MINUTES OF THE NINTH MEETING

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

DATE: January 9, 2007

TIME: 8:00 a.m.

PLACE: Kenosha Municipal Transit Garage
4303 39th Avenue
Kenosha, 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
Michelle Kusson
Barbara Ulichny
Lori Richards

Guests
John Antaramian ..... Mayor, City of Kenosha
Emily Ayshford ..... Kenosha News
Dan Boehm ..... Interim Director of Administration, Milwaukee County Transit System
F. H. "Chip" Brewer ..... Director, Worldwide Government Relations S. C. Johnson & Son, Inc.
Donna L. Brown ..... Systems Planning Group Manager, Southeast Region, Wisconsin Department of Transportation
Roger Caron ..... Executive Director, Racine Area Manufacturers and Commerce
David Cole ..... WGTD Radio
Andrew Condon ..... A. B. Schmitz Agency
Lloyd Grant, Jr. ..... Acting Deputy Director, Milwaukee County Transit System
Brian Dranzik ..... Research Analyst, Milwaukee County Board of Supervisors
Jim Engelhardt ..... Clark Dietz Engineers-Kenosha

Guests (continued)
Michael J. Glasheen ..... Transit Planner, City of Racine
Mark Harrod ..... Business Banking Officer, Bank of Kenosha
Richard M. Jones ..... Commissioner of Public Works, City of Racine
Glenn Lampark ..... Director of Public Works, Racine County
Frederick J. Patrie ..... Director of Public Works, Kenosha County
Rosemary Potter ..... Executive Director, Transit Now
Tom Reigle ..... Vice President and Executive Director, SC Johnson Fund, Inc.
Louis Rugani ..... Citizen, Kenosha
Larry Sandler ..... Milwaukee Journal-Sentinel
Dennis A. Shook ..... Shepherd Express Newspaper
Albert Stanek ..... Chief, Intercity Planning, Division of Transportation Investment Management, Wisconsin Department of Transportation
Michael E. Vebber ..... Citizen, Fox Point
Jay Warner ..... Southeast Gateway Group-Sierra Club
David Wise ..... Wispolitics.com

ROLL CALL AND INTRODUCTIONS

Chairman Ostby called the meeting to order at 8:00 a.m., noting that a quorum was present.

APPROVAL OF AGENDA

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

REVIEW AND APPROVAL OF MINUTES OF THE DECEMBER 18, 2006, MEETING

Ms. Robinson requested that the text on page 6 under item 13 be corrected to reflect that she had expressed her concern over whether the business community would accept a sales tax for the KRM project and public transit. A motion to approve the minutes as corrected was made by Mr. Taylor, seconded by Mr. Torres, and carried unanimously by the Board.

> [Secretary's Note: The following sentence has been inserted after the second sentence in the second paragraph of item No. 13 on page 6 of the minutes:
>
> "Ms. Robinson expressed her concern over how the business community would react to a sales tax for the KRM project and public transit."]

REVIEW AND DISCUSSION OF WRITTEN COMMENTS RECEIVED

Chairman Ostby drew the Board's attention to the comments that had been received through the RTA website or by letter since the last Board meeting (see Attachment 1 to these minutes). At the suggestion of Mr. Eberle, the Board acknowledged receipt of the comments and placed them on file.

FISCAL REPORT

Chairman Ostby asked the Commission staff to review with the Board the fiscal report for the RTA dated January 9, 2007 (see Attachment 2 to these minutes). Mr. Evenson stated that the report identified the charges by the communications consultant for the period October 31, 2006, through November 30, 2006, along with minor out-of-pocket expenses that the Commission has incurred on behalf of the RTA.

UPDATE ON THE WORK OF THE KRM CORRIDOR STUDY DRAFT EIS

Chairman Ostby asked Mr. Yunker to provide an update on the KRM study and the preparation of the draft environmental impact statement. Mr. Yunker went over with the Board a presentation distributed at the meeting (see Attachment 3 to these minutes) that included information on refinements made to the preliminary capital and operating cost estimates for the KRM commuter rail project. He stated that after a detailed review, the total capital costs had been reduced from about $237 million to about $200 million and the annual operating costs had been reduced from about $14.7 million to about $11.0 million. He expected that the costs would be finalized in the next few weeks. He also summarized the preliminary findings of a study conducted by the University of Wisconsin-Milwaukee (UWM) estimating some of the economic impacts of the KRM commuter rail service. He identified economic impacts related to tourism, property values, station area development, use of General Mitchell International Airport, and improved connections to the Chicago metropolitan area. The following questions were raised and comments made by Board members on the information presented:

1. Chairman Ostby asked if the refined costs had been provided to the Union Pacific Railroad. Mr. Yunker stated that the staff had been meeting with the railroad throughout the study to keep them informed of the planned improvements and projected costs.

2. Referring to the estimated station area development impacts, Chairman Ostby observed that the study did not speak to the timeframe over which the identified development was expected to occur, although he assumed it would be in the long-term future. Mr. Yunker noted that the staging of the projected development had not been forecast.

3. Mr. Brandrup cited a recent article in the Chicago Tribune indicating that the Chicago area airports were being fully utilized with little opportunity to increase airline flights. He believed that the connections to General Mitchell International Airport provided by the KRM service could result in increased use of the Milwaukee airport by Chicago area travelers.

4. Mr. Karls asked if there were models that could be used to determine the length of time needed before special assessment fees or taxes on land development in the KRM corridor would provide significant revenues for the KRM project. Mr. Ley indicated that models were not available, but reasonable assumptions can be made.

5. Chairman Ostby observed that the KRM study was identifying somewhat lower projected costs than expected based on the last study and the estimated economic impacts in dollars appeared to be exceeding the project costs.

6. Mr. Eberle asked how confident the Commission staff was regarding the estimates of the impacts identified in the UWM study, and if the Board would see the full UWM report. Mr. Yunker responded that the identified overall economic impacts were developed using standard multipliers provided by the Federal government. He also indicated that the study was probably conservative in its estimates of increases in existing property values from the KRM project. Mr. Evenson stated that the study indicated the KRM project would be expected to serve as a

catalyst for development and redevelopment investments around the KRM stations in the corridor, resulting in a more dense and efficient land use pattern. Mr. Yunker indicated the report should be completed in about two to three weeks after which it would be provided to the Board.

7. Mr. Torres believed the Board should consider how it could capture revenue for the KRM project from the expected increase in land values associated with the identified development impacts.

ADDITIONAL REPORTS RELATIVE TO FUNDING SOURCE RESEARCH

Chairman Ostby asked Mr. Ley and Mr. Henschel from the consultant team to review with the Board the findings of additional research on funding the local share of the capital and operating costs for the KRM commuter rail project. Mr. Henschel distributed four handouts (see Attachment 4 to these minutes). The first handout summarized the revenues generated in each RTA county under the identified local funding options, with target revenues of $5 million representing the projected annual local costs of the KRM project and $30 million representing the estimated local costs of the existing public transit services in the RTA counties. Mr. Ley stated that the projected $5 million annual local costs of the KRM project was based on the initial capital and operating cost estimates for the project. The second and third handouts presented revenue projections for an RTA tax incremental financing (TIF) district set up to capture revenues from development in the corridor resulting from the KRM project based on estimates of $7.8 billion and $100 million in corridor development. The fourth handout provided follow-up information supplementing financial information provided previously. The following questions were raised and comments made by Board members on the information presented:

1. In response to a question by Mr. Brandrup on how the consultant derived the estimate of $30 million for the current annual local costs of public transit, Mr. Henschel indicated that it reflected current local expenditures of about $24 million for service operations as identified in conversations with each transit operator and an average of about $6 million in local funds expended on capital projects based on historical data provided by the Commission staff. Mr. Brandrup stated that the costs did not include the deferred capital needs of each transit operator, the local share of costs needed to restore service reduced over the last five years, and the funding need for service improvement and expansion recommended under the regional transportation system plan for the year 2035.

2. Mr. Evenson asked if the estimate of between 22 and 25 percent of current sales tax revenues being paid by out-of-state residents was accurate and if there were any databases that identified crossover spending--spending by residents of one county in another county--for the counties in the southeastern Wisconsin Region. Mr. Ley confirmed the proportion of sales tax revenues generated by out-of-state residents cited by Mr. Evenson and stated that he was unaware of any database identifying crossover spending between counties. Mr. Eberle asked if there was an established procedure for estimating the proportion of sales tax revenues generated within a county. Mr. Evenson responded that he was not aware of a procedure for producing such estimates.

3. Mr. Eberle asked if it would be possible to identify the impact of removing the local costs of public transit from the property tax levy in each county. Mr. Yunker indicated that Commission staff would prepare estimates of the impacts.

[Secretary's Note: An estimate of the property tax savings that could result from removing local transit costs from the property tax is included in Attachment 5 to these minutes]

4. Mr. Torres and Mr. Eberle raised questions concerning the size of the RTA TIF district assumed in quantifying development impacts, and the use of the revenues the TIF district would generate for the KRM commuter rail service. Mr. Yunker stated the development impacts were identified for areas within a one-half mile radius surrounding the commuter rail stations. Mr. Ley indicated the TIF funds could be used for capital projects and annual debt service but State legislation would be needed to allow TIF dollars to be used to cover KRM service operating costs. Chairman Ostby and Mr. Evenson noted that with the June deadline for the KRM "New Starts" funding application, it would be difficult to put together what would be needed to establish a TIF for the KRM service including getting legislation passed. Ms. Taylor suggested that it may be something to consider for a later stage in the KRM project.

5. Ms. Taylor suggested that it might be worthwhile to investigate the interest other areas of the State may have in revising the TIF legislation to provide revenues that could be used by RTA's being considered in other areas in the state. She suggested that if there was enough interest, a conference could be scheduled at the Wingspread Conference Center to bring in speakers and representatives from other areas to discuss issues related to the creation of an effective RTA, including the use of TIF districts or some other special transit district to provide revenues. Mr. Yunker noted that while other areas in Wisconsin have shown an interest in establishing an RTA and new funding sources for transit, the potential to use a TIF district to generate revenues for transit purposes would be limited to areas with rail transit projects, and this would limit its usefulness to the Madison area.

6. Mr. Brandrup stated that the business community in the KRM corridor envisions considerable economic benefits will be derived from the KRM project, and benefits in the form of increased local tax revenues will ultimately flow to the local governments. He suggested that details on the economic benefits of the KRM project should be provided to local officials in the corridor so they can also understand that it will benefit their community.

7. Referring to a magazine article on transit oriented development (see Attachment 6 to these minutes), Mr. Torres suggested that the RTA investigate a Pennsylvania program promoting the creation of transit revitalization investment districts. The districts enable local communities and transit agencies to share the incremental property tax or other tax revenues generated by development and redevelopment within the district. He noted that Pennsylvania provided State economic development program funds to the districts as seed money to attract development projects. He suggested something similar could be considered in the KRM corridor instead of TIF districts to generate revenues from land development around the proposed KRM commuter rail stations.

