

DPW Third Drop Off Center Feasibility Study



File #: 250935

Submitted September 19, 2025

Background

Resolution file 241252 was adopted by the Common Council to execute a footnote from the 2025 budget process. This resolution directed the Department of Public Works to examine the feasibility of establishing a third Drop Off Center. In 2021, the Department submitted a similar communication file (#210502), which detailed preliminary cost estimates for constructing and operating a third City Drop Off Center. In the summer of 2025, DPW revisited the prior assessment, collected data from the two existing Drop Off Centers, and integrated new considerations into the findings presented in this report.

Drop Off Center Overview and Operations

The City of Milwaukee operates two Drop Off Centers (DOC) for residents to recycle, compost, or safely dispose of over 20 different material categories. The North Drop Off Center is located at 6660 N Industrial Road, while the South Drop Off Center is located at 3879 W Lincoln Avenue. One supervisor with four staff members operates each DOC. Additionally, the Milwaukee Metropolitan Sewage District (MMSD) offers a household hazardous waste collection site for Milwaukee County residents at the South DOC.

The DOCs are open from 7 AM to 3 PM, Tuesday through Sunday, from April to November, and Tuesday to Saturday from November to April.

The DOCs are available to city residents and property owners. Entry requires a current State or City-issued photo ID. If the ID lists an address outside city limits, a property tax or recent utility bill with a matching name is also acceptable.

A fee schedule is in place to help offset costs and is authorized by Milwaukee Code of Ordinances 79-14.5. Fees are calculated based on the estimated volume of materials, measured in cubic yards, that visitors bring to the site. On average, 63% of visitors incur no fees when using the Drop Off Centers. This typically includes standard passenger vehicles transporting materials such as household recyclables, yard waste, scrap metal, and bulky waste.

Upon arrival, visitors are welcomed at the entrance booth, where DPW staff verify eligibility, evaluate the materials for disposal, and determine if a fee applies. Should a fee be required, residents receive a slip and proceed to the payment booth. DPW's revenue collection contractor booth accepts cash, debit, and all major credit cards.

After payment, residents proceed to the yard to dispose of materials at designated stations. DPW staff are available to guide residents to the correct waste areas and ensure their safety. DPW contracts with multiple vendors for the removal and disposal or recycling of materials collected at the DOCs.

Materials Collected at the DOCs

Recycled <ul style="list-style-type: none">• Antifreeze• Car batteries• Motor oil and filters• Tires (5 passenger tires per trip)• Appliances• Scrap metal• Concrete• Electronics (3 TVs per trip)• Cooking oil• Curbside recyclables• Cardboard• Clean concrete and dirt fill	Composted <ul style="list-style-type: none">• Brush and branches• Grass clippings• Garden debris• Leaves• Logs
	Landfilled <ul style="list-style-type: none">• Construction and remodeling debris• Old furniture and mattresses• Garbage• Asphalt Shingles

Program Results

In 2024, the DOCs served 281,385 visitors, averaging over 1,020 visitors daily, marking an 11% increase from 2023. The South DOC handled 64% of these visitors, while the North DOC managed the remaining 36%. Overall, the DOCs managed 72,418 tons of material, with 17% being diverted from landfills.

Third Drop Off Center Development Options

The 2025 study findings are based on construction and site costs evaluated by DPW's Buildings and Infrastructure Division for a hypothetical four-acre development. Annual operational costs were derived from data collected from the two existing Drop Off Centers. This study assessed two development options, each designed to address the critical operational needs of the DPW and improve service delivery to residents.

	Option 1 (DOC ONLY)	Option 2 (DOC & Transfer Station)
Building & Site	\$10,962,608	\$21,521,184
Operations (annual)	\$3,040,389	\$2,171,759
First Year Costs	\$14,002,997	\$23,692,943

Option 1: Drop Off Center only - Option 1 is a Drop Off Center only, without an associated transfer station. Costs to treat the site, construct the facilities, and operate for the first 12 months would cost approximately \$14,002,997.

Option 2: Drop Off Center and Transfer Station - Option 2 includes a Drop Off Center and transfer station and looks most similar to the current operations at the North and South Drop Off Centers. Costs to treat the site, construct the facilities, and operate for the first 12 months would cost approximately \$23,692,943.

While building and site costs are lower in Option 1, the costs of operating a Drop Off Center without an associated transfer station increase annual operational costs by approximately \$868,630. Additional equipment and wage costs will be incurred for transporting materials to off-site transfer stations. The payback period for the construction of the transfer station is 11 years, after which the transfer station is expected to generate cost savings for the remainder of the facilities' lifetime.

Benefits to the City

The DOCs are experiencing historically high visitor counts in recent years. The DOCs manage over 1,000 visitors daily, with peak periods on Tuesdays and Saturdays resulting in wait times of up to 30 minutes or longer. These delays result in congestion spilling into the streets, creating severe safety hazards for staff, residents, and drivers. The extended waits also test public patience, sometimes leading to challenging conflicts.

Expanding capacity is crucial to addressing these challenges and enhancing service to residents. Establishing a third DOC will alleviate pressure on existing centers, enhancing both operational efficiency and service quality. By redistributing visitor volume, a third center will provide better access to responsible materials management, particularly benefiting nearby communities.

