MINUTES OF THE SEVENTH MEETING

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

DATE: November 20, 2006

TIME: 12:00 p.m.

PLACE: Greater Milwaukee Committee
301 West Wisconsin Avenue
Fourth Floor Conference Room
Milwaukee, WI

Board Members
Karl Ostby, Chairman ..... Kenosha County Representative
Len Brandrup ..... City of Kenosha Representative
David Eberle ..... Racine County Representative
Joseph "Jody" Karls ..... City of Racine Representative
Sharon Robinson ..... City of Milwaukee Representative
Julia Taylor ..... Governor's Representative from City of Milwaukee
George A. Torres ..... Milwaukee County Representative

Staff Members
Philip C. Evenson ..... Executive Director, SEWRPC
Kenneth R. Yunker ..... Deputy Director, SEWRPC
Albert A. Beck ..... Principal Planner, SEWRPC

Consultant Team (Transit Advocacy and Communications)
Ed Henschel
Michael Ley
H. Carl Mueller
Rosemary Potter
Jessica Pratt
Lori Richards
Brandon Scholz
Kerry Thomas
Barbara Ulichny

Guests
Donna L. Brown ..... Systems Planning Group Manager, Southeast Region, Wisconsin Department of Transportation
Glenn Lampark ..... Director of Public Works, Racine County
Frederick J. Patrie ..... Director of Public Works, Kenosha County
Jeff Stone ..... State Representative
Albert Stanek ..... Chief, Intercity Planning, Division of Transportation Investment Management, Wisconsin Department of Transportation
Michael E. Vebber ..... Vice President and Director of Operations, Milwaukee County Transit System
Marty Wall ..... Citizen, Milwaukee County
Kenneth J. Warren ..... Managing Director, Milwaukee County Transit System

Press
Larry Sandler .....Reporter, Milwaukee Journal Sentinel

ROLL CALL AND INTRODUCTIONS

Chairman Ostby called the meeting to order at 12:15 p.m.

APPROVAL OF AGENDA

There were no changes identified by Board members to the meeting agenda.

REVIEW AND APPROVAL OF MINUTES OF THE SEPTEMBER 19, 2006, MEETING

A motion to approve the minutes as presented was made by Mr. Eberle, seconded by Mr. Karls, and carried unanimously by the Board.

Mr. Yunker stated Chairman Ostby had made a request at the last meeting for information on the South Shore commuter rail service operated between northwest Indiana and downtown Chicago. He went over a brief presentation prepared by Commission staff on this service (see Attachment 1 to these minutes).

Mr. Eberle inquired about the sales tax used to fund the South Shore Line and asked if there were other commuter rail lines that served northern Indiana. Mr. Yunker stated that the sales tax revenues used to fund the South Shore Line were dedicated funds for transit and that sales tax revenues were also used to fund other public transit services in Indiana. He indicated that he was not aware of other commuter rail lines serving Indiana, but the Commission staff would research this and also obtain additional information on the tax rate and uses of the Indiana sales tax.

[Secretary's Note: The South Shore line is the only commuter rail line currently serving Indiana. An extension of the line from Hammond to Lowell and/or Valparaiso is under consideration by the Northern Indiana Commuter Transportation District. The State of Indiana dedicated in the year 2005 0.825 percent of the total statewide revenues generated by a 6 percent statewide sales and use tax to two State programs funding public transit operations. The Public Mass Transportation Fund (PMTF) was allocated 0.635 percent (about $30.0 million) and the Commuter Rail Service Fund (CRSF) was allocated 0.19 percent (about $6.7 million) of the total statewide revenues generated by the sales and use tax. The PMTF funds are distributed to all eligible public transit systems statewide using a performance based formula and the CRSF funds are distributed to the Northern Indiana Commuter Transportation District for the operation, maintenance, and improvement of service on the South Shore Line. The South Shore Line also received some CRSF funds (about $3.2 million) which are generated through a tax on the property of railroad companies, and about $32,700 in funds from the Indiana Electric Rail Service Fund (ERSF) generated through a tax on the property of electrically powered railroads including the South Shore Line.]

REVIEW AND DISCUSSION OF WRITTEN COMMENTS RECEIVED TO DATE

There were no written comments received since the last Board meeting.

PRESENTATION AND DISCUSSION OF REGIONAL TRANSIT AUTHORITY COMMUNICATIONS STRATEGY

Chairman Ostby stated that since the last meeting, a contract with the communications consultant, Transit Advocacy and Communications (TACT), had been prepared by the Commission staff, reviewed by legal counsel, and executed by himself on behalf of the RTA. He introduced Mr. Carl Mueller and Ms. Barbara Ulichny from TACT and stated that they would brief the Board on the work that the communications consultant would undertake for the RTA. Mr. Mueller and Ms. Ulichny reviewed with the Board a summary of, and a tentative schedule for, the work to be performed by the consultant team (see Attachment 2 to these minutes). During their presentation, the following questions were raised and comments made by Board members:

1. Referring to the outreach efforts to be directed at elected officials, public agency staff, and the business community identified on slide 13 of the presentation, Ms. Robinson noted that the City of Chicago had submitted a proposal to the U.S. Olympic Committee to host the 2016 Summer Olympic Games. She suggested that the Chicago area officials involved also be targeted by the outreach activities of the RTA since the Kenosha-Racine-Milwaukee (KRM) commuter rail service could be promoted as a service that could be used by people traveling to the Chicago metropolitan area for the Olympic Games, and this may help Chicago's proposal win acceptance. Mr. Mueller agreed and stated that elected officials in local government as well as in Congress would be contacted in this regard. Mr. Ostby stated that Chicago area business leaders should also be included in these outreach efforts.

2. Regarding outreach efforts directed at local business organizations and leadership officials, Ms. Taylor indicated that the Milwaukee 7 regional economic development council should also be included in RTA outreach efforts. She noted that at its November meeting, the Milwaukee 7 group would be considering taking a position that the KRM commuter rail should be at the top of the list of important regional cooperative efforts.