8. Mayor Antaramian and Mr. Brandrup noted that most of the City of Kenosha is currently covered by TIF districts. Mr. Eberle raised the question of how a transit district created by the RTA would be overlaid on an existing TIF district. Chairman Ostby suggested that it might be helpful for the consultants to provide information on the existing TIF districts in the corridor. He noted that the RTA TIF revenue projections distributed at the meeting may not be realistic for where there are existing TIF districts.

9. Chairman Ostby stated that using funds generated through the Petroleum Environmental Cleanup Fund Act (PECFA) for the KRM project has been suggested, as it would entail redirecting funds presently collected under an existing tax and would not involve creating a new tax. Mr. Ley stated that research needed to be done on shifting the tax from its current use to providing funding for the KRM project. He also noted that that the tax would be reduced from $0.03 to $0.02 per gallon of motor fuel in the near future, and that the tax is currently

collected statewide at the wholesale level. He explained that there would be some administrative issues and costs related to tracking the origins of the tax revenues and determining how much of the revenues would go the RTA counties.

10. Mr. Brandrup stated the Board should not lose sight of the relationship between its two funding issues--the KRM project and public transit. He indicated that by addressing only the local funding needs for the KRM project, the potential existed to create a fiscal crisis for public transit, in particular for the Milwaukee County Transit System. He believed that such a fiscal crisis would jeopardize FTA funding for the next phase of the KRM project. Mr. Yunker stated that it was very unlikely that the FTA would provide additional funding for the KRM project if the RTA does not have agreement on a local revenue source for the KRM commuter rail project by June 2007, in which case the RTA will have to wait another year for the next funding cycle. He agreed with Mr. Brandrup that a fiscal crisis for public transit could present problems for securing FTA funding.

Chairman Ostby thanked Board members for their comments on the funding alternatives, and asked them to contact the Commission and consultant staffs if they believed there were other funding options that should be reviewed.

FURTHER CONSIDERATION OF POTENTIAL RTA RECOMMENDATIONS RELATIVE TO INITIAL LEGISLATION AND AUTHORIZATIONS TO BE REQUESTED FROM THE STATE OF WISCONSIN

Chairman Ostby stated that the information that had been presented to date on the KRM study findings made a very compelling case for the KRM project. He also indicated that he recognized that the current political atmosphere called for reigning in taxes and that he was committed to looking at alternatives for providing the needed local funds. Noting that Board meetings were the only time he was able to discuss the issues with board members, he asked each member to summarize their views on the funding methods and issues before the RTA and they responded with the following statements:

1. Mr. Brandrup thanked the Board for its preliminary vote in December on the legislative and funding issues it faces. He believed the board was moving in the right direction and continues to support establishing a sales tax to fund both the KRM project and public transit.

2. Mr. Eberle stated that he could not support the proposed sales tax as he had found Racine County elected officials and residents opposed it. He explained that when he spoke with elected officials, he found varying degrees of resistance to the Board's preliminary recommendation, and that, at a minimum, it would take a favorable public referendum to make it palatable. He indicated that there were concerns that the Racine County population west of IH 94 would not benefit from the sales tax and noted that a State legislator representing Racine County was recalled for supporting the sales tax enacted for Miller Park. He stated it would be important for the RTA to consider some other, more creative way to fund the KRM project.

3. Mr. Karls stated that he still believed the sales tax would be the most effective way to fund the KRM project and public transit. He disagreed with Mr. Eberle that Racine County residents were opposed to the proposed sales tax and referred to comments made by Mayor Becker of Racine in support of a sales tax for the KRM and public transit.

4. Ms. Robinson stated that she was still receptive to the proposed sales tax for the KRM project and public transit as both were critical to economic development in the area. She indicated her

concern with using the sales tax for the KRM project and public transit was related to whether it would remain an option for addressing other pressing needs for the City and County of Milwaukee, like removing the costs of public safety and parks from the property tax. She indicated that while she would like to see the KRM project move on and have the local costs of public transit removed from the property tax, those things needed to be accomplished in a way that will benefit the City of Milwaukee and its residents.

5. Ms. Taylor stated that the she favored identifying a plan to fund the KRM project first and the Board should become more creative in identifying a politically viable funding source for its $5 million annual costs. She indicated that dedicated funding for public transit should be considered second and be part of a long-term comprehensive plan for funding regional transportation. In response to a question by Chairman Ostby, she stated that the Governor is looking for the RTA to come to a full consensus on the funding questions it faces.

6. Mr. Torres stated that he agreed that KRM project needed to move forward but indicated that it was not his preference to recommend a tax to be its local funding the source. He stated that the Board needed to look at other means of funding the project and consider a tax only as a last resort.

7. Chairman Ostby stated that after reviewing the research presented on the dedicated funding sources used by other communities, the sales tax would appear to be a logical choice. However, he recognized that the Board needed to continue to explore funding alternatives and work to come to consensus on a funding source.

Mr. Karls moved to table the preliminary vote taken at the December 18, 2006, meeting with particular respect to funding issues and to direct staff to continue to research other funding sources as suggested by Mr. Torres. The motion was seconded by Mr. Torres and carried unanimously by the Board.

Mr. Caron noted that a letter from the Racine County Economic Development Corporation in support of the KRM project had been provided to the Board at the current meeting. He indicated that a poll taken at a meeting of the Milwaukee 7 group held that morning had identified improving connections between Milwaukee and Chicago through the KRM service as the most important issue faced by that group. He suggested that the RTA consider some way to coordinate its work with that of the Milwaukee 7 group and other groups promoting the KRM project.

Chairman Ostby directed the Board's attention to the suggested recommendations listed under item number 8 on the meeting agenda including:

a. To permit the RTA to sponsor and operate the proposed Kenosha-Racine-Milwaukee commuter rail service;
b. To retain the present RTA authority to levy a per vehicle rental fee in the three-county region;
c. To authorize spending $1.0 million in State funds on the proposed KRM commuter rail project, which funds would represent an initial State share of capital costs and funds to be used for preliminary and final engineering during the next State budget biennium (July 1, 2007 through June 30, 2009); and
d. To establish bonding authority for the RTA of up to $50 million to enable it to borrow the anticipated local share of funds required for initiating the commuter rail service.

Chairman Ostby suggested that the proposed recommendation under item "d" be amended by adding the phrase "subject to finalizing a local funding source" at the end of the existing text and the Board concurred.

In response to a question by Ms. Robinson on the expiration date for the $2 car rental fee that funds RTA operations, Mr. Evenson stated the fee would run through the duration of the present work of the RTA as identified in the State statute. On a motion by Ms. Taylor, seconded by Mr. Karls, and carried unanimously, all of the identified recommendations were approved.

[Secretary's Note: These positions were communicated to Governor Jim Doyle by letter dated January 18, 2007 (copy attached as Attachment 7 to these minutes).]

DETERMINATION OF NEXT MEETING DATE

Mr. Eberle stated the meeting date of January 30, 2007, was no longer good for him. The other members indicated they could attend, and Chairman Ostby indicated that the next meeting would be held on January 30. Ms. Robinson suggested that for subsequent meetings, the Board return to the third Monday of every month. It was the consensus of the members to return to that schedule beginning with the February meeting. Mr. Evenson stated that staff would distribute a proposed schedule of future meeting dates to the Board.

[Secretary's Note: The proposed 2007 RTA meeting dates are: February 19, March 19, April 16, May 21, June 18, July 16, August 20, September 17, October 15, November 19, and December 17.]

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m. on a motion by Ms. Taylor, seconded by Mr. Eberle, and carried unanimously.

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary

PCE/KRY/AAB/ab/mlh
1/18/07
Doc # 124474v1: Board Minutes for 1/09/07

Attachment 1

COMMENTS FROM SEWRTA WEBSITE

Submitted: 1/3/2007 7:08:00 PM
Name: Mary McIlvaine
E-mail: marysew@yahoo.com
Organization:
PO Box/Street:
City: Racine
State: WI
Zip:
Phone:
Comments: I support funding rail and bus transit with a sales tax. This would take the funding to visitors as well as residents. This tax would be a good investment in a system which is likely to address a lot of pent-up demand for transit alternatives to ever more congested auto travel. I began riding trains as a child, continued in Europe and this country, and have not ridden much here only because of its current inconvenience.

Submitted: 1/3/2007 10:51:02 AM
Name: Peter Lee
E-mail: lee@uwm.edu
Organization:
PO Box/Street: 3320 W Kilbourn Ave
City: Milwaukee
State: WI
Zip: 53208
Phone:
Comments: Please do all you can to get this wonderful proposal to become a reality. Thank you.

Submitted: 1/2/2007 12:23:02 PM
Name: jessica wineberg
E-mail: jessicakw@excite.com
Organization:
PO Box/Street:
City: milwaukee
State: WI
Zip: 53212
Phone:
Comments: I would like to voice my support for the KRM rail initiative. The region is in need of the economic development that accompanies commuter rail projects.

COMMENTS (continued)

Submitted: 1/2/2007 8:51:46 PM
Name: Phyllis Pias
E-mail: bpias@wi.rr.com
Organization:
PO Box/Street: 408 9th Street
City: Kenosha
State: WI
Zip: 53140
Phone:
Comments: My comment is to ask if you are aware of the problem here in Somers regarding placement of a potential station. The only area being considered is between Highways E and A, and the east side of these tracks is almost entirely single family homes. The developer who purchased the acreage on the west side of the tracks has offered to build the station. While most residents in this immediate area are not against the commuter rail, the majority of us do not want a station smack dab in the middle of a single family residential neighborhood. But, since the developer has offered to build, no other location is being considered, as far as we have been informed. We would like to work together with someone, preferably other than the town board of Somers, to try to find an alternative site for a station that would least impact us. From looking at other places with stations, it does not seem as though they have been built in the middle of a neighborhood. Any reply would be greatly appreciated.

Submitted: 1/2/2007 8:45:04 AM
Name: Stacey DeGarmo
E-mail: sdegarmo@kaba.org
Organization:
PO Box/Street:
City: Kenosha
State: WI
Zip:
Phone:
Comments: I just want to comment on my support of the KRM Commuter Rail. I believe it will substantially benefit the economy of the three counties affected and am a supporter of the slight raise in sales taxes to help in funding the extension.

Submitted: 1/2/2007 7:54:35 AM
Name: Eric Olesen
E-mail: eric@ohdanishbakery.com
Organization: O&H Danish Bakery
PO Box/Street: 1515 Rapids Drive
City: Racine
State: WI
Zip: 53404
Phone:
Comments: KRM Rail will benefit all of the southeastern Wisconsin lakeshore communities. We must find a way to make this happen.

COMMENTS (continued)

Submitted: 12/30/2006 4:22:43 PM
Name: Jay Warner
E-mail: quality@a2q.com
Organization: Sierra Club of Wisconsin
PO Box/Street: 4444 N. Green Bay Road
City: Racine
State: WI
Zip: 53404
Phone:
Comments: Where can I obtain a copy of the RTA Funding Study report that made recommenations? I believe this was released to the public at the Dec. 18 meeting. And email copy will do fine.

