

Preliminary Draft

SEWRPC Community Assistance Planning Report No. 279
MILWAUKEE COUNTY TRANSIT DEVELOPMENT PLAN

Chapter VIII

SUMMARY AND CONCLUSIONS

INTRODUCTION

At the specific request of Milwaukee County, the Southeastern Wisconsin Regional Planning Commission, together with the Milwaukee County Transit System and the Milwaukee County Department of Public Works, prepared this short-range, five year transit development plan for the Milwaukee County Transit System. The plan includes a review of population, employment, land use, and travel patterns in Milwaukee County and the Milwaukee area; review of the existing transit system and trends in its operation; definition of transit system objectives and standards to evaluate system performance; assessment of transit system and route performance and identification of unmet transit travel needs of Milwaukee County residents; review of a comparison of the Milwaukee County Transit System to peer transit systems; evaluation of the future financial condition of the transit system; consideration of potential transit service improvements; and the development of a recommended plan of operating and capital improvements for the transit system and their associated funding needs.

Study Organization

Work on the Milwaukee County Transit System development plan was overseen by the Milwaukee County Public Transit Planning Advisory Committee, whose members were appointed by the Milwaukee County Executive (see inside front cover of report). After careful study and evaluation, the Advisory Committee proposed to Milwaukee County and the Commission a recommended transit system development plan which identifies operating and capital improvements for the Milwaukee County Transit System proposed to be implemented over a period of about five years. The Advisory Committee guided the technical staff in the preparation of the plan, including the design and evaluation of transit improvement and funding proposals.

Study Scope and Area

This transit system development plan provides a comprehensive evaluation of the fixed-route bus services provided by the Milwaukee County Transit System and recommends a set of service improvements for a five-year period. The study and the resulting plan did not provide a comprehensive analysis of the Milwaukee County Transit Plus service for disabled individuals, as it was determined that such an analysis would should undertaken through the conduct of a separate study under the guidance of a separate advisory committee with representatives from a broad spectrum of the disabled community and organizations serving the disabled population. Also, given the plan's short-term focus, the study did not consider service options that propose fixed-guideway transit facilities such the commuter rail service being studied for the Milwaukee-Racine-Kenosha travel corridor or streetcar service under consideration by the City of Milwaukee. As these services are implemented, some changes to the alignments and schedules of the Milwaukee County bus routes will need to be considered to integrate bus services with the commuter rail and streetcar services, and this short-range plan will require appropriate amendment.

LAND USE AND TRAVEL PATTERNS

As part of the transit development plan, information was gathered and reviewed on historic and current population, employment, land use, and travel patterns in Milwaukee County. The following paragraphs present some of the key findings.

Population

Between 1960 and 2003, Milwaukee County's total resident population decreased from about 1,036,000 persons to about 941,300 persons, or by about 9 percent, while the total population in adjacent Ozaukee, Washington, and Waukesha Counties increased by about 138 percent. The total County population in 2009 was about 931,800 persons, or about 1 percent less than in 2003. The decline in County population has modestly reduced the size of the market for public transit service. Meanwhile, average household size has decreased, resulting in an increase in total County households of about 21 percent.

Five population groups whose access to the automobile is more limited than the population as a whole may be categorized as "transit dependent": school-age children (age 12-16), elderly persons (age 65 and older), persons in low-income families, disabled persons, and households with no vehicle available. The highest residential concentrations of transit-dependent persons are in the east-central and northwestern portions of the County (see Map 2-3 in Chapter II). This transit-dependent population generally coincides with the minority population of Milwaukee County (see Map 2-2 in Chapter II).

Employment

Total employment in Milwaukee County increased from about 503,300 jobs in 1960 to about 589,800 jobs in 2003, or by about 17 percent, a much lower rate of growth than in adjacent Ozaukee, Washington, and Waukesha Counties, where the number of jobs increased by 550 percent during the same period. The total County employment in 2009 was about 582,400 jobs, or about 1 percent less than in 2003. The significant job growth in bordering counties and in the northern, western, and southern portions of Milwaukee County led to the creation of new transit services, some operated by the Milwaukee County Transit System, designed to connect Milwaukee County residents to jobs.