UPDATE ON KENOSHA-RACINE-MILWAUKEE CORRIDOR STUDY/DRAFT ENVIRONMENTAL IMPACT STATEMENT

Chairman Ostby asked Mr. Yunker to present information on the work that had been completed on the KRM study. Mr. Yunker went over a presentation (see Attachment 3 to these minutes) with the Board which summarized study information covering the need for a major transit improvement in the corridor, the operating characteristics of the commuter rail and bus alternatives considered, the findings of the evaluation of the alternatives, and the conclusions of the KRM Intergovernmental Partnership Steering Committee and Commission staff. He stated that the Steering Committee and Commission staff recommended that commuter rail be considered for implementation and be advanced to the Federal Transit Administration (FTA) as the locally preferred alternative in the corridor. He noted that the Steering Committee work would enable a request to be submitted in June 2007 to the FTA for consideration of discretionary Federal funding for the KRM project. He stated that prior to that submittal, public meetings on the study recommendations will be conducted in January 2007, the draft environmental impact statement (EIS) will be completed and a public hearing held on the draft EIS in February 2007, and the RTA will need to concur with those recommendations and further recommend a source of local funding. After his presentation, the following questions were raised and comments made by Board members:

1. Mr. Eberle asked how travel times compared under the commuter rail and bus alternatives. Mr. Yunker referred to slide 13 which indicated the commuter rail service would have a

much higher operating speed and a shorter travel time than improved bus service between Kenosha and Milwaukee.

2. Referring to slide 16, Mr. Karls asked what accounted for the ridership differences between the commuter rail and bus alternatives. Mr. Yunker stated that relative travel times were the principal factor accounting for the ridership differences.

3. Mr. Eberle asked if consideration had been given to operating the KRM commuter rail service using electrically powered equipment like that used for the South Shore Line rather than diesel electric equipment. Mr. Yunker stated that electrifying the KRM corridor would significantly increase capital costs, and was dismissed as an option early in the study.

4. Referring to the information on slides 21 through 23 which identified the potential positive impacts commuter rail would have on land development and redevelopment in the corridor, Mr. Yunker stressed the importance of these benefits of the KRM commuter rail project. Ms. Taylor noted that the improved accessibility to jobs in the corridor identified on slides 24 and 25 that would result from operation of the commuter rail service were also significant benefits.

5. Referring to the cost estimates presented on slide 30, Mr. Ostby asked the Commission staff for an explanation of the differences between the estimates of the annual operating/maintenance costs for the commuter rail service prepared for the current study and under the previous study. Mr. Yunker attributed part of the differences in operating costs to different assumptions as to how the commuter rail service would be operated. The costs for the current study assume the KRM service would connect with Metra trains serving stations in northern Illinois and downtown Chicago at either the Kenosha or Waukegan stations where passengers would transfer between the two services, while the previous study assumed that trains serving the KRM corridor would operate as a seamless service over the entire distance between Chicago and Milwaukee.

6. In response to a question from Mr. Eberle, Mr. Yunker stated that the use of Federal and State monies to fund KRM capital and operating costs was still being reviewed and the goal was to identify Federal and State funds that would cover 90 percent of capital and operating costs. Mr. Yunker added that 50 percent of the capital costs may be funded through the Federal discretionary Section 5309 Program, 30 percent through other Federal programs including the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, and 10 percent through the State, leaving 10 percent to be funded locally. With respect to operating costs, he stated that Federal formula (Section 5307) program funds for the Milwaukee area would be increased by about $8 million per year with the operation of the commuter rail service, and a portion of these additional funds--$4.3 million--may go toward funding annual commuter rail operations. He indicated that the use of State transit operating assistance funds covering about 40 percent of total operating costs may also be proposed in the amount of $5.5 million annually. He stated that the State would need to increase funding levels for the program over the current $100 million per year to provide for the needs of the commuter rail service as well as all other public transit systems in the State

   Mr. Eberle asked if the Federal and State grants would be one-time grants or continuing grants. Mr. Yunker indicated the Federal Section 5309 grant would be a one-time grant to cover the one-time capital costs for the KRM project, as would CMAQ grants that would spread over six years of the project engineering, construction, and vehicle procurement. Federal Formula grants and State operating assistance grants would be annual grants.

7. Mr. Brandrup stated that the assumed level of CMAQ funds for the KRM commuter rail service may be optimistic. Mr. Yunker stated that will be considered as the financial plan for the KRM project is prepared over the next month.

8. Mr. Eberle asked if any thought had been given to forming a multi-county tax incremental financing (TIF) district along the right-of-way for the KRM commuter rail line. Mr. Yunker stated that this may be expected to be considered by the funding source research consultant.

9. Ms. Taylor asked if any transit operator in the Kenosha, Racine or Milwaukee areas had ever been awarded a large CMAQ grant for a special transit project. Mr. Yunker stated that past use of CMAQ funds by the transit operators in the KRM corridor had been limited to expanding existing bus services and adding new bus routes. He added that there has never been a Federal Section 5309 earmark grant awarded for a major transit project in the State of Wisconsin.

Chairman Ostby thanked Mr. Yunker for the briefing on the current KRM corridor planning study and stated that it was important for all to focus in on the June date for submitting the funding request to the FTA for the KRM project.

PRESENTATION AND DISCUSSION OF INITIAL FINDINGS OF FUNDING SOURCE RESEARCH

A presentation on the initial work attendant to funding source research was made by Mr. Michael Ley and Mr. Ed Henschel from the TACT consultant team (see Attachment 4 to these minutes). In his presentation, Mr. Ley summarized the funding source analysis activities to date; discussed the selection criteria and principles for identifying potential alternative local revenue sources that the consultant proposed to use; and provided a recap of the information on the funding sources used in other areas that had been identified and presented to the RTA by the Commission staff. He indicated the he was looking for direction from the RTA on the selection criteria and principles that would be used in the analysis of alternative local funding sources. During the presentation, the following questions were raised and comments made by Board members:

1. Chairman Ostby asked Mr. Ley and Mr. Henschel to identify the top three revenue sources used for public sector projects like the KRM commuter rail project. Mr. Ley stated that the property tax would be first, followed by the sales tax, and then the personal property tax. Mr. Brandrup noted that if using the property tax was suggested for funding the KRM project, the suggestion would be considered “dead on arrival” among local officials.

2. Chairman Ostby asked Mr. Ley and Mr. Henschel if the funding sources reviewed would include a hotel tax or similar tax directed at specific business sectors. Mr. Ley indicated that the potential uses of the hotel tax have become too restricted to be of use for the KRM project. He explained that businesses subject to such taxes have indicated their preference is to use the revenues generated for purposes that address their needs.

3. Referring to the potential development impacts around the stations on the KRM line identified on slide 22 of Mr. Yunker’s presentation, Mr. Torres asked if the consultant would look at possible ways to generate funds based on increases in property values along the commuter rail line, such as the use of tax incremental financing districts, a land value capture tax, or some other approach. Mr. Henschel stated that such revenue generating mechanisms would be reviewed during the study.

