

MINUTES OF THE ELEVENTH MEETING

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

DATE: February 19, 2007
TIME: 8:00 a.m.
PLACE: City of Racine City Hall
Room 209
730 Washington Avenue
Racine, WI

Board Members

Karl Ostby, ChairmanKenosha 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
George A. Torres.....Milwaukee County Representative

Board Members Excused

Julia Taylor..... Governor’s Representative from City of Milwaukee

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)

James Madlom
H. Carl Mueller
Brandon Scholz
Barbara Ulichny

Guests

Gary BeckerMayor, City of Racine
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
Brian Dranzik Research Analyst,
Milwaukee County Board of Supervisors
Michael J. Glasheen Transit Planner, City of Racine
Glenn Lampark..... Director of Public Works, Racine County
Frederick J. Patrie.....Director of Public Works, Kenosha County
Rosemary PotterExecutive Director, Transit Now
Larry Sandler..... Milwaukee Journal-Sentinel
Deneen Smith Kenosha News

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

ROLL CALL AND INTRODUCTIONS

Chairman Ostby called the meeting to order at 8:15 a.m. He noted that, while Board member Julia Taylor was not in attendance at the meeting, there was a quorum of six members present for the meeting.

APPROVAL OF AGENDA

At the request of Mr. Torres, the Board agreed to move up agenda item number eight, "Further consideration of potential Regional Transit Authority (RTA) recommendations relative to public transit local funding," to be the sixth item considered at the meeting. In response to a suggestion by Chairman Ostby that the Board discuss the proposal for streetcar and express bus services being advanced by City of Milwaukee Mayor Barrett, Mr. Evenson suggested that the proposal be discussed under agenda item number 8.

REVIEW AND APPROVAL OF MINUTES OF THE JANUARY 30, 2007, MEETING

In response to a question from Chairman Ostby as to whether vehicles provided as "loaners" by automobile dealerships or service centers are subject to the vehicle rental fee levied for the RTA, Mr. Yunker and Mr. Mueller stated that exemptions for the car rental fee include vehicles that are used as replacements for those being serviced or repaired; vehicles rented by federal or local government agencies and nonprofit organizations that hold tax exempt status; and vehicles rented by public or private elementary and secondary schools. He stated that materials provided by the Wisconsin Department of Revenue to companies which rent vehicles identify those exemptions, and copies of those materials would be attached to the meeting minutes (see Attachment 1). Chairman Ostby also requested that when the next payment of the car rental fee is received from the Department of Revenue, staff provide an updated estimate of anticipated annual revenue.

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

REVIEW AND DISCUSSION OF WRITTEN COMMENTS RECEIVED

Chairman Ostby directed 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 2). On a motion by Mr. Karls, seconded by Mr. Eberle, and carried unanimously, the Board acknowledged receipt of the comments and placed them on file.

CONSIDERATION OF PROPOSED CHANGES AND ADDITIONS TO COMMUNICATIONS CONSULTANT CONTRACT

Chairman Ostby asked the consultant staff to brief the Board on the proposed changes to the communications consultant contract. Mr. Mueller and Ms Ulichny stated that the changes (see Attachment 3) entailed postponing or eliminating some of the public involvement activities and funding research that had been proposed under work elements 4 and 6 of the contract. They noted that this would

permit staff time and contract expenditures to be reallocated to efforts directed at garnering support for legislative issues vital to the RTA which need to be considered as part of the 2007-2009 State budget. Ms. Ulichny noted that outreach activities and public meetings being undertaken for other transit studies, including the Kenosha-Racine-Milwaukee commuter rail study and the Milwaukee County Transit System Development Plan, were providing information needed to support the work of the RTA.

Chairman Ostby stated that if the public outreach work needed for the RTA was being done by others, he was comfortable with reallocating budgeted expenditures for outreach activities under the communications consultant contract to permit staff to concentrate efforts on the needed legislative actions. He indicated that he was unsure if any action was needed by the Board on the matter. Mr. Brandrup suggested, and the Board concurred, that the Board should be required to vote on any increases in expenditures for the contract, but the Chairman should have the authority to reallocate expenses within the contract budget as long as he informed the Board of the changes. Mr. Torres requested that for every other RTA meeting, staff provide a report identifying actual versus contract expenditures for each work element in the consultant contract.

FURTHER CONSIDERATION OF POTENTIAL REGIONAL TRANSIT AUTHORITY RECOMMENDATIONS RELATIVE TO PUBLIC TRANSIT LOCAL FUNDING

Mr. Torres offered to provide background information on the transit proposal released by Mayor Barrett of the City of Milwaukee on February 16, 2007. He indicated that Milwaukee County staff had been working with City of Milwaukee staff to develop an initiative that would use the \$91.5 million Federal funds identified for the Milwaukee Downtown Connector project after that project failed to obtain either County or City support. He stated that the County and City had discussed providing an initial system of express bus transit service over arterial streets in the City, and the County could agree with that element of the City's transit service proposal. However, he indicated that the County had concerns with the other element of the City's proposal—the downtown circulator streetcar line—in that it would not serve the substantial population dependent on public transit, and its required operating funding could redirect funding away from the transit system.

Mr. Torres noted the funding problems faced by the Milwaukee County Transit System, and stated that while the Governor had included an increase in State transit aid of about \$3.6 million, or 2 percent annually, for the transit system over the next two years in the proposed 2007-2009 budget, that funding would be insufficient to sustain the operation of the existing transit system. He noted that it was not known whether the City intended to operate the proposed streetcar or if it had assumed the County would be the operator. He stated that the County was willing to further explore the Mayor's transit proposal with the City.

Mr. Torres then stated that while the recent discussions of the RTA Board had focused on the local funding source for the KRM project, it was time to return to the issue of providing dedicated local funding for public transit. He then made a motion that the RTA support a proposal made by Milwaukee County Executive Walker and Wisconsin State Senator Stone for providing dedicated public transit funding. He explained that the proposal entailed using the increase in State sales tax revenues collected on new and used car sales to fund public transit, with the sales taxes collected in 2006 serving as the benchmark to measure the increase. He indicated that Senator Stone's office had estimated the revenues for this proposal at about \$30 million statewide for the first year, with significant increases in subsequent years. He stated that while securing dedicated funding for the KRM project in the State budget was important, securing dedicated funding for public transit was now critical to the survival of the Milwaukee County Transit System.

The following questions were raised and comments made by Board members concerning the information provided by Mr. Torres and his motion:

1. In response to Chairman Ostby's question on how the revenues generated through the proposal would be distributed, Mr. Torres indicated the revenues would be used to fund public transit statewide.
2. Chairman Ostby asked staff if this proposal had been sufficiently researched. Mr. Mueller suggested that there were two key questions that needed to be answered before the RTA could fully consider Mr. Torres' proposal. First, are the sales tax revenues identified in this proposal to be returned to the counties in which they were generated; and second, will the State transit operating assistance program continue to fund transit systems if the identified sales tax revenues are made available for public transit. Mr. Yunker noted that if the growth in vehicle sales tax funds were distributed statewide to transit systems like State transit aids are currently distributed, then the impact on the Milwaukee County Transit System could be significant. However, if instead the funds generated in each county would be returned to each county, the funding for Milwaukee County--which has about 12 percent of the total vehicles in the State--would be modest for many years. Chairman Ostby suggested that this needed to be known before the Board voted on Mr. Torres' proposal.
3. Mr. Brandrup suggested that the Board should discuss the estimates of the total local funding need that had been compiled by Commission staff before taking action on Mr. Torres motion and suggested that, absent a second, Mr. Torres should withdraw his motion. Ms. Robinson stated that she agreed with Mr. Torres and was willing to second his motion noting that if the RTA did not address dedicated funding for public transit, there would be members of the Milwaukee County Board of Supervisors and City of Milwaukee Common Council lobbying against increasing the car rental fee for the KRM project. She indicated that the RTA should at least support the concept of this proposal for further study.
4. Mr. Torres stated that he was not opposed to doing more research on his proposal and that his primary concern was to get the RTA to move forward on dedicated local funding for public transit as it had done with local funding for the KRM commuter rail. He suggested that other potential revenue sources should also be considered including: a surcharge on taxi and limousine mileage; an annual surcharge on taxi registration fees; a surcharge on pavement material for road projects; and a surcharge on tire sales. He also suggested charging higher fares for the KRM service, and selling KRM station naming rights.
5. Chairman Ostby suggested that the Board defer action on Mr. Torres' motion to consider additional information prepared by staff identifying the total local funding needs for public transit in Kenosha, Milwaukee, and Racine Counties. Mr. Yunker reviewed with the Board a table prepared by the Commission staff (see Attachment 4) which identified the local funding needs for public transit in each RTA county including: the local funds needed for the operation of the existing transit systems as set forth in 2007 budgets, the additional local funding needed to restore service reductions made over last five years, to limit using Federal funding intended for capital projects for operating funding, to provide funding to maintain service if State transit operating assistance continued to decrease with inflation, and to initiate implementation of long planned service improvement and expansion as identified in the regional transportation plan. The table also identified the sales tax, motor fuel tax, and vehicle registration fee that would be needed in each RTA county to generate the revenues needed.
6. Mr. Brandrup asked if the table distributed by Mr. Yunker could be expanded to identify what surcharges, fees, or fares would be needed for the funding options suggested by Mr. Torres and, possibly, for the other funding options already identified by the RTA. He explained that he did not want waste RTA resources focusing on the wrong idea or pursue the wrong solution in the state budget. He stated that the RTA had to take a hard look at what is the right solution for

funding public transit. He also suggested that the identified total local funding needs in the handout were modest, noting in Kenosha and Racine Counties service was not provided to allow travel to and from work for second and third shift jobs, the frequency of existing transit service is minimal, limited service exists beyond the Cities of Kenosha and Racine, and there is not service in western Kenosha and Racine Counties. He also noted that the identified funding only provides for the initial stage of implementing the transit element of the regional plan. Mr. Yunker stated that notes would be added to the table to reflect Mr. Brandrup's comments. Chairman Ostby suggested that the Board members and transit operators provide feedback to staff concerning the reasonableness of the local funding needs identified in the table. Mr. Yunker stated that the table would be revised to include information for additional funding sources suggested by Mr. Torres as well as others considered by the RTA, and the revised table would be distributed at the next RTA meeting.

7. Mr. Torres withdrew his motion for the RTA to support the proposal to use the increase over 2006 State sales tax revenues collected on new and used car sales to fund public transit with the understanding that, as requested by Mr. Brandrup, staff would bring to the next meeting information on a comprehensive list of local funding options. Mr. Torres stated that the RTA must be cognizant of the opposition expressed by some local officials to increasing taxes and should, therefore, consider combining the revenues from more than one source to generate the total local funds needed instead of relying on one source to provide all the funds. Chairman Ostby stated that this would be on the agenda for the March RTA meeting. Ms. Robinson then withdrew her second to the motion.
8. Racine Mayor Becker addressed the Board, thanking it for the work it was doing. He noted that the health of the Milwaukee County Transit System was critical to the success of the other transit systems in the State, including the Kenosha and Racine transit systems. He stated that he believed a tax increase of some form will be necessary to generate the local funds needed for removing public transit from the property tax. He found it baffling that the RTA representatives for Kenosha and Racine continued to support measures to resolve the funding crisis faced by the Milwaukee County Transit System, but that Milwaukee County and City officials have yet to propose or support a tax or fee. He indicated that he believed the RTA supported the right course of action in December—a sales tax—but that the withdrawal of support of Milwaukee County and the City of Milwaukee officials, and their failure to come to a consensus on any alternative course of action was not helpful to the RTA's efforts to resolve the funding issue for public transit. He stated that the RTA representatives for Milwaukee County and the City of Milwaukee needed to decide what tax or fee they can support, and he pledged that the officials from Kenosha and Racine will support that decision. He noted that it was Milwaukee County and City representatives that were responsible for the RTA not taking final action on funding local public transit. Chairman Ostby stated that it would help the RTA if Milwaukee County and the City of Milwaukee could come to some conclusion on a source of local funding.
9. Mr. Eberle requested that the amount of property tax relief be identified (see Attachment 5). Mr. Eberle also stated that a recent article in the Chicago Tribune had identified various local funding mechanisms that were being looked at by the Chicago Transit Authority, and suggested that this might be of interest to Board members (see Attachment 6).
10. Mr. Brandrup noted that the Joint Finance Committee of the State Legislature would be holding a public hearing in Milwaukee on the proposed State budget on March 20, 2007, which would be an opportunity for the RTA to provide comments on the need for dedicated local funding.

UPDATE ON THE WORK OF THE KRM CORRIDOR STUDY/DRAFT EIS

Mr. Yunker provided the Board with an update on the KRM study and the preparation of the draft environmental impact statement. He stated that three public informational meetings for the study had been held in mid-February, with about 300 people attending those meetings and about 150 people to date providing written comments on the KRM project. He indicated that about 90 percent of the public comments were in favor of the KRM commuter rail project.

In response to a question from Chairman Ostby about how the KRM project will compare with other “new start” projects and compete for Federal funds, Mr. Yunker noted that, in general, projects from medium-size metropolitan areas like southeastern Wisconsin do not compare well to projects from large metropolitan areas like New York or Los Angeles, particularly in terms of project cost-effectiveness. He stated that some of the Federal Transit Administration criteria applied in evaluating projects were objective and quantitative, and others were subjective, so it is not possible to assess precisely how the KRM project will be evaluated. He stated that at this time it is believed that the project has the potential to be recommended by the FTA for funding, but it will be a very close decision. He noted that the KRM project will rate lower on cost-effectiveness criteria compared to large metropolitan area projects, but should receive a sufficiently high rating to not disqualify the project from funding.

With respect to land use criteria, Mr. Yunker explained that staff had worked extensively with the local communities in the corridor on developing transit-supportive land use plans for the area within one mile of each station. He indicated that the FTA will review whether resolutions are obtained from each community indicating their endorsement of the land use plan(s) for their stations, and that they will appropriately modify their community land use plans and zoning should commuter rail move forward. He noted that resolutions had been received from all communities except the City of Milwaukee.

Lastly, Mr. Yunker noted that the FTA also evaluates a project’s financial plan, reviewing the sources of State and local funds proposed for a project, including examining how those funding sources would perform under different scenarios. He stated that the RTA recommended vehicle rental fee should be adequate, generating sufficient revenue to fund anticipated share of local costs. He added that the FTA likely would have more favorably considered the original proposed sales tax because a sales tax is a more common form of transit funding, and would more clearly increase with inflation and growth of the region. He explained that the vehicle rental fee recommended by the RTA would also not generate as much annual revenue as the initial proposed 0.05 percent sales tax. He noted that lack of historic data will make it difficult to address how the vehicle rental fee may increase with inflation. He also stated that the financial crisis faced by the transit systems may also be considered by the FTA in rating the KRM financial plan.

Chairman Ostby asked who would be preparing the application for FTA new starts funding for the KRM project. Mr. Yunker responded that the application would be prepared by the consultant for the KRM planning work under the direction of Commission staff acting as project manager for the intergovernmental partnership of the Cities and Counties of Kenosha, Milwaukee, and Racine, the Wisconsin Department of Transportation, and the Regional Planning Commission.

