to serve the commercial and office development along Brown Deer Road
- Better transit service coverage in north-central and western Milwaukee County
- An extension of local bus service to the Village of Hales Corners
- An extension of local bus service to industrial and office parks in Franklin and Oak Creek
- Improved connectivity of transit system routes and ease in transferring between routes

The route additions and extension improvements outlined above represent a service increase of about 52,000 additional annual bus hours, or 4 percent, over year 2008 levels.
A possible fourth express bus route also shown on Map 2 would be Route 11X running from the near northside at W. Capitol Drive and Holton Street through downtown to Milwaukee International Airport. The City of Milwaukee has indicated that the airport deserves consideration for express service. The proposed express service represents an incremental move—achievable within a 5-year planning period—toward a faster system. A basic level of express service would be created through additions and improvements to existing express bus routes. Enhancements to upgrade express bus service to BRT service could include exclusive bus lanes, transit priority at traffic signals, next-bus information displays, buses of a different design or with special markings and paint schemes, and specially designed bump-out bus stops. The upgrading of express bus routes to BRT could also entail some route realignment and wider stop spacing, along with reintroduction of local bus service. The possibility of incorporating some of the BRT enhancements into the initial express bus route—including signal priority, minor street redesign at bus stops, and using buses with special paint schemes—could be explored as the express routes are moved into implementation. Milwaukee County is currently developing a project that would implement BRT service along Fond du Lac, National, and Greenfield Avenues. This project is summarized in the box on page 11.

The three basic express bus routes services described above represent a service increase of about 54,000 additional annual bus hours, or 4 percent, over year 2008 levels. Because the express services will replace the existing local bus service, the additional annual bus hours needed are solely due to the improved service frequency.

Upgrade Freeway Flyer Service
Expanded freeway flyer service would address the sharp increase in ridership on those routes in recent years, ensure the routes meet the service standard that all passengers have a seat, and improve transit travel times. Alternative 1 proposes these improvements:
- Provide a minimum of 10 bus trips over each freeway flyer route during weekday morning and afternoon peak periods.
- Create one new freeway flyer route so that each route stops at no more than two park-and-ride lots (a service standard).
- Add two midday round-trips to each freeway flyer route.

The rapid services described above represent a service increase of about 32,000 additional annual bus hours, or 2 percent, over year 2008 levels.

Eliminate Bus Turn-back Points Along Selected Routes
Many bus routes in Milwaukee County have “turn-back points”, points where some of the buses turn around before reaching the terminus of the route. Transit systems use turn-back points to efficiently provide more frequent service on the higher-ridership portions of routes. However, the turn-backs result in infrequent service—often not meeting standards—over the outer segments of the routes. The change proposed in Alternative 1 would provide consistent service levels on weekdays and weekends over the entire lengths of Routes 35, 57, and 64. Map 3 displays the affected route segments.
The elimination of bus turn-backs on the identified routes represents a service increase of about 20,000 additional annual bus hours, or 1.5 percent, over year 2008 levels.

Earlier in the study, the Advisory Committee established standards for "headways", or the amount of time between bus arrivals at a stop. According to the standards, buses should be provided with desirable headways on the 15 highest-ridership local routes, in addition to the five routes converted to express service.

The provision of desirable headways on 15 routes represents a service increase of about 118,000 additional annual bus hours or 9 percent over year 2008 levels.

Provide Desirable Headways on Fifteen Local Routes

For these two service aspects, Alternative 2 proposes exactly the same service as Alternative 1:

- Extension of several bus routes and addition of several new routes, as displayed in Map 1. The new routes represent a service increase of about 52,000 additional annual bus hours, or 4 percent over year 2008 levels.

ALTERNATIVE 2: LIMITED SERVICE EXPANSION

Alternative 2 represents a scaling back of the proposals in Alternative 1, but would still address most of the priorities for service improvements. Overall, Alternative 2 would:

- Expand fixed-route bus service by about 15 percent (3 percent per year) starting from the 1,340,000 bus hours budgeted for in 2008 and increasing to 1,540,000 bus hours in 2013. This service level would be about five percent below the 1,650,000 bus hours provided in 2000.
- Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership)
- Boost annual ridership by an estimated 6 percent, from 42.8 million (in 2008 budget) to 45.3 million in 2013.