Mr. Stone stated that he was aware of a similar approach being used for a project in Pennsylvania through the creation of a benefit assessment district. Chairman Ostby and Mr. Ley stated that revenues generated through changes in land values were difficult to forecast as the revenue pay back would depend on the speed at which development around stations actually occurred. Mr. Brandrup noted that analyses done for other rail projects had indicated that timing was key to land development projects and their potential use to fund rail project costs.

4. Mr. Karls asked Mr. Ley and Mr. Henschel if the consultant was looking for direction from the RTA on what funding sources should be researched. Mr. Ley stated that the consultant first needed to know how much revenue would need to be generated to support, for example, the KRM commuter rail project. He noted the overall funding need would affect what revenue sources should be viewed as having potential to be used for the KRM project. Chairman Ostby stated that the overall funding need would also depend on the assessment of the amounts of Federal and State funding available for the KRM project.

5. Ms. Robinson indicated she believed the third criterion identified by the consultant on slide 6--having a broad based source of revenue--was extremely important. Ms. Ulichney stated that the consultant had identified approximately 20 potential revenue sources used around the country that had potential for use for the KRM project. A table identifying potential local funding sources was distributed to those present (see Attachment 5 to the meeting minutes). In response to a question from Ms. Taylor, Mr. Ley indicated the table identified funding sources that were appropriate for funding the annual operating costs of service.

6. Mr. Eberle noted that the City of Chicago had sold the Chicago Skyway bridge to a private entity that is now responsible for operating and maintaining the facility using the revenues generated by the tolls charged. He asked if it was worth looking at having a private entity, such as an equipment manufacturer, be the owner and operator of the KRM commuter rail line. Mr. Yunker and Mr. Ley noted that this is generally not a reasonable approach for major public transit projects as, unlike toll road facilities like the Chicago Skyway, public transit does not cover a significant portion of its costs through directly generated revenues. Chairman Ostby stated that he believed the likelihood of privatizing the KRM project was close to zero.

DISCUSSION OF SCOPE OF REGIONAL TRANSIT AUTHORITY RECOMMENDATIONS—KRM COMMUTER RAIL AND PUBLIC TRANSIT

Chairman Ostby stated that the next item on the agenda was discussion by the Board of the appropriate focus of the RTA: identifying how to fund the KRM Commuter Rail project or addressing the broader issue of how to provide dedicated funding for all public transit in the RTA counties including bus and commuter rail services. He then asked each Board member for their position as to what they believed the RTA should focus on. The comments of the Board members were as follows:

1. Mr. Torres cited the potential for the commuter rail service to greatly improve access to jobs, the airport, and other activity centers in the corridor, but noted that much of the improvement would be dependent on the availability and use of connecting local bus services in Milwaukee County and the Cities of Racine and Kenosha. He stated the RTA needed to look beyond the commuter rail service at how to move people beyond the stations and that this would warrant having the RTA address dedicated funding for all public transit.

2. Ms. Taylor stated that she favored a phased approach to addressing the two funding issues whereby the RTA would first identify how to fund the KRM commuter rail service and then tackle funding for the existing bus systems. She stated while she agreed with Mr. Torres on local bus services being needed to support the commuter rail service, she was concerned that if the RTA were to focus initially on how to fund all public transit, it could lose the opportunity to implement the KRM commuter rail service.

3. Ms. Robinson indicated that she could support a phased approach to addressing the two funding issues put forth by Ms. Taylor. She stated that there was a need to look at the broad picture of providing funding for all public transit, but that the RTA could start with identifying how to fund the KRM commuter rail service.

4. Mr. Karls stated that he also favored the phased approach to addressing the two funding issues and that the Board should first come up with a funding plan for the KRM commuter rail service, then follow up with a plan for funding all public transit.

5. Mr. Eberle indicated he believed the Board should address funding for the KRM commuter rail service first, then funding for the existing bus systems. He was concerned that the Board could have no success at all if both issues were addressed at once.

6. Mr. Brandrup indicated he believed the Board should address both funding issues at the present time. Referring to Attachment 1 to the minutes of the previous RTA meeting, he quoted the State Statute creating the RTA, focusing on a mandate for the RTA to address both funding issues, and that the Board would be remiss if it ignored that mandate. He also stated that he believed the Federal Transit Administration (FTA) would be reluctant to fund the KRM commuter rail service if the financial needs of the underlying local bus services aren't also addressed.

7. Mr. Torres stated that he was not opposed to a phased in approach by the RTA to addressing dedicated funding for the local transit systems as long as the funding needs of local transit remained within view by the RTA. He indicated that the funding option ultimately identified by RTA for the KRM commuter rail service should not preclude any funding options for local transit, and that the Board should be ready to advance funding options for local transit upon completion of the commuter rail financing plan.

Chairman Ostby thanked the Board members for expressing their views. He stated that all board members agreed on the importance of completing work on the financial plan for the KRM commuter rail service. Mr. Yunker stated that the comments of the Board members indicated that the consultant should continue researching local funding options for both the KRM commuter rail service and for all public transit.

Mr. Karls asked if there had been any progress made toward changing the negative quorum rule in the present legislation. Mr. Stone stated that his attempts to make changes to the legislation during the last legislative session had not been successful. He noted that the restriction in the legislation on Board members discussing RTA business had been part of a last minute compromise and the RTA would probably need to work directly with the governmental units represented to get the restrictions changed. Ms Ulichny noted that agreement on any change to the RTA legislation would be required among the six governmental units represented before the Governor would consider it.

ADJOURNMENT

Ms. Taylor stated she would not be able to attend the December 18, 2006, RTA meeting, and Ms. Robinson suggested that the January 15, 2007, RTA meeting be rescheduled as January 15, 2007, is a holiday honoring Dr. Martin Luther King, Jr. Mr. Evenson stated that Commission staff would send out a list of alternative dates for Board members to consider and notify them once new dates had been selected.

[Secretary's Note: Three RTA meetings have been scheduled: December 18, 2006, at 8:00 a.m., January 9, 2007, at 8:00 a.m., and January 30, 2007, at 8:00 a.m.]

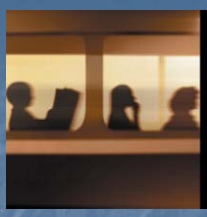
There being no further business to come before the Board, the meeting was adjourned at 2:35 p.m. on a motion by Mr. Karls, seconded by Ms. Robinson, and carried unanimously.

