MINUTES OF THE TWELFTH MEETING

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

DATE:  March 19, 2007
TIME:   8:00 a.m.
PLACE:   Kenosha Municipal Transit Garage
         4303 – 39th Avenue
         Kenosha, WI 53144

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)
James Madlom
Greg Hubbard
H. Carl Mueller
Lori Richards
Brandon Scholz
Barbara Ulichny

Guests
Julie Anderson.................................................. Director, Racine County Planning and Development
John Antaramian .............................................................Mayor, City of Kenosha
Emily Ayshford...........................................................................................Kenosha News
Gary Becker ..................................................................................... Mayor, 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
George Gerharz .......................................................... Consultant, Milwaukee County W-2 Agencies
Michael J. Glasheen .......................................................... Transit Planner, City of Racine
Dewayne J. Johnson...........................................................................Director, Southeast Region,
               Wisconsin Department of Transportation
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 JANUARY 30, 2007, MEETING

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

CORRESPONDENCE

Mr. Evenson drew the Board’s attention to the correspondence that had been provided to the Board (see Attachment 1) which included copies of resolutions passed by the Milwaukee Common Council on February 21, 2007, and by the Milwaukee County Board of Supervisors on March 1, 2007, in which both public bodies expressed their opposition to the RTA action proposing increasing the RTA rental car fee to provide the local funding needed for the KRM project in the absence of addressing also how to provide dedicated local funding for public transit in Milwaukee County. He also referred to the March 2, 2007, letter from Milwaukee County Board Chairman Lee Holloway citing the Milwaukee County Board’s concern that the vast majority of the funds collected with the rental car fee increase would be generated from Milwaukee County rather than from Racine or Kenosha Counties, and the position of the County Board that the RTA should have as its highest priority providing dedicated funding for the existing County transit system. Finally, Mr. Evenson referred to Chairman Ostby’s March 5, 2007, letter responding to Chairman Holloway in which he pointed out that providing dedicated funding for public transit is a priority of the RTA and that the RTA had voted at its December 2006 meeting to support a local sales tax to fund both public transit and commuter rail--something none of the other public entities in the RTA Counties have considered voting on. His letter urged Milwaukee County and the other RTA members to identify and recommend to the RTA a source of local funds for public transit that is acceptable to them. The Board acknowledged receipt of the correspondence and placed them on file.
REVIEW AND DISCUSSION OF COMMENTS RECEIVED

The Board acknowledged receipt of the comments that had been received through the RTA website or by letter since the last Board meeting (see Attachment 2) and placed them on file.

Kenosha County Executive Alan Kehl addressed the RTA and commented on its work. He indicated that he was appreciative of the efforts of the Board to address the local funding needs of the KRM project and public transit. He stated that, although he normally takes a conservative position on fiscal matters, he supported enacting a local sales tax to provide the needed funds, noting that it had been shown to be the best option of the potential revenue sources that had been reviewed by the RTA. He asked that both Milwaukee County and the City of Milwaukee work with the RTA toward identifying an acceptable source of local funding for public transit.

PRESENTATION BY CITY OF MILWAUKEE ON CITY TRANSIT PROPOSAL

Ms. Robinson asked Mr. Jeff Polenske, City Engineer for the City of Milwaukee, to present information on the transit service improvement proposal released in February by Milwaukee Mayor Tom Barrett and indicated that the proposal represented a first phase of the transit improvements envisioned by the Mayor. Mr. Polenske made a PowerPoint presentation to the Board (see Attachment 3).

The following questions were raised and comments made concerning Mr. Polenske’s presentation:

1. Mr. Yunker stated that the Commission’s regional transportation system plan had long recommended the development of a system of high quality express bus routes, and the proposed County of Milwaukee Express Transit (COMET) service would represent an initial stage of regional plan implementation. He also noted that the KRM commuter rail service proposal includes a circulator bus service to connect commuter rail passengers with downtown Milwaukee destinations. He noted that the proposed rail circulator would be an alternative way of providing those connections.

2. In response to a question from Chairman Ostby concerning whether the proposed downtown circulator streetcar line was the type of transit service improvement envisioned for study under the Milwaukee Downtown Connector Study, Mr. Polenske stated that while the connector study had developed a guided street tram system designed to serve central Milwaukee County, the initial scope of that study had been more narrowly focused on identifying a downtown circulator.

3. In response to questions from Mr. Eberle as to whether the proposed circulator was classified as light rail and whether the redesigned Amtrak Station would be able to accommodate the proposed downtown circulator, Mr. Polenske and Mr. Brandrup indicated that the circulator vehicle should be characterized as a modern day streetcar using an overhead electrical power source. Mr. Polenske stated that the circulator streetcar line would be designed to serve the Amtrak station, but would have on-street stops and not enter the Amtrak station.

4. In response to a question from Mr. Karls as to why the City had proposed using a streetcar instead of a bus for the circulator, Mr. Polenske stated that studies have shown that different forms of rail transit—including modern streetcars, light rail, and commuter rail—can promote substantial land development and redevelopment, while bus transit cannot.

5. In response to a question from Ms. Taylor as to what the City had identified as potential local funding sources for the operating costs of the circulator, Mr. Polenske stated that further
analysis needed to be undertaken on the circulator to identify appropriate service levels, and that information on total operating costs and the local share of operating costs and the source of these local funds would be developed during that analysis.

6. In response to a question from Chairman Ostby concerning the costs for the downtown circulator included in the current KRM planning study, Mr. Yunke stated that the current study included about $1 million annually in total operating costs for the KRM circulator, including about $100,000 annually for the local share of its operating costs.

7. Chairman Ostby asked Mr. Polenske to verify that the construction costs for the downtown circulator streetcar were estimated to be about $15 million per mile. Mr. Polenske confirmed that figure and indicated it was similar to the costs of circulator projects undertaken in other areas of the Country. Mr. Brandrup noted that the construction costs for the Kenosha streetcar line had been considerably less.

8. In response to a question from Chairman Ostby concerning who would be the operator of the proposed streetcar and express bus services, Mr. Polenske stated that the City envisioned the services would be operated as part of the Milwaukee County Transit System. He noted that the City had discussed the proposed COMET express bus services with the County for several months. He also acknowledged that the downtown circulator could be undertaken by the City.