The specific service improvements proposed under Alternative 2 are identified below.

Add Same New Local Routes, Route Adjustments, and Express Bus Services as Proposed in Alternative 1

Table 3 compares the capital investment required for each of the alternatives. Assuming Milwaukee County’s priority in the use of limited Federal funds is to use these funds first on necessary capital projects, the Federal share for capital funding of each of the alternatives is approximately 80 percent. Milwaukee County’s projected local share for the necessary capital investments would be $20.6 million over the five year period to implement the extensive service expansion in Alternative 1, $19.6 million for the limited service expansion in Alternative 2, and $15.6 million

The elimination of bus turn-backs on the identified routes represents a service increase of about 20,000 additional annual bus hours, or 1.5 percent, over year 2008 levels.

Provide Desirable Headways on Fifteen Local Routes

Earlier in the study, the Advisory Committee established standards for "headways", or the amount of time between bus arrivals at a stop. According to the standards, buses should be provided with desirable headways on the 15 highest-ridership local routes, in addition to the five routes converted to express service.

The provision of desirable headways on 15 routes represents an increase of about 13,000 additional annual bus hours, or 1 percent over year 2008 levels.
Conversion of high-ridership local bus routes into three express bus routes in order to improve transit travel times as displayed in Map 2. The express routes represent a service increase of about 54,000 additional annual bus hours, or 4 percent, over year 2008 levels.

Upgrade Freeway Flyer Service Without Adding Midday Service

Alternative 2 proposes the same freeway flyer service expansion as in Alternative 1, but without adding new midday bus trips:

- A minimum of 10 bus trips over each freeway flyer route during weekday morning and afternoon peak periods.
- The creation of one new freeway flyer so that each route stops at no more than two park-and-ride lots (a service standard).

The freeway flyer services described above represent a service increase of about 24,000 additional annual bus hours, or 2 percent, over year 2008 levels.

Eliminate Bus Turn-back Points Only During Weekdays

Alternative 2 proposes eliminating turn-backs to provide consistent service levels only on weekday schedules over Routes 35, 57, and 64,. Unlike Alternative 1, bus turn-backs would remain on weekend schedules. Map 3 displays the affected route segments.

The elimination of weekday bus turn-backs represents a service increase of about 9,000 additional annual bus hours, or 0.6 percent, over year 2008 levels.

Provide Desirable Headways on 10 Local Routes

Alternative 2 would increase service frequencies to attain desirable headways on the 10 highest-ridership local routes, in addition to the five routes converted to express service.

The provision of desirable headways on 10 routes represents a service increase of about 57,000 additional annual bus hours, or 4 percent, over year 2008 levels.

Provide 20 Hours of Service a Day on Weekdays

Alternative 2 would ensure that bus schedules operate at least 20 hours a day on weekdays, but not on weekends. Because most routes (25 of 30) already meet that standard on weekdays, only the schedules for Routes 35 and 80 would be adjusted to provide service on the southern portion of their routes during weekday morning and evening periods.

The provision of desirable service hours on weekdays represents an increase of about 5,000 additional annual bus hours, or 0.4 percent, over year 2008 levels.

ALTERNATIVE 3: MAINTAIN EXISTING SYSTEM

Alternative 3 represents a “no expansion” approach. Under this alternative, the transit system would maintain fixed-route bus service at the existing 2008 levels. Overall, Alternative 3 would:

- Maintain fixed-route bus service at the 1,340,000 bus hours budgeted for 2008. This service level is about 19 percent less than 1,650,000 bus hours of service operated in the year 2000.
- Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership).
- Depress annual ridership by an estimated 5 percent, from 42.8 million (in 2008 budget) to 40.5 million in 2013, due to the fare increases that were assumed for all scenarios (see box on page 8).