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary

PCE/KRY/AAB/ab/mlh
Doc # 123315v1: Board Minutes for 11/20/06

Attachment 1



KRM

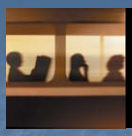
THE KENOSHA-RACINE-MILWAUKEE COMMUTER LINK

Northwest Indiana's South Shore Line

November 20th, 2006

Sponsored by an Intergovernmental Partnership of the Cities and Counties of Kenosha, Racine and Milwaukee, the Wisconsin Department of Transportation and the Southeastern Wisconsin Regional Planning Commission

123200



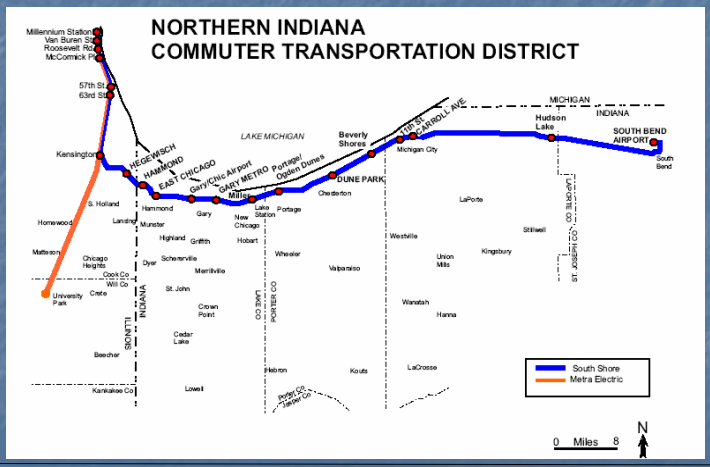
South Shore Line - Description

- Provides commuter rail service between the northwest Indiana cities of South Bend, Michigan City, Gary, Hammond, and others to downtown Chicago
- 90 miles total in 2 states
  - Service and ridership highly oriented to downtown Chicago
- History
  - Generally regarded as the last electric interurban railway in the United States though greatly modernized in recent years
  - Passenger service provided for over 100 years
  - Has remained electrically operated using overhead wires

South Shore Line - Ownership

- Privately owned and operated from 1903 to 1990
- Now owned and operated by the Northern Indiana Commuter Transportation District (NICTD)
- NICTD established in 1977
  - By an act of the Indiana General Assembly
  - In response to proposed abandonment of all South Shore passenger service
  - Specifically created to preserve, maintain, and improve commuter rail service between South Bend and Chicago
  - 11-member Board of Trustees
- NICTD owns track and ROW (from Kensington to South Bend), equipment, other assets
  - Freight service provided by separate private company under contract

South Shore Line Route



South Shore Line - Operation

- Operation is in partnership with Metra, the Chicago area commuter rail operator
  - South Shore service overlaps with Metra because South Shore uses one of Metra's 11 routes to access downtown Chicago
- Route Characteristics
  - South Bend to Chicago: 90 miles and 20 stations
  - Indiana portion: 69 miles and 12 stations
  - Illinois portion: 21 miles and 8 stations
    - 15 miles of the Illinois portion use the Metra Electric route from Kensington to Randolph Street in downtown Chicago

South Shore Line – Illinois Portion

- 8 stations and 21 miles are in Illinois
  - At the 7 Illinois stations shared with Metra (Kensington to downtown Chicago), South Shore cannot handle local passengers whose entire ride would be on this segment; they must use Metra trains
  - At the one Illinois station served only by South Shore trains (Hegewisch) South Shore can handle any passengers in any direction
  - Hegewisch is among the top five busiest stations on the South Shore Line

NICTD/South Shore - Funding

- Passenger fares – about 47 % of annual operating expenses
- Assistance through State of Indiana Commuter Rail Service Fund
  - Used for maintenance, improvements, and operations
  - Comes from public mass transit funds collected from state sales tax
  - Dedicated funding
- Metra
  - Provides subsidy for Illinois portion of service
  - Based on passengers boarding at Illinois stations – about 21 % of net operating costs

South Shore Line – Observations

- Overall operational character of South Shore service and its relationship to what is now the Metra Electric commuter route is long-standing. When responsibilities for commuter rail services in northeastern Illinois and northwestern Indiana passed from private to public entities, pre-existing arrangements and relationships were inherited.
  - Type of operation, service, and equipment that is used was established by the original privately operated railroads and has essentially been continued
  - Use of what is now a Metra route to access downtown Chicago is by agreement that was in place long before the creation of Metra, the Chicago RTA, or NICTD

Attachment 2

Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

Comprehensive Communications Strategy

November 20, 2006

Presented by:
H. Carl Mueller
Barbara Ulichny

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

Our Goal:

To achieve the goals of the Regional Transit Authority by developing and executing a comprehensive communications strategy, outreach to key constituencies, media relations, and other communications tactics.

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

Our team:

- H. Carl Mueller, Project Manager
- Barbara Ulichny, Project Coordinator
  - Helen Dixon
  - Ed Henschel
  - Mikel Holt
  - Michelle Kussow
  - Michael Ley
  - Martha Love
  - James Madlom
  - Lisa Moy
  - Rosemary Potter
  - Marvin Pratt
  - Lori Richards
  - Brandon Scholz
  - Scott Terry
  - Kerry Thomas
  - John Torres

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work elements:

1. Development, monitoring and refinement of communications strategy
2. Funding source research
3. Communications materials
4. Public opinion assessments
5. Outreach to elected officials, public agency staff and business community
6. Outreach to general public

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 1 - *Development, monitoring and refinement of communications strategy*

- It is **collaborative**
- It is **consistent**
- It is **comprehensive**
- It is **cumulative**

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 1 - *Development, monitoring and refinement of communications strategy*

Measuring progress:

- Monthly meetings to benchmark progress and suggest refinements
- Work element managers responsible for monthly reports to Project Manager

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 2 - *Funding source research*

- Identify special sources of funding used on projects nationwide and locally
- Examine other innovative funding options
- Estimate their potential current and future revenue
- Assess their feasibility
- Identify necessary state authorizing legislation and options for implementation.