Submitted: 12/29/2006 6:06:55 PM
Name: William Moore
E-mail: environ1@sbcglobal.net
Organization:
PO Box/Street:
City: New Berlin
State: WI
Zip: 53151-6149
Phone:
Comments: With the proposal for a sales tax to support the KRM Commuter Rail project, I would hope that the RTA would increase is support and advertising for both. This is an excellent way to support cleaner, faster and more mass transit. These are baby steps for the Milwaukee area, which is decades behind the rest of the world. Only if we start innovating now, and having a sure means to pay for it, can we have a vibrant community

From: Tom Durkin[SMTP:TOMDURKIN@PRODIGY.NET]
Sent: Friday, December 22, 2006 3:01:21 AM
To: SEWISRTA
Subject: RTA Feedback

You say (page 13 of http://www.sewisrta.org/pdfs/
2006-11-20_presentation_sewisrta.pdf) that improved bus service would take 83-108 minutes between Kenosha/Milwaukee, yet the current (unimproved--no traffic signal prioritization) takes only about 79 minutes (from the Kenosha Metra station to Michigan & Plankinton).

Why should improved bus service be slower than what exists today?

COMMENTS (continued)

Submitted: 12/21/2006 5:15:22 PM
Name: Julie Jacob
E-mail: jajwriter@aol.com
Organization:
PO Box/Street: 3222 N. Main St.
City: Racine
State: WI
Zip: 53402
Phone:
Comments: Dear SE RTA: I am writing to express my strong support for the KRM Commuter Rail project. I fully support a 1/2% sales tax to fund the commuter rail. It is vitally important to southeastern Wisconsin's economic future. I also strongly support additional daily trains on the Amtrak Hiawatha line, especially during the morning and evening rush hours. Thank you.

01/04/07
Doc# 124106

COMMENTS (continued)

Submitted: 1/8/2007 2:55:56 PM
Name: Leo Jankowski Jankowski
E-mail: leonjoy@quixnet.net
Organization: An overburdened Tax Payer
PO Box/Street: 5248 South 23rd St
City: Milwaukee
State: WI
Zip:
Phone:
Comments: I want you to know how opposed I am to any expansion of commuter or light rail or any other way you wish to fool the general public into supporting rail based transportation in South East Wisconsin. It seems you are bound and determined to shove this on the general population of the Milwaukee area just so you can spend some federal money and put a new tax on us. I want my representaive on this board to vote no to this latest commuter rail study. I live in the city of Milwaukee and am already paying too much in taxes, fees etc. each year so some appointed board or political entity can justify it's exsistence. NO COMUTER RAIL, NO LIGHT RAIL, NO MORE TAXES. As a side note i was in Pasadena California afew years back and they abandoned and tore up their commuter rail project because noone used it. None of these systems is cost effective without more goverment subsidy. Enough is enough.

From: GStuller@milwcnty.com[SMTP:GSTULLER@MILWCNTY.COM]
Sent: Monday, January 08, 2007 9:49:23 AM
To: SEWISRTA
Subject: SE Wisc Reg Trans Auth
Auto forwarded by a Rule

Can you e-mail me the e-mail addresses of all the members of the SE Wisc Reg Transit Auth. I need the info ASAP so I can contact them before tommorows vote on the new tax for the train system. Thanks

Submitted: 1/8/2007 9:41:02 AM
Name: guy stuller
E-mail: gstuller@milwcnty.com
Organization:
PO Box/Street: 5901 shamrock ln
City: greendale
State: WI
Zip: 53129
Phone:
Comments: I am strongly against any new tax to finance this ridiculous train system your'e pushing down our throats. Let the riders pay the cost and see how far this idea flys. Property taxes will not be reduced because this just frees up porperty tax dollars to be spent on something else. You can count on me to fight this new tax for as long as it takes to kill it off.

COMMENTS (continued)

Submitted: 1/7/2007 2:23:22 PM
Name: John Kelley Magee
E-mail: johnkelleymagee@yahoo.com
Organization: TransitNow
PO Box/Street: 2214 Washington Avenue Apt.#14
City: Racine
State: WI
Zip: 53405-3589
Phone:
Comments: YES! I voted for sale tax for support the rail plan. sale tax for Milwaukee, Racine, and Kenosha counties ONLY. that is for COUNTY sale tax. NOT state sale tax. I think that goes from 5.1% to 6.2%. is that right? so I would take the Metra either to Milwaukee, or Chicago. and both of two cities can enjoy events.

01/08/07
Doc# 124294

COMMENTS (continued)

Submitted: 1/8/2007 3:01:20 PM
Name: John Kovari
E-mail: jpkovari@uwm.edu
Organization:
PO Box/Street:
City: Milwaukee
State: WI
Zip: 53202
Phone:
Comments: I support levying a new 0.50% sales tax to fund the construction of the KRM line, its operations, and the 3 counties' bus systems. Please vote to recommend this proposal to the State.

Doc#124334

RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

January 8, 2007

Kenneth R. Yunker
Deputy Director
Southeastern Wisconsin Regional Planning Commission
P.O. Box 1607
Waukesha, WI 53187-1607

Dear Mr. Yunker:

The purpose of this letter is to once again, indicate the support of the Racine County Economic Development Corporation (RCEDC) for the extension of commuter rail from Kenosha to Racine and Milwaukee (KRM). The RCEDC is the recognized responsible entity or economic development in Racine County. In addition, we are strong supporters of, and active participants in, the Milwaukee 7 regional economic development initiative. The regional economic benefits of the KRM commuter rail extension have been identified and discussed in numerous forums over the last several years. These benefits need not be reiterated here.

On January 9, 2007, the Southeastern Wisconsin Regional Transportation Authority (RTA) will consider various options for funding the KRM project. Based on the information available, the RCEDC is not in a position to choose among the several alternatives available to the RTA. We only ask that the members of the RTA, both public and private sector alike, work together to identify a politically acceptable alternative to funding the capital and operating costs attendant to this very important transportation improvement.

Following your decision, the RCEDC pledges to work with the RTA and local units of governments in Racine County and throughout the Region to gain the support of the Wisconsin State Legislature and Governor Doyle for the preferred funding alternative.

Should you have any questions, or need any additional information, please contact me directly at 262-898-7412.

Sincerely,

Gordy Kacala

Gordy Kacala
Executive Director
Racine County Economic Development Corporation

cc: County Executive William McReynolds
Racine Mayor Gary Becker
Karl Ostby
David Eberle
Jody Karls
RCEDC Board of Directors
Philip Evenson

2320 RENAISSANCE BLVD., STURTEVANT, WI 53177 (262) 898-7400 FAX: (262) 898-7401 rcedc@racinecountyedc.org

Attachment 2

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY
FINANCIAL REPORT: JANUARY 9, 2007

Collected Vehicle Fees Received From the Wisconsin Department of Revenue

Collection Period	Amount
June 1 - September 30, 2006	$217,839.72 *

* Net amount after payment of Statutory fee to WDOR

Progress, Billing, and Payment Report: November 30, 2006
Communications Consultant

Work Element	Total Budget	Percent Complete	Amount Billed to Date	Amount Paid to Date*
1 - Communications Strategy	$39,450	33.8	$13,324.44	$11,992.00
2 - Funding Source Research	58,225	18.8	10,938.30	9,844.47
3 - Communications Materials	53,550	10.5	5,608.09	5,047.28
4 - Public Opinion Assessment	69,100	7.7	5,328.41	4,795.57
5 - Outreach--Elected Officials and Business	118,125	10.2	12,028.50	10,825.65
6 - Outreach--Public	157,550	18.0	28,360.89	25,524.80
Total	$496,000	15.2	$75,588.63	$68,029.77

* Ninety percent of billed amount for each work element is paid with 10% withheld until a work element is satisfactorily completed. Two checks have been issued: December 29, 2006, and January 5, 2007.

Expense Reimbursement to SEWRPC

December 29, 2006	$853.26 **

**Copy of invoice attached

Financial Summary

Income	$217,839.72
Expenditures	68,883.03
Encumbrances	7,558.86
Balance	$141,397.83

KRY/PCE/EAL
#124315 RTA Progress Report

INVOICE

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
P. O. BOX 1607
WAUKESHA, WISCONSIN
53187-1607
(262) 547-6721

INVOICE DATE 12/28/2006

INVOICE NO. 028035
CUSTOMER NO. RTA
TERMS Net 30 days

SOLD TO:

Regional Transit Authority
c/o SEWRPC
PO Box 1607
Waukesha. WI 53187-1607

SHIPPED TO:

Regional Transit Authority
c/o SEWRPC
PO Box 1607
Waukesha, WI 53187-1607

Document Description: 500-1100

ITEM NO. / SERIAL NO.	QUANTITY ORDERED	UNIT PRICE	EXTENDED PRICE
Signature Plate	Units: 0.00	Rate: 0.00	250.00
Deluxe Business Checks	Units: 0.00	Rate: 0.00	92.40
Journal/Sentinel RFP ad	Units: 0.00	Rate: 0.00	169.44
Journal Times RFP ad	Units: 0.00	Rate: 0.00	24.78
Milw Community Journal RFP ad	Units: 0.00	Rate: 0.00	255.15
Kenosha News RFP ad	Units: 0.00	Rate: 0.00	61.49
Exempt			0.00

TOTAL 853.26

Attachment 3

Update on KRM Corridor Study/DEIS and Community Economic Impact Study

#124333

January 9, 2007

1

KRM Corridor Study/DEIS

- **Completed a review and refinement of preliminary capital costs and operating costs**
  - **Commuter Rail Capital Cost**
    - **Reduced from $237 million to $200 million**
  - **Commuter Rail Operating Costs**
    - **Reduced from annual $14.7 million to $11 million**

2

Community Economic Impact Study

- **KRM Commuter Rail Impact on Southeastern Wisconsin Economy**
  - **4,700 jobs created during construction with $570 million impact on economy**
  - **120 jobs created with project continuing operations/maintenance with $24 million annual impact on economy**
- **Tourism—Arts, Culture, Entertainment**
  - **Northeastern Illinois is a significant market for Wisconsin and southeastern Wisconsin tourism.**
  - **KRM commuter rail provides direct connection to Northeastern Illinois with 12 stations in Lake County and 13 in Cook County (reaching a population of 1.4 million within a 3 mile radius).**
  - **A mere 1% increase in tourism in the 3 KRM counties will generate annually: $20 million expenditures**
    $12 million wages
    500 jobs
    $3 million state and local government revenue

3

Community Economic Impact Study (continued)

- **Property Value**
  - **Based on experience across the nation existing development along the commuter rail line may be expected to experience a 4 to 20 percent and even higher premium in property value.**
  - **An intermediate 10 percent premium for a one mile corridor along the KRM rail line would represent a $2.1 billion increase in property value in the 3 KRM counties.**
- **Station Area Development**
  - **Based on experience across the nation and an in-depth review of the area around each of the 9 KRM stations including existing land use and real estate market, estimates of *potential* development/redevelopment and land use plans have been developed and endorsed by *each* station community.**
  - **Scale of potential development/redevelopment within ½ mile of 9 stations**
    - **21,000 residential units**
    - **7.6 million square feet of retail space**
    - **4.7 million square feet of office space**
    - **71,000 jobs**
    - **$7.8 billion increase in property value**
  - **Without KRM commuter rail, 25 to 50 percent of this potential development would not be expected to take place.**