In response to a question from Chairman Ostby on the position of Metra on the KRM project, Mr. Yunker stated that staff had met with Metra staff, and it appeared that proposing the KRM project as a service separate from Metra service had addressed Metra concerns. He noted a *Chicago Tribune* article recently transmitted to the RTA which include a positive comment on the KRM from an RTA spokesperson (see Attachment 7).

In response to a question from Mr. Eberle about the proposed fares for the KRM commuter rail service, Mr. Yunker stated that the full one-way cash fare for travel between Chicago and Kenosha would be \$6.20, and

the cash fare for travel between Kenosha and Milwaukee would be \$4.70. He indicated that books of 10 tickets would be priced at 80 to 85 percent the price of comparable cash fares, and monthly passes would be about two-thirds the price of comparable cash fares.

[Secretary's Note: KRM project fares may be expected to fund about 45 percent of project operating costs, as compared to transit systems in the three counties where fares fund between 17 to 33 percent of transit operating costs.]

REQUESTS BY RTA TO SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

Mr. Yunker stated that the FTA requires that all "new start" candidate projects must be recommended in the regional transportation plan for their metropolitan region. The Commission's regional plan identifies the KRM commuter rail line along with other commuter rail lines, and bus guideway/light rail lines as potential transit guideways that should be considered in corridor studies. The plan recommends that following a corridor study, the responsible transit operator and unit of government, upon determination that they intend to implement the proposed rail line/guideway, should request the Regional Planning Commission to amend the regional plan. Therefore, the RTA as the sponsor and operator of the KRM service, and having made the determination that the RTA intends to implement the KRM commuter rail, should request the Commission to amend the regional plan to include the KRM commuter rail. In response to a question from Mr. Brandrup, Mr. Yunker indicated the motion should also request that any necessary amendments to the Transportation Improvement Program (TIP) for the Southeastern Wisconsin Region also be made.

Mr. Brandrup moved the RTA, acting as the sponsor and operator of the KRM commuter rail and intending to implement the KRM commuter rail, request the Regional Planning Commission to amend the regional transportation system plan to include the KRM commuter rail in the transit element of the plan, and to ensure that projects implementing the service are included in the TIP for the Southeastern Wisconsin Region. The motion was seconded by Mr. Eberle and carried unanimously by the Board. Mr. Evenson indicated that the RTA could expect the Commission to act on its request this spring.

Mr. Yunker noted that the Federal Congestion Management and Air Quality Improvement (CMAQ) Program had been identified as providing \$3 to \$4.5 million annually of the Federal share of KRM project costs. He stated that the State was soliciting applications for CMAQ projects for 2008 through 2010, with an application deadline of April 16, 2007. He asked that the RTA request the Commission staff prepare the necessary grant application for the KRM project.

Mr. Brandrup moved that the RTA direct Commission staff to prepare an application for an initial portion of the Federal CMAQ funds to be used for the KRM project capital costs. The motion was seconded by Mr. Karls and carried unanimously by the Board.

Mr. Brandrup noted that the City of Kenosha was also likely to apply for CMAQ funds during the current application cycle, and would be in competition with the RTA project. Mr. Yunker and Mr. Evenson stated each local unit of government represented on the RTA, as well as the State, would be in a similar position.

CONSIDERATION OF REQUESTING CHANGE IN RTA SUPER MAJORITY REQUIREMENT

Chairman Ostby noted that the next item on the agenda—which had been discussed at past RTA meetings—was considering whether to request the State Legislature to change the State statute that created the RTA to eliminate the "super majority" requirement of six out of seven votes to formally approve any motion and action by the Board. Mr. Brandrup stated that he knew of no other Boards that were required to

follow this rule and expressed his frustration with not being able to directly communicate with other Board members. He noted the inefficiency of paying communications consultant staff to do this instead.

Mr. Karls moved that the RTA send a letter to the State Legislature stating that the current super majority requirement--which includes the negative quorum that keeps each individual board member from speaking with other members outside of Board meetings--is unworkable, and requesting that the Board be allowed to revert to a simple majority vote for approval of business to enable members to communicate with each other without providing formal public notice. The motion was seconded by Mr. Eberle and carried unanimously by the Board.

CONFIRMATION OF NEXT MEETING DATE

Chairman Ostby stated the next meeting date for the RTA would be Monday March 19, 2007, in Kenosha with the location to be determined. He indicated that he hoped to hear more on Mayor Barrett's transit service improvement proposal at that meeting. Mr. Yunker noted that the ideas presented in the City's proposal draw upon transit service improvements that have been long recommended in the Commission's regional transportation system plan. Mr. Mueller stated that his staff would work with Ms. Robinson and the Mayor's office to provide more information on the proposal to the Board for its March meeting.

Mr. Karls stated that he had observed an incredible amount of public support for the KRM project. Chairman Ostby agreed and noted that he also received a very positive reaction to the project in Washington D.C. when he met recently with members of the Wisconsin delegation and their staffs. He noted the delegation had stressed the importance of getting agreement from the local communities on the various elements of the project including funding.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m. by Chairman Ostby without a formal motion by the Board.

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary



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2135 RIMROCK ROAD • P.O. BOX 8949 • MADISON, WISCONSIN 53708-8949
FAX (608) 267-1030 • <http://www.dor.state.wi.us>

April 13, 2006

Name & Address

NEW REGIONAL TRANSIT AUTHORITY FEE

Effective June 1, 2006, a \$2.00 fee is imposed for each transaction in Kenosha, Milwaukee, and Racine counties for the rental of Type 1 automobiles by establishments primarily engaged in the short-term rental of passenger cars without drivers, for a period of 30 days or less. The fee is imposed by the Regional Transit Authority created by the counties of Kenosha, Milwaukee, and Racine.

This fee is to be collected from the person to whom the passenger car is rented and the retailer that collects this fee is required to separately state the fee on the receipt that the retailer provides to the rental customer.

The fees for the month of June 2006 are to be reported on the Rental Vehicle Return, Form RV-012, for the July-September 2006 quarter. New returns, beginning with the return for the July-September 2006 quarter, will be mailed to you in late June or early July.

The new regional transit authority fee applies only to the rental of Type 1 automobiles. (The state rental vehicle fee applies to the rental of Type 1 automobiles, mobile homes, motor homes, and camping trailers.) The same exemptions apply to the regional transit authority fee as apply to the state rental vehicle fee.

Note: The fee is part of the gross receipts subject to Wisconsin sales tax. The amount of the fee must be included in taxable gross receipts on your Wisconsin Sales and Use Tax Return, Form ST-12.

The attached flyer provides additional information regarding the new fee. Please contact me if you have any questions.

Sincerely,

Kari O'Connor
Revenue Tax Specialist
Technical Assistance Unit – Business
Customer Service Bureau
608-261-6261
kari.oconnor@dor.state.wi.us

Regional Transit Authority Fee

1. What is the Regional Transit Authority Fee?
2. Who is subject to the Regional Transit Authority fee?
3. How do I register for the Regional Transit Authority fee?
4. How do I report my Regional Transit Authority fee?
5. What is the deadline for filing my Wisconsin Regional Transit Authority fee Return?
6. Are extensions available if I can't file my Wisconsin Regional Transit Authority fee Return on time?
7. Are there any exemptions from the Regional Transit Authority fee if my business is primarily engaged in the short-term rental of Type 1 automobiles Is the regional transit authority fee subject to sales tax?
8. Is the regional transit authority fee subject to sales tax?