Land Use

Research on transit-supportive land uses indicates that fixed-route bus service may be supported by employment densities of at least four jobs per acre and residential densities of at least seven dwelling units per acre. Areas with transit-supportive residential and/or employment density can be found throughout Milwaukee County, except for the far southern portion (see Map 2-13 in Chapter II).

Most Milwaukee-area major activity centers for medical, school, shopping, government, recreation and intercity rail and bus passenger transport are located within Milwaukee County. Many of these centers, therefore, are served by the Milwaukee County Transit System. However, the major activity centers related to employment (large employers and major office and industrial parks) are more widely dispersed throughout the four-county Milwaukee area (see Maps 2-9 through 2-11 in Chapter II). Of the 134 Milwaukee area employers in 2005 with 500 or more employees, 48 were located in surrounding Ozaukee, Washington, or Waukesha County. Of the 89 major office and industrial parks identified in the Milwaukee area in 2005, 64 were located in the surrounding counties.

Travel Habits and Patterns

Travel surveys undertaken by the Regional Planning Commission indicate that average weekday total intra-county person trips—those made entirely within Milwaukee County—increased by about 14 percent from 1963 to 2001. Inter-county trips—those made between Milwaukee County and one of the other six counties in the Southeastern Wisconsin Region—increased by about 210 percent from 1963 to 2001. Despite the large increase in inter-county trips, a large majority (77 percent) of all Milwaukee County person trips in 2001 were made entirely within the County. Of the inter-county trips, those made between Milwaukee and Waukesha County accounted for about two-thirds of all the Milwaukee County inter-county person trips in 2001 (see Map 2-12 in Chapter II). A majority of the trips made between

Milwaukee and Waukesha counties occurred between central Milwaukee County and eastern Waukesha County.

THE MILWAUKEE COUNTY TRANSIT SYSTEM

The Milwaukee County Transit System has been owned by Milwaukee County since July 1975 when the County acquired the assets of the former private bus company serving the County. The system is operated by a private contract management firm, Milwaukee Transport Services, Inc., with oversight of the management firm provided by staff within the Milwaukee County Department of Transportation and Public Works and the Transportation Public Works and Transit Committee of the Milwaukee County Board of Supervisors. Under this arrangement, the management firm assumes full responsibility for day-to-day transit system operating and management decisions while the County assumes the principal role in determining the transit budget and transit policy and is responsible for providing the management firm with the capital equipment and facilities and the public funds needed for operating the transit system.

Fixed Route Bus Service and Fares

The fixed-route bus services provided by the Milwaukee County Transit System in 2006 are illustrated on Map 3-1 in Chapter III. The regular transit services provided by the system include:

- Freeway flyer bus service, which consisted of high speed direct service between downtown Milwaukee and outlying residential areas or park-ride lots in the County. Service is provided only during weekday morning and afternoon peak periods;
- Regular local and shuttle bus service provided by routes operated over arterial and collector streets with frequent stops; and
- Special school day bus services, including high school and middle school routes and UBUS routes. The UBUS routes operated over freeways and arterial streets between outlying areas and park-ride lots to and from the University of Wisconsin-Milwaukee campus.

The routes of the transit system also connected with other bus routes sponsored by other local governments in southeastern Wisconsin (see Maps 3-9 through 3-12 in Chapter III), some of which provide reverse commute service between Milwaukee County and adjacent counties for Milwaukee County residents to use for accessing jobs and major activity centers outside Milwaukee County. These

routes include Milwaukee County Transit System routes funded by Ozaukee and Waukesha Counties, and routes operated by Wisconsin Coach Lines, Inc. and the Waukesha Metro Transit System funded by Waukesha County and/or the City of Waukesha. There were also other connecting bus routes which did not provide for reverse commute travel, including the Kenosha-Racine-Milwaukee bus service sponsored by the City of Racine; the West Bend-Milwaukee bus service sponsored by Washington County; and the Oconomowoc-Milwaukee and Mukwonago-Milwaukee bus service sponsored by Waukesha County.