Table 1 compares the proposed service expansions, equipment needs, and estimated ridership under Alternatives 1, 2, and 3.

Table 1: COMPARISON OF ALTERNATIVES

Regardless of which alternative service plan is selected, significant capital investments must occur over the next five years to maintain the existing transit system equipment and facilities. All the proposals would require the following capital investments:

- A total of 204 buses to replace part of the current aging fleet,
- Replacement fareboxes to be installed in the existing fleet,
- Bicycle racks to be placed on the existing fleet,
- Various repairs, renovations, and upgrades to MCTS facilities (currently scheduled in the transit system’s capital expenditure program), and
- Various transit enhancement projects such as improving bus stops, adding bus shelters, and adding accessibility features to make it easier for disabled persons to use bus services and facilities.

In addition, both alternatives 1 and 2 would require additional capital investments to implement the proposed service improvements:

- Additional buses and fareboxes to expand the fleet to provide service over new or extended routes and operate with lower headways. Alternative 1 would require 75 additional buses; Alternative 2 would require 60.
- Bicycle racks for the additional buses (75 for Alternative 1; 60 for Alternative 2).
route bus service at the existing 2008 levels. Overall, Alternative 3 would:

- Maintain fixed-route bus service at the 1,340,000 bus hours budgeted for 2008. This service level is about 19 percent less than 1,650,000 bus hours of service operated in the year 2000.
- Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership).
- Depress annual ridership by an estimated 1 percent, from 42.8 million (in 2008 budget) to 40.5 million in 2013, due to the fare increases that were assumed for all scenarios (see box on page 8).

**COMPARISON OF ALTERNATIVES**

Table 1 compares the proposed service expansions, equipment needs, and estimated ridership under Alternatives 1, 2, and 3.

**CAPITAL NEEDS FOR ALTERNATIVES 1, 2, AND 3**

Regardless of which alternative service plan is selected, significant capital investments must occur over the next five years to maintain the existing transit system equipment and facilities. All the proposals would require the following capital investments:

- A total of 204 buses to replace part of the current aging fleet,
- Replacement fareboxes to be installed in the existing fleet,
- Bicycle racks to be placed on the existing fleet,
- Various repairs, renovations, and upgrades to MCTS facilities (currently scheduled in the transit system's capital expenditure program), and
- Various transit enhancement projects such as improving bus stops, adding bus shelters, and adding accessibility features to make it easier for disabled persons to use bus services and facilities.

In addition, both alternatives 1 and 2 would require additional capital investments to implement the proposed service improvements:

- Additional buses and fareboxes to expand the fleet to provide service over new or extended routes and operate with lower headways. Alternative 1 would require 75 additional buses; Alternative 2 would require 60.
- Bicycle racks for the additional buses (75 for Alternative 1; 60 for Alternative 2).

**Table 1**

<table>
<thead>
<tr>
<th>Service Characteristic</th>
<th>Alternative 1: Extensive Service Expansion</th>
<th>Alternative 2: Limited Service Expansion</th>
<th>Alternative 3: Maintain Existing System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Route Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Vehicle Hours, Year 2013</td>
<td>1,629,000</td>
<td>1,540,000</td>
<td>1,340,000</td>
</tr>
<tr>
<td>Percent Increase over 2008</td>
<td>22</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Transit Plus Paratransit Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Vehicle Hours Year 2013</td>
<td>437,000</td>
<td>437,000</td>
<td>437,000</td>
</tr>
<tr>
<td>Percent Increase over 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Total Annual Bus and Paratransit Riderhip Year 2013</td>
<td>471.1 million</td>
<td>453.3 million</td>
<td>40.5 million</td>
</tr>
<tr>
<td>Percent Increase over 2008</td>
<td>10</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

**Expansion of Transit Service**

- New routes and route extensions to northern and southern portions of County.
- New routes and route extensions to northern and southern portions of County.