4

Community Economic Impact Study (continued)

- **Impact on Milwaukee County's General Mitchell International Airport (GMIA)**
  - **Lake County, Illinois currently contributes more passengers to GMIA than any other county, except Milwaukee, Waukesha, Racine, and Dane Counties.**
  - **KRM commuter rail will have 12 stations in the heart of Lake County communities with frequent (14 round trips) service and convenient shuttle.**
  - **Increasing passengers at GMIA will result in more and improved airline service with benefits to maintaining and expanding southeastern Wisconsin economy.**

5

Community Economic Impact Study (continued)

- **Economic impact of more closely connecting Southeastern Wisconsin to the Chicago mega-metropolitan area**
  - **This is one of the few principal economic development priorities being considered by the Milwaukee 7 to drive future area economic growth.**
  - **KRM commuter rail will more closely link southeastern Wisconsin with the Chicago mega-metropolitan area.**
  - **Companies such as S.C. Johnson—one of the largest employers in southeastern Wisconsin and the State of Wisconsin—have already cited the need for this KRM commuter rail link to Northeastern Illinois to retaining and attracting qualified employees, and maintaining and expanding its presence in southeastern Wisconsin.**

6

Attachment 4

Regional Transportation Authority
Funding Options

Commuter Rail

Table 1: Property Tax

County	Equalized Value (2006)	Percent of total	Mil Rate to raise $5 million (for commuter rail)	Tax Levy	All Transit Costs Combined: Mil rate to raise $30 million (for all transit)	All Transit Costs Combined: Tax Levy
Kenosha	$ 13,222,921,700	14.8286%	0.000056071662	$ 741,431.20	0.00032241205 63	$ 4,263,229
Milwaukee	$ 61,640,021,100	69.1252%	0.000056071662	$ 3,456,258.43	0.00032241205 63	$ 19,873,486
Racine	$ 14,308,660,550	16.0462%	0.000056071662	$ 802,310.38	0.00032241205 63	$ 4,613,285
TOTAL	**$ 89,171,603,350**	**100.0000%**		**$ 5,000,000.00**		**$ 28,750,000**

Table 2: Vehicle Registrations

	Vehicle Registrations	Percent of total	Registration fee increase to raise ~ $5 million	Vehicle Registration Collections	Vehicle Registration fee to raise $30 million (for all transit)	Vehicle Registration Collections
Kenosha	134,638	14.1088%	$ 6.00	$ 807,828.00	$ 30.00	$ 4,039,140
Milwaukee	653,973	68.5300%	$ 6.00	$ 3,923,838.00	$ 30.00	$ 19,619,190
Racine	165,676	17.3612%	$ 6.00	$ 994,056.00	$ 30.00	$ 4,970,280
TOTAL	**954,287**	**100%**		**$ 5,725,722.00**		**$ 28,628,610**

Table 3: Sales Tax

	.25% Sales Tax generates[1]	Percent of total	Sales Tax rate to raise ~$6 million	Sales Tax Revenue	Sales tax rate to raise $30 million (for all transit)	Sales Tax Revenue
Kenosha	$ 4,500,000	10.8434%	$ 0.000375	$ 675,000	0.001875	$ 3,375,000
Milwaukee	$ 31,000,000	74.6988%	$ 0.000375	$ 4,650,000	0.001875	$ 23,250,000
Racine	$ 6,000,000	14.4578%	$ 0.000375	$ 900,000	0.001875	$ 4,500,000
TOTAL	**$ 41,500,000**	**100.0000%**		**$ 6,225,000**		**$ 31,125,000**

Table 4: Motor Fuel Tax

	5 cents/gallon raises[1]	Percent of total	One cent/gallon raises	Excise tax Revenue	Motor Fuel tax rate to fund all transit	Excise tax Revenue
Kenosha	4,000,000	14%	$ 0.01	$ 800,000	$ 0.05	$ 4,000,000
Milwaukee	20,000,000	70%	$ 0.01	$ 4,000,000	$ 0.05	$ 20,000,000
Racine	4,500,000	16%	$ 0.01	$ 900,000	$ 0.05	$ 4,500,000
TOTAL	**28,500,000**	**100%**		**$ 5,700,000.00**		**$ 28,500,000**

[1]Based on SEWRPC estimates

TACT - Virchow, Krause Company
January 9, 2007

		RTA TIF Revenue Projection #2			
		Based on $100 million development plus 3% inflation			
YEAR	Annual Increment[1]	TIF Increment Value	Tax Rate2	Tax Increment	
2010	0				
2011	0				
2012	$ 50,000,000	$ 50,000,000	0.02	$ 1,000,000	
2013	$ 50,000,000	$ 100,000,000	0.02	$ 2,000,000	
2014	$ 100,000,000	$ 200,000,000	0.02	$ 4,000,000	
2015	$ 103,000,000	$ 303,000,000	0.02	$ 6,060,000	
2016	$ 106,090,000	$ 409,090,000	0.02	$ 8,181,800	
2017	$ 109,272,700	$ 518,362,700	0.02	$ 10,367,254	
2018	$ 112,550,881	$ 630,913,581	0.02	$ 12,618,272	
2019	$ 115,927,407	$ 746,840,988	0.02	$ 14,936,820	
2020	$ 119,405,230	$ 866,246,218	0.02	$ 17,324,924	
2021	$ 122,987,387	$ 989,233,605	0.02	$ 19,784,672	
2022	$ 126,677,008	$ 1,115,910,613	0.02	$ 22,318,212	
2023	$ 130,477,318	$ 1,246,387,931	0.02	$ 24,927,759	
2024	$ 134,391,638	$ 1,380,779,569	0.02	$ 27,615,591	
2025	$ 138,423,387	$ 1,519,202,956	0.02	$ 30,384,059	
2026	$ 142,576,089	$ 1,661,779,045	0.02	$ 33,235,581	
2027	$ 146,853,371	$ 1,808,632,416	0.02	$ 36,172,648	
2028	$ 151,258,972	$ 1,959,891,389	0.02	$ 39,197,828	
2029	$ 155,796,742	$ 2,115,688,130	0.02	$ 42,313,763	
TOTAL	$ 2,115,688,130				

[1] Assumes no increment in 1st 2 years, $50 million in years 3&4 and equal increments in years 5-20.

[2] Assumes the creation of an RTA TIF with a tax rate of $20.00 per $1,000 of equalized value

		RTA TIF Revenue Projection #1		
	Based on Earth Tech Economic Impact estimate of $7.8 billion			
YEAR	Annual Increment[1]	TIF Increment Value	Tax Rate = 20 mils or 2% of Increment	Tax Increment
2010	0	0		
2011	0	0		
2012	0	0		
2013	0	0		
2014	$ 487,500,000	$ 487,500,000	0.0200000	$ 9,750,000
2015	$ 487,500,000	$ 975,000,000	0.0200000	$ 19,500,000
2016	$ 487,500,000	$ 1,462,500,000	0.0200000	$ 29,250,000
2017	$ 487,500,000	$ 1,950,000,000	0.0200000	$ 39,000,000
2018	$ 487,500,000	$ 2,437,500,000	0.0200000	$ 48,750,000
2019	$ 487,500,000	$ 2,925,000,000	0.0200000	$ 58,500,000
2020	$ 487,500,000	$ 3,412,500,000	0.0200000	$ 68,250,000
2021	$ 487,500,000	$ 3,900,000,000	0.0200000	$ 78,000,000
2022	$ 487,500,000	$ 4,387,500,000	0.0200000	$ 87,750,000
2023	$ 487,500,000	$ 4,875,000,000	0.0200000	$ 97,500,000
2024	$ 487,500,000	$ 5,362,500,000	0.0200000	$ 107,250,000
2025	$ 487,500,000	$ 5,850,000,000	0.0200000	$ 117,000,000
2026	$ 487,500,000	$ 6,337,500,000	0.0200000	$ 126,750,000
2027	$ 487,500,000	$ 6,825,000,000	0.0200000	$ 136,500,000
2028	$ 487,500,000	$ 7,312,500,000	0.0200000	$ 146,250,000
2029	$ 487,500,000	$ 7,800,000,000	0.0200000	$ 156,000,000
	[1] Assumes no increment in 1st 4 years and equal increments in years 5-20.			

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

FUNDING SOURCE ANALYSIS FOLLOW-UP

January 9, 2007

PECFA

The State Budget Office indicates that funds from this source will be needed to pay off PECFA loans until 2015.

EXCISE TAX ON MOTOR FUEL

Estimated to raise $5.7 million per one penny per gallon; ~5.25 cents to raise $30 million annually

REALLOCATION OR INCREASE OF AUTOMOBILE SALES TAX

Reallocation
If reallocated from the state general fund, would earmark an amount authorized to be used for KRM and/or local share of transit in the 3 counties.

Increase of automobile sales tax
Using information from Wisconsin Department of Revenue, "State and Local Sales and Use Tax Report, 2005" for NAICS Category 441: "Motor Vehicle and Parts Dealers," one can estimate the following revenues.

A .3% sales tax on such services in Kenosha, Racine, and Milwaukee Counties would raise an estimated $5.1 million per year.

Industries in the Motor Vehicle and Parts Dealers subsector retail motor vehicles and parts from fixed point-of-sale locations. Establishments in this subsector typically operate from a showroom and/or an open lot where the vehicles are on display. The display of vehicles and the related parts require little by way of display equipment. The personnel generally include both the sales and sales support staff familiar with the requirements for registering and financing a vehicle as well as a staff of parts experts and mechanics trained to provide repair and maintenance services for the vehicles. Specific industries are included in this subsector to identify the type of vehicle being retailed.

Sales of capital or durable nonconsumer goods, such as medium and heavy-duty trucks, are always included in wholesale trade. These goods are virtually never sold through retail methods.

TAX ON AUTO LEASES

Data are included in NAICS category above. Information not readily available to determine what share of category 441 leases represents.

INCREASE IN CAR RENTAL FEE

Each $1 in car rental fee in the 3 counties would raise $350,000 per year. To raise the entire local share of $5 million per year for KRM would require an additional $14-$15 per rental.

TAX INCREMENT FINANCING ALONG THE KRM CORRIDOR

See estimates contained on separate spreadsheet.

SALES TAX WITHIN A DEFINED CORRIDOR (e.g. Racine County east of I-94 only, excluding area west of the interstate)

Information is not readily available to make estimates. Would require further extensive research and analysis.