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 2 - *Funding source research*

Measuring progress:

- A preliminary progress report will be presented to you today
- A final report, including recommendations on funding alternatives for consideration by the RTA will be completed by Dec. 31, 2006
- An implementation plan that will include a legislative strategy will be produced

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 3 - *Communications materials*

These materials will:

- Communicate the outcomes of the RTA's transit review
- Create broader public understanding of the recommendations of the RTA
- Be clear, concise and visually interesting
- Directly address key questions and concerns of each particular key audience and are tools to build advocates for the RTA's transit recommendations

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 3 - *Communications materials*

Measuring Progress:

- Work element team members are meeting to develop copy and graphics for the communications materials
- Work element manager and project manager meet monthly for preliminary approval on material copy and design
- Project manager is responsible for securing RTA approval prior to printing materials

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 4 - *Public opinion assessments*

This research will assist the RTA in assessing:

- How business, civic, community, elected leaders and the public view our public transit systems
- Perceived future transit needs of our region
- Support for proposed transit initiatives or funding sources
- Support for proposed transit operations or governance proposals
- Effectiveness of key messages and/or logos used in communications materials

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Southeastern Wisconsin
Regional Transit Authority
Transit Advocacy and Communications Team (TACT)

The work element: 4 - *Public opinion assessments*

Measuring Progress:

- A post-election assessment, highlighting the opinions and attitudes of Wisconsin citizens is underway
- In-depth interviews of public opinion leaders tentatively scheduled for December 2006
- A survey of Southeastern Wisconsin residents focused on transit funding options tentatively scheduled for January 2007
- Six focus groups to be conducted with commuters tentatively scheduled for January 2007
- A “piggy-back” poll on funding options, possible transit operators and governance tentatively scheduled for June 2007

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 5 - *Outreach to elected officials, public agency staff and business community*

Our goal is to inform, cultivate and secure the support of:

- Elected officials – local public officials
- Governor and his Administration
- Members and leadership and the state legislature
- Wisconsin's federal delegation
- Metra/Union Pacific/Canadian Pacific
- Local transit systems in Kenosha, Racine and Milwaukee counties
- Business organizations and business leadership

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 5 - *Outreach to elected officials, public agency staff and business community*

Measuring Progress:

These would include face-to-face briefings, group sessions, mail and email and efforts to secure endorsements

- Federal elected and appointed official outreach
- State elected and appointed official outreach
- Local elected and appointed official outreach
- Business outreach

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 6 - *Outreach to the general public*

Our goal is to inform, cultivate, and secure the support of:

- Community groups
- The media
- Workforce development and labor organizations
- Minority communities
- Environmental advocates
- Senior citizens
- Public transit users and advocates
- Advocates for persons with disabilities
- Neighborhood associations
- Emerging leaders/Young professionals
- Others

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Southeastern Wisconsin
Regional Transit Authority

Transit Advocacy and Communications Team (TACT)

The work element: 6 - *Outreach to the general public*

Measuring Progress:

- Information displays: 14 traveling throughout the three counties (e.g., City Halls, public libraries)
- Business, community presentations and open houses: more than 50 throughout the three counties (e.g., community groups and opinion leaders)
- Media placements: Minimum of one proactive placement each month with significant additional coverage around key decisions of the RTA
- Editorial board meetings: conduct with all major media in the three counties
- Direct mail/Email newsletters: database has been developed and newsletter development is underway

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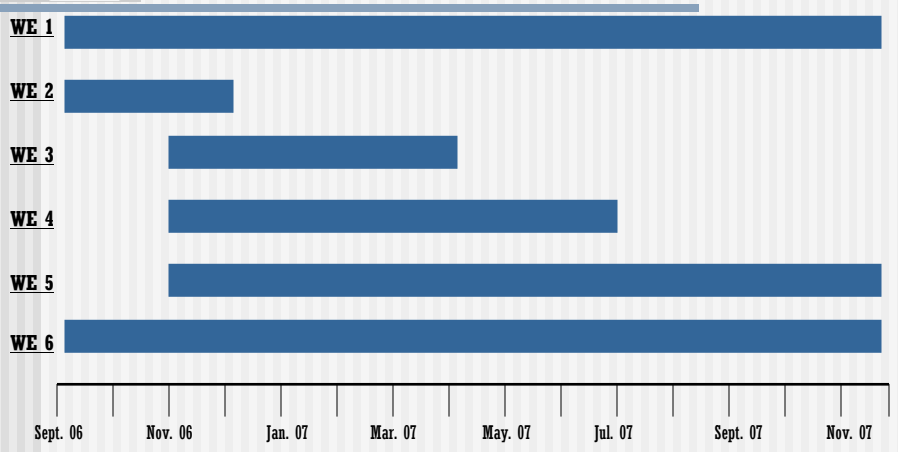
Southeastern Wisconsin

Regional Transit Authority

Transit Advocacy and Communications Team (TACT)



Project Timeline

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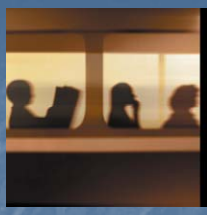
Attachment 3



KRM

THE KENOSHA-RACINE-MILWAUKEE COMMUTER LINK

Southeastern Wisconsin
Regional Transit Authority

November 20th, 2006

Sponsored by an Intergovernmental Partnership of the Cities and Counties of Kenosha, Racine and Milwaukee, the Wisconsin Department of Transportation and the Southeastern Wisconsin Regional Planning Commission

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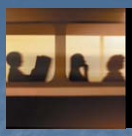


Why Consider a Major Public Transit Improvement in the KRM Corridor?

- To provide a necessary and desirable alternative to the automobile in a heavily traveled corridor and areas
- To provide a high quality alternative to the automobile during freeway system reconstruction over the next 20 years
- To support and promote higher density infill development and redevelopment, which results in efficiencies for public infrastructure and services, including transportation
- To contribute to efficiency in the transportation system, including reduced highway traffic and congestion, air pollution and energy consumption

Kenosha-Racine-Milwaukee Commuter Link 2

Why Consider a Major Public Transit Improvement in the KRM Corridor? (cont.)

- To meet the travel needs – access to jobs, education, and other – of the significant portion of the population (15% of households) without an automobile
- To enhance economic development by providing improved labor force accessibility
- To enhance quality of life by providing choice of travel mode and to permit the reduction in household expenditures on transportation, permitting greater savings, other expenditures, and a higher standard of living

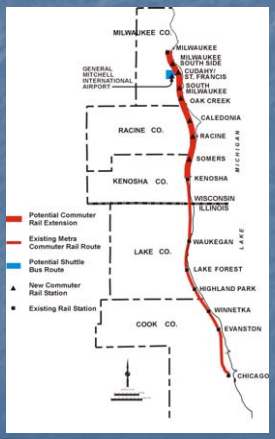
Why Consider a Major Public Transit Improvement in the KRM Corridor? (cont.)