1. What is the Regional Transit Authority fee?

A \$2.00 fee is imposed on the gross receipts from the lease or rental of Type 1 automobiles in the region.

2. Who is subject to the Regional Transit Authority fee?

If your primary business is the rental or lease of vehicles without drivers for 30 days or less, in the region, you are subject to the Regional Transit Authority fee. The region is composed of the counties of Kenosha, Milwaukee and Racine.

3. How do I register for the Regional Transit Authority fee?

Businesses registering for a Wisconsin Seller's Permit or a Wisconsin Employer Identification Number should complete Part D, Question 4 of the Application for Business Tax Registration (Form BTR-101) to indicate the need to register for the Regional Transit Authority.

4. How do I report my Regional Transit Authority fee?

Report the Regional Transit Authority fee on the Wisconsin Rental Vehicle Fee Return (Form RV-012). Instructions for Wisconsin Rental Vehicle Fee Return, (Form RV-114), may be downloaded or may be ordered by calling (608)266-2776.

The "period covered" will be indicated on each return you receive. A return must be filed for each "period covered," even if there are no fees due for that period. Your filing frequency will begin as quarterly. You will be mailed a full year's supply of quarterly returns. At some future date, the Wisconsin Department of Revenue may notify you in writing that the returns must be filed monthly or annually.

5. What is the deadline for filing my Wisconsin Rental Vehicle Fee Return?

Each return will be preprinted with the due date by which the return must be filed. Returns for a quarterly period must be filed by the last day of the month following the end of the quarter.

6. Are extensions available if I can't file my Wisconsin Rental Vehicle Fee Return on time?

If you cannot file your return by the due date, you should write to the Wisconsin Department of Revenue, Registration Unit, P.O. Box 8949, Madison, WI 53708-8949, before the due date of the return and request an extension of time to file. You may fax your request for an extension to the Registration Unit at (608)267-1030 by the due date of the return.

The Department may grant you an additional month from the original due date of the return to file the return. However, if the liability is not paid by the original due date, the fee will be subject to 1% interest per month during the extension period.

7. Are there any exemptions from the Regional Transit Authority fee if my business is primarily engaged in the short-term rental of Type 1 automobiles?

Yes. The Regional Transit Authority fee does not apply to the rental of Type 1 automobiles without drivers if the vehicle is being used as a replacement during the service or repair of another vehicle. To claim this exemption, the lessee must present a properly completed Certificate of Exemption for Rental Vehicles (Form RV-207) to the lessor for retention as part of the lessor's records.

Other exemptions from the regional transit authority fee include:

- a. Rentals not in Wisconsin,
- b. Rerentals,
- c. Rentals to the U.S. Government,
- d. Rentals to nonprofit organizations that hold a Certificate of Exempt Status (CES) number, and
- e. Rentals to public or private elementary or secondary schools.

8. Is the regional transit authority fee subject to sales tax?

The regional transit authority fee is part of the gross receipts subject to sales tax.



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IMPORTANT NOTICE OF CHANGES AFFECTING RENTAL VEHICLE FEE REPORTING

Enclosed are the Rental Vehicle Fee Returns for the reporting periods beginning July 1, 2006, through June 30, 2007. Changes have been made to your account number and to the form.

Your tax account number for reporting the Rental Vehicle Fee and Limousine Rental Fee has changed as the result of a computer system change at the Department of Revenue. The new account number is 15 digits and can be found in the upper left corner of the return. Please use this new account number for all communication with the Department about your Rental Vehicle Fee account.

The Southeastern Wisconsin Regional Transit Authority, for the counties of Kenosha, Milwaukee and Racine, voted to impose the \$2.00 per vehicle rental fee under the authority provided by the Wisconsin State Statutes. The Regional Transit Authority Fee, which went into effect on June 1, 2006, should be included in taxable receipts subject to the Rental Vehicle Fee on line 1 of the return. This fee should be calculated on lines 3 and 4 of the return. The number of rental vehicles rented in Kenosha, Milwaukee and Racine counties in June, July, August and September 2006 subject to the Regional Transit Authority Fee should be included on line 3 of the form for the quarterly reporting period ending September 30, 2006. Since the second quarter return did not include a calculation for the Regional Transit Authority Fee, the Department of Revenue has approved the inclusion of June 2006 transactions for the calculation of the fee in this third quarter return. For additional information on the Regional Transit Authority Fee for the southeastern counties of Kenosha, Milwaukee and Racine, please see the FAQs at <http://dor.testinternet/fads/pcs/rtafee.html>.

The Limousine Rental Fee is now calculated on lines 5 and 6 of the form.



Wisconsin Department of Revenue
 PO Box 8992
 Madison WI 53708-8992

**WISCONSIN
 RENTAL VEHICLE
 FEE RETURN**

SS# or FEIN

Tax Account Number	Period Begin Date	Period End Date	Due Date
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- Check if this is an **AMENDED** return
- Check if address change
(Note changes on the back of the form)
- Check if business discontinued
(Note changes on the back of the form)

Complete form using **BLACK INK**

Rental Vehicle Fee	1 Taxable Receipts (Includes any amounts on Line 4).....	1 _____	
	2 Rental Vehicle Fee (multiply Line 1 by .05)	2 _____	0.00
Regional Transit Authority Fee	3 Number of Rental Vehicles rented in Kenosha, Milwaukee and Racine counties	3 _____	
	4 Regional Transit Authority Fee (multiply Line 3 by \$2.00) ..	4 _____	0.00
Limousine Rental Fee	5 Taxable Receipts (<i>see instructions</i>)	5 _____	
	6 Limousine Rental Fee (multiply Line 5 by .05)	6 _____	0.00
Amount Due	7 TOTAL TAX DUE (add Lines 2, 4 and 6)	7 _____	0.00
	8 Interest and Penalty (<i>see instructions</i>)	8 _____	
	9 TOTAL AMOUNT DUE (add Lines 7 and 8)	9 _____	0.00

This return must be filed by the due date, even if you have no fee to report. Failure to timely file this return will result in a late filing fee and may result in additional penalties. Please see the instructions for additional information regarding the computation of penalties.

I hereby certify that the amounts entered on this return are true and correct to the best of my knowledge and belief.

Contact Name (<i>please print</i>)	Signature	Date	Phone ()
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FOR DEPARTMENT USE ONLY



Mail return and remittance to:

Wisconsin Department of Revenue
 PO Box 8992
 Madison WI 53708-8992

Phone: (608) 266-2776
 E-Mail: sales10@dor.state.wi.us
 Website: www.dor.state.wi.us

Taxpayer Information Changes

Business Discontinued Date: _____
MM DD YYYY

Please indicate reason for discontinuation:

- | | | |
|---|---|--|
| <input type="checkbox"/> Deceased | <input type="checkbox"/> Merger with _____ | <input type="checkbox"/> Partner added |
| <input type="checkbox"/> Formed LLC | <input type="checkbox"/> Business did not materialize | <input type="checkbox"/> Partner dropped |
| <input type="checkbox"/> Incorporated | <input type="checkbox"/> No taxable activity | <input type="checkbox"/> Sold to _____ |
| <input type="checkbox"/> Other (please explain) | | |

Mailing Address Change

Street Address or PO Box		
City	State	Zip code

Business Location Change

Street Address		
City	State	Zip code

INSTRUCTIONS FOR WISCONSIN RENTAL VEHICLE FEE RETURN

GENERAL INSTRUCTIONS

This return is to be used by the following for reporting and paying the Wisconsin Rental Vehicle Fee:

- Establishments primarily engaged in the short term rental of vehicles without drivers for a period of 30 days or less.
- Persons providing limousine service.