Attachment 5

ESTIMATE OF PROPERTY TAX SAVINGS IF TRANSIT COSTS WERE SHIFTED FROM THE PROPERTY TAX TO A SALES TAX

		Milwaukee County	City of Racine[a]	City of Kenosha[b]
A.	Total property tax for County/City purposes Source: Town,Village, and City Taxes: 2004, Wisconsin Department of Revenue For Milwaukee County, Column 11 For Cities of Racine & Kenosha, Column 12	$ 226,776,351	$ 37,729,765	$ 45,033,257
B.	Total equalized value Source: Wisconsin Department of Revenue, 2004.	51,153,360,200	3,322,696,100	5,149,078,800
C.	Tax rate for County/City purposes (A/B)	0.00443	0.01136	0.00875
D.	Estimate of average annual local transit costs	$23.1 Million	$1.8 Million	$1.7 Million
E.	Property tax rate for County/City purposes excluding local transit costs (A-D)/B	0.00398	0.01081	0.00842
F.	Median value of single family home Source: American Community Survey: 2005	$ 145,700	$ 113,600	$ 149,500
G.	Property tax on median value home			
	Based on total property tax for County/City purposes (C*F)	$ 645	$ 1,290	$ 1,308
	Based on total property tax for County/City purpose excluding local transit costs (E*F)	$ 580	$ 1,228	$ 1,259
	Difference	$ 65	$ 62	$ 49

[a] The analysis ascribes all local transit costs and attendant potential property tax reduction to the City of Racine. It is recognized, however, that the following communities help fund local transit and would, accordingly, proportionately share in the property tax reduction: Village of Caledonia, $28,000; Village of Mt. Pleasant, $162,000; Village of Sturtevant, $50,000; and Town of Yorkville, $6,000.

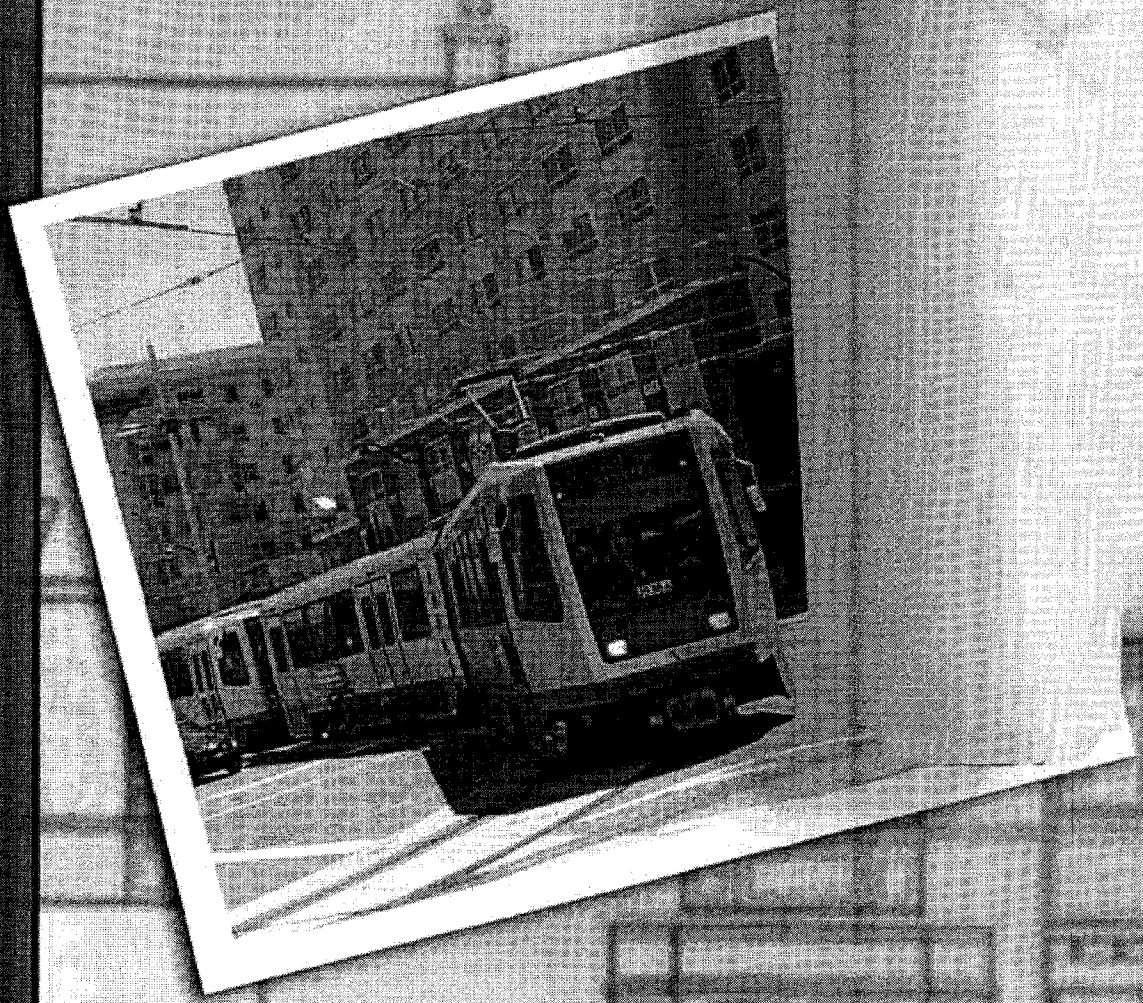
[b] The analysis ascribes all local transit costs and potential property tax reduction to the City of Kenosha. It is recognized, however, that the Village of Pleasant Prairie provides $7,000 to help fund local transit and would proportionately share in the property tax reduction.

DOCS #124405
1/16/2007
WJS/KES
SEWRPC

Attachment 6

Sustainability concepts

Enhancing Communities Through TOD



A supplement to:

MassTransit

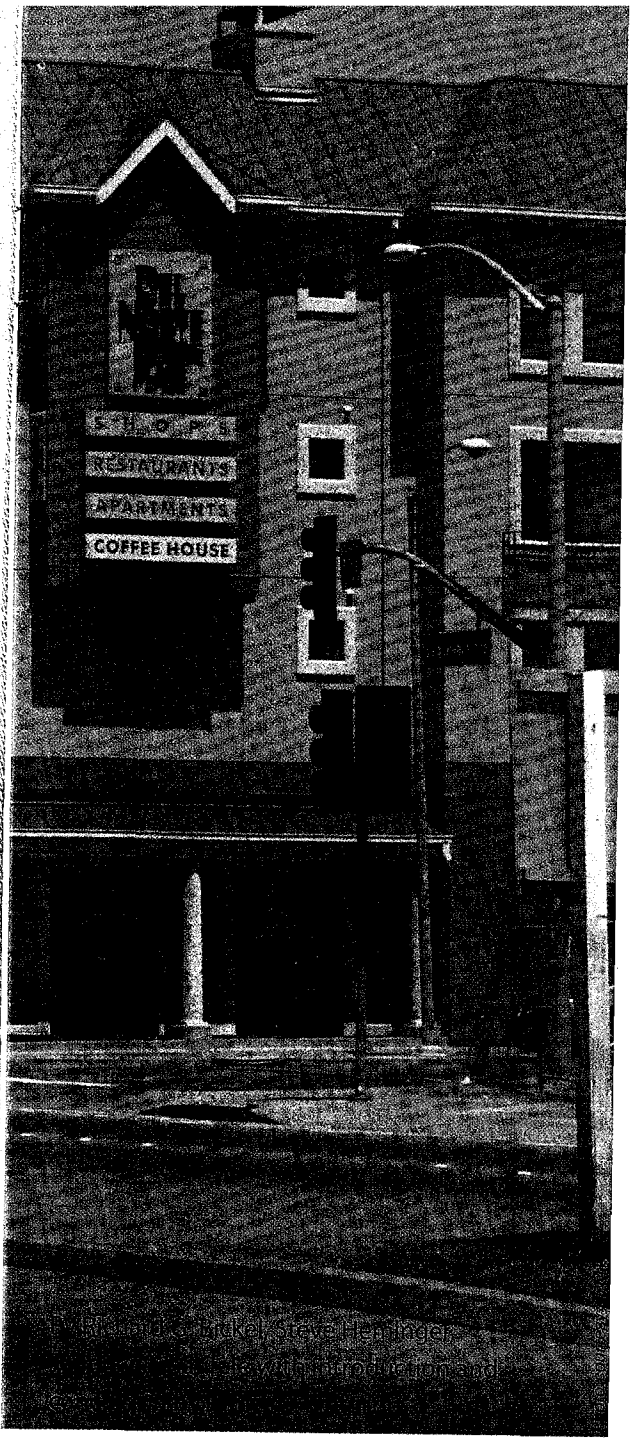
BETTER TRANSIT THROUGH BETTER MANAGEMENT

Flexing and Leveraging Funds for Transit

The MPOs' Role in TOD at the Different Levels of Government

Transit-oriented development (TOD) creates spaces — neighborhoods where shops, work, schools and entertainment are within easy reach by foot or public transportation. Without these qualities, a place is not really a neighborhood, but just a location that we happen to be passing through. The articles that follow in this series will demonstrate the roles of various stakeholders, and consider how the Federal Transit Administration (FTA) can play a role in creating true neighborhoods through transit-oriented development.

The FTA directly influences land use through its funding. It provides funding for major new "fixed guideway" (rail, ferry or bus) projects. As part of the review process for these projects, it requires the project sponsor to consider current and future land uses around the stations that will be served by the new project. Projects with transit-supportive land uses planned or in place may receive a higher rating for eventual federal funding than projects that do not plan to change land-use policies. This review process directly influences transit-oriented development.



Michael D. Bickel, Steve Hemmer
Introduction and

As stewards of the federal purse, we have to ensure that projects we support will serve the greatest possible number of passengers. By linking the new investment to land use, we take a significant step in the right direction.

FTA funding also indirectly influences land use and transit-oriented development. The funding provided acts as a cue to local development and real estate professionals, who facilitate new development around transit service for their own reasons. For example, by the time the Westside MAX had been built in Portland, Ore. — at a cost of more than $1.2 billion — local developers had invested an additional $980 million along the new light rail.[1] That is an indirect influence of undetermined strength,[2] but one that cannot be ignored. Whether intended or not, the government investment in infrastructure affects land use.

In these direct and indirect ways, the FTA can influence land use, but it cannot dictate it. Ultimately, land-use decisions are made at the local level. In some instances, the decision may even come down to a single landowner. While most states, cities and counties control land use through local plans and zoning codes, some states have no zoning at all. They assume that landowners know best what should be built on their land, and that the government should think carefully before interfering in that decision. Thus, the FTA depends upon the local planning and public outreach process to determine what actual land uses will be around a major new transit investment. The FTA can develop a process at the federal level to rate new projects based on transit-supportive land-use criteria, but local communities decide whether, and how, they will change land uses to create more transit-supportive corridors or station areas.

To encourage transit-oriented land use, we invited several experts from metropolitan planning organizations (MPOs) around the country to provide their perspectives on land use and transportation planning at the state, regional and local level. They share information on how they encourage integrated planning with different incentives and on various programs and the policy origins that exist to influence land use.

STATEWIDE INITIATIVES PROMOTE TOD

When thinking of transit-oriented development, one thing that comes to mind is the "power of partnerships." Whether with local governments, a county, a public transit agency or a developer, partnerships create the formal and informal linkages that enable (and facilitate) transit-oriented development to occur. In the absence of such partnerships, successful TOD becomes difficult if not impossible. A key facilitator of TOD partnerships, as well as a potential funding resource for local activities, is state government. Through policy initiatives, formal programs and financing, state agencies can provide leadership, technical assistance and implementation support for TOD. Summaries of two such examples, in Pennsylvania and New Jersey, are presented here.