In 2006, the base adult cash fare was \$1.75 per one-way trip for local routes and \$2.25 per one-way trip for freeway flyer routes. Elderly and disabled individuals and students were charged reduced fares of \$0.85 per one-way trip while students were charged \$1.30 per one-way trip. Tickets and passes were available at a discount from cash fares.

Transit Plus

The transit system also operated the Transit Plus paratransit service throughout Milwaukee County for disabled individuals who were unable to use the fixed-route bus service. Transit Plus provided curb-to-curb taxicab service for ambulatory disabled individuals, and door-to-door van service for disabled individuals who required an accessible vehicle and/or some driver assistance. The Transit Plus services were available during the same periods as the Milwaukee County Transit System fixed-route bus service. Disabled individuals could also use the accessible bus service provided on all regular routes of the transit system.

Ridership and Service Levels

Transit ridership is highly linked with the level of service provided, such as hours of operation, and frequency of service. Vehicle miles and vehicle hours of bus service are commonly used to measure the total service provided by a transit system. Figure 3-3 in Chapter III shows historic ridership and service levels for the Milwaukee County Transit System. Transit ridership increased from 1975 through 1980, which was a period of major transit service improvement and expansion and increasing price of motor fuel. In most of the 14 years that followed, ridership and service declined. Then, from 1995 through 1999, expanded service and new bus pass programs contributed to increased ridership. Between 2000 and 2009, the transit system cut annual revenue vehicle miles and hours by 20 percent and 18 percent, respectively; increased adult cash fares three times; and raised the price of weekly passes five times. Ridership on the bus system declined by 25 percent between 2000 and 2009.

Several factors have also contributed to the general decline of ridership on the transit system since the early 1980's. These factors include the drop in population in Milwaukee County, the decline in residential and employment density, and an increase in automobile ownership and use. Fare increases and service reductions implemented by the transit system during the period also resulted in drops in ridership. Finally, a lack of funding has contributed to the inability to significantly expand transit to better serve Milwaukee County and more of the metropolitan area, provide faster service with more express and rapid routes, and increase service frequencies to make it reasonably convenient and attractive to use transit.

Operating and Capital Costs

Total operating expenses for the transit system have risen since the system began public operation in 1975, as displayed in Figure 3-5 in Chapter III. The increase in operating expenses since 1990 reflects the bus service expansion between 1995 and 2000, and changes to the paratransit service to comply with federal ADA service requirements. Between 2001 and 2005, fares and other revenue paid for about 32 percent of the average annual operating expenditures for the combined bus and paratransit system. For the remainder of operating costs over this period, about 19 percent was provided by Federal transit funding; 63 percent by State transit funding, and 28 percent by County funds generated through local property taxes. In those same budgets, about 80 percent of capital expenditures came from Federal transit capital assistance programs, and the remaining 20 percent came from Milwaukee County.

Milwaukee County increased the amount of Federal transit assistance funds used by the system from 2001 to 2005. This increase was possible because the transit system had not fully spent Federal Transit Administration (FTA) Section 5307 transit assistance funds it had been allocated in previous years, and those unspent funds were still available to Milwaukee County. For the past few years, the transit system has been able to use these carryover Section 5307 funds, intended principally for capital projects, to limit the need for increases in County tax levy funding, fare hikes, and service reductions. As the County increased its use of these funds, the balance decreased from about \$37 million at the beginning of 2001 to about \$12 million at the beginning of 2006. The balance was full depleted during 2010.

SERVICE OBJECTIVES AND STANDARDS

The Advisory Committee adopted the following five transit service objectives to provide a basis for assessing the performance of the transit system, identifying unmet transit service needs, and designing and recommending improvements:

1. The public transit system should effectively serve the existing land use pattern and support the implementation of planned land uses, meeting the demand and need for transit services, and particularly the needs of the transit-dependent population;
2. The transit system should promote effective utilization of transit service and operate service that is reliable and provides for user convenience and comfort;
3. The transit system should promote the safety and security of its passengers, operating equipment and facilities, and personnel;
4. The public transit system should promote efficiency in the total transportation system; and
5. The public transit system should be economical and efficient, meeting all other objectives at the lowest possible cost.