- To better connect southeastern Wisconsin with northeastern Illinois
  - Improved connection should promote economic and population growth in the KRM corridor and southeastern Wisconsin
  - Improved job and labor force accessibility
  - Improve accessibility to and enhance GMIA; arts, culture, and entertainment venues; and colleges and universities

Public Transit Alternatives in the KRM Corridor

- A wide range of alternatives has been considered and has been progressively screened to two potential alternatives
  - Commuter rail
  - Improved bus service over existing streets and highways

Proposed KRM Commuter Rail Service



- Connect Milwaukee and Racine to existing Chicago-Kenosha commuter rail
- 33-mile extension using existing Union Pacific Railroad (UP) and Canadian Pacific Railway (CP) freight lines
- 9 stations
  - Existing stations at Kenosha and Milwaukee
  - New Stations at Somers, Racine, Caledonia, Oak Creek, South Milwaukee, Cudahy-St. Francis, and Milwaukee South Side

Proposed KRM Commuter Rail Service (cont.)

- Level of service
  - Service provided in both directions along corridor during all time periods
  - 14 weekday trains in each direction
  - Operating speed – up to 59 mph
  - Average speed – 38 mph
- Shuttle bus service
  - Dedicated service between Amtrak station and Milwaukee central business district
  - Dedicated service between General Mitchell International Airport and Cudahy-St. Francis station

Proposed KRM Commuter Rail Service (cont.)

- Train operation
  - Service provided by meeting existing Metra trains at either Kenosha or Waukegan
    - Two new trains between Milwaukee and Chicago (to Milwaukee in A.M. and to Chicago in P.M.)
    - Contract with UP Railroad and provide timed-transfer (6 minutes) at Kenosha and Waukegan to Metra
  - Diesel-multiple-unit cars ("DMUs" or self-propelled coaches)

Proposed Bus Service Alternative

- The bus alternative is an improved and expanded bus service
  - The best that can be done with improved and expanded bus service over existing streets and highways to provide a similar service as commuter rail, while maintaining the unique advantages of bus service
  - Expansion and enhancement of the existing Wisconsin Coach Lines service and the MCTS Freeway Flyer Route 48 service
- South of Oak Creek, service routed primarily along STH 32
- North of Oak Creek, service splits into two routes
  - Via South Milwaukee, Cudahy, St. Francis and Milwaukee's South Side along Packard Avenue and Lake Parkway
  - Via Oak Creek and General Mitchell International Airport along STH 100 and IH 94

Proposed Bus Service Alternative (cont.)

- 29 stations or stops
  - Existing transit stations at Kenosha and Racine
  - New transit stations at Oak Creek and Cudahy-St. Francis
  - Passenger information systems at selected stations
- Level of Service
  - Service provided in both directions along corridor during all time periods
  - 14-17 weekday buses in each direction
  - Traffic signal prioritization
  - Operating speed – same as street or highway being used
  - Average speed – 20 to 29 mph

Proposed Bus Service Alternative (cont.)

- Local area service
  - All buses travel the length of the Milwaukee central business district to provide local distribution and collection
  - Direct service to and from General Mitchell International Airport for buses that do not serve South Milwaukee and Cudahy-St. Francis stations
- Coordinated with Metra commuter train service
  - Service provided by meeting existing Metra trains at either Kenosha or Waukegan
    - One new train between Kenosha and Chicago (to Kenosha in A.M. and to Chicago in P.M.)
    - Timed-transfer connections at Kenosha and Waukegan with Metra
- Higher-capacity articulated vehicles

Evaluation and Comparison of Commuter Rail and Bus Alternatives

- Principal differences
  - Travel time and speed
  - Travel reliability, comfort, and convenience
  - Transit ridership
  - Impact on highway system
  - Alternative during IH 94 freeway reconstruction
  - Air pollutant emissions and energy impacts
  - Promoting more efficient development and redevelopment
  - Providing increased accessibility to jobs
  - Encouraging corridor economic development by more closely linking southeastern Wisconsin and northeastern Illinois
  - Providing improved accessibility to General Mitchell International Airport
  - Providing improved accessibility to arts, culture, and entertainment
  - Providing improved accessibility to colleges and universities
  - Capital and operating costs

Evaluation and Comparison: Travel Time

- Commuter rail will be much faster than bus in connecting the Kenosha, Milwaukee, and Racine areas to each other and with Northeastern Illinois

	Milwaukee to Kenosha	
	Average Speed	Average travel time
Commuter Rail	38 mph	52 minutes
Bus	20 to 29 mph	83 to 108 minutes

Evaluation and Comparison: Travel Reliability

- Commuter rail would provide the highest level of reliability
  - Operating over a separate non-highway right-of-way, it would not be affected by the unpredictable nature of rush-hour automobile and truck traffic
  - It would have priority over street and highway traffic at crossings and over freight traffic on railroads
  - Inclement weather would have little impact, this being especially important during the winter season

Evaluation and Comparison: Comfort and Convenience

- Commuter rail would provide the highest level of comfort, convenience, and overall attractiveness
  - It can provide a smoother and more consistent ride due to the vehicles operating on a dedicated route alignment that doesn't have interference from other traffic
  - Its route simplicity, dedicated route, and larger stations and equipment make it more visible and therefore easier to use

Evaluation and Comparison: Ridership

- Commuter rail may be expected to attract more than twice the ridership than bus
  - On an average weekday, commuter rail will attract 5,600 trips vs. 2,400 for bus
  - Annually, commuter rail will attract 1.43 million trips vs. 0.61 million for bus
  - Commuter rail will attract about twice as many new trips to transit on an average weekday as would bus: 2,200 vs. 1,200

Evaluation and Comparison: Passenger-Miles

- Passenger-miles from commuter rail ridership represent four times the passenger-miles from bus (as a result of attracting longer trips)
  - On an average weekday, commuter rail will attract 90,000 passenger-miles vs. 22,300 for bus
  - Annually, commuter rail will generate 22.9 million passenger-miles vs. 5.7 million for bus

Evaluation and Comparison: Impact on Highway System

- Commuter rail will have a substantially greater impact on highway system traffic and traffic congestion
  - Commuter rail ridership will be 2.3 times that of bus, and passenger-miles will be 4.0 times that of bus
  - "New" trips on transit will be nearly twice as much under commuter rail compared to bus

Evaluation and Comparison: Alternative During IH 94 Reconstruction

- Commuter rail will provide a far superior alternative mode of travel during IH 94 reconstruction over the next 20 years compared to a bus alternative
  - Commuter rail will be able to attract significantly more traffic from IH 94 which will be limited in capacity over 10 to 15 years
  - Commuter rail will offer an alternative which will be competitive with automobile travel time and will be unaffected by increased IH 94 freeway and corridor congestion