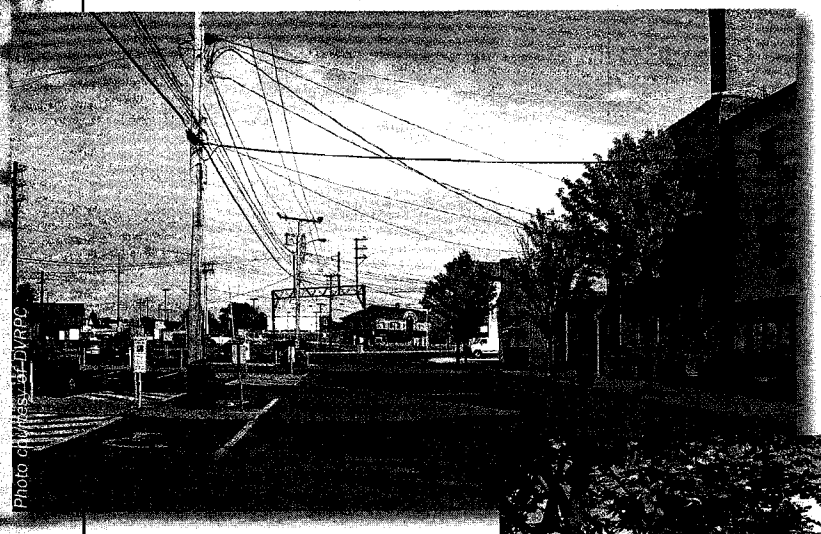


Photo courtesy of DVRPC

Lansdale, a borough in Montgomery County, Pa., has completed a transit-oriented development plan that recommends adapting a large surface parking lot near the Southeastern Pennsylvania Transportation Authority (SEPTA) train station into a parking garage with ground level retail and a new downtown street.

At left is a photo of the area and below is a photo illustration depicting the potential for the area.


Illustration courtesy of DVRPC

DEVELOPING TRANSIT VILLAGES IN NEW JERSEY

Promotion of TOD in New Jersey has been a concerted effort of the Department of Transportation and New Jersey Transit (NJ TRANSIT) through the Transit Village Program (TVP) and the Transit-Friendly Planning Program, respectively. The Planning Program offers technical assistance from NJ TRANSIT's planning consultants to develop TOD plans, which can assist communities in qualifying for TVP designation.

The two transportation agencies lead a smart growth partnership (with nine other state agencies) known as the Transit Village Initiative. The TVP has been in effect since 1999, and 17 communities have been designated as Transit Villages. The program is intended to revitalize communities around transit facilities, and exemplifies smart growth principles by encouraging growth where infrastructure and public transit already exist. Two other primary program goals are reducing traffic congestion and improving air quality through greater use of transit.

The defined Transit Village criteria determine whether a municipality is ready for designation, those criteria include:

- A commitment to grow in jobs, housing and population.
- Projects must have an affordable housing component.
- An adopted land-use strategy (through a redevelopment plan or zoning ordinance) to achieve compact, transit-supportive, mixed-use development within walking distance of transit service.
- Communities should be pedestrian and bicycle friendly including clear, direct pathways from the transit station to offices, retail and other destinations.
- Communities must have a transit facility such as a rail or light rail station or a bus hub or transfer station.
- Communities must have vacant land and/or underutilized or deteriorated buildings within walking distance of the transit facility.
- Projects should support local arts and culture and the historic and architectural integrity of the community.
- Projects must be ready-to-go and be able to be completed in three years.

COMMUNITY AND TRANSIT REVITALIZATION IN PENNSYLVANIA

A more recent program in Pennsylvania, administered by the Department of Community and Economic Development (DCED), with the Department of Transportation (PennDOT), is the Transit Revitalization Investment District (TRID) Act of 2004. The purpose is to authorize local and county governments, transit authorities (including Amtrak) and other transportation providers (public or private) to enter into

formal partnerships to: 1. create TRIDs; 2. facilitate and implement TODs; and 3. promote economic development, community revitalization and increased transit ridership.

TRID is applicable statewide, and may be designated by a local government in any geographic area or neighborhood, including vacant, underutilized or potentially redevelopable land located around a commuter rail, light rail, busway or similar transit service stop or station. Planned new stations or stops, in conjunction with a planned transit service, are also eligible (as defined on adopted local, county, regional or public transit agency plans).

The TRID planning study provides the rationale for TRID designation, including amendment of the municipal (and county) comprehensive plan. A TRID does not become effective until completion of the planning study, the required public involvement activities and acceptance of study recommendations by the local governing body and cooperating transit agency. The scope and scale of proposed transit and community facility improvements and any support facilities are also determined in the planning study.

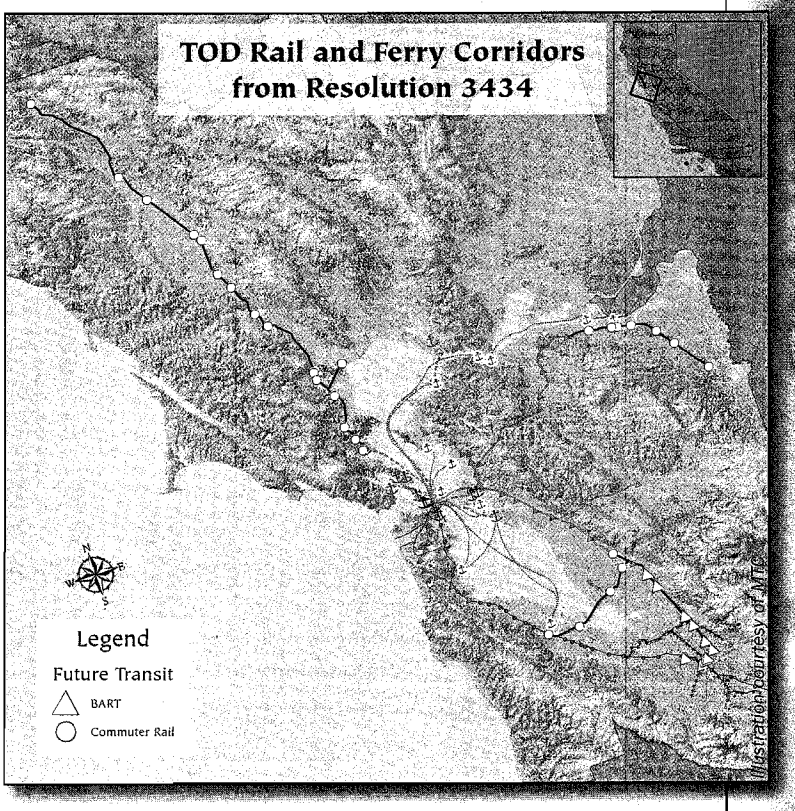
TRID implementation is governed by a management entity (such as an authority) established by the partnering government(s) and agencies, through a development agreement specifying the responsibilities of each participant. Participating transit agencies are authorized to acquire and improve property for defined real estate development activities, provided such land is the minimum necessary to accomplish a TRID planning study's objectives for a designated TRID area, coordinated with the pertinent county or municipal redevelopment authority (as applicable).

Through designation of the TRID boundaries, a coterminous Value Capture Area is created that enables the local jurisdiction(s) and transit agency to share the incremental new real estate or other designated tax revenues generated by subsequent real estate investment. The participating transit agency may use such revenues to accomplish specific activities or projects described in the development agreement and the TRID plan, but only within the TRID area.

Although grant funding was not included in the act for Fiscal Year 2006, the general assembly directed DCED to provide up to $500,000 from their existing planning program for TRID planning grants. Subsequently, six projects (with a maximum grant of $75,000 and a 25 percent match requirement) were approved; PennDOT funded a seventh project directly. These plans will be underway this year. However, a funding source for Fiscal Year 2007 has not yet been defined, and it is unclear whether either department will provide discretionary funding for additional planning studies at this time.

PARTNERING WITH THE STATE

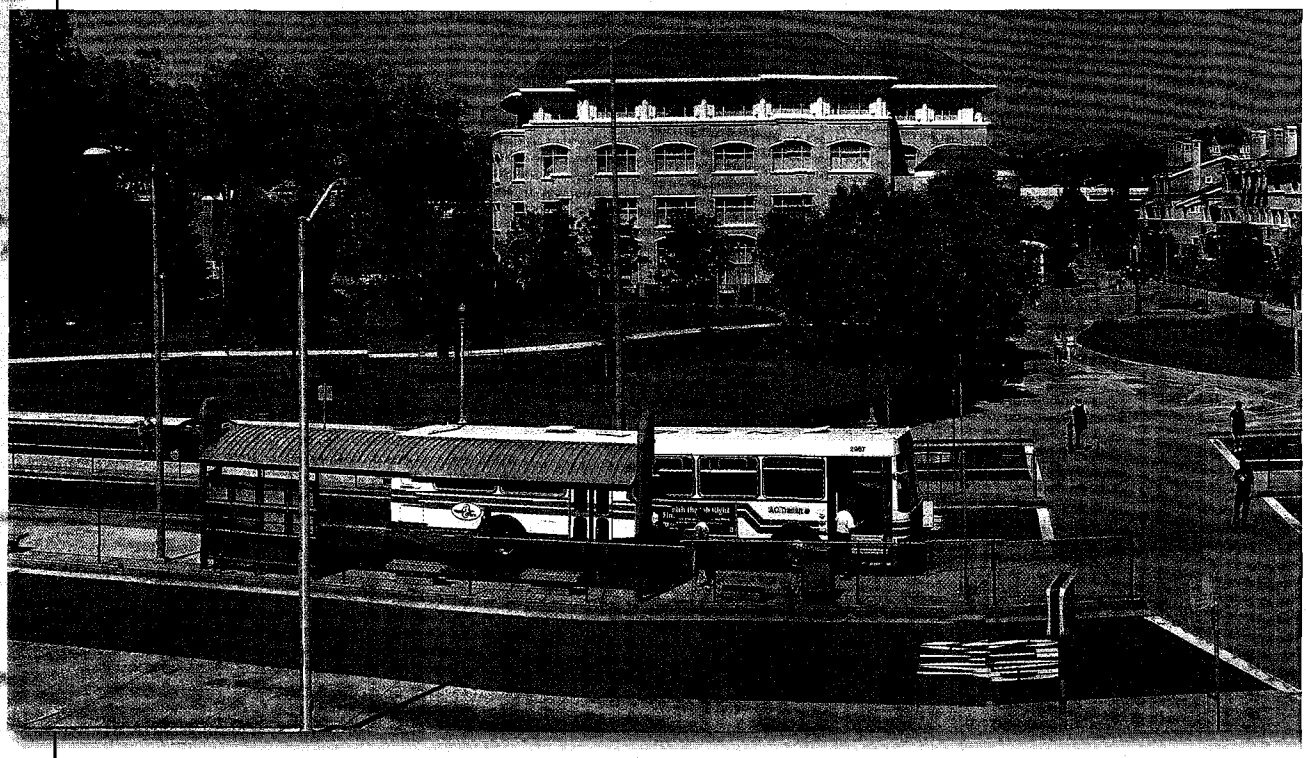
Both Pennsylvania and New Jersey are advancing statewide programs to plan and implement TOD in local communities. The respective program guidelines and planning requirements offer guidance for other states and localities interested in using the "power of partnerships" to make TOD happen.[3]



A map of the San Francisco Bay Area illustrating locations where the Metropolitan Transportation Commission's transit-oriented policies apply.

