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Greater Milwaukee's Mounting Infrastructure Needs Demand Difficult Decisions
Study Reviews the Scope of the Problem and Lays Out Options

MILWAUKEE – Greater Milwaukee's largest local governments lack the financial capacity to tackle a mounting backlog of infrastructure repairs without an "all-of-the-above" response that includes raising revenue and trimming the list of projects, according to a new report from the independent, nonpartisan Wisconsin Policy Forum.

"Picking Up the Pieces: What will it take to address local government infrastructure challenges in Metro Milwaukee?" was released Thursday.

It's the fifth and final installment of a series on infrastructure needs for Milwaukee's city and county governments and the Milwaukee Metropolitan Sewerage District – the findings of which draw on WPF researchers' work since 2016.

It looks at options to address what it calls the series' "one inescapable conclusion": that "the cost of appropriately maintaining much of the public infrastructure on which Greater Milwaukee's economy and quality of life depend exceeds the financial capacity of local governments to meet it."

While a precise total for the infrastructure backlog cannot be calculated, for Milwaukee County alone, ***it could total more than \$400 million in the next four years.***

Potential solutions the report suggests include finding new revenues, likely from sales or other taxes; exploring new ways of borrowing money or attracting private contributions to finance project costs; trimming project lists, in part by liquidating assets; and considering service sharing and consolidation where possible.

The study finds some form of new revenue is needed to offer a comprehensive fix to the problem, but also indicates that is not enough.

"A clear takeaway is that a new funding source is required to appropriately address the county's (and quite possibly the city's) infrastructure needs," the report finds.

But it later adds: "The enormity of the county's infrastructure backlog indicates that both new funding ***and liquidation of assets will be required.***"

WPF researchers' conclusions are based on updated findings from four previous reports. Research included collection and analysis of data on thousands of infrastructure assets including buildings, roads, buses, sewer pipes, water mains and cultural assets, owned by Milwaukee's city, county governments and the metropolitan sewer district.

The findings show:

- For Milwaukee County alone, the backlog of capital projects is projected to **exceed \$226 million by 2023**— a figure that does not include the \$180 million slated that year to initiate replacement of the county's Safety Building. The total cost to replace the Safety Building could approach \$300 million.
- Milwaukee County faces significant replacement needs for its aging fleet of more than 400 buses. The \$13.3 million annual local cost to maintain an appropriate replacement cycle would exhaust nearly one-third of the county's borrowing capacity.
- The Milwaukee Water Works' aging water mains prompted a state directive to increase the pace of replacement at an annual cost of more than \$20 million. This does not include **replacing 76,000 lead lateral service lines, which may cost hundreds of millions of dollars** over several decades.
- More than half (57%) of city of Milwaukee streets were rated in poor or fair condition in 2016, and dozens of major reconstruction projects are needed in the next 10 to 15 years.

If policymakers consider a new revenue source at the county level, precedent indicates a new sales tax to be a logical starting point for discussion, the report finds. Policymakers could consider several sales tax approaches, including placing limits on the duration of the tax, restricting its use to specific capital projects, or applying it only to specified sales (e.g. restaurant or entertainment purchases), but all would require authorization via a change in state law. Other options could include a wheel tax or room tax, with the latter also requiring a change in state law.

To reduce the list of projects, the report suggests it will be necessary to review the county's parks, recreation, and culture functions – one of the few areas of discretionary capital spending for the county, and the biggest contributor to its list of requested projects through 2023.

In concluding, the report argues that local and state leaders must work together to adequately address the problem.

Leaders at both levels of government, the report finds, should "collectively recognize that an effective response is critical to the economic health of the state's largest metro area and work collaboratively to get the job done."

A copy of ***"Picking Up the Pieces: What will it take to address local government infrastructure challenges in Metro Milwaukee?"*** can be downloaded [HERE](#), as well as a stand-alone report brief and video summary.