Mr. Torres responded that the County did not support the streetcar circulator component of the City’s proposal. He stated that the County was not interested in assuming responsibility for the downtown streetcar circulator or using any of the $91.5 million in Federal Interstate Cost Estimate (ICE) funds on the streetcar proposal, indicating that it would not be logical for the County to take on additional transit service before it determined how to address the funding needs of the existing transit system. He also noted that the circulator would compete directly with existing County bus routes for the Federal and State funds used by the transit system, and that the County did not believe the circulator would meet the environmental justice lawsuit settlement attendant to the use of the ICE funds. He indicated that the County did generally agree with the COMET express bus proposal and the County has discussed two potential express bus pilot projects with the City.

PRESENTATION BY SOUTHEASTERN WISCONSIN – W2 AGENCIES

Mr. Evenson introduced Mr. George Gerharz, a consultant to the Milwaukee County Wisconsin Works W2 agencies, and Ms. Paula Pennebaker, Executive Director of the Milwaukee YWCA, and stated that they would present information on the need for public transit to serve low-income population in Milwaukee County. Ms. Pennebaker then made a presentation (see Attachment 4) noting the dependence of low-income individuals on public transit for access to jobs, stating that most individuals served by the W-2 agencies do not have cars. She indicated that the low-income population has been affected by the past service cuts implemented by the County transit system and that using the bus service for travel to and from work and to and from childcare was becoming more difficult, if not impossible. She also acknowledged that transit service to locations outside Milwaukee County, where many of the jobs available to low-income persons are currently located, was limited and sometimes non-existent, and that this hindered the ability of individuals to both get and retain jobs. Ms. Pennebaker’s presentation concluded with specific recommendations for consideration by the RTA including: establish a clearly identified local funding source for public transit; develop intercounty agreements for providing transit services; extend transit services that operate during evening and weekend periods to areas with employers that hire entry level workers; and establish rapid and express bus services directed at reducing transit travel times, particularly for work travel.
The following questions were raised and comments made by Board members concerning Ms. Pennebaker’s presentation:

1. Referring to Ms. Pennebaker’s comments regarding the lack of transit service to job locations outside Milwaukee County, Ms. Robinson agreed there was a strong need to connect the low-income population in the City of Milwaukee with jobs in the adjacent counties. She noted that many residents of outlying counties commute into the City of Milwaukee, but the lack of public transit service does not permit many low-income City of Milwaukee residents to commute to jobs in outlying counties.

2. Ms. Taylor asked Mr. Torres if the County transit system was still operating shuttle services between the ends of regular routes and industrial/office parks. Mr. Torres stated the County works with businesses to provide such services where possible, but it is limited by the County’s constrained financial resources. Mr. Gerharz commented that inadequate County funding was behind many of the County’s transit service issues.

3. Referring to the recommendation from the W-2 agencies for establishing a dedicated local funding source for public transit, Chairman Ostby noted that there appeared to be a growing consensus that a dedicated funding source was needed for public transit. Mr. Gerharz stated that the W-2 agencies supported using a sales tax to fund public transit as it is stable and would grow with inflation. Ms. Robinson stated that she was glad to hear that the W-2 agencies supported the use of a sales tax to fund public transit and that she believed it was emerging as a viable funding option.

**REPORT ON RTA REVENUES AND COSTS TO DATE**

Chairman Ostby asked the Commission staff to review with the Board a financial report for the RTA (see Attachment 5 to the minutes). Mr. Evenson stated that the report identified the funds collected through the $2 rental car fee that had been received from the Wisconsin Department of Revenue (WisDOR) for calendar year 2006. He noted that if the amounts collected to date are annualized, the revenue from the rental car fee would be expected to amount to about $800,000, or about what had been estimated by WisDOR staff when the RTA legislation was put into place. He also indicated that the report identified the expenditures to date for communications consultant services, and that amount reflected approximately 50 percent of the consultant budget. He stated that the next financial report for the RTA would show the revised budget allocations for the consultant contract. In response to Mr. Evenson’s offer to have an audit report of the RTA finances for 2006 prepared using the Commission’s auditor, Chairman Ostby indicated he preferred to know the cost of performing the audit before it was undertaken.

[Secretary’s Note: The audit cost has since been determined to be $500.]

Chairman Ostby asked if it had been determined if all the rental car agencies in the RTA counties were cooperating with the collection of the rental car fee, or if there would be variations in the revenues collected by the season of the year. Mr. Evenson responded that it would take an audit by the Department of Revenue to know for certain, and seasonal variations in revenues collected may not be known until one or two years of experience is gained with the rental car fee.

**REPORT BY RTA COMMUNICATIONS CONSULTANT**

Staff from the consultant team presented information on the work undertaken in recent months. Mr. Mueller noted that support for KRM project was increasing among public officials and private business leaders and that more ideas on local funding for the project and public transit were being expressed. He
referred to the packets of articles and other materials compiled from news media that had been distributed to the Board, noting that public discussion of the KRM project was increasing. He indicated that per the contract changes approved at the last meeting, the consultant team had reallocated some staff resources to focus efforts on the needed State legislative actions, adding Rich Judge to the team to work with Brandon Scholz.

Ms. Ulichny added that staff visits with Federal officials to encourage their support for the KRM project “New Starts” application, as well as for the earmark funding request for the Muskego yards freight railway bypass around the Amtrak station, had gone well. She stated that staff had arranged for Chairman Ostby to speak at the public hearing in Milwaukee on the proposed State budget to be conducted by the Joint Finance Committee of the State Legislature on March 20, 2007. She indicated that staff was also working to regain the support of the Milwaukee County Board and the City of Milwaukee Common Council for the proposed increase in the rental car fee to fund the KRM project.

Mr. Scholz stated that staff was continuing to work with the Joint Finance Committee toward obtaining support for the actions requested by the RTA including the increase in the rental car fee. He indicated that staff had submitted a letter requesting action on the negative quorum issue, and was in the process of identifying the appropriate legislator to sponsor the action.

The following questions were raised and comments made by Board members concerning the information presented by consultant team:

1. Mr. Brandrup asked if the actions taken by Milwaukee County and the City of Milwaukee to express their opposition to the RTA proposal to increase in the rental car fee to fund the KRM project, as well as the proposals advanced by State Representative Stone and State Senator Plale for funding public transit and the KRM project through other sources, had affected legislative support for the KRM funding proposal advanced by the RTA. Ms. Ulichny responded that at this point in time, the focus in the Legislature was on the RTA’s proposal to increase the rental car fee to fund the KRM project. Mr. Scholz indicated his perception was that some legislators had questions over the RTA proposal and were researching other funding methods, but so far increasing the rental car fee was the only proposal that had been advanced. Mr. Mueller stated that he believed Mr. Brandrup had identified a legitimate concern and indicated one response should be to continue building consensus among the business community for the RTA proposal.