THREE STEPS TO FILING YOUR RETURN

1. Read these instructions and enter the requested information and amounts on the Wisconsin Rental Vehicle Fee Return for the correct period covered. **Note:** You should keep a copy of your completed return for your records for at least four years.
2. Check over your return.
 - Have you reported taxable receipts for each of the fees that applies to your type of business?

- Have you checked your computation of the fee amounts owed?
3. Mail the return and your check to:
Wisconsin Department of Revenue
PO Box 8992
Madison WI 53708-8992

This return must be filed when due, even if you have no fee to report. If you cannot file your return by the due date, you should write to the Department's Registration Unit (see the address in the SPECIAL INSTRUCTIONS section below) before the due date of the return and request an extension of time to file. The department may grant you an additional month from the original due date of the return to file the return. However, if the liability is not paid by the original due date, the fee will be subject to interest at the rate of 1% per month during the extension period.

Do not take credit against the fee due on this return for previous overpayments. To obtain a refund of your overpayment, send a written request to Wisconsin Department of Revenue, PO Box 8946, Madison WI 53708-8946. Information may be obtained from any Department of Revenue office.

Any Questions? Contact any Department of Revenue office or write:

- Wisconsin Department of Revenue
PO Box 8949
Madison WI 53708-8949,
- Telephone: (608) 266-2776
TDD (608) 267-1049
- FAX: (608) 267-1030,
- E-mail: sales10@dor.state.wi.us, or visit our website: www.dor.state.wi.us.

SPECIAL INSTRUCTIONS

Federal Employer Identification Number and Social Security Number: If the federal employer identification number or sole proprietor's social security number is incorrect or not listed, enter the correct number in the space provided.

If your federal employer identification number is incorrect because of a change in ownership, attach a letter of explanation.

Period Covered: It is important that you verify you are using the correct period covered return for reporting your Wisconsin rental vehicle fees.

If you have a change in name, address, or ownership or other account change, please send the information to:

Registration Unit
Wisconsin Department of Revenue
PO Box 8949
Madison WI 53708-8949

Be sure to include your seller's permit or use tax registration number in all correspondence.

INSTRUCTIONS FOR LINES 1 THROUGH 8

IMPORTANT NOTE: Use black ink when completing this return. Send in the original return only. Do not send in a photocopy.

Line 1 Enter the amount of taxable receipts, including the Regional Transit Authority Fee collected from customers on line 4, for the period covered by the return from the rental for a period of 30 days or less of the following vehicles without drivers:

- Type 1 automobiles – Motor vehicles designed and used primarily for carrying persons but which do not come within the definition of a motor bus, motorcycle, moped, or motor bicycle.
- Mobile homes – Vehicles designed to be towed as a single unit or in sections upon a

highway by a motor vehicle and equipped and used or intended to be used, primarily for human habitation, with walls of rigid uncollapsible construction. A mobile home exceeding 45 feet shall be considered a primary housing unit. A mobile home not exceeding 45 feet shall be considered a touring or recreational unit.

- Motor homes – Motor vehicles designed to be operated upon a highway for use as a temporary or recreational dwelling and having the same internal characteristics and equipment as a mobile home.
- Camping trailers – Vehicles with a collapsible or folding structure designed for human habitation and towed upon a highway by a motor vehicle.

Caution: Do not include on Line 1 gross receipts from rentals at a location whose primary business is not the rental of vehicles for periods of 30 days or less. You may determine a location's primary business by comparing the gross receipts from each activity at a location for the previous taxable year (e.g., sales, service, rentals, etc.) to the total gross receipts at that location for the previous taxable year. The activity with the greatest percentage of gross receipts is the primary business.

Example: Company A has two locations. At one location, Company A operates a motor vehicle dealership. At the other location, Company A operates a rent-a-car business only renting type-one automobiles for periods of 30 days or less. The percentage of total gross receipts for the previous taxable year at the

Attachment 1 (continued)

motor vehicle dealership are as follows: Sales (45%), service (35%), rentals of type 1 automobiles for 30 days or less (10%), and rentals of vehicles for more than 30 days (10%). Since the motor vehicle dealership location's primary business is sales, taxable receipts from rentals of vehicles for 30 days or less at that location are not included on line 1 of Form RV-12 with taxable receipts from Company A's rent-a-car location.

Exemptions: Do not include on line 1:

- Rentals not in Wisconsin

A rental is not in Wisconsin if the lessee takes possession of the vehicle from the lessor or the lessor's agent outside Wisconsin.

- Rerentals

Example: Company A leases an automobile from Company B for 30 days or less which it will use solely to lease to Individual C. Individual C takes possession of the automobile in Wisconsin.

The charge by Company B to Company A for the lease of the automobile is not subject to the 5% fee because it is for rerental. Company A should provide Company B with a completed exemption certificate (Form S-211) claiming the resale exemption. The charge by Company A to Individual C may be subject to the 5% Wisconsin rental vehicle fee.

- Rentals of service or repair replacement vehicles

Important: Although they may be subject to the 5% Wisconsin sales or use tax, the rental of service or repair replacement vehicles is not subject to the 5% Wisconsin rental vehicle fee.

Example: Individual A takes his automobile to Company B for repair. For a fee of \$20 per day, Company B provides Individual A with an automobile to use while his car is being repaired. Individual A picks up the automobile in Wisconsin and uses it for 5 days.

The charge by Company B to Individual A for the use of the automobile is not subject to the 5% Wisconsin rental vehicle fee. Individual A should provide Company B with a completed Certificate of Exemption for Rental Vehicle Fee (RV-207).

- Rentals to the federal government.
- Rentals to a Wisconsin governmental unit, including a Wisconsin county, city, village, town, public school, or school district.
- Rentals to nonprofit organizations that hold a Certificate of Exempt Status (CES) issued by the Wisconsin Department of Revenue.

- Rentals by any public or private elementary or secondary school exempt from Wisconsin income or franchise taxes, including school districts.

Note: Exemptions, other than those listed above, that apply for Wisconsin sales or use tax purposes do not apply for the rental vehicle fee.

Line 2 Multiply the amount on line 1 by .05 (5%) and enter the result on line 2.

Line 3 Enter the total number of rental transactions of Type 1 automobiles by establishments primarily engaged in the short term rental of vehicles without drivers, for a period of 30 days or less, that occurred in the Regional Transit Authority created by the counties of Kenosha, Racine, and Milwaukee.

Exemptions that apply to the rental of motor vehicles (see exemptions listed for line 1) also apply to the regional transit authority fee.

Note: This fee is to be collected from the person to whom the passenger car is rented. The retailer that collects this fee is required to separately state the fee on the receipt provided to the rental customer.

Line 4 Multiply the amount on line 3 by \$2.00 and enter the result on line 4.

Line 5 Enter the amount of taxable receipts for the period covered by the return from the rental of limousines with drivers if the service is provided in Wisconsin. Limousine service is considered to be provided where the customer is picked up by the limousine (i.e., where the service originates). If the customer is picked up in Wisconsin, the service originates in Wisconsin, and the charge for the limousine service is subject to the 5% limousine fee.

"Limousine" means a passenger automobile that has a capacity of 10 or fewer persons, excluding the driver, that has a minimum of 5 seats behind the driver; that is operated for hire on an hourly basis under a prearranged contract for the transportation of passengers on public roads and highways along a route under the control of the person who hires the vehicle and not over a defined route.

"Limousine" does not include taxicabs, hotel or airport shuttles or buses, buses employed solely in transporting school children or teachers, vehicles owned and operated without charge or remuneration by a business entity for its own purposes, vehicles used in car pools or van pools, public agency vehicles that are not operated as a commercial venture, vehicles operated as part of the employment transit assistance program under sec. 106.26, Wis. Stats., ambulances, or any vehicle that is used exclusively in the business of funeral directing.