**Table 2**

<table>
<thead>
<tr>
<th>Capital Equipment/Project</th>
<th>Annual Average 2003-07</th>
<th>Alternative 1, Extensive Service Expansion</th>
<th>Alternative 2, Limited Service Expansion</th>
<th>Alternative 3, Maintain Existing System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Fleet</td>
<td>$3,406,000</td>
<td>$76,415,000</td>
<td>$15,283,000</td>
<td>$76,415,000</td>
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<tr>
<td>Bus Replacement/ Rehabilitation</td>
<td>$4,145,000</td>
<td>$89,125,000</td>
<td>$23,769,600</td>
<td>$89,125,000</td>
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<tr>
<td>Buses for Fixed Excess: 75 for Alternative 1, 60 for Alternative 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$7,551,000</td>
<td>$165,540,000</td>
<td>$38,052,600</td>
<td>$165,540,000</td>
</tr>
<tr>
<td>Fareboxes for the Existing and Expanded Bus Fleet</td>
<td>$50,000</td>
<td>$944,000</td>
<td>$188,800</td>
<td>$994,000</td>
</tr>
<tr>
<td>Bike Racks for Existing and Expanded Bus Fleet</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycle Racks for Existing and Expanded Bus Fleet</td>
<td>$600,000</td>
<td>$1,200,000</td>
<td>$22,500,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Facility Repair and Renovation</td>
<td>$600,000</td>
<td>$1,200,000</td>
<td>$22,500,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Other Projects</td>
<td>$500,000</td>
<td>$944,000</td>
<td>$188,800</td>
<td>$994,000</td>
</tr>
<tr>
<td>Total</td>
<td>$4,145,000</td>
<td>$165,540,000</td>
<td>$38,052,600</td>
<td>$165,540,000</td>
</tr>
</tbody>
</table>

| Source: SEWRPC. |

**Table 2**

**PROPOSED CAPITAL EXPENDITURES FOR MILWAUKEE COUNTY TRANSPORTATION SYSTEM UNDER ALTERNATIVES 1, 2, AND 3**

- **Bus Fleet**
  - 204 buses to replace aging fleet plan 75 buses to expand fleet
  - 204 buses to replace aging fleet plan 75 buses to expand fleet
  - 204 buses to replace aging fleet plan 75 buses to expand fleet

**Source**: Milwaukee County Department of Transportation and Public Works, Milwaukee County Transit System, and SEWRPC.
Provide 20 Hours of Service a Day on Weekdays and Weekends

Lengthening bus route schedules to the number of hours specified in the service standards—20 hours a day—would address unmet needs for longer service hours identified in both the performance evaluation and in public comments. Bus routes operating from approximately 5:00 a.m. to 1:00 a.m. permit travel to and from all three traditional work shifts. Most local routes (25 of 30) currently operate 20 hours a day on weekdays, but only about half (14 of 30) do on Saturdays, and about a third (9 of 30) do on Sundays. Alternative 1 would improve the weekday schedules for Routes 35 and 80 to provide service on the southern portion of their routes during morning and evening periods. On Saturdays and Sundays, Alternative 1 would lengthen route schedules to attain the desired service hours on the 15 highest-ridership local routes, and the five routes converted to express service.

The provision of desirable service hours on 15 routes represents an increase of about 13,000 additional annual bus hours, or 1 percent over year 2008 levels.

ALTERNATIVE 2: LIMITED SERVICE EXPANSION

Alternative 2 represents a scaling back of the proposals in Alternative 1, but would still address most of the priorities for service improvements. Overall, Alternative 2 would:

- Expand fixed-route bus service by about 15 percent (3 percent per year) starting from the 1,340,000 bus hours budgeted for in 2008 and increasing to 1,540,000 bus hours in 2013. This service level would be about five percent below the 1,650,000 bus hours provided in 2008.
- Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership).
- Boost annual ridership by an estimated 6 percent, keeping pace with anticipated growth in ridership.
- Operating expense per vehicle hour increased by 2.8 percent annually between 1995 and 2000 (during system expansion) and by 5.2 percent annually from 1995 to 2000 (during system contraction).
- Increase Transit Plus paratransit service by about 3 percent by 2013 (keeping pace with anticipated growth in ridership).
- Operating expense per vehicle hour increased by 2.8 percent annually between 1995 and 2000 (during system expansion) and by 5.2 percent annually from 1995 to 2000 (during system contraction).
- State Operating Assistance. Annual operating assistance provided by the Wisconsin Department of Transportation through the Section 85.20 program has covered between 39 and 43 percent of the operating expenses for the transit system in recent years. The amount of Section 85.20 funding received by Milwaukee County increased by 5.2 percent annually from 1995 to 2000 (during system expansion) and by 1.7 percent annually from 2001 to 2007 (during system contraction).
- Federal Formula Funds. The Federal Transit Administration (FTA) provides annual allocations of Section 5307 formula funds, which are intended for capital purchases but may be used for the maintenance elements of operating expenses in 2007. These funds covered about 13 percent of transit system operating expenses in 2007. In the late 1990’s, Milwaukee County accumulated a “bank” of about $40 million in unused Section 5307 funds. In an attempt to avoid service cuts, since 2000 the banked allocations have been used to pay for operating expenses and capital projects, leaving less than $8 million at the end of 2007. The County’s annual allocation of new FTA Section 5307 funding has fluctuated between $17 million and $19 million over the past eight years.

Using the assumptions and factors outlined above, staff developed a range of estimates for their future values, as displayed in Table 3.

### Table 3: ESTIMATES OF FACTORS THAT DETERMINE FUTURE TRANSIT FUNDING NEEDS

<table>
<thead>
<tr>
<th>Factor Used to Measure Future Funding Needs</th>
<th>Range of Possible Future Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Increase in Transit System Operating Costs Per Vehicle Hour</td>
<td>Worst-Case Scenario</td>
</tr>
<tr>
<td>Annual Increase in State Operating Assistance</td>
<td>5%</td>
</tr>
<tr>
<td>Annual Increase in Federal Formula Funds</td>
<td>2%</td>
</tr>
<tr>
<td>Annual Amount of Federal Earmark Funds</td>
<td>$2 million</td>
</tr>
<tr>
<td>Replacement of 204 Buses</td>
<td>Will require a total of $63.5 million in Federal funds from 2010 to 2013.</td>
</tr>
<tr>
<td>Transit Fares</td>
<td>Expected to increase with inflation (15% total over 5 years)</td>
</tr>
</tbody>
</table>

Source: SEWRPC
Future growth in sales tax on vehicle sales

OPERATING FUNDING NEEDS OF ALTERNATIVE SERVICE PLANS

The three alternative plans represent three levels of public investment as measured by their annual capital and operating costs over the next five years. Commission staff examined recent trends of factors that affect the MCTS operating budget and prepared a range of future values for those factors (see box on page 8).

The estimates of factors were used to develop three funding scenarios:

- **"Best-Case Scenario"**, which assumes low increases in operating costs per revenue hour of transit service, and high levels of Federal and State funding assistance.
- **"Average Scenario"**, which assumes average increases in operating costs per revenue hour of transit service, and average levels of Federal and State funding assistance.
- **"Worst-Case Scenario"**, which assumes high increases in operating costs per revenue hour of transit service, and low levels of Federal and State funding assistance.

Those three funding scenarios were then used to calculate the possible range of operating costs and the public funds needed for each of the three transit service improvement alternatives. Table 4 presents the possible range of annual operating costs for each of the alternatives. Depending on the scenario, by 2013, Alternative 1 could require annual operating assistance of as little as $153.8 million, or as much as $187.4 million; while Alternative 3 could require as little as $12.8 million, or as much as $155.7 million.

Table 4 also presents the estimated Federal, State, and local share needed as explained above, Milwaukee County cannot, even in the short term, continue to rely on the local property tax levy to fund the transit system. Various proposals for dedicated funding for transit have been advanced by public officials in recent years. Some officials have proposed that the growth in the existing sales tax collected on vehicle-related purchases be diverted from the State general fund and used for funding transit. The Southeastern Wisconsin Regional Transit Authority has investigated many funding options including the possibility of levying a 0.5 percent additional local sales tax for transit. These two possibilities are among the most discussed options and are described below.