2. Chairman Ostby stated that he had received commitments from the Mayors in Kenosha, Racine, and Milwaukee and the County Executives in those Counties to support the proposed rental car fee increase. Mr. Karls suggested that the RTA draft a letter from the three mayors and county executives to State legislators confirming their support for the RTA proposal to increase in the rental car fee to fund the KRM project. Mr. Mueller stated he would work with Chairman Ostby on this matter.

3. Mr. Torres suggested that the Board should be conscious of the fact that the opposition to the RTA funding proposal for KRM expressed by Milwaukee County and the City of Milwaukee had been based on the RTA not acting on dedicated local funding for public transit. He stated that the County and the City had been consistent in pressing for the RTA act to address dedicated local funding for public transit. Chairman Ostby responded that the RTA was the only body that had taken a clear position on how to fund public transit, but that solving this problem was not possible until a consensus was reached by Milwaukee County and the City of Milwaukee on the local funding source. He challenged County Executive Walker and Mayor Barrett to come up with workable funding suggestions that could be used to reach this consensus.
4. Racine Mayor Becker noted that he had recently attended a meeting in Chicago with staff of the Federal Environmental Protection Agency (EPA) who had voiced opposition to using funds currently spent on vehicle emission testing in the State to fund the local costs of the KRM project as proposed by State Representative Stone and State Senator Plale. He urged the RTA to continue to focus on the proposal to increase the rental car fee to fund the KRM project. Chairman Ostby stated that the official position of the RTA is to fund the KRM project through an increase in the rental car fee.

Mr. Yunker identified another issue, namely that the funds for the vehicle emission testing program may be considered as State funds, not local funds. Ms. Taylor also noted that she had been informed by State staff that the vehicle sales tax funds included in the proposal by Representative Stone and Senator Plale had been committed as general revenue in the State Budget and could not be used for the KRM project.

5. Mayor Becker stated that at a recent meeting of the Wisconsin Alliance of Cities, a proposal was made to draft legislation to enable the creation of RTAs throughout Wisconsin. He indicated the proposal was being driven by funding problems that transit systems in Appleton and Green Bay expect to face after the 2010 census because the population growth in the Appleton and Green Bay urbanized areas which likely will result in the areas being reclassified from small to medium sized urbanized areas. That change in turn will reduce the amount of Federal transit assistance that the transit systems could use for service operation. Mr. Brandrup noted that transit systems in other areas of the state would face similar funding problems because of expected population growth by 2010. Mayor Becker stated that this illustrated that the need for RTAs and dedicated funding for public transit was spreading across the State, and that legislator interest in these matters should be increasing.

[Secretary’s Note: A draft copy of the legislation being developed by Wisconsin Alliance of Cities is included in Attachment 6.]

FURTHER CONSIDERATION OF RTA RECOMMENDATIONS RELATIVE TO PUBLIC TRANSIT LOCAL FUNDING

Chairman Ostby asked Mr. Yunker to review the table that had been distributed to the Board to provide additional information on potential sources of dedicated funding for public transit (see Attachment 7). Mr. Yunker stated that the table was similar to the one discussed at the last meeting, noting that it had been expanded to include additional local funding options identified by Mr. Torres at the last RTA meeting. He noted that the 2007 local transit funding shown for Kenosha and Racine Counties reflected only what was being spent for the transit systems in the Cities of Kenosha and Racine. He also noted that the service improvement and expansion assumed in the table represented an increase of about 10 percent compared with a doubling of transit service in the Region proposed under the Commission’s year 2035 regional transportation plan, and that additional funding beyond the total funding needs shown would, therefore, be required to fully implement the transit element of the regional plan. In particular, additional funding would be needed in Kenosha and Racine Counties to expand the existing City of Kenosha and Racine transit systems to serve larger areas, operate with longer service periods, and provide more frequent service, as well as to initiate transit services in the western portions of these counties. He indicated that improvement and expansion of public transit services would also be needed for the Milwaukee County Transit System to fully implement plan recommendations. Consequently, the case could be made that there is a need for more local funding for public transit than shown in the table.

The following questions were raised and comments made by Board members concerning the information provided in the table on local public transit funding needs and alternative funding sources:
1. In response to a question by Ms. Robinson as to whether the RTA had considered using a portion of State motor fuel tax revenues to provide dedicated local transit funding, Mr. Yunker stated that existing gas tax revenues would be considered as State, not local, funds. He indicted that a motor fuel tax was rarely used to fund public transit, and referred to the review of peer transit systems presented to the Board at its July 2006 meeting that had identified only the transit system serving Providence, Rhode Island as being funded through a motor fuel tax. Mr. Yunker indicated that the table identified the revenues estimated to be generated by a one cent gas tax.

Mr. Brandrup referred to potential shortfalls that had been identified for meeting future national transportation needs with the Federal Highway Trust Fund which is funded through a motor fuel tax, and stated that the Wisconsin Transportation Fund has a substantial “hole” as a result of eliminating the automatic inflationary increases in the State gas tax. He said that gaining approval for a new gas tax in Milwaukee County may be difficult since part of the impetus for removing the automatic increases in the State gas tax came from public officials in Milwaukee County.

2. In response to a question from Chairman Ostby regarding the funds currently spent on the State’s vehicle emission testing program, Mr. Yunker responded that those funds would be considered State funds, and not local funds. Mr. Patrie questioned whether gaining EPA approval for discontinuing emission testing in Southeastern Wisconsin was feasible.

3. Ms. Robinson stated that she was disappointed that the RTA had not yet voted on local funding for public transit. She believed that winning approval in the State Legislature for the RTA proposal to increase the rental car fee to fund the KRM project would be difficult as the City’s lobbyists had been instructed to oppose the proposal. She was concerned the proposal would be defeated if the RTA did not act soon on local funding for public transit, but questioned whether it was possible to achieve a consensus on local funding for public transit. Chairman Ostby responded that his March 1, 2007, letter to Milwaukee County Board Chairman Holloway had articulated the RTA position that it was the only public body to date that has proposed a method for funding public transit, having voted at its December 2006 meeting to support using a local sales tax for this purpose, and that since then others had acted to delay further RTA action on the issue.