Each of the above transit service objectives is supported by a planning principle and a set of standards intended to quantify the achievement of each objective. For example, the service standards specify:

- The land uses which should be connected and served by public transit, based on their density and type and size of activity center;
- The desirable hours of service operation;
- The desirable frequency of transit service; and,
- The comparability of travel time by transit to that by automobile.

EVALUATION OF EXISTING TRANSIT SYSTEM AND IDENTIFICATION OF UNMET NEEDS

Using the transit service objectives and standards, a systemwide and route-by-route evaluation of the existing year 2005 Milwaukee County Transit System was conducted. The evaluation identified areas of excellent performance of the transit system, as well as areas of travel needs not being met by the transit

system. The Milwaukee County Transit System has excellent performance with respect to area within Milwaukee County served, bus loading standards, and on-time performance.

- In 2005, the Milwaukee County Transit System provided excellent overall coverage of residential areas and employment in Milwaukee County (see Maps 5-3 through 5-6 in Chapter V). About 90.5 percent of the total County population resided within convenient walking distance of the existing transit system. Virtually all of the census block groups with concentrations of transit-dependent persons and census tracts with above-average minority populations within the County were within a one-quarter mile walk of the system routes. About 94 percent of the jobs in the County were within a one-quarter mile walk of the system.
- Activity centers and transit-supportive land areas were also served well within the County in 2005 with 81 of the 86 major employers, 22 of the 25 office and industrial parks, and 68 of the 70 other activity centers served by the transit system routes (see Maps 5-7 and 5-8 in Chapter V). The majority of the transit-supportive areas in Milwaukee County—areas with the residential and employment densities considered necessary to support fixed-route bus service—were covered by the local routes of the Milwaukee County Transit System. However, due to the reductions in transit service over the last several years, service to employment and activity centers has declined significantly.
- The transit system generally does not experience overcrowding on buses, that is, there is a seat for every passenger on freeway flyers, on local bus routes during off-peak periods, and there are no more than four passengers for every three seats on nearly all local bus routes during peak periods. However, some problems occur on selected routes during weekday peak hours when student transit use overlaps with that of the general public.
- Bus on-time performance is excellent, with 90 percent or greater on-time service.
- Of the 30 local routes, 26 met or exceed the weekday performance standard for route effectiveness (22 boarding passengers per revenue bus hour). These routes served areas with high concentrations of minority and transit-dependent populations, operated for more than 20 hours on weekdays, and offered the most frequent service. On weekends, 25 of the 30 local routes exceeded the route effectiveness performance standards defined for Saturday (15 passengers per revenue bus hour) and Sunday (10 passengers per revenue bus hour).

Comparison to Peer transit Systems Nationwide

A management performance audit of the Milwaukee County Transit System was completed by the Wisconsin Department of Transportation (WisDOT) in 2003. The performance audit compared the Milwaukee County Transit System to a peer group of 13 similar transit systems in the United States. The peer transit systems all operated within metropolitan areas with populations similar to Milwaukee County, were located in a northern climate, and had a similar bus fleet size. The peer comparison concluded that the Milwaukee County Transit System outperformed its peers for all measures of ridership and financial performance, as shown in Table 1. While noting the exceptional performance of the Milwaukee County Transit System, the audit referred to the service reductions which were implemented since 2000, principally due to budgetary constraints, and warned that further transit system reductions could potentially damage the system's performance and effectiveness.

Unmet Transit Service Needs

While Milwaukee County Transit System performs well in many areas, and compared to peer transit systems is very efficient and effective, the evaluation found that transit system did not fully meet all transit service needs of Milwaukee County residents. The unmet needs fell into four specific areas: service area, hours of operation, service frequency, and transit travel times. In addition, there was limited transit service connecting Milwaukee County residents to outlying counties.

Areas Not Served. Some areas in the western, southern, northwest and northeast portions of the Milwaukee County with transit-supportive residential and employment densities and/or major activity centers were not served at all by the routes of the transit system (see Map 5-8 in Chapter V).