Future growth in sales tax on vehicle sales

Under this proposal, future revenue from the general fund of the State budget, which has been running a substantial deficit. Moreover, obtaining approval of the use of these funds to replace local property tax funds of public transit can be expected to be very difficult, because it would eliminate any local funding of public transit under a Wisconsin transportation responsibility structure in which transit is considered to be a local responsibility. Lastly, to provide adequate funding to meet Milwaukee County transit needs, Milwaukee County would need to receive substantially more than the growth in vehicle-related sales tax generated in Milwaukee County alone.

Public transit local funding needs over the next five years may be expected to increase faster than projected local sales tax revenues. This is due in part to the need to address long-deferred bus replacement, and under the expansion alternative, payments to be made under the service proposal to be implemented over only five years.

OPTIONS FOR DEDICATED FUNDING FOR TRANSIT

Given the estimates of operating expenses and the potential local share needed as explained above, Milwaukee County cannot, even in the short term, continue to rely on the local sales tax.
Table 4
ESTIMATED RANGE OF ANNUAL OPERATING COSTS FOR MILWAUKEE COUNTY TRANSIT SYSTEM IN YEAR 2013 UNDER ALTERNATIVES 1, 2, AND 3

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Year 2008 Budgeted Costs*</th>
<th>Year 2013 Operating Costs (in Millions) for Best-Case, Average, and Worst-Case Scenariosa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Best Case</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$163.8</td>
<td>$215.2</td>
</tr>
<tr>
<td>Passenger and Other Revenues</td>
<td>50.8</td>
<td>61.4</td>
</tr>
<tr>
<td>Required Operating Assistance</td>
<td>113.0</td>
<td>153.8</td>
</tr>
</tbody>
</table>

Sources of Operating Assistance
- Federal: $25.2
- State: 65.6
- Milwaukee County: 22.2

Costs and Revenues
- Operating Expenses
- Passenger and Other Revenues
- Required Operating Assistance

Table 5
PROJECTED REVENUE GENERATED BY A 0.5 PERCENT LOCAL SALES TAX, COMPARED TO MILWAUKEE COUNTY SHARE OF TRANSIT SYSTEM FUNDING UNDER THE “AVERAGE” SCENARIO

<table>
<thead>
<tr>
<th>Service Improvement Alternative</th>
<th>2008 Budget (in Millions)</th>
<th>Yearly Local Share of Operating and Capital Expenses (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Alternative 1: Extensive Service Expansion</td>
<td>-</td>
<td>$39.3</td>
</tr>
<tr>
<td>Alternative 2: Limited Service Expansion</td>
<td>-</td>
<td>34.9</td>
</tr>
<tr>
<td>Alternative 3: Maintain Existing System</td>
<td>$22.4</td>
<td>26.3</td>
</tr>
</tbody>
</table>

Projected Annual Revenue for a 0.5% Local Sales Tax
- $65.7 | $68.0 | $69.4 | $70.8 | $72.2 |

Projected Revenue Surplus
- $27.4 | $30.3 | $31.1 | $32.8 | $21.4 |
- $31.8 | $37.3 | $42.9 | $50.7 | $50.9 |

State, and local (sales tax) revenues are only projected to increase by 2 percent annually, based on the trend of the past five years. This indicates a need to adopt strategies to aggressively use available Federal funding—such as Federal Highway Administration Congestion Mitigation and Air Quality or Surface Transportation Program-Milwaukee Urbanized Area funds—to reduce local funding needs and a need to “bank” excess sales tax funds in early years to address this concern, until economic conditions improve and sales tax revenues begin to increase at 3 to 4 percent annually as they did in the 1990s. The projections indicate potential surpluses under each alternative through 2013. This is a conservative assessment, as it assumes no additional Federal funds beyond Federal formula and limited discretionary funds.

CONCLUSION
Both the performance evaluation and the substantial public comment regarding MCTS service identified areas where the transit system currently does not adequately serve Milwaukee County residents’ travel needs. Alternatives 1 and 2 present service improvements to address those needs; Alternative 3 offers a baseline they can be compared against.