4. Mr. Patrie stated that unlike other areas in the State that were taking the initial steps toward creating RTAs, the Southeastern Wisconsin RTA had a New Starts grant application to complete which needed to identify how local funding will be provided for the KRM project and public transit. He indicated the RTA had two more meetings to come to consensus on the local funding issue. Mr. Yunker stated that, ideally, the legislative actions needed to support the funding plan identified in the New Starts application would be moving along in the State Legislature at this point. He noted that failure to gain legislative approval of the RTA proposal to increase the rental car fee to provide the local funds for the KRM project would set back the project by at least one year.

5. Mr. Brandrup stated that he wanted to reiterate Chairman Ostby’s statements concerning the vote taken by the Board at its December meeting. He noted that by that vote, the Board approved asking the Legislature to grant the RTA the authority to levy a sales tax for the KRM project, and for public transit if the local transit operators made that request to the RTA. He indicated that he was disappointed that the City and County representatives continued to assert that the RTA had not acted to provide for dedicated funding for public transit and noted that, by the December vote of the RTA, the burden was on Milwaukee County to request the RTA take further action on the sales tax. He stated that Milwaukee County had a total estimated
local transit funding need of $70 million, and that taking a piecemeal approach to addressing these needs using several local taxes would not work. He believed that the County and City needed to recognize that implementing a sales tax was the only viable solution to address the identified local funding needs for transit in Milwaukee County.

6. Referring to Chairman Ostby’s and Mr. Brandrup’s statements on the December vote taken by the Board, Ms. Robinson stated she had voted for the proposed sales tax without knowing that Mayor Barrett was opposed to it. She stated that she was now willing to support a 0.15 percent sales tax to fund public transit. Mr. Brandrup observed that a sales tax closer to 0.60 percent would be needed to address the local funding needs of the Milwaukee County Transit System and cautioned against asking the Legislature for less funding than would actually be needed.

Chairman Ostby asked for updates on several matters brought up at the previous meeting including approval of the land use plans for the areas around the KRM commuter rail stations in the City of Milwaukee, the amendment of the Commission’s regional transportation plan to include the KRM commuter rail, and the preparation of the CMAQ grant request for the KRM project. Ms. Ulichny indicated that staff was working with the City of Milwaukee on getting a resolution approving the station area land use plans passed by the Milwaukee Common Council before June 2007. Mr. Evenson indicated that the Commission was proceeding with consideration of the proposed regional plan amendment. Mr. Yunker indicated that staff was preparing the CMAQ grant application and would submit it to the State by the April 16, 2007, deadline.

CONFIRMATION OF NEXT MEETING DATE

Chairman Ostby stated the next meeting date for the RTA would be Monday April 16, 2007, in Milwaukee with the location to be determined.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:15 a.m. by Chairman Ostby without a formal motion by the Board.

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary
February 21, 2007

To Whom It May Concern:

Enclosed find a certified copy of legislation recently approved by the Milwaukee Common Council. This is sent for your information.

If you need any further information, please feel free to contact this office.

Sincerely,

Ronald D. Leonhardt
City Clerk
FILE NO: 061248

Title:
Substitute resolution relating to a dedicated funding source for both the local share of the capital and operating costs for the operation of the proposed Kenosha, Racine and Milwaukee commuter rail service, and the local share of the capital and operating costs for operation of local public transit service within the City of Milwaukee and Milwaukee County.

Body:
Whereas, The Southeastern Wisconsin Regional Transit Authority ("RTA") was created by the Wisconsin State Legislature in 2005 for the purpose of among others, identifying dedicated funding sources to fund the local share of capital and operating costs of the proposed commuter rail service between Kenosha, Racine and Milwaukee ("KRM"), and the local share of capital and operating costs for local public transit service in Kenosha, Racine and Milwaukee Counties; and

Whereas, The RTA receives funding from a statutory $2-per-transaction fee on car rentals in the 3-county region; and

Whereas, The Milwaukee County Transit System provides vital public service within the City of Milwaukee by providing mobility for tens of thousands of citizens, many of whom do not have access to motor vehicles because of disability, age or low income; and

Whereas, Local public transit service in general and the Milwaukee County Transit System in particular provides a transportation alternative to the private motor vehicle to citizens of the City of Milwaukee; and

Whereas, Local public transit service in general and the Milwaukee County Transit System in particular is critical to the growth and economic well being of the City of Milwaukee; and

Whereas, Over the last 6 years, the Milwaukee County Transit System has experienced fare increases and service and route reductions which, if continued, threaten the viability of public transit service in the City of Milwaukee; and

Whereas, Various proposals for the expansion and improvement of public transit service in the City of Milwaukee have been explored over the last 10 years including proposals that would directly benefit the proposed KRM service by linking that service with employment, cultural, entertainment, tourist and hotel venues in downtown Milwaukee; and
Whereas, The Milwaukee County Transit System is one of the few large city transit systems in the United States that does not have a dedicated funding source for the local share of capital and operating costs; and

Whereas, A dedicated funding source for public transit service in Milwaukee County is necessary to maintain existing public transit service within the City of Milwaukee and is essential for the expansion and improvement of public transit service in the City of Milwaukee; and

Whereas, The creation of a dedicated funding source for the local share of capital and operating costs for local public transit service in the City of Milwaukee and Milwaukee County will benefit City of Milwaukee property tax payers; and

Whereas, On January 30, 2007, members of the RTA voted 6-0 to recommend to the State Legislature that the cap on the RTA’s fee on car rentals be raised by $13 per transaction (from $2 to $15) to fund the capital and operating costs of the KRM commuter rail service, with no dedicated funding for local public transit service in the City of Milwaukee and Milwaukee County; and

Whereas, Of the $4.8 million projected to be raised annually by the $15-per-transaction car rental fee, 90% will come from car rentals occurring in Milwaukee County; and

Whereas A dedicated funding source that only funds the local share of capital and operating costs of the KRM service is not in the best interest of the citizens of the City of Milwaukee; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that while the Common Council supports the development of the KRM commuter rail service, the Common Council does not support the implementation of a dedicated funding source that funds the local share of capital and operating costs of the KRM service unless that dedicated funding source also provides funding for the local share of capital and operating costs related to the operation of local public transit service within the City of Milwaukee and Milwaukee County; and, be it

Further Resolved, That the Common Council opposes the Southeastern Wisconsin Regional Transit Authority’s recommendation to increase the RTA’s car rental fee from $2 to $15 per transaction for the sole purpose of funding the local share of capital and operating costs of the KRM commuter rail service; and, be it

Further Resolved, That the Intergovernmental Relations Division of the Department of Administration is directed to lobby the State Legislature to oppose legislation increasing the RTA’s car rental fee to fund the KRM commuter rail service, and to support a dedicated funding source for the KRM service only if that funding source also provides funding for local public transit service in the City of Milwaukee and Milwaukee County.
I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true
and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the
City of Milwaukee, Wisconsin on February 6, 2007.