Inadequate Service Hours. On weekdays, 25 of the 30 local routes met the desirable standard for service hours of 20 hours of service. Freeway flyers operate did not meet this standard, as they operated only during weekday peak periods, with no midday or evening service. Transit service provided for less than 16 hours a day did not permit travel for the starting and ending times of all work shifts, specifically second and third shifts. There were also large areas served by routes not meeting the desirable 20 hours of service on weekends: only 14 out of 30 local routes met that standard on Saturday, and only 9 out of 29 routes met it on Sunday. Moreover, portions of some routes had no service on weekends.

Inadequate Frequency of Service. The Milwaukee County Transit System relies upon a grid system of local routes where transfers between one or more routes are generally required to complete a trip by public transit. The frequency of service on the routes directly affects the convenience of transferring, with

longer headways between buses increasing transfer wait times, making service inconvenient and discouraging use. Most local routes of the 2005 transit system did not meet the desirable headway service standards during peak hours. During weekday peak periods, less than 30 percent of the County population, and less than 37 percent of the jobs in the County, were served by routes with desirable headways of 10 minutes or less (see Table 5-7 in Chapter V). During weekday off-peak periods, about 60 percent of the County population and jobs were served by routes and route segments with desirable headways of 20 minutes or less. No freeway flyer or UBUS routes have headways that conform with desirable headways. The low service frequency largely resulted from the service reductions which occurred between 2001 and 2005.

Lengthy Transit Travel Times. Transit travel time was generally between two and four times more than automobile travel time for comparable trips. Ratios of transit-to-automobile travel times between selected locations within the County in 2005 were displayed on Map 5-14 in Chapter V. The lengthy transit travel time stems from a combination of factors: local bus routes with low overall operating speeds providing the majority of transit service in the system; the lack of transportation system management tools—traffic signal priority and reserved lanes—to increase bus travel speeds; and service cuts enacted from 2001 through 2005 that increased operating headways and eliminated routes and route segments.

Limited Service Connecting Milwaukee County Residents to Outlying Counties. The unmet needs of County residents for travel between Milwaukee County and the other surrounding counties of Southeastern Wisconsin included:

- Lack of Service: Many major activity centers and significant job concentrations outside Milwaukee County did not have public transit services connecting to Milwaukee County residents (see Map 5-16 in Chapter V).
- Limited Service Hours and Frequency: The transit services available to connect Milwaukee County residents with jobs and activity centers in the surrounding counties with rare exception had limited weekday service hours and were operated with infrequent trips (see Maps 5-17 and 5-18 in Chapter V).
- Lengthy Travel Times: Transit services that connected Milwaukee County residents with surrounding counties in many cases involved slower local bus service, and/or required use of a connecting local bus route in Milwaukee County.
- Transit Fares: While discounted fares for passengers transferring between the different transit systems were offered in 2005, the discounts and transfer arrangements were not uniform among all the transit services connecting with the Milwaukee County Transit System.

ALTERNATIVE TRANSIT IMPROVEMENT PLANS

Three alternative transit service improvement plans were developed to address the unmet needs identified by staff in the transit system performance evaluation, and the concerns expressed by the public during the first set of public informational meetings held in late February and early March 2007. In general, the public comments were supportive of public transit and confirmed the unmet needs identified by staff in the performance evaluation. Given the short-term nature of the plan, staff focused on potential service improvements that would make transit more competitive with travel by private automobile, but also could feasibly be implemented over the five-year planning period. These included:

- Extending routes to unserved areas in Milwaukee County;
- Reducing transit travel times;
- Increasing the frequency of service; and,
- Expanding weekday and weekend service periods.

These priorities are reflected in the service improvements proposed under both Alternatives 1 and 2. These two alternatives attempt to address the identified unmet transit service needs. Alternative 3, which would maintain the transit system at 2008 service levels, represented a baseline for comparison. Table 6-2 in Chapter VI compares the proposed service expansions, equipment needs, and estimated ridership under the three alternative transit service improvement plans.

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 after five years. 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 (keeping pace with anticipated growth in ridership).