REGIONAL INCENTIVES PUSH FOR TOD

In the next two decades, the San Francisco Bay Area is expected to add more than one million people and one million new jobs to the nine-county region. Where these people live and where the jobs are located are essential in determining what the region's future will look like, including how effectively the transportation sys-



Pedestrian and transit-friendly development was a catalyst for community revitalization in downtown Hayward, Calif. The pedestrian promenade connects the BART station with a nearby retail center and city hall.

tem can handle this new growth. As the metropolitan planning organization for the nine-county Bay Area, the Metropolitan Transportation Commission (MTC) understands that getting more people to live and work within walking distance of the region's public transit network is essential to providing cost-effective public transportation by attracting more riders.

In the recently adopted Transportation 2030 Plan, MTC is investing two-thirds of the region's transportation dollars in public transportation. The more people who live, work and study in close proximity to public transit stations and corridors, the more the region can reap the rewards of these investments. The areas immediately surrounding major bus, train and ferry terminals are regionally significant opportunities to develop new housing, jobs, schools, retail and social services.

MTC has pursued an incentives-based approach to promote TOD since the late 1990s. The Transportation for Livable Communities (TLC) program — first developed in 1998 — has provided $87 million in funding for more than 130 community-led transportation projects that have provided better local access and pedestrian and bicycle connections to transit hubs throughout the region.

MTC's Housing Incentive Program (HIP) has provided capital grants for transportation projects to Bay Area cities and counties that build new housing adjacent to high quality transit, providing another $40 million to support more than 16,000 new bedrooms. The amount of funds granted is based on the size and density of the residential development, and the amount of affordable units. A local government can use HIP funds for transportation projects near the housing development. HIP provides one of the few positive financial incentives for local governments to build in-fill housing near existing transit stations.

A BROADER PLATFORM FOR TOD

Building on the experience with the TLC and HIP programs, MTC developed a broader platform around transportation and land use in 2005. The platform was intended to take the next step beyond the existing incentive programs and articulate a regional interest and set of actions that MTC could pursue to strengthen the transportation-land use connection.

The MTC's Transportation/Land Use Platform, adopted February 2005, includes:

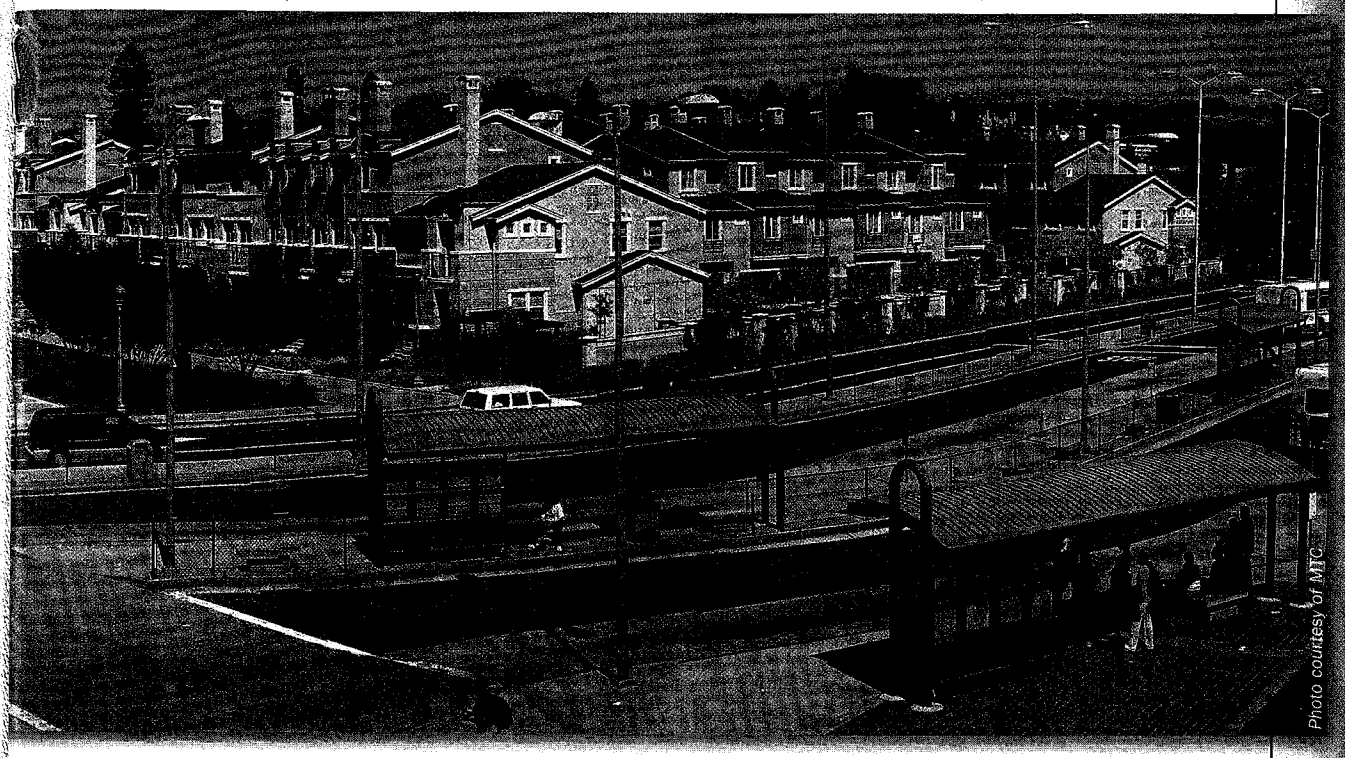


Photo courtesy of MTC

• Prioritize transportation investments that maintain the existing core transportation network.

• Provide funding for land-use planning efforts around existing or future transit stations and corridors.

• Condition discretionary funds for future transit extensions on supportive land-use patterns and policies.

• Support transportation/land-use coordination in suburban areas beyond major transit corridors.

• Coordinate transportation/land-use issues with regional neighbors.

• Develop joint planning projects with partner agencies to implement this platform and the smart growth vision.

One of the more significant elements of this platform was the Commission's adoption of a "Transit-Oriented Development Policy" that conditions funding under MTC's control for future transit extensions in the Bay Area on supportive land-use policies. In order to qualify for regional funding of major new rail extensions and new ferry lines, cities and counties must provide for a minimum number of housing units within a half-mile radius of the new transit stations, averaged for all the stations along the new corridor. The policy primarily impacts several projects included in MTC's adopted Regional Transit Expansion Program, including the e-BART extension to eastern Contra Costa County; the BART extension to San Jose/Santa Clara; the Dumbarton Rail corridor across the Bay; the SMART rail corridor in Sonoma and Marin counties; and the Bay Area Water Transit Authority's ferry expansion program. Local governments, housing groups, community organizations and the development/business/home-building sector were active participants in the formulation of these principles via a task force that met regularly for more than a year.

In addition to adopting the groundbreaking TOD policy, MTC established a Station Area Planning Grant Program. These funds are awarded to local agencies to plan housing-supportive zoning, amenities for walking and biking and parking policies appropriate for a transit-rich location. In the first round of grants, MTC provided $2.8 million to eight communities. In a related effort, MTC has launched a study to help local jurisdictions define how to relax zoning requirements for parking and reform parking policies to support their plans for TOD and infill development.

MTC has a number of key interests in smart growth — to ensure cost-effective transit, ease the region's housing shortage, help local jurisdictions create vibrant communities and preserve regional open space.

Photo courtesy of MTC

Photo courtesy of MTC

Left, The Fruitvale BART Transit Village, a mixed-use development that promotes transit usage. Below, the San Pablo Avenue Corridor.

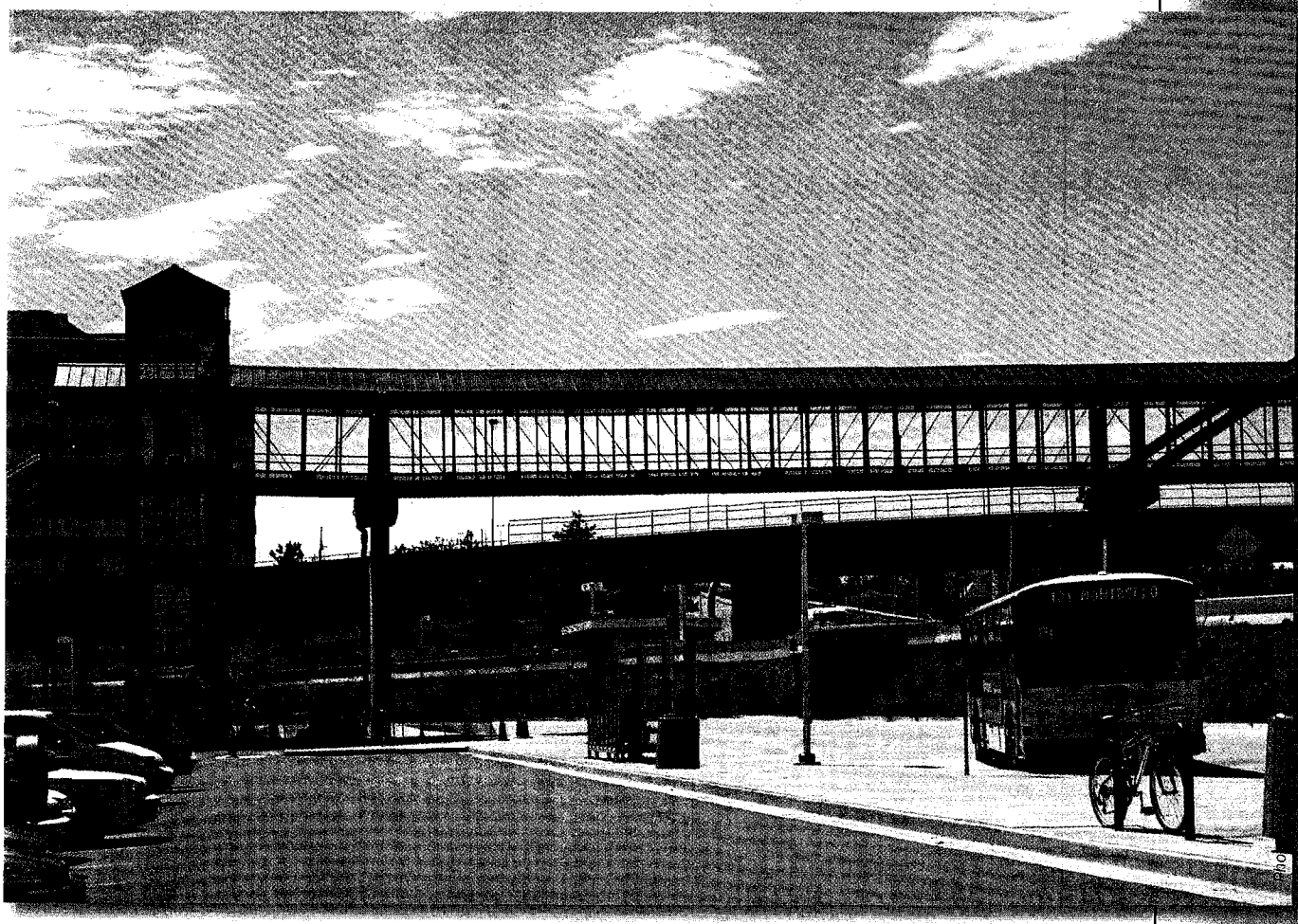
Mounting traffic congestion, air quality problems and a continuing housing crisis all point to the need to craft a new regional approach to coordinating transportation and land-use decisions. MTC and its partners are exploring efforts at a regional scale to envision and support smart growth land-use patterns such as higher housing densities around transit stations and in downtowns, while preserving valuable open space. MTC is working with cities and transit agencies to help define development levels in corridors that will support transit investments. At the same time, it continues with smaller scale projects through the TLC and HIP programs that encourage local communities to build more housing near transit and build vital pedestrian and bike connections. The success of these policies and programs requires continued coordination and support by the numerous and valuable partners and public that make the Bay Area one of the world's most competitive and attractive regions.