Ronald D. Leonhardt  
February 21, 2007

Date Certified
March 2, 2007

Members of the Regional Transit Authority
Southeastern Wisconsin Regional Planning Commission
P.O. Box 1607
Waukesha, WI 53187-1607

Dear Regional Transit Authority Members,

On Thursday, March 1, 2007, the Milwaukee County Board of Supervisors reaffirmed its strong support for the Milwaukee County’s public transit system and property taxpayers by voting to prioritize identifying a dedicated source of funding for rubber-tire buses. The County Executive can either sign the resolution passed by the Board, return the measure unsigned, or veto it. I have a true passion for mass transit, and I urge the County Executive to support our transit system by endorsing this measure. The City of Milwaukee recently adopted a similar resolution after a coalition of Alderman and County Supervisors led by Common Council President Willie Hines and myself held a press conference. It is unfortunate that the Mayor refused to sign this resolution at the City.

Thursday’s Board action sends George Torres, Director of Public Works for Milwaukee County and the County’s representative on the RTA, a strong message. A solid majority of the Board is against his vote in favor of a 650% tax increase on car rentals to pay for new commuter trains linking Milwaukee, its southern suburbs, Racine and Kenosha without first making the RTA identify a non-property tax dedicated funding source for existing mass transit. Milwaukee County adopted policy states the highest priority in relation to the RTA is to identify that revenue stream. That policy was reaffirmed in a 16-3 vote on March 1. Directing funds to the Kenosha-Racine-Milwaukee (KRM) commuter rail project while placing local mass transit on the back burner is not advantageous in creating a comprehensive transportation network. The Board has noted with substantial concern that the proposal to increase the car rental tax by $13 would adversely impact operations at Milwaukee County’s Mitchell International Airport, where the vast majority of car rentals in southeast Wisconsin occur. Thus, the vast majority of the funds would be collected from Milwaukee County, rather than Racine or Kenosha Counties.
As the Chairman of the Milwaukee County Board of Supervisors, I strongly urge the RTA to couple a funding package to remove the existing Milwaukee County Transit System from the property tax rolls along with a KRM financing proposal that does not require Milwaukee County to foot the largest part of the bill. These items must be packaged together, rather than approaching transit funding in a piecemeal fashion.

Sincerely,

Lee Holloway
Chairman, Milwaukee County Board of Supervisors

cc: Milwaukee County Board of Supervisors
    Milwaukee County Executive Scott Walker
    Governor Jim Doyle
    Mayor Tom Barrett
    Milwaukee Common Council
    Department of Administration Secretary Michael Morgan
    Milwaukee County State Legislative Delegation
    Milwaukee County Transit System Anita Gulotta-Connelly

Attachment
Chairman Lee Holloway, Chairperson,

By the Committee on Intergovernmental Relations, reporting on:

ITEM No. 1 WHEREAS, the 2005-07 biennial budget adopted in late July of 2005 authorized the creation of a regional transit authority (RTA) with representation from counties and populous cities in the region; and

WHEREAS, by November 15, 2008, the RTA is to submit to the Governor and Legislature recommendations on the following:

- A plan to improve the coordination of expanded mass transit, commuter rail, and passenger rail in the region
- A recommendation on the use of bonding for commuter rail and public transit in the region, and the role of the authority in such bonding
- A recommendation as to whether the responsibilities of the authority should be limited to collection and distribution of regional transit funding or should also include operation of transit service
- A plan for the distribution among mass transit operators in the region of any permanent regional funding
- A proposal that specifically identifies a permanent regional funding source to provide local funds for the local portion of operating and capital costs of commuter rail and public transit that are not covered by passenger fares and that considers all potential funding sources
- A recommendation on whether the authority continue in existence after September 30, 2009

; and

WHEREAS, the County Board of Supervisors unanimously approved File No. 06-60, February 2, 2006, which affirmed Milwaukee County’s highest priority of the RTA “is to identify a non-property tax dedicated funding alternative for the ongoing operation of Milwaukee County Transit System’s rubber tire bus service; and

WHEREAS, the Milwaukee County Executive returned the resolution unsigned, therefore establishing it as the adopted policy of Milwaukee County government; and

WHEREAS, the County Executive appointed, and the County Board approved on February 2, 2006 (File No. 06-55, Vote 17-2) the appointment of the Director of Transportation and Public Works as Milwaukee County’s representative to the RTA; and
WHEREAS, on January 30, 2007, the RTA, including Milwaukee County’s representative, voted 6-0 to support a $13-a-car tax increase on rental cars to pay for new commuter trains to link Milwaukee to its southern suburbs and to Racine and Kenosha (KRM Commuter Link train line); and

WHEREAS, the proposal to fund the KRM was not packaged with any funding to take the Milwaukee County Transit System off the property tax; and

WHEREAS, the RTA’s proposal to increase the car rental tax by $13, from $2 to $15, would adversely impact operations at Milwaukee County’s Mitchell International Airport, and leave the Milwaukee County Transit System without a dedicated non-property tax funding alternative; now, therefore,

BE IT RESOLVED that the County Board of Supervisors does hereby oppose the car rental fee funding mechanism that has been recommended by the Southeastern Wisconsin Regional Transportation Authority with regards to the operation of the Kenosha-Racine-Milwaukee (KRM) Commuter Link train line and reaffirms Milwaukee County’s position of finding a non-property tax funding source to support the operating expenses of the Milwaukee County Transit System.
March 5, 20007

Chairman Lee Holloway
Milwaukee County Board of Supervisors
Milwaukee County Courthouse Room 201
901 North 9th Street
Milwaukee, WI 53233

Dear Chairman Holloway:

I have heard a lot about the concerns of local elected officials regarding the future of public transit in our region and I assure you that helping to resolve the funding issue for transit is our highest priority. We are your partners in this cause and will do everything we can to help local officials reach a consensus and recommend a new funding source for public transit.

The simple truth is that the Regional Transit Authority is the only public body that has voted for a new funding source for public transit – and we did it unanimously last December. Our challenge is that we are bound by state law to make any recommendation with a super majority vote of our board. Since six of our seven board members are appointed by the heads of local governments in Kenosha, Racine and Milwaukee counties, we must have local consensus to move forward.