- Boost annual ridership by an estimated 10 percent, from 42.8 million (in 2008 budget) to 47.1 million after five years.

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 after five years. 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.(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 after five years.

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 (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 after five years, due to assumed fare increases and no off-setting service increases.

Capital Needs For Alternatives

Regardless of the alternative service plan, significant capital investments would be needed over the five-year planning period to maintain the existing transit system equipment and facilities. This would include the need to purchase 204 buses to replace part of the current aging fleet. The alternatives proposing service expansion would also require additional buses (75 for Alternative 1, and 65 for Alternative 2) to implement the proposed service improvements. Other capital needs identified for the alternatives included replacement fareboxes; bicycle racks; and various repairs, renovations, and upgrades to MCTS facilities. Milwaukee County's projected local share for the necessary capital investments over the five year period would be \$20.6 million to implement the extensive service expansion in Alternative 1, \$19.6 million for the limited service expansion under Alternative 2, and \$15.6 million to maintain the existing system under Alternative 3.

Operating Funding Needs of Alternatives

To calculate total operating expenses and local funding needs for each alternative, Commission staff first analyzed recent trends of factors that affect the transit system budget; and then developed a range of factors to create three funding scenarios (best-case, average, and worst-case) for the five-year planning period. The 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 (see Table 6-5 in Chapter VI). Depending on the change in operation costs under each scenario, by the end of the planning period, the total annual operating assistance needed for Alternative 1 (Extensive Service Expansion) could be as little as \$153.8 million, or as much as \$187.4 million. Alternative 3 (Maintain Existing System) could require total annual operating assistance of as little as \$128.0 million, or as much as \$155.7 million.

In 2008, Milwaukee County used \$22.2 million for the property tax levy for operating expenses. Even if the County were to simply maintain the existing system as in Alternative 3, it would have to contribute \$75.7 million of property tax levy by the end of the planning period under the worst-case scenario, \$49.5 million under the average scenario, and \$32.6 million under the best-case scenario. Alternative 1 (Extensive Service Expansion) could require annual operating assistance of as little as \$153.8 million, or as much as \$187.4 million;

Options for Dedicated Funding for Transit

Given the estimates of operating expenses and the potential local share needed as explained above, the Advisory Committee believed Milwaukee County should not, even in the short term, continue to rely on the local property tax levy to fund the transit system. The Committee considered two proposals for

providing dedicated funding for transit which had been advanced by public officials in recent years including diverting the growth in the existing sales tax collected on vehicle-related purchases from the State general fund and to provide the needed funding for public transit; and levying a 0.5 percent additional local sales tax for public transit needs. These two possibilities are described below.

1. Future growth in sales tax on vehicle sales

Under this proposal, State legislation would be required to take the incremental growth in the current sales tax on motor vehicle-related purchases and designate it for mass transit. However, Wisconsin Department of Revenue data indicate that statewide sales tax revenues on vehicle-related purchases declined from \$675 million in 2003, to \$630 million in 2006, an average annual decrease of 2.2 percent. In Milwaukee County, sales tax revenues on vehicle-related purchases declined by 2.3 percent annually over this same period. Thus, in recent years there has been no vehicle sales tax revenue growth to capture.

Furthermore, this proposal would entail the removal of 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, even during periods when such revenue growth was observed.

2. Dedicated sales tax of 0.5 percent

Under this option, an additional 0.5 percent sales tax would be levied to raise revenues for the transit system. If the trend in County sales tax collections from 2002 to 2007 continues, a 0.5 percent sales tax in Milwaukee County would generate \$66.7 million for public transit in 2009 and \$72.2 million by 2013. Table 5 displays the revenue that would be generated by a 0.5 percent sales tax in Milwaukee County, compared to the local share of the combined operating and capital funding needs of Alternatives 1, 2 and 3 under the average scenario.

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 alternatives, an aggressive 15 to 22 percent expansion of

service proposed to be implemented over only five years. However, it is also due to the expectation that transit system operating costs per vehicle hour of service may be expected to increase by 3 percent annually, while Federal, 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 1990's. 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.