Exemptions: Do not include on line 5:

- Rentals to the federal government.
- Rentals to a Wisconsin governmental unit, including a Wisconsin county, city, village, town, public school, or school district.
- Rentals to nonprofit organizations that hold a Certificate of Exempt Status (CES) issued by the Wisconsin Department of Revenue.
- Rentals by any public or private elementary or secondary school exempt from Wisconsin income or franchise taxes, including school districts.

Line 6 Multiply the amount on line 5 by .05 (5%) and enter the result on line 6.

Line 7 Add lines 2, 4, and 6 and enter the total on line 7.

Line 8 If you do not file a return on time, you are subject to interest at the rate of 1.5% per month on the tax on line 7 from the due date to the date the return is filed. Include this amount on line 8.

In addition, late returns may be subject to (1) a \$20 late filing fee, and (2) a negligence penalty of 5% per month, up to a maximum 25%, of the tax on line 7. These penalties may be waived in the case of death of the person required to file the return, or if a reasonable explanation exists for the late filing.

If you believe that a reasonable explanation exists for the late filing, attach it to your return. You will be notified if an additional amount is due.

A return is considered timely filed and the fee timely paid only when all of the following conditions are met: it is mailed in a properly addressed envelope with the postage duly prepaid; the envelope is postmarked on or before the due date; and it is received by the department within 5 days of the due date.

Line 9 Add the amounts on line 7 and 8 and enter the total on line 9. This is the amount you owe. **CAUTION:** DO NOT reduce the amount due on this line by any refund or credit from prior period returns.

Payment of the amount due may be made by check or money order payable to the Wisconsin Department of Revenue. Write your seller's permit or use tax registration number on your check or money order and be sure to enclose it with your completed Wisconsin Rental Vehicle Fee Return.

Sign and date your return: Be sure to sign and date your return and list your daytime telephone number.

Attachment 2

**WRITTEN COMMENTS SUBMITTED TO SEWRTA
(1/31/07 through 2/12/07)**

Submitted: 2/8/2007 9:27:44 AM

Name: Jerry Kalbfell

E-mail:

Organization:

PO Box/Street: 7837-24th Avenue

City: Kenosha

State: WI

Zip: 53143

Phone:

Comments: Is KRM going to hire it's own employees, or use Union Pacific employees as Metra does to operate the trains, track repair, clerks and management?

Submitted: 2/6/2007 11:56:01 AM

Name: Anthony Ferraro

E-mail:

Organization:

PO Box/Street: 115 Michigan Court

City: Racine

State: WI

Zip: 53402

Phone:

Comments: Since the I-94 projects will need some traffic diversion, can KRM get some funding from the I-94 projects?

Submitted: 2/6/2007 9:28:10 AM

Name: Daniel Bloch

E-mail:

Organization:

PO Box/Street:

City: Racine

State: WI

Zip:

Phone:

Comments: It is proposed that rider fares will generate \$4.6 M when ridership reaches 1 M plus after ten years of operation. What will be the source of this \$4.6 M needed in year one of operation when ridership has not yet reached the 1 M goal?

COMMENTS (continued)

Submitted: 2/4/2007 7:59:39 PM

Name: John Ronayne

E-mail:

Organization:

PO Box/Street: P.O. Box 342591

City: Milwaukee

State: WI

Zip: 53234

Phone:

Comments: The KRM Commuter Train is one of the most ill conceived concepts that I have seen in my longt life (68). The latest proposal to raise money by a \$13.00 per day tax on rental cars also make no sense. First, most of the car rentals are in Milwaukee County. Second ,it would be another nail in the coffin for Conventions and Busines in Milwaukee County. Third, the revenue from the rental car tax, if approved, could be used for my much more pressing needs in Milwaukee County. Third

Submitted: 2/2/2007 12:06:26 PM

Name: Thomas Wright

E-mail:

Organization:

PO Box/Street: 2530 North 69th

City: Wauwatosa

State: WI

Zip: 53213

Phone:

Comments: I just read an article on commuter rail, and I find it to be a phenominal idea. I wanted to recommend further funding options: - an increase in fare for any taxi/limo/shuttle/livery permit issued in the counties in question. - Illinois goes to the point of having livery licence plates, and that would be another option. - Possible including some funding for every cab driver license, cab permit, per mile, etc. Just a few thoughts. Thank you, Tom Wright

Submitted: 2/1/2007 3:51:26 PM

Name: Paul Hankwitz

E-mail:

Organization:

PO Box/Street:

City: Shorewood

State: WI

Zip: 53211

Phone:

Comments: "The Southeastern Wisconsin Regional Transit Authority asked lawmakers Tuesday to boost the RTA rental car tax from \$2 to \$15 a rental in Milwaukee, Racine and Kenosha counties, to help pay for proposed new commuter trains linking Milwaukee to its southern suburbs and to Racine and Kenosha. Other state and local taxes already add up to 22.6% to the cost of each rental car." WOW! This sounds like a clever idea to attract more conventions and tourism to the Milwaukee area! Have you shared this idea with the Milwaukee Tourism promoters? Just what in the world are you people thinking? I'm personally appalled by the exorbitant taxes on rental vehicles in some other cities, and I no longer vacation in those communities specifically for that reason.

COMMENTS (continued)

From:

Sent: Wednesday, January 31, 2007 9:40:58 PM

To: gary.becker@cityofracine.org

Cc: SEWISRTA; Sen.Lehman@legis.wisconsin.gov; Rep.vos@legis.wisconsin.gov

Subject: \$15.00 Rental Car Fee

Auto forwarded by a Rule

To Whom It May Concern:

I was absolutely astounded to read the headline in our January 31, 2007 Racine Journal Times "We're getting Commuter rail". This story was about the RTA proposing a \$15.00 fee to be tacked onto daily car rentals.

Throughout this article all I read was what a great idea. Stick it to those out-of-town visitors with an outrageous fee increase. That people on expense accounts expect to see those hidden add-ons.

Whoa!!!! What about those of us who need to rent a car because our own vehicle is in the garage getting serviced? Oh, that's right, that doesn't affect us.

Whoa again!!!! What about those of us who rent automobiles for that family road trip. Because we want to leave our own vehicle at home, and rent a gas saving, brand new car. We don't drive SUVs or campers, we rent small, fuel efficient automobiles. Oh, that's right, that doesn't affect us.

If commuter rail is so popular and in such great demand, then let the users pay for it. Why stick it to us middle class residents who rent vehicles.

Shame on you for even making such a proposal.

Mary Urban
4836 Nicholson Road
Franksville, WI 53126

COMMENTS (continued)

Submitted: 1/31/2007 9:07:24 AM

Name: Tom King

E-mail:

Organization:

PO Box/Street:

City: San Francisco

State: CA

Zip: 94102

Phone:

Comments: I live in California and frequently make trips to Wisconsin for business. It has come to my attention that the Transit Authority intends to add a \$15 fee to rental cars. I find it ridiculous that you are going to be charging visitors such a fee to pay for your rail system. Is that fee per day or per rental? If it's per day, I financially have no choice but to fly into O'hare and rent a car there. I pay for my own rental cars, so I can't sneak it in on some expense report. If the \$15 is per rental, I may just fly into O'Hare anyway just out of principle. I'm all for public transportation, I use it frequently in San Francisco, but to stick it to business people renting cars is unacceptable. Not to mention sticking it to the rental car companies who will lose business. So you will lose the cash from one rental car, and there will be one more car with Illinois plates plugging up I-94 between Chicago and Milwaukee. Thank you for hearing me out. Tom

[Note: Any additional comments received from 2/12/07 through 2/16/07 will be distributed prior to or at the 2/19/07 RTA meeting]

Doc# 125413v1



Mueller Communications, Inc.