Evaluation and Comparison: Air Pollutant Emissions and Energy Consumption

- Commuter rail would contribute to a greater reduction in vehicle generated air pollutant emissions and vehicle energy consumption in proportion to its potential to attract greater transit ridership, longer trips by transit, and new transit trips
  - Additional reductions in air pollutant emissions and energy consumption may be expected due to commuter rail's potential to encourage more efficient higher density infill development and redevelopment

Evaluation and Comparison: More Efficient Development and Redevelopment

- Commuter rail will have the potential to result in more efficient higher density land development and redevelopment around its stations in the corridor and reduce urban sprawl
  - Encourage desirable needed and planned development in central cities of Milwaukee, Racine, and Kenosha and inner, older suburbs of Cudahy, St. Francis, and South Milwaukee
  - Encourage higher density more efficient development in developing communities of Oak Creek, Caledonia, and Somers

Evaluation and Comparison: More Efficient Development and Redevelopment (cont.)

- Commuter rail may be expected to support, and assist in bringing about, planned development around its 9 stations of up to:
  - 21,100 residential units
  - 71,000 jobs
  - 7.64 million square feet of retail space
  - 4.66 million square feet of office space
- Some of the above development and redevelopment may be specifically attributed to the implementation of commuter rail:
  - 12,800 residential units
  - 17,100 jobs

Evaluation and Comparison: Economic Impact of Development and Redevelopment

- Economic impact of potential development around the 9 commuter rail stations totals:
  - Increase in assessed valuation of $7.8 billion
  - Increase in retail sales of $750 million
  - This does not include the spillover of development and redevelopment, and increased land and property values which will occur in neighborhoods adjacent to the immediate station areas

Evaluation and Comparison: Accessibility to Jobs

- Due to its higher average speeds and resulting lower travel times, commuter rail will provide greater accessibility to the significant number of jobs in the KRM / northeastern Illinois corridor

Corridor Jobs (1 mile station radius—Year 2000)	
Downtown Milwaukee	110,300
Milwaukee County	21,600
Kenosha and Racine Counties	28,200
Chicago North Shore Suburbs	95,100
Chicago North Side	58,500
Downtown Chicago	599,400

- This corridor provides access to far more jobs than any other potential transit corridor, for example, compared to a Milwaukee – Oconomowoc commuter rail or Milwaukee – Waukesha express bus corridor:
  - More than 4 times more jobs
  - More than 50 percent more jobs (if Downtown Chicago jobs not included)

Evaluation and Comparison: Accessibility to Jobs (cont.)

- The KRM commuter rail provides this job access to central city residents, and in particular minority populations, low income populations, and those without an automobile and dependent upon public transit
  - For example, an estimated 245,900, or 41 percent, of City of Milwaukee residents reside within 3 miles of the two proposed KRM train stations in the City of Milwaukee, some within walking distance and others within a short connecting bus or shuttle ride or drive or drop-off by automobile. Of these City residents, 59 %, or 145,400, are minorities (slightly higher than the City as a whole), including 72,100 Black/African Americans and 57,900 Hispanics.
  - The number of jobs accessible to these City of Milwaukee residents (not including downtown Milwaukee) by KRM commuter rail totals over 800,000 jobs in total, 200,000 jobs not including downtown Chicago, and 140,000 jobs not including the Downtown and North Side of Chicago. This can be compared to Milwaukee – Oconomowoc commuter rail and Milwaukee – Waukesha express bus at 80,000 and 100,000 jobs, respectively (also not including downtown Milwaukee).

Evaluation and Comparison: Corridor Economic Development and Growth

- Due to its much higher average speeds and shorter travel times, commuter rail will do a significantly better job of more closely connecting Kenosha, Racine, and Milwaukee to each other and to northeastern Illinois and Chicago
  - This improved linkage between southeastern Wisconsin and the mega-metropolitan area of northeastern Illinois may be expected to result in more economic and population growth in the KRM corridor and in southeastern Wisconsin.
  - The potential for future economic growth of southeastern Wisconsin through more closely linking to Northeastern Illinois is one of a few major economic development themes being advanced for southeastern Wisconsin by the Milwaukee 7.
    - Companies such as S.C. Johnson have cited the importance of this link to Northeastern Illinois to retaining and attracting qualified employees, and maintaining and expanding its presence in southeastern Wisconsin.

Evaluation and Comparison: Benefits for General Mitchell International Airport (GMIA)

- Commuter rail through its faster speeds and shorter travel times should have greater potential to increase use of GMIA by northeastern Illinois residents
  - A schedule of 14 round trip trains per day will well connect GMIA and northeastern Illinois, and connecting train stations exist in the heart of every North Shore suburb of Chicago as well as the Chicago north side and downtown
  - Increased use of GMIA will ultimately result in improved airline service, including more cities served, more non-stop flights, and improved service frequency, all important factors in promoting southeastern Wisconsin economic development

Evaluation and Comparison: Accessibility to Arts, Culture, and Entertainment

- Commuter rail through its faster speeds and shorter travel times should have greater potential to increase accessibility to arts, culture, and entertainment
  - More northeastern Illinois visitors can be expected at Kenosha, Milwaukee, and Racine attractions
  - Southeastern Wisconsin residents will have improved accessibility to northeastern Illinois attractions

Evaluation and Comparison: Accessibility to Colleges and Universities

- Commuter rail through its faster speeds and shorter travel times should have greater potential to increase accessibility to colleges and universities
  - Southeastern Wisconsin – University of Wisconsin – Parkside, Marquette University, University of Wisconsin – Milwaukee, and Carthage College
  - Northeastern Illinois – Northwestern University, University of Chicago, University of Illinois – Chicago Circle, Loyola University, and De Paul University among others

Evaluation and Comparison: Capital and Operating Costs

- Commuter rail would have higher capital costs and annual operating and maintenance (O&M) costs than bus *
  - Capital cost -- $237 million for commuter rail compared to $24 million for bus
  - Annual O&M cost -- $14.7 million total and $10.9 million net (less passenger fares) for commuter rail compared to $3.5 million total and $2.3 net for bus
  - Annualized combined capital and total O&M cost -- $33.9 million for commuter rail compared to $5.8 for bus

* Under the previous study, commuter rail with 15 round trips had an estimated $225 million capital cost and a $27 million annual total O&M cost.