The current funding sources for the transit system are insufficient to maintain the system at current levels, let alone make needed improvements. The future of transit in Milwaukee County depends on securing a permanent source of dedicated funding.

THE RECOMMENDED PLAN

The recommended transit system development plan for the Milwaukee County Transit System (MCTS) includes a set of operational and capital improvements for a five-year period. The plan is based on the transit service improvements proposed under Alternative Improvement Plan 1, Extensive Service Expansion. This alternative plan proposed the broadest level of service improvement of the alternative improvement plans considered under the study. The public comments received on the alternative plans at public informational meetings held in January 2009 indicated strong support for making these improvements to the MCTS. The improvements recommended under the plan would restore the MCTS services which have been eliminated over the last several years, and improve the convenience and speed of the transit services provided by the system.

The recommended plan focuses on transit improvements that would make public transit in Milwaukee County more competitive with travel by private automobile and increase transit ridership. This would be accomplished by extending routes to unserved areas in Milwaukee County with significant population or employment concentrations; eliminating bus turn-back points so the same service level is provided over the entire lengths of each route including at the ends of the routes; expanding weekday and weekend

service periods to provide for desirable hours of service on more routes; increasing the frequency of service to provide for desirable headway levels on more routes; and reducing transit travel times by adjusting Freeway Flyer service and by converting major local routes to express routes. The specific improvements to MCTS bus services that are recommended under the plan include:

- Add new local bus routes and make changes to existing local routes to provide service to unserved areas in Milwaukee County with significant population or employment concentrations. The proposed local route changes will provide: 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; and an extension of local bus service to industrial and office parks in Franklin and Oak Creek. The changes would restore the local bus services over Route Nos. 14, 33, and 35 that were reduced or eliminated under the 2010 Milwaukee County budget.
- Eliminate bus turn-back points along local routes where some of the buses turn around before reaching the terminus of the route thereby providing less frequent service at the ends of the route. The recommended plan proposes to provide the same service levels on weekdays and weekends over the entire lengths of Route Nos. 35, 57, and 64, including at the ends of each route.
- Extend service hours for selected local bus routes to cover 20 hours a day on weekdays and weekends. Most local routes currently operate 20 hours a day on weekdays, but only about one-half operate 20 hours a day on Saturdays, and about a third operate 20 hours a day on Sundays. Under the plan, weekday schedules would be extended for two routes, and Saturday and Sunday schedules would be lengthened on the 15 highest-ridership local routes, and on the five routes converted to express service.
- Increase the frequency of service on the 15 highest-ridership local routes, in addition to the five routes converted to express service. The plan recommends that “headways”, or the amount of time between bus arrivals at a stop, should be no more than 10 minutes during weekday peak periods; no more than 20 minutes during weekday off-peak periods; and no more than 30 minutes on weekends. Service frequencies directly affect the times passengers spend waiting for each bus. Higher service frequencies will increase the convenience of using the service and result in higher ridership.

- Upgrade freeway flyer service to ensure that all passengers have a seat, to improve transit travel times, and to expand service availability. The proposed improvements include providing a minimum of 10 bus trips over each freeway flyer route during weekday morning and afternoon peak periods; creating one new freeway flyer route so that each route stops at no more than two park-and-ride lots (a service standard); and adding two midday round-trips to each freeway flyer route.
- Convert local bus service to express bus service over five routes serving high ridership corridors in order to improve transit travel times. The express routes would include: Route 10/30X running from the Milwaukee Regional Medical Center in Wauwatosa to the University of Wisconsin-Milwaukee (UWM) over portions of Route Nos. 10 and 30; Route 18/23X operating 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; and Route 27X extending from the Bayshore Town Center to Wal-Mart over Route No. 27. All routes would operate between 5:00 a.m. and 1:00 a.m. seven days a week, with frequent service (7-10 minutes during weekday peak periods, 9-16 minutes during weekday off-peak periods, 10-20 minutes on weekends). The proposed express service represents an incremental move—achievable within a 5-year planning period—toward a faster system.