Our staff spent a great deal of time researching funding methods here and in other communities around the country. They were asked to find a funding mechanism that would be stable and provide adequate revenues to support both commuter rail and to remove public transit from the property tax. After considerable study and discussion, we voted our preference for a local sales tax of up to one half of one percent to fund both public transit and commuter rail.

Unfortunately, we do not have local consensus on the sales tax option. In fact, no local government has even considered voting on such a recommendation. The one recommendation on which we do have consensus is raising the transaction fee on car rentals to support the KRM commuter rail initiative and we have forwarded that recommendation to the governor and legislature.

We would appreciate you and your legislative body taking action on a recommendation for a funding option for public transit that meets the test of being reliable, sufficient and able to achieve local consensus. With all due respect to you and your colleagues, the proposed funding solution should also meet the test of being acceptable to the governor and legislature.

I want to emphasize that we are your partners in this vitally important and difficult task. We will help you in any way we can with the extensive research and information that we have gathered in the past months. We will be reaching out to your colleagues in other counties with a similar appeal. We will be in touch with local transit operators as well as communicating with
interested parties statewide. However, I must again emphasize that we can only move forward by building consensus. You have our pledge to work with you in that effort.

You are important to us and I will work with you to communicate well with you and your colleagues.

Sincerely,

Karl Ostby
Chairman
Regional Transit Authority of Southeastern Wisconsin

CC: RTA Board
    Milwaukee County Supervisors
The Sierra Club - with over 14,000 members in Wisconsin - supports the KRM Commuter Rail which will extend the benefits of a commuter rail along the Wisconsin Lakeshore line from Milwaukee to Kenosha and then to Kenosha and Chicago. This service will benefit people in Milwaukee, Bayview, St. Francis, Cudahy, Oak Creek, Racine, Kenosha, and neighboring communities by giving them better access to employment in Southeast Wisconsin.

This train will benefit all these Wisconsin communities by encouraging development near the stations. Retail stores and entertainment will surround the stations to help form a centralized "destination" area for those municipalities that want it. Providing public transportation to these and related residential developments is less costly than "sprawl" development, benefiting all taxpayers in these municipalities.

With four trains per day, the KRM Commuter Rail will provide a prompt congestion-free route along the Lake Michigan shore, and simultaneously reduce air pollution in Southeast Wisconsin. Since we are part of an EPA "non-attainment" area, any reduction in air pollution brings closer the day that we can achieve clean air in Wisconsin. This benefit of the KRM Commuter Rail will help all of us living in Southeast Wisconsin, especially those suffering from asthma and other pulmonary illnesses aggravated by polluted air. Wisconsin's contribution to reduced or reversed global warming is equally obvious.

When the price of gasoline climbs past $3 per gallon again, or past $4 per gallon, many of us will need to travel between the Lake Shore communities at lower cost. We need to invest in the KRM Commuter Rail now, so it will be available when expensive fuel surges. Short term "fixes" when high fuel costs arrive will not resolve the issue.

Finally, we support the KRM Commuter Rail project because the cost will actually be quite low. The railbed is already in place, so the capital cost per mile is far less than for a new rail line. The capital cost is much less than the expected cost of rebuilding and expanding I-94 along the same route. The operating cost of the KRM Commuter Rail is expected to be less than the cost of maintenance of the equivalent length of I-94 also.

When the benefits of transportation convenience to Wisconsin Lakeshore residents, plus the benefits to the communities, and the benefits of reduced air pollution to all of us, are compared to the cost of building and running the KRM Commuter Rail line between Waukegan and Milwaukee, the Sierra Club Executive Committee of the John Muir Chapter (Wisconsin) and the Southeast Gateway Group (Racine, Kenosha and Milwaukee) conclude that this is an investment in Wisconsin that must be made.

Sincerely,

Jay Warner
South East Gateway Group (Racine & Kenosha) Transportation Chair
From: Bryant, Laura T [mailto:Laura.T.Bryant@erac.com]
Sent: Wednesday, February 21, 2007 2:39 PM
To: Yunker, Kenneth R.
Subject: car rental excise tax (background info)

Mr. Yunker --

As you can imagine, the car rental industry has been following the proposed car rental excise tax increase very closely. So I was intrigued when I read your comments in the newspaper (see article below).

I think it is important that the Planning Commissioners understand the basic discriminatory nature of such a tax - and how outraged the car rental industry is on behalf of our customers. I would like to share some information with you, such as the attached timeline, to help explain our point of view and our collective sense of frustration over this inexplicable trend.

Would you mind if I sent along other documents to you as well?

Thanks.

Laura Bryant
Enterprise Rent-A-Car
314-512-4178 (office)
314-588-8622 (cell)
314-512-5221 (fax)

MILWAUKEE JOURNAL SENTINEL

Barrett, Walker Get Push On Transit
They Should Work To Find Bus Funds, Racine Mayor Says

By Larry Sandler
February 20, 2007
The Milwaukee Journal Sentinel

Racine Mayor Gary Becker on Monday urged Milwaukee Mayor Tom Barrett and Milwaukee County Executive Scott Walker to work together to save the Milwaukee County Transit System.

Becker told the Southeastern Wisconsin Regional Transit Authority that Racine and Kenosha leaders would support whatever solution Barrett and Walker propose to replace property tax funding for area bus systems, but "it's Milwaukee that's mucking it up."

The Milwaukee County bus system could face cuts of 35% or more by 2010 without a new infusion of state or local funding, the Southeastern Wisconsin Regional Planning Commission has reported.

"Tell them to please lead and come up with something, and we'll support it," Becker said, referring to what he called an inevitable increase in some tax.

Barrett said he was trying to help revitalize the transit system with his new plan to run modern streetcars downtown and add express buses linking downtown to the University of Wisconsin-Milwaukee, Mitchell International Airport, the County Grounds in Wauwatosa and the Midtown neighborhood.

"Do we allow mass transit to die in this community?" Barrett said in a meeting with Journal Sentinel editors and writers. "I think the answer has to be 'no.'"

Barrett did not take a position on how to fund the existing transit system but said his proposals would fit into any solution that was developed.

He said he hoped the transit system would run the streetcars and the express buses, but that the city or the authority could run the streetcars if Walker refuses.

Holloway backs 0.5% tax

Becker, Kenosha Transit chief Lan Brandrup and authority Chairman Karl Ostby voiced frustration at the collapse of a December deal that would have called for the Legislature to authorize a three-county sales tax of up to 0.5%, with 0.05% for the proposed KRM Commuter Link trains and up to 0.45% for the Milwaukee County, Kenosha and Racine bus systems.