The current funding sources for the transit system are insufficient to maintain the system at current levels, let alone make needed improvements. The analysis to determine future funding needs took many uncertainties into account by using best-case, average and worst-case scenarios. Given the estimates of operating and capital...
Fondy-National BRT Project

Milwaukee County is proposing to construct and have the MCTS operate a 12-mile long street-running Bus Rapid Transit (BRT) running over Fond du Lac Avenue, downtown streets, National Avenue, and Greenfield Avenue. This proposed transit improvement, called the Fondy-National BRT Project, will connect the Midtown Center at 60th Street and Capitol Drive to Downtown Milwaukee and continue through Downtown to operate over National and Greenfield Avenues to Wisconsin State Fair Park. The proposed BRT route is shown on Map 4 and closely follows the alignment of express bus Route 18/23X shown in Map 2.

The existing local bus routes serving the corridor along Fond du Lac, National, and Greenfield Avenues (e.g. Routes 23 and 18) make frequent stops every two or three blocks to accommodate passenger demand and carry approximately 15,000 passengers each weekday. The Fondy-National BRT service will provide stops every two or three blocks to accommodate passenger demand and carry approximately 15,000 passengers each weekday. The vehicles would operate with 10-minute headways or better during peak-periods and 15-minute headways during the weekday off-peak.

Every bus stop/station along the Fondy-National BRT line is proposed to include a shelter and “real-time” (next bus) passenger information displays. Traffic signal prioritization—which will speed up the time to a green signal or reduce the time of a red signal whenever buses approach the intersection—will also be considered. New buses will be used to provide the new BRT service and consideration will be given to using state-of-the-art 60-foot buses. The vehicles will be equipped with new fare boxes that take a variety of fare forms, possibly including daily passes, weekly passes, monthly passes, credit cards, etc. The vehicles will also be equipped with wheelchair ramps, bus stop announcements, security cameras, and bike racks.

Map 4

FONDY-NATIONAL BUS RAPID TRANSIT (BRT) PROJECT

expenses and potential local share, Milwaukee County cannot, even in the short term, continue to rely on the local property tax levy to fund the transit system. The future of transit in Milwaukee County depends on securing a permanent source of dedicated funding.

ADDITIONAL INFORMATION

An electronic version of this newsletter, study report chapters, meeting minutes, public meeting notices, and all other project materials are available at www.sewrpc.org/milwcootp. More information can be obtained by contacting:

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Executive Director
Southeastern Wisconsin Regional Planning Commission
(262) 547-6721

U.S. Mail: P.O. Box 1607, Waukesha, WI 53187-1607
E-mail: milwcootp@sewrpc.org

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Tell Us What You Think!

Give us your opinion of the alternative service improvement proposals and funding options for transit in Milwaukee County. Attend one of the meetings and give us your feedback, or send us your written comments using one of the methods below by March 16, 2009.

Comments may be submitted by:
- U.S. mail: P.O. Box 1607, Waukesha, WI 53187-1607
- Website: www.sewrpc.org/milwcotdp
- E-mail: milwcotdp@sewrpc.org
- Fax: (262) 547-1103
- Telephone: (262) 547-6721

Schedule of Public Informational Meetings

Milwaukee County residents can learn about, ask questions, and comment on the transit development plan and the proposed Milwaukee County BRT project at three public informational meetings (see box). Staff will be available in an “open house” format to individually answer questions and respond to public input. A short presentation will be given at 6 p.m. The meeting locations are handicapped accessible. Persons with special needs should contact the Commission office at (262) 547-6721 a minimum of 72 hours in advance so appropriate arrangements can be made.

