

September 8, 2003

Via U.S.P.S. and Facsimile

Secretary Frank Busalacchi  
Wisconsin Department of Transportation  
PO Box 7910  
Madison, WI 53707-7910

Dear Secretary Busalacchi:

Per our previous discussions on the matter of the Milwaukee County Transit System (MCTS) and the remaining \$91.5 million of local Interstate Cost Estimate (ICE) Substitute Project Funds, I would like to formally solicit your support, and that of the Governor. Success on such a plan will provide great aid to our transit system and to the transportation needs of the state.

As you know, Milwaukee County faces a significant budget deficit (\$97.3 million). Because of the size of our budget challenge, property tax levy support for the MCTS will be frozen at the 2003 level in the 2004 county budget. In response, the management of the transit system is proposing significant reductions in routes, adjustments to routes and increases in fares to compensate for increases in wages and in health care and fuel costs.

Soon after Mayor John Norquist made the unexpected suggestion that the \$91.5 million in local ICE funds be used for the Kenosha-Racine-Milwaukee (KRM) Commuter Rail Project, I asked the management in our Department of Public Works to work with the MCTS to see if any of those funds could be used to assist the dire situation of the transit budget.

Attached you will find a memo from the acting Director of the Department of Public Works for Milwaukee County. It is clear from the memo that these funds cannot be used for a local match in the KRM project.

Instead, we propose that the following provision be incorporated into a new three-agency agreement:

*The parties to this agreement agree to reallocate the remaining \$91.5 million of local ICE funds to the rebuilding of the Marquette Interchange provided that the State of Wisconsin will establish and fund a transit capital program for the Milwaukee County Transit System for a ten year period commencing in fiscal year 2003/2004. This capital program shall provide for funding \$9.15 million each fiscal year of the ten year program. Funds in this program can be*

*used for up to 100% of capital purchases necessary for the operation of the Milwaukee County Transit System. In the event that funds remain unspent in any single fiscal year, such funds may be carried over into the next year of the program.*

As you know, reallocation of the \$91.5 million local ICE funds will require approval of the Federal government after agreement is reached by the three-agency partners to the original settlement. Those partners are myself, the Mayor of Milwaukee and the Governor.

The benefits to such a plan are clear:

- The **state** gets an interest free loan for the rebuilding of the Marquette Interchange.
- The **county** and **city** get \$9.15 million per year in capital funding, which can be used to purchase buses or finance other capital needs.

This plan helps meet two vital transportation needs for the city, county and state. First, it stabilizes a transit system that has seen a steady decline in funding, service levels and ridership over the past three years. Second, it helps move forward the reconstruction of the largest interchange in the state, which is a major transportation link for the region, and the state.

I eagerly await your response and the response of the Governor to this innovative plan. Thank you for your dedication to the transportation needs of our city, our county and our state.

Sincerely,

Scott Walker  
Milwaukee County Executive

cc: Milwaukee Mayor John O. Norquist  
Governor Jim Doyle  
Congressman Gerald Kleczka  
Congressman Thomas Petri  
Congressman Paul Ryan  
Congressman F. James Sensenbrenner  
Senator Herb Kohl  
Senator Russell Feingold