After Walker and Racine County Executive Bill McReynolds came out against sales taxes and Barrett said sales tax money should be shared with public safety agencies, the authority sought a $13 rental car tax increase only for the commuter trains from Milwaukee to its southern suburbs and Racine and Kenosha.

Later Monday, Milwaukee County Board Chairman Lee Holloway said he would back a 0.5% transit sales tax but did not plan to introduce a measure to that effect.

Three other county supervisors have introduced a resolution calling for a 0.25% sales tax and a 3% hotel tax for transit. Walker has said he would veto that plan.

Milwaukee County transportation chief George Torres and Sharon Robinson, Milwaukee director of administration, agreed that the KRM plan would fail if the bus system at the Milwaukee County end of the line collapsed.

But as Walker's appointee to the authority, Torres continued to push for other ways to pay for buses, among them shifting part of the state sales tax on vehicles into public transit funding or levying new surcharges on taxis, tires or upholstery.

Warning on U.S. funds

Brandrup said the authority shouldn't waste time on ideas that weren't politically viable.

Gov. Jim Doyle, Barrett and Holloway voiced skepticism about the vehicle sales tax shift, because it would take money away from the state's general fund.

Meanwhile, a top regional planner warned that U.S. officials could frown on the rental car tax when they're deciding whether to grant crucial federal funding to the KRM line.

Ken Yunker, the planning commission's deputy director, told the authority that Federal Transit Administration evaluators were likely to give the train plan a lower grade because the rental car tax is not as well-tested as the sales tax, the most common way to pay the local share of similar transit projects.
<table>
<thead>
<tr>
<th>Year</th>
<th>State/County</th>
<th>Type of Tax</th>
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<tbody>
<tr>
<td>1976</td>
<td>Multnomah County, Ore.</td>
<td>Motor Vehicle Rental Tax</td>
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<tr>
<td>1977</td>
<td>Maine</td>
<td>Sales Tax</td>
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<td>1978</td>
<td>Washington D.C.</td>
<td>Gross Sales Tax</td>
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<td>1979</td>
<td>Colorado Springs, Colo.</td>
<td>Automobile Rental Tax</td>
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<td>1980</td>
<td>Omaha, Neb.</td>
<td>Occupation Tax or Automobile Rentals</td>
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<td>1981</td>
<td>Maryland</td>
<td>Sales Tax</td>
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<td>Lane County, Ore.</td>
<td>Lane County Car Rental Tax</td>
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<td>1984</td>
<td>Evergreen Park, Ill.</td>
<td>Motor Vehicle Leasing Tax</td>
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<td>1985</td>
<td>Schaumburg, Ill.</td>
<td>Automobile Lease Tax</td>
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<td>1986</td>
<td>Chicago, Ill.</td>
<td>Motor Vehicle Lessor Tax</td>
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<td>1988</td>
<td>Florida</td>
<td>Rental Car Surcharge</td>
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<td>1989</td>
<td>Louisiana</td>
<td>Automobile Rental Tax</td>
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<tr>
<td>1990</td>
<td>New York</td>
<td>Special Tax on Passenger Car Rentals</td>
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<td>1991</td>
<td>Chicago, Ill.</td>
<td>Metropolitan Pier and Expositions Authority Tax Act</td>
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<td>Cleveland, Ohio</td>
<td>Motor Vehicle Lessor Tax</td>
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<td>Hawaii</td>
<td>Rental Motor Vehicle and Tour Vehicle Surcharge Tax</td>
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<td></td>
<td>New Mexico</td>
<td>Leased Vehicle Gross Receipts Tax Act</td>
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<td></td>
<td>Pennsylvania</td>
<td>Public Transportation Assistance Fee</td>
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<td>Salt Lake County, Utah</td>
<td>Tourism, Recreation, Cultural And Convention Tax</td>
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<td>Wayne County, Mich.</td>
<td>Stadium Tax</td>
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<td>(State of Michigan)</td>
<td>State Authorization ONLY</td>
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<td>(State of Utah)</td>
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<td>1992</td>
<td>Connecticut</td>
<td>Tourism Account Surcharge</td>
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<td></td>
<td>Franklin County, Wash.</td>
<td>Retail Car Rental Tax</td>
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</tbody>
</table>
COMMENTS (continued)

Iowa - Automobile Rental Excise Tax
King County, Wash. - Sales or use tax on retail car rentals
Maricopa County, Ariz. - Car Rental Surcharge
Pierce County, Wash. - Sales and use tax - Retail car rentals
Sokol County, Wash. - Sales and use tax upon retail car rentals
* (State of Washington - State Authorization ONLY)

1993 (3)
Arkansas - Rental Vehicle Tax
New River Gorge National Park Service Fee
Tahoe (TRPA), Nev./Calif. - Rental Car Mitigation Program

1994 (3)
McCone County, Mt. - Rental Motor Vehicle License Fee
Rhode Island - Rental Vehicle Surcharge
Wisconsin - Exposition District Local Rental Tax
* (State of Kentucky - State Authorization ONLY)

1995 (3)
Boone County, Ky. - Motor Vehicle Rental Tax
Campbell County, Ky. - Rental Motor Vehicle License Fee
Kenton County, Ky. - Rental Motor Vehicle License Fee

1996 (7)
Atlanta, Ga. - Rental Motor Vehicle Rental Tax
College Park, Ga. - Rental Vehicle Excise Tax
King County, Wash. - King County Stadium Tax
Marist/Cobb County, Ga. - Excise Tax on Rental Motor Vehicles
Savannah, Ga. - Excise Tax on Rental Motor Vehicles
Warner Robins, Ga. - Excise Tax on Rental Motor Vehicles
Weber County, Utah - Tourism, Recreation, Cultural and Convention Tax of Weber County
* (State of Georgia - State Authorization ONLY)
* (State of Washington - State Authorization ONLY)

1997 (12)
Bexar County, Texas - Sports Venue Short-Term Motor Vehicle Rental Tax
Central Puget Sound, Wash. - Motor vehicle excise tax - Sale and use tax act
Dallas County, Texas - Sports Venue Short-Term Motor Vehicle Rental Tax
El Paso County, Texas - Sports Venue Short-Term Motor Vehicle Rental Tax
Grand County, Utah - Tourism, Recreation, Cultural And Convention Tax
Harris County, Texas - Sports Venue Short-Term Motor Vehicle Rental Tax
Marion County, Ind. - County Supplemental Auto Rental Excise Tax
Pittsburgh and Allegheny County, Pa. - Sports Venue Short-Term Motor Vehicle Rental Tax
Sutter County, Utah - Tourism, Recreation, Cultural and Convention Facilities Tax
Utah - Motor Vehicle Rental Tax
Virginia Motor Vehicle Sales and Use Tax Act
Washington County, Utah - Tourism, Recreation, Cultural and Convention Tax of Washington County
* (State Authorization ONLY: Texas)