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MEMORANDUM

DATE: February 16, 2007

TO: Karl Ostby, Chairman, Regional Transit Authority

FROM: H. Carl Mueller

Cc: Regional Transit Authority members
Phil Evenson
Ken Yunker

RE: Recommendations to amend communications contract

PAGE 1 OF: 3

Chairman Ostby:

Since the inception of our contract in September of 2006, we have assisted the RTA in making significant progress toward its goal of recommending sustainable funding options for both the KRM commuter rail and public transit systems in Southeastern Wisconsin. In fact, in January the RTA approved a recommendation regarding KRM funding and submitted it to the Governor and Wisconsin State Legislature for inclusion in the 2007-2009 state budget.

While this is excellent progress, the fact that the Governor did not include the funding recommendation in his budget significantly changes and greatly increases the nature of the challenge confronting the RTA. The RTA must now work to secure bi-partisan support from leadership of both houses, members of the Joint Finance Committee and others to insert the funding request into the budget, and protect it through the budget amendment process as it traverses the Assembly, the Senate and Budget Conference Committee.

Attachment 3 (continued)

As these changes were not reflected in the original plan proposal, we are recommending budget adjustments that will allow us to reallocate funds budgeted for communications tactics we feel can be postponed and completed at a later date. We recommend reallocating these funds to bolster our planned legislative outreach efforts and to hire additional legislative affairs representatives to help support our budget request with the Legislature.

I propose the following amendments to our original communications proposal as approved by the RTA on September 18, 2006. The actual dollars recommended for reallocation are reflected in the attached spreadsheet.

PROPOSED AMENDMENTS TO WORK ELEMENTS:

□ ***Work Element 1: Strategy Development***

- As our plan must now focus intensely on securing and maintaining legislative support for the rental car funding request in the state budget, our strategic direction has changed significantly and will require additional resources.
- We recommend reallocating funds to increase the budget for this work element and allow for additional strategy development to successfully manage the state budget process.

□ ***Work Element 2: Funding Source Research***

- Work within this element is largely completed. We do not propose any amendments at this time.

□ ***Work Element 3: Communications Materials***

- No amendments are proposed within this work element. However the actual materials prepared may vary somewhat to meet the needs identified by the legislative strategy.

□ ***Work Element 4: Public Opinion Assessments***

- The recommended research was originally proposed to assist the RTA in determining support for proposed funding sources for the KRM commuter rail, as well as other recommendations.

Attachment 3 (continued)

- As the RTA has already proceeded with recommendation of the \$13 rental car fee, an option supported by the Big 6 and the Governor, we propose postponing most of the public opinion assessment efforts.
- We recommended utilizing the remaining resources to conduct limited public opinion assessments targeted at executive interviews and polling designed to assist the legislative support effort.

- ***Work Element 5: Outreach to elected officials and key business leadership***
 - Our original budget envisioned protecting an item already in the budget, rather than inserting a new item in the budget. Based on the changed landscape, we recommend reallocating funds from the work elements identified above to bolster our legislative outreach efforts under Work Element 5.
 - We recommend that the majority of our efforts be expended in securing legislative support for the RTA's recommended funding mechanism. In particular, we propose adding one or more lobbyists to help in securing bi-partisan support from both houses, the Joint Finance Committee and other key legislators and members of the Budget Conference Committee.

- ***Work Element 6: Outreach to the general public***
 - This outreach was designed to increase awareness of the RTA's recommendations for the KRM and transit in Southeastern Wisconsin through community leader meetings, mass mailings, email networks and public information forums.
 - As both the KRM Environmental Impact Statement (EIS) consulting group and leadership for Milwaukee County Transit System (MCTS) have held or will hold individual public forums to inform the public about the current status and proposed changes to each system, we feel it would be duplicative and not the best use of our resources to hold additional public forums at this time. There is likely a place for these activities further down the road.
 - We propose reallocating funds from Work Element 6 and postponing public forums and traveling display boards. We recommend that the ongoing outreach efforts under this category consist of targeted communications to key constituencies vital to legislative support, rather than to the general public.

**SE WIS. Regional Transit Authority
TACT Team Budget Allocation by Work Element
Proposed Revision - Feb 2007**

Work Element	1: Strategy	2: Funding	3: Materials	4: Opinion Assessment	5: Government Outreach	6: Public Outreach	All Combined
<i>Total Original Budget Allocation</i>	\$ 38,450.00	\$ 55,225.00	\$ 40,050.00	\$ 67,100.00	\$ 113,125.00	\$ 145,350.00	\$ 459,300.00
<i>Budget used as of 1/31/07</i>	\$ 26,116.63	\$ 47,943.12	\$ 22,664.69	\$ 7,613.05	\$ 42,420.48	\$ 79,945.27	\$ 226,703.24
<i>Budget remaining as of 1/31/07</i>	\$ 12,333.37	\$ 7,281.88	\$ 17,385.31	\$ 59,486.95	\$ 70,704.52	\$ 65,404.73	\$ 232,596.76
<i>Percent completed</i>	67.92%	86.81%	56.59%	11.35%	37.50%	55.00%	49.36%
Proposed Budget							
<i>Recommended Remaining Budget</i>	\$ 23,583.37	\$ 7,281.88	\$ 17,385.31	\$ 19,486.95	\$ 106,704.52	\$ 58,154.73	\$ 232,596.76
<i>Total Proposed Allocation</i>	\$ 49,700.00	\$ 55,225.00	\$ 40,050.00	\$ 27,100.00	\$ 149,125.00	\$ 138,100.00	\$ 459,300.00
<i>Percentage Change</i>	29.26%	0.00%	0.00%	-59.61%	31.82%	-4.99%	0.00%

* Above reflects consultant fees, excluding expenses.

**ANALYSIS OF LOCAL PUBLIC TRANSIT FUNDING NEEDS
AND ALTERNATIVE FUNDING SOURCES**

	<u>2007 Budget^a</u>	<u>Additional Funding Needed^b</u>	<u>Total Funding Needed</u>
Local Share of Public Transit Costs			
Milwaukee County	\$23.5 million	\$50.0 million	\$73.5 million
Racine County	1.9 million	3.8 million	5.7 million
Kenosha County	2.2 million	2.3 million	4.5 million
Needed Sales Tax			
Milwaukee County	0.19%	0.40%	0.59%
Racine County	0.08%	0.16%	0.24%
Kenosha County	0.12%	0.13%	0.25%
Alternative Needed Fuel Tax			
Milwaukee County	6¢	12¢	18¢
Racine County	2¢	4¢	6¢
Kenosha County	3¢	3¢	6¢
Alternative Needed Vehicle Registration Fee			
Milwaukee County	\$40	\$90	\$130
Racine County	\$14	\$27	\$41
Kenosha County	\$20	\$21	\$41

^aIncludes year 2007 budget operating funding and average capital funding over years 2001 to 2005.

^bAssumes no new Federal funding and State funding increase at 2 percent annually -- less than expected transit cost inflation.

^cService reductions of 15% for Milwaukee County, 18% for Racine County, and 6% for Kenosha County.

^dAnnual Federal operating funding for Milwaukee County would be reduced from \$20 million to \$5 million, and of about \$1.8 million for Racine and Kenosha Counties would be eliminated.

^eAssumes State funding increases annually at 2% and transit cost inflation is 4%.

^fProvides for about a 10 percent expansion of transit service. Regional transit plan proposes a doubling of transit service over next 30 years.