LOCAL VISION SUPPORTS TOD

In November 2004, voters approved a $4.7 billion bond initiative to build FasTracks, 119 miles of light and commuter rail line, and expanded bus service and Park-n-Rides throughout the Denver region.

Metro Denver has an unprecedented opportunity to capitalize on the convergence of demographic trends, changing consumer preferences and citizen willingness to invest in the region's future. Transit-oriented development in metro Denver is about to become reality.

With this opportunity comes great challenge. No other region in the United States is building more miles of rail service or planning and developing more TOD within such a focused period. No models can simply



A pedestrian bridge and Park-N-Ride at the Arapahoe at Village Center Station in Denver where a new rapid transit line will open. The walkway over I-25 allows riders access to the light rail platform west of the highway.

be applied to the 97 station areas metro Denver will have when FasTracks is completed in 2016.

The Denver Regional Council of Governments (DRCOG) is working at several levels to support successful transit-oriented development. First, DRCOG encourages collaboration. Second, DRCOG guides transportation and land-use patterns through the implementation of Metro Vision, the region's long-range transportation and land-use plan. DRCOG also funds station area planning studies, and transit and TOD infrastructure.

As both the region's MPO and council of governments, DRCOG's TOD role is technical and policy-oriented.

ENCOURAGE INFORMED DIALOGUE

TOD literature is filled with case studies and research reports documenting how to develop successful TOD and achieve environmental, fiscal and social benefits. The unique nature of each jurisdiction and station area requires different, yet complementary solutions. No single model for planning and developing TOD can or should be replicated.

A common theme throughout TOD literature is the need for informed dialogue and collaboration. To build TOD successfully, experts agree it is vital to carefully craft partnerships between the many individuals, organizations and institutions interested in the outcome, including developers, lenders, transit agencies, local and regional planning organizations, and public interest groups.

DRCOG, along with the Metro Denver Economic Development Corporation, the Regional Transportation District (RTD), the Colorado District Council of the Urban Land Institute (ULI Colorado), the Transit Alliance and other partners have adopted a plan to coordinate efforts

Photo courtesy of DRCOG

Development of Union Station's vision for mixed-use TOD was made possible by a partnership between the City and County of Denver, the Colorado Department of Transportation, the Denver Regional Council of Governments and the Regional Transportation District.

of TOD stakeholders. DRCOG serves as the vehicle for regional collaboration. Several activities are underway, including:

- Providing relevant and timely information via DRCOG's Web site.
- Working with stakeholders to develop a shared vision and collective definition of TOD success across the region and marshalling resources to achieve this success.
- Sponsoring and hosting workshops encouraging public/public and public/private collaboration.
- Sponsoring public education and outreach programs to involve citizens.

METRO VISION

More than 10 years ago, local elected officials and business, environmental and civic leaders developed a long-range plan for the Denver metropolitan area's growth and development, known as Metro Vision. Metro Vision's goal is to protect the quality of life that makes the region an attractive place to live, work and raise families. More than 2.6 million people currently live in the nine-county Denver region. By 2030, the region's population is expected to increase to almost 3.9 million, the equivalent of adding a city the size of Dallas.

One key element of Metro Vision is the identification of urban centers. Urban centers are strategic locations where denser development is encouraged and good highway and transit access is provided. If these "nodes" are developed with a mix of land uses, especially residential and employment, people can choose to leave their cars behind and use public transit.

Concentrating future development in these urban centers supports Metro Vision's goal of compact development. Even though population is growing by 50 percent, urban center development will keep future land consumption below 50 percent.

Metro Vision identifies the Denver Central Business District (CBD) as the region's most significant urban center. A healthy regional core is vital to the vision of a sustainable region. FasTracks focuses the region's transit system on the CBD, and Denver is identifying several downtown stations as major TOD opportunities. Of particular significance is the redevelopment at Union Station. Union Station is not only a central transfer point for several transit lines, but a unique TOD location. DRCOG is participating with RTD, the Colorado Department of Transportation (CDOT) and Denver in planning and funding both the transit and development elements of Union Station.

FUNDING

As the region's MPO, DRCOG prepares the Transportation Improvement Program (TIP) in cooperation with local governments, CDOT and RTD. Through the TIP, DRCOG selects projects to receive federal congestion mitigation/air quality (CMAQ) funds.

Elements of the CMAQ program adopted in the current TIP include:

- $7.5 million annually to support FasTracks implementation, particularly on rail/bus stations in each corridor.
- $2 million in the next two years to support local government station area planning. Thirteen projects (covering 17 stations, plus one corridor-wide effort) have been selected to date, and remaining funds will be programmed soon. Average local match for the selected projects is 45 percent.
- $6.4 million in the next three years to build bicycle and pedestrian infrastructure improving access to existing and new stations. The average local match for these bike/pedestrian projects is 37 percent.

FURTHER STRATEGIES

Other important strategies for integrating land use and transportation in the region include land-use and transportation policies that reinforce each other, a TIP scoring system that favors projects advancing Metro Vision objectives, an expectation that local governments incorporate Metro Vision policies into local plans and regulations and a leading-edge modeling effort (UrbanSim) that more accurately accounts for "induced demand."

It is an exciting time to be in the Denver metro area as the region undergoes a huge transformation. The collaboration of the region's local government, business and environmental communities will be key to its success.

PUBLIC TRANSPORTATION AND SUSTAINABLE NEIGHBORHOODS

The preceding authors discussed programs that they employ to influence land uses around major public transportation infrastructure, and the policy origins of those programs. I hope that this discussion of projects and programs will help cities and towns aspire to make public transportation the mode of choice for their citizens. I also hope that the diversity and breadth of these programs will encourage you to consider how public transportation can create, or recreate, vibrant, walkable and sustainable neighborhoods for our children and ourselves. ■

James S. Simpson is the administrator of the Federal Transit Administration (FTA).

Richard G. Bickel, AICP, is director, Division of Planning, for the Delaware Valley Regional Planning Commission (DVRPC).

Steve Heminger is executive director of the Metropolitan Transportation Commission (MTC).

Jennifer Schaufele is executive director of the Denver Regional Council of Governments (DRCOG).

[1] KOIN News, Portland, September 19, 1998.

[2] Some economic development specialists say that the investment would have taken place anyway, somewhere in the region, regardless of the Federal investment. Others believe that the ancillary investment is accelerated, or concentrated, by the presence of the new transit investment, and thus represents a calculable "value added."

[3] For more information about the Transit Planning and Transit Village programs, contact Vivian Baker at NJ TRANSIT (vebaker@njtransit.com) or Monica Etz at NJ DOT (monica.etz@dot.state.nj.us). For more information about the TRID program, contact John Mizerak at the Governor's Center of Local Government Services (jmizerak@state.pa.us).

Attachment 7

Southeastern Wisconsin

Regional Transit Authority

January 18, 2007

-COPY-

The Honorable James P. Doyle
Governor of Wisconsin
Office of the Governor
115 East State Capitol
Madison, WI 53702

Dear Governor Doyle:

The Southeastern Wisconsin Regional Transit Authority (SEWRTA), serving the Counties of Kenosha, Milwaukee, and Racine, has been diligently pursuing its responsibilities following its creation in the 2005-2007 State Budget Bill. As you will recall, the charge to SEWRTA encompasses not only the proposed commuter rail service between Milwaukee and Kenosha with connections to the Chicago area, but also the largely bus-based transit systems servicing Milwaukee County and the Cities of Kenosha and Racine.

While we have not yet completed our work efforts, we have proceeded far enough along to be comfortable in conveying to you at this time our request for your support for inclusion in the forthcoming 2007-2009 State Budget Bill of the following items:

1. To permit the RTA to sponsor and operate the proposed Kenosha-Racine-Milwaukee commuter rail service.

2. To retain the present RTA authority to levy a per vehicle rental fee in the three-county region.

3. To authorize spending $1.0 million in State funds on the proposed KRM commuter rail project, which funds would represent an initial State share of capital costs. Such funds are to be used for preliminary and final engineering during the next State budget biennium (July 1, 2007 through June 30, 2009).

4. To establish bonding authority for the RTA of up to $50 million to enable it to borrow the anticipated local share of funds required for initiating the commuter rail service, it being understood that a source of local revenue to help service those bonds remains to be determined.

With respect to commuter rail service, the SEWRTA Board is working hard to meet a June 2007 deadline for submittal to the Federal Transit Administration of a Federal capital funding request under the "New Starts" program. It is critical to the success of this application that we work together to put forth a strong funding plan for the commuter rail service. Obtaining the authorities and commitments noted above will be essential to demonstrating to FTA that we are ready, willing, and able to initiate this important service. Consequently, we urge your support of these requests and we will work hard with you as your budget moves through the legislative process this spring.

Thank you for your attention to this important matter. Should you or members of your staff have any questions concerning this request, please contact me at 262-942-4321, or the SEWRTA staff in care of the Southeastern Wisconsin Regional Planning Commission, Philip C. Evenson, Executive Director, at 262-547-6721.

Sincerely,

Karl J. Ostby
Chair, Southeastern Wisconsin
Regional Transit Authority

KJO/PCE/lr
RTADoyleletter1.15.07

Cc: Department of Administration Secretary Michael Morgan
Department of Transportation Secretary Frank Busalacchi
Senate Majority Leader Judy Robson
Assembly Majority Leader Mike Huebsch
Senate Minority Leader Scott Fitzgerald
Assembly Minority Leader Jim Krueser
Joint Finance Co-chair Kitty Rhodes
Joint Finance Co-chair Russ Decker