SCHEDULE OF PUBLIC INFORMATIONAL MEETINGS

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday January 20, 2009</td>
<td>Downtown Transit Center</td>
</tr>
<tr>
<td></td>
<td>Hartford Lights Room</td>
</tr>
<tr>
<td></td>
<td>909 E. Michigan Street</td>
</tr>
<tr>
<td></td>
<td>Milwaukee, Wisconsin</td>
</tr>
<tr>
<td>Wednesday January 21, 2009</td>
<td>West Allis City Hall</td>
</tr>
<tr>
<td></td>
<td>Common Council Chambers</td>
</tr>
<tr>
<td></td>
<td>7525 W. Greenfield Avenue,</td>
</tr>
<tr>
<td></td>
<td>West Allis, Wisconsin</td>
</tr>
<tr>
<td>Thursday January 22, 2009</td>
<td>Washington Park Senior</td>
</tr>
<tr>
<td></td>
<td>Center</td>
</tr>
<tr>
<td></td>
<td>4420 W. Vliet Street</td>
</tr>
<tr>
<td></td>
<td>Milwaukee, Wisconsin</td>
</tr>
</tbody>
</table>

The Milwaukee County Transit System Development Plan is nearing completion. The last newsletter documented the findings of a performance and peer evaluation of the transit system and solicited public feedback on the evaluation. Since then, the following actions have occurred:

- Informational meetings were held in February and March of 2007 for the public to learn about and comment on the study.
- All public comments were reviewed and summarized by staff at the Southeastern Wisconsin Regional Planning Commission and the study Advisory Committee (see box on page 2).
- Using the evaluation findings and public comments, staff developed three potential service plans, or “alternatives”, for making short-term (five year) improvements to the transit system and presented the alternative plans to the study Advisory Committee.
- Milwaukee County decided to seek Federal Transit Administration (FTA) funds to study and implement Bus Rapid Transit (BRT) service over Fond du Lac, National, and Greenfield Avenues following an express bus alignment similar to one identified in two of the alternative improvement plans.

This newsletter describes the three alternative plans developed for the transit system development plan, including their funding requirements. It also provides information on the proposed Milwaukee County BRT project. It concludes with a comparison of alternative funding options, which will be critical for implementing the final recommended service plan.

Public comments on the service improvement alternatives and the Milwaukee County BRT project submitted before March 16, 2009 will be taken into consideration in the development of the final recommended transit system development plan and the Milwaukee County BRT service proposal submitted for FTA approval. For more information on how to comment, see the last page of this newsletter. All documentation on plan development is available on the project website at www.sewrpc.org/milwcotdp.

Key Advisory Committee Findings to Date

The transit system development plan is being prepared by the Southeastern Wisconsin Regional Planning Commission at the request of Milwaukee County and under the review of the Milwaukee County Transit Planning Advisory Committee appointed by Milwaukee County Executive Scott Walker. The plan is needed to replace outdated plans completed in the late 1990s by Milwaukee County and transit system staffs. Work completed to date has included: identification of the current population, employment, and land use characteristics in Milwaukee County and the adjacent counties; a performance evaluation of transit system routes and route segments to identify areas of good and poor performance; an assessment of unmet transit travel needs for Milwaukee County residents; a comparison with other similar “peer” transit systems across the United States; and an analysis of the current and possible future financial condition of the transit system. The findings of this work are summarized in Newsletter 1 prepared under the study.

Priorities for Service Improvements

Staff at the Southeastern Wisconsin Regional Planning Commission, Milwaukee County Department of Public Works, the Milwaukee County Transit System (MCTS), and the Study Advisory Committee reviewed the findings of the performance evaluation and the public comments and identified several high-priority improvements. Given the short-term nature of the plan, staff focused on improvements to service that would make transit more competitive with travel by private automobile, address the public comments, and be feasibly implemented over a five-year period:

- Extending routes to unserved areas in Milwaukee County with significant population or employment concentrations.
- Reducing transit travel times by converting major local routes to express routes and by adjusting Freeway Flyer service.
- Increasing the frequency of service to provide for desirable headway levels on more routes.
- Expanding weekday and weekend service periods to provide for desirable hours of service on more routes.

MILWAUKEE COUNTY TRANSIT SYSTEM DEVELOPMENT PLAN: 2009-2013

Transit Service Improvement Alternatives

NEWSLETTER 2 2009

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