Conclusions of Intergovernmental Partnership Steering Committee and Commission Staff

- Substantial benefits of commuter rail outweigh its increased costs
  - Faster average speeds and shorter travel times
  - Higher reliability, comfort, and convenience
  - Significantly higher ridership – total and new trips and trip length
  - Greater impact on highway traffic and congestion
  - Higher quality and more effective alternative during freeway reconstruction
  - Greater reduction in air pollutant emissions and energy consumption

Conclusions of Intergovernmental Partnership Steering Committee and Commission Staff (cont.)

- Potential to support and encourage more efficient high density infill land development and redevelopment representing significant new housing, jobs, tax base, and retail sales
- Provide accessibility to significant number of jobs in southeastern Wisconsin and northeastern Illinois – significantly more jobs than any other potential transit corridor
- Provides accessibility to a significant population and labor force, particularly minority and low income populations, and those without an automobile and dependent on public transit
- Can contribute significantly to southeastern Wisconsin economic growth and development by more closely connecting northeastern Illinois with southeastern Wisconsin

Conclusions of Intergovernmental Partnership Steering Committee and Commission Staff (cont.)

- By better connecting and attracting northeastern Illinois residents to GMIA, could improve GMIA airline flight service and promote southeastern Wisconsin economic growth
- May be expected to assist in attracting more northeastern Illinois visitors to southeastern Wisconsin arts, culture, and entertainment, and make attractions in northeastern Illinois more accessible to southeastern Wisconsin residents
- Will increase accessibility to both southeastern Wisconsin and northeastern Illinois colleges and universities

Conclusions of Intergovernmental Partnership Steering Committee and Commission Staff (cont.)

- Recommend that commuter rail be considered for implementation and be advanced to the U.S. Department of Transportation, Federal Transit Administration as the locally preferred alternative.
  - Public meetings to be held in December 2006/January 2007
  - Consideration by Intergovernmental Partnership and RTA
  - Completion of Draft EIS and conduct Draft EIS public hearing in February 2007
  - Submission to Federal Transit Administration for consideration of discretionary Federal funding in June 2007

TRANSIT ADVOCACY AND COMMUNICATIONS TEAM (TACT) SOUTHEAST WISCONSIN REGIONAL TRANSIT AUTHORITY

FUNDING SOURCE RESEARCH

November 20, 2006

1

75 years Virchow Krause & company
www.virchowkrause.com

Funding Source Research Team

- Mike Ley, Partner: Virchow, Krause & Company
- Ed Henschel, Manager: Virchow, Krause & Company

2

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www.virchowkrause.com

Presentation Goals

- Summary of funding source analysis activities to date
- Selection criteria/guiding principles for potential alternative local revenue sources
- Recap of SEWRPC information already identified and presented to RTA
- RTA/TACT discussion of selection criteria/guiding principles as a foundation for providing alternative local funding sources analysis to December/January RTA meeting

3

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POTENTIAL CRITERIA/GUIDING PRINCIPLES FOR IDENTIFYING AND ANALYZING ALTERNATIVE LOCAL FUNDING SOURCES

1. Capability and flexibility to be able to raise sufficient local revenues to match State and federal sources and fare box revenue to support
    - KRM commuter rail operating costs
    - KRM commuter rail capital costs
    - Local transit capital and operating costs

4

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2. Stable source of revenue
   - not adversely affected by economic downturns in a significant manner

5

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3. Broad-based source of revenue
   - rate can be tailored upward or downward to meet revenue needed to achieve policy objectives
   - Single/Primary source or multiple funding sources

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4. Incidence –
   - Who pays?
   - Exportability?

5. Importance of relationship of funding source to transit impacts and needs

6. Prevalent sources of local revenue for similarly situated, successful commuter rail systems (what other systems currently use and what has been their experience, successful or not?)

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7. Administration/Collection of local revenue source
   - Ease
   - Difficulty

10

8. Relative political feasibility

SUMMARY OF INFORMATION ALREADY COLLECTED BY SEWRPC AND PRESENTED TO RTA AND OTHER INFORMATION

Table 3: Selected Operating Characteristics of Recent and New-Start Commuter Rail Systems in the United States

- Between 1998 and 2008 there have been a number of new commuter rail systems started. There is a broad mix of sources for local funding:
  - 2 use sales tax
  - 1 uses property tax
  - 1 uses a flat county fee (from general fund)
  - 1 uses local payroll tax

Table 1: Comparison of Public Transit Systems in Metropolitan Areas Similar in Population to the Milwaukee Area, 2004

(See Handout)

- Based on the sample of transit systems found on Table 1 the majority of systems use sales tax to provide the local share of operating funds:
  - 15 use sales tax (0.125% - 1.0%)
  - 3 use payroll tax (0.006218% - 0.3%)
  - 1 uses gasoline tax (6.25 cents per gallon)

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Table 2: Comparison of Public Transit Systems in Metropolitan Areas Similar in Population to the Kenosha and Racine Areas, 2004

(See Handout)

- Several transit systems with populations similar to Kenosha and Racine were identified, all of which operate bus systems. Local funding support is provided as follows:
  - 5 use property tax
  - 1 uses sales tax

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Nearby: Regional Transit Authority (RTA System) of Northeast Illinois Sources of Local Revenue

- .75% in Cook County on sales of tangible personal property
- .25% in the collar counties on sales of tangible personal property
- 1% RTA tax on food and drugs in the NE Illinois 6 county area

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SEWRPC Exhibit 5A (# 104859) Alternative Dedicated Funding Sources for Public Transit

(See Handout)

16

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RTA / TACT discussion of selection criteria.

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Southeast Wisconsin Regional Transit Authority
Funding Options Matrix

				Funding Criteria/Principles						
FUNDING SOURCE	Can Raise Sufficient Funds	Stable Source of Revenue	Broad Based	Acceptable Incidence	Relates to Transit Impacts	Commonly Used By Others	Ease of Collection	Politically Feasible		
Sales Tax										
Property Tax										
Payroll Tax										
Gasoline Sales Tax										
Gasoline Excise Fee										
Car Rental Surcharge										
Hotel Surcharge										
Transportation Utility										
Transportation Development District										
Leveraged Leased Proceeds										
Station/Train Concessions										
Station/Train Advertising										
Parcel Delivery (Freight)										
Parking Fees										
Tax Incremental Financing District										
Transit Impact Fee										
Auto Repair Surcharge										
Moving Violation Surcharge										
Wheel Tax/Registration Surcharge										
Other										

Attachment 5