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	\$23.5 Million	\$1.9 Million	\$2.2 Million
E. Property tax rate for County/City purposes excluding local transit costs (A-D)/B	0.00397	0.01078	0.00832
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)	\$ 579	\$ 1,224	\$ 1,244
Difference	\$ 66	\$ 66	\$ 64

^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.

Transit officials seek \$10 billion from state

RTA plan includes ideas to raise funds

By Richard Wronski
Tribune staff reporter

February 9, 2007

Maintaining and improving public transit in northeastern Illinois will require a \$10 billion capital investment of state and local funds over the next five years and an additional commitment of \$400 million a year to operate bus, rail and elevated lines, top transportation officials said Thursday.

To come up with this money, the Illinois legislature must approve new sources of revenue, however, and transportation leaders offered lawmakers a smorgasbord of choices, including higher taxes on purchases, property, and gasoline and vehicle-related fees, but recommended none in particular.

"It will take courage on the part of the legislature to get us the \$10 billion," Regional Transportation Authority Chairman James Reilly said. Transportation leaders began meetings this week with legislators and Gov. Rod Blagojevich's office to build support.

RTA officials, joined by leaders of the Chicago Transit Authority, Metra and Pace, outlined the five-year funding plan. It was the latest phase in the RTA's nine-month campaign to develop a broad consensus for more transportation money.

Officials have called 2007 the "year of decision" for transportation, predicting that fare increases and service cuts would be imposed if the bus and rail network does not receive new operating and capital improvement revenue. But transportation is vying with education, health care and pension funding as top Springfield concerns.

The \$10 billion capital program reflected a sharpening of the pencil of sorts for the RTA. In November, the agency unveiled a huge wish list and said \$57 billion would be needed over 30 years to preserve, enhance and expand transit projects.

On Thursday, officials said the five-year strategy was tailored to better reflect accepted planning practices and be more manageable for legislators. The plan was "not blue-sky. It's based on reality," said RTA board member Fred Norris.

The \$10 billion includes \$3 billion in track, structure, signal and electrical work to improve safety and eliminate slow zones on the CTA. Almost \$2 billion would enhance and expand bus, rail and paratransit service in the city of Chicago and suburbs.

In addition, over \$2 billion would be used for new trains, buses and paratransit vehicles; \$1 billion would cover station, parking and passenger facility improvements; and another \$2 billion for additional support facilities and equipment.

Advertisement

THE BOLD LOOK
OF KOHLER.

Wanna play a
game with Jo?

ROLLOVER



Attachment 6 (continued)

Passage of a capital program was vital in order for the state to receive federal matching funds. The state's last capital plan, Illinois First, has expired.

The RTA plan prompted some concern from board members, however. Carole Brown, who is also chairwoman of the CTA board, questioned how the \$10 billion figure jibed with the CTA's stated need for an additional \$5.8 billion in capital funding.

Reilly said the RTA plan sought to fairly balance the needs of the three transit agencies. He called it a "reality test."

Rep. Julie Hamos (D-Evanston), chairwoman of the House mass transportation committee, said legislators needed to better understand the transit agencies' performance and financial situation. Her panel would consider the RTA plan in a series of hearings over the next month.

"It's probably a good idea the RTA did not give us a specific funding approach. Then it's too easy to shoot it down," Hamos said. "It makes sense to put forward a whole set of options. Then we'll see if we can forge a bipartisan consensus."

Blagojevich's office reacted lukewarmly to the RTA's proposal Thursday. The governor will take transportation needs into consideration when he unveils his budget proposal next month, but health care is his No. 1 priority, spokeswoman Abby Ottenhoff said.

"It would be shortsighted of the RTA to rely solely on the state to fill its budget needs," she said.

Steve Brown, a spokesman for House Speaker Michael Madigan, also was circumspect. "We'll take a look at what's being proposed. There's a wide range of issues being talked about this year, all of which have billion-dollar price tags."

Chicago Metropolis 2020, a non-profit planning group, predicted new funding would not be forthcoming without major oversight reform.

"If taxpayers are going to provide more money to the RTA, we must demand that it be spent in a coordinated fashion and that the RTA be held accountable for how it is spent," George Ranney Jr., the group's president, said in a statement. "Today the RTA's hands are tied. It passes money along to the three transit agencies, but it is powerless to demand improved operations in exchange for those funds."

Coming up with the cash

The Regional Transportation Authority on Thursday outlined 18 options for increasing operating revenue and capital improvements. They include:

SALES TAX: An increase in the state sales tax rate, or an increase in the RTA's portion of tax revenue; extending the sales tax to untaxed personal and professional services; extending the sales tax on currently exempt goods; capturing revenue now lost on Internet sales.

MOTOR FUEL TAX: An increase in the per-gallon tax on gasoline; an increase in the sales tax on motor fuel.

PROPERTY TAX: A dedicated property tax could be imposed with creation of a special taxing district consisting of the six-county RTA region; an additional real estate transfer tax; a tax on property associated with unpaid public parking.

INCOME TAX: Divert a portion of current income-tax revenue to fund transit related projects, or levy an additional

Attachment 6 (continued)

increase in income taxes at the local or regional level.

VEHICLE-RELATED TAXES: Tax on paid public parking; higher vehicle registration fees.

TOLLING-CONGESTION PRICING: Charging drivers to use roads depending on location, time or vehicle occupancy; expansion of tollway system.

AIRPORT PASSENGER FACILITY CHARGES: An increase in the airport ticket tax.

BUSINESS TAXES: An increase in the tax paid by corporations that receive income in Illinois; an increase in payroll taxes.

SIN TAXES: An increase in cigarette and/or casino taxes.

PARATRANSIT: An increase in fees on paratransit ridership.

Source: RTA

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Metra-Milwaukee link seen

Wisconsin line may tie into suburban rail

By Dan Gibbard

A Wisconsin agency pushing a \$200 million Kenosha-to-Milwaukee commuter rail line that would link with Metra has come up with a funding plan and hopes trains could be running as soon as 2010, officials said Monday.

The 33-mile, nine-stop line would use existing tracks and share a station with Metra in Kenosha, said Carl Mueller, a spokesman for the Southeast Wisconsin Regional Transit Authority. The commission hopes to sell up to \$50 million in bonds and pay them off by raising the \$2 car rental fee in the affected counties to \$15, Mueller said.

“The growing consensus is that it will both provide economic stimulus to the cities along the route ... [and provide them] with a reliable direct link to Chicago and its northern suburbs,” Mueller said. “We’re becoming one big metro area.”

Officials with the group estimate annual ridership at 1.4 million and hope the line could begin service between 2010 and 2012. With 14 round trips on weekdays and seven on weekends, riding would be more convenient and cheaper than Amtrak, Mueller said.

The Wisconsin legislature and Gov. Jim Doyle would have to approve raising the car rental fee. That decision will be made in May, Mueller said, and Southeast Wisconsin RTA plans to submit plans for federal funding this summer.

The project would use existing stations in Kenosha and Milwaukee and build seven new ones, with one linking to Milwaukee’s Gen. Mitchell International Airport. The KRM, as officials call it (for Kenosha-Racine-Milwaukee), would operate its own trains.

The lion’s share of the cost would come from federal funding: \$100 million in Federal Transit Administration “New Starts” money and up to \$27 million from a congestion mitigation program, Mueller said.

“We’re increasingly but still cautiously optimistic,” Mueller said. “The vast majority wants it, but everyone wants someone else to pay for it.”

Metra officials said they are aware of the proposal but are not involved in it.

“We have enough projects in our own service area,” spokeswoman Judy Pardonnet said.

On the other hand, she said, “If they do it and it brings us additional riders, we’d certainly appreciate it. We’d always take more riders.”