Almost 20% of materials managed through the DOCs are diverted from landfill each year. Providing increased access to DOCs enables greater recovery and diversion of materials from landfills, promoting responsible waste management practices that can lead to reduced illegal dumping. The reduction in illegal dumping allows City staff and equipment to better serve in proactive City services. Furthermore, diverting waste from landfills can lower landfill fees and allow modest revenue from recyclable materials.

Benefits to Residents

Establishing a third DOC would benefit residents located farthest from the current two centers by reducing travel times. It would increase access to convenient, affordable disposal, recycling, and composting services. Additionally, alleviating pressure on existing centers could lead to shorter wait times for residents.

Furthermore, extending convenient drop-off services to neighboring municipalities could benefit approximately 150,000 residents, significantly enhancing the region's capacity for responsible recycling and improving landfill diversion rates. Expanding the DOCs customer base could provide an additional revenue stream for the city. This opportunity could be explored after the usage baseline data is available for the three DOCs to ensure the DOCs are meeting the needs of City of Milwaukee residents and determine if there is adequate capacity to accept material from nearby municipalities.

Anticipated Usage

The capacity of the third DOC is estimated to serve up to 124,900 residents annually, increasing the overall materials management capacity by an additional 31,200 tons. The current fee structure for the DOCs offers revenue to partially offset operational costs. Revenue from

chargeable disposal fees and the sale of recyclable materials is projected to generate approximately \$944,700 annually from the third site.

Redistributing visitor and waste material volumes across three DOCs allows for the possible inclusion of additional waste streams, such as batteries, textiles, food waste, foam, and films, at all sites. This expansion may also present an opportunity to partner with the MMSD to establish another household hazardous waste collection site.

Transfer Station

The city's Materials Recovery Facility (MRF) was destroyed in 2023 by a catastrophic fire, likely caused by a battery, significantly constraining the City's materials management program capacity. The City was forced to accommodate space at one transfer station to transfer 26,000 tons of single-stream recycling to private MRFs, which increased the strain on the already overwhelmed transfer station. To accommodate recyclables at the transfer station, DPW has to displace over 10,000 tons of seasonal yard waste to a temporary DPW location, causing additional disruption to operations. This short-term program adaptation is only feasible through displacements in program operations to sites unavailable to DPW long-term and exceeding existing site capacities.

Establishing a solid waste transfer station enhances operational efficiency by reducing waste hauling travel time and increasing overall network capacity. Operating a third transfer station offers substantial benefits for long-term capacity planning and emergency materials management. As regional landfills reach capacity and new ones develop further from the metropolitan area, the City's transfer station assets will become increasingly valuable. This strategic positioning will attract third-party users seeking efficient waste transfer solutions, thereby enhancing potential revenue.

Long-term and Emergency Capacity Planning

The August 2025 flood severely tested DPW staff, equipment, and operational capacities. Despite the crisis, the team managed the situation with the expertise and skill of seasoned civil servants; however, the experience with the flood crisis revealed several limitations with DPW's current infrastructure. The damage to residential property necessitated the management of an additional 500 tons of material daily for the following three weeks. Wait times at DOCs soared to 90 minutes, with some users experiencing delays of up to two hours in accessing DOC services. Simultaneously, transfer stations reached capacity, exacerbated by equipment breakdowns and parts shortages. With these constraints, over 60 packer trucks were redirected to the Franklin and Menomonee Falls landfills, which increased both travel and tipping times due to long landfill wait times. The additional hauling also increased equipment operating costs and tipping fees.

The hope is that the city will not face a storm of such magnitude again; however, the event highlights the critical need for capacity building in both the city and the region to prepare for other emergency scenarios. Such events could include fires, like the one at the MRF in May 2023, equipment failures, and other severe storms. Even if Milwaukee remains unaffected by an

emergency, having a third DOC and transfer station would enable partnerships with neighboring municipalities, allowing a coordinated response to crises without excessively straining the City's resources.

Grants

To demonstrate its commitment to establishing a third DOC, DPW submitted a \$5 million grant application titled "Empowering Clean and Green Community in Milwaukee's Central City" in December 2024. This funding opportunity is available through the Environmental Protection Agency's (EPA) Solid Waste Infrastructure for Recycling Grant Program (SWIFR), which aims to improve recycling infrastructure by enhancing local recycling initiatives. A component of the proposed grant project would use a method of GIS analysis coupled with equity-data modeling to assess the optimal location of the third DOC to assist site selection. The majority of the project funds would be used for the design and construction of the center. The EPA is anticipated to announce the grant awards in the winter of 2025. If selected for the grant award, DPW will submit a file to Common Council to authorize acceptance and expenditure of the grant funds.

Conclusion

A centrally located third Drop Off Center would offer numerous advantages to the City, including more efficient operations by expanding materials management capacity and recovery of resources, benefiting both the City and the region. City residents and property owners, especially those living in the central city, would experience immediate improvements, such as increased access to convenient, affordable disposal, recycling, and composting services. This would facilitate cleaner and greener neighborhoods. DPW is pursuing a third transfer station to facilitate the needs of its solid waste and recycling collection and hauling operations. Rather than activating and reusing the Mt. Vernon Ave property of the former MRF as a new site for transfer operations, an alternative location may offer more opportunity, including the co-location of a third public Drop Off Center. Pairing a third Drop Off Center with a centrally located transfer station will expand materials management capacity, increase collection efficiency, and offer an opportunity to enhance the City's positioning for future benefits in the solid waste industry. Investing in a third Drop Off Center combined with a transfer station may provide the best long-term value for the City.