The express service could be upgraded to bus rapid transit (BRT) service similar to proposals that have been identified the Milwaukee County Executive. One proposal would institute BRT service between Midtown Center and State Fair Park over Fond du Lac Avenue, McKinley Street, 2nd and 3rd Streets, and National and Greenfield Avenues. The County is actively seeking Federal funds for this project. The second proposal calls for BRT service to be operated between the Milwaukee Regional Medical Center and the University of Wisconsin-Milwaukee using Wisconsin Avenue, Prospect Avenue, Farwell Street, Oakland Avenue, and Kenwood Boulevard. Both proposed BRT lines closely follow the alignments of express bus routes (18/23X and 10/30X) recommended under the final plan. 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 plan also proposes that increases in passenger fares for both bus and for paratransit services be limited to an increase of no more than the rate of overall price inflation over the planning period. The

MCTS adult cash bus fare would be increased by \$0.25 from \$2.25 to \$2.50 per trip and the price of a weekly pass would rise from \$17.50 to \$18.50. Cash, ticket and pass fares in other categories would be increased by similar proportions and a new weekly or monthly pass for disabled MCTS riders is proposed to be created. The fare for people with disabilities using Transit Plus paratransit services would be increased by \$0.50 from \$3.25 to \$3.75 per trip. The proposed fare increases will be needed in order for fares to keep pace with anticipated increases in operating expenses thereby maintaining a stable farebox recovery rate. It is also recommended that the transit system offer promotional fares on the new express and local bus routes proposed under plan including offering free rides or rides at half fare when service is initiated.

Factors affecting costs and funding for the transit system were analyzed by Commission staff along with projections for the next several years. The recommended plan will require total annual operating assistance of approximately \$160.4 million at the end of the five-year planning period. Significant capital investments will also be necessary to maintain the existing transit system equipment and facilities as well as to provide for the recommended service improvements. The total cost of these needed capital projects over the planning period were estimated at about \$113.5 million with the County's share estimated at about \$19.6 million.

An analysis of the capital and operating funding required for the recommended plan clearly indicated that the current local property tax levy funding would be inadequate to improve and expand the system. A 0.5 percent sales tax would be sufficient to address the backlog in bus replacement needs and expand transit services as proposed under this plan. In the absence of local dedicated funding, the continued reduction in transit service and increases in transit fares well beyond the rate of general price inflation may be expected. Moreover, a reduction in transit service may be expected when the transit system replaces up to 198 buses over the next few years. The service reduction could be as high as 25 to 35 percent if all 198 buses need to be replaced. The number of replacement buses will depend on whether the size of the bus fleet is reduced by future service reductions.

CONCLUSIONS

The transit development plan demonstrated that the Milwaukee County Transit System outperforms comparable transit systems in terms of ridership and financial performance, and does well at serving population, employment, and activity centers within Milwaukee County. However, due to the reductions in transit service over the last several years, service to employment and activity centers has declined

significantly. Both the performance evaluation and the substantial public comment on the existing transit service generated over the course of the study identified areas where the system does not adequately serve Milwaukee County residents' travel needs. Two alternatives were formulated to identify needed service improvements, and the alternative proposing the broadest level of service improvement--about a 22 percent service expansion--was selected to be the recommended plan as it would restore eliminated services and improve the convenience and speed of transit service.

Financially, the transit system faces problems. Due to its heavy dependence on State transit operating funds that have not increased with inflation, and no increases in County funding provided through the property tax levy, the transit system has been forced over the past decade to reduce service, increase fares, and use Federal funds intended for capital improvements to pay for operating expenses. The funding sources currently relied on for the transit system are insufficient to maintain the current level of transit service, let alone make needed improvements. Given the estimates of operating and capital expenses and potential local share for the recommended service improvements, Milwaukee County cannot, even in the short term, continue to rely on providing the local funding needed for the transit system through the County property tax levy. The electorate in the County recognized this in November of 2008 when it approved an advisory referendum calling for a one percent increase in the County sales tax with an anticipated 0.5 percent going for public transit. The future of transit in Milwaukee County depends on securing such permanent dedicated transit funding. Without it, the proposed service improvement and expansion identified in the plan cannot be implemented, and the cycle of service reductions, fare increases, and declining ridership will continue into the future.

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