1998 (4)
Augusta/Richmond County, Ga. - Rental Car Excise Tax
Boston Convention Center Financing Surcharge, Massachusetts

Massechusetts Parking Surcharge
Wisconsin - State Rental Vehicle Fee

1999 (3)
Davis County, Utah - Tourism, Recreation, Cultural and Convention Tax of Davis County
Lawrenceville, Ga. - Rental Motor Vehicle Excise Tax
New Hampshire - Tax On Meals And Rooms
* (State Authorization ONLY: Pennsylvania)

2000 (6)
Anchorage, Alaska - Rental Tax on Rental of Motor Vehicles
Eustis, Texas - Short-Term Motor Vehicle Rental Tax
Denver, Colo. - Automobile Short-Term Rental Tax
Philadelphia County and City, Pa. - Vehicle Rental Tax
Wals, Durham and Chapel Hill, N.C. - Triangle Transit Authority Vehicle Rental Tax
* (State Authorization ONLY: North Carolina)
Washington - Retail Rental Car Tax

2001 (3)
Athens-Clark, Ga. - Excise tax on the Rental Motor Vehicles
Horry County, S.C. - Hospitality Tax
* (Jefferson County, Ala. - Birmingham-Jefferson Civic Center Authority Automobile Rental Tax *tax has not yet gone into effect*)

Minnisota - Rental Motor Vehicle Tax
Shelby County, Tenn. - State law Enabling Counties to impose rental tax (i.e. Shelby County NBA Team)

2002 (2)
Pima County, Ariz. - Car Rental Surcharge
New Jersey - Domestic Security Fee (tax increase in 2005: General Revenues)
Gulfport, Forrest, and Suny Counties, N.C. - Piedmont Authority for Regional Transportation (PARK) - Vehicle Rental Tax

2003 (2)
Morgan County, Utah - Tourism, Recreation, Cultural And Convention Tax
Wascoho County, Nev. - Fee for Short-Term Lease of Rental Cars/Baseball Stadium Project

2004 (3)
Alaska - Passenger Vehicle Rental Tax
Duchesne County, Utah - Tourism, Recreation, Cultural And Convention Tax
Utah County, Utah - Tourism, Recreation, Cultural and Convention Facilities Tax

2005 (6)
Arlington, Texas - Sports Venue Short-Term Motor Vehicle Rental Tax
Clark County, Nev. - Rental Car Fee
Kane County, Ill. - Rental Car License Fee
Medford, Ore. - Rental Car Tax
Montana - Sales Tax
Renova, Mass. - Revive Vehicle Rental Surcharge
* (State Authorization ONLY: North Dakota)

2006 (7)
Bismarck, N.D. - City Motor Vehicle Rental Tax
U.S. Travel and Tourism Advisory Board Recommends New National Strategy to Attract International Visitors

Report Highlights Opportunities to Enhance America's Image through Coordinated Marketing Effort, Hospitality at Borders

WASHINGTON, DC - The U.S. Travel and Tourism Advisory Board (TTAB) issued the report, titled Restoring America's Travel Brand: A National Strategy to Compete for International Visitors, at the direction of U.S. Commerce Secretary Carlos M. Gutierrez in his efforts to strengthen U.S. competitiveness in the world travel and tourism market.

"Travel and tourism is a critical component to the U.S. economy and the industry has made great strides in recovering from the terrorist attacks on September 11, 2001. I look forward to continue working with the private sector to ensure our travel and tourism industry is healthy and growing," said Gutierrez.

The Board's strategy will be reviewed by the Tourism Policy Council, an interagency group that consists of 17 Federal Agencies, and is Chaired by Secretary Gutierrez, to address the issues affecting the competitiveness of the U.S. travel and tourism industry.

"Encouraging more people to visit the U.S. is in the national interest - not only because it will create jobs and revenue, but because it will have a positive impact on how people perceive us," said TTAB Chairman Jay Rasulo, who also is Chairman of Walt Disney Parks and Resorts. "Secretary Gutierrez has challenged the Industry to apply its best thinking toward how to achieve this goal, and we are pleased to provide him with our recommendations."

The TTAB report made strategic recommendations in the following areas:

1. Making it easier for people to visit, while ensuring both hospitality and security.
2. Asking people to visit us, with a nationally-coordinated marketing program.
3. Measuring the economic impact of the travel and tourism industry.
The U.S. Travel and Tourism Advisory Board consists of 14 CEOs from many of the nation's most prominent travel and tourism business and organizations. Secretary Gutierrez formed the TTAB in order to assess the current competitive environment for the U.S. travel and tourism industry. At the TTAB's first meeting in January, Secretary Gutierrez asked the members of the Board to recommend a new strategy to compete in the international market.

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**Comments (continued)**

From: Bryant, Laura T [mailto:Laurea.T.Bryant@erc.com]
Sent: Wednesday, February 21, 2007 3:34 PM
To: Yunker, Kenneth R.
Subject: USA Today article 10-24-2006

Laura Bryant  
Enterprise Rent-A-Car  
314-512-4173 (office)  
314-512-8622 (cell)  
314-512-5281 (fax)

**Fees Make Up A Big Chunk Of Car Rental Costs**

Industry Lobbies Against Surcharges To Build Avenues  
Roger Yu  
October 24, 2006  
USA Today

Business travelers continue to face steep car rental taxes and fees at many of the USA's largest airports despite industry attempts to persuade local officials to roll them back.

A USA TODAY analysis of rental charges at top U.S. airports shows that Kansas City, Seattle, Houston, Phoenix and Dallas/Fort Worth have some of the highest taxes and fees in the country.

To rent a full-size car from next Monday until Friday at Kansas City International, for example, travelers could expect to pay taxes and fees totaling about 35% of the bottom-line price. The analysis reflects prices offered on Enterprise.com last Thursday.

Adding to the bottom line at KCI: a $4-a-day charge to pay for a downtown sports arena, a $5-a-day charge for construction of a consolidated rental car facility, an "airport access fee" of about $12 and state and local sales taxes totaling about $14.

Of the 25 major airports examined, Los Angeles and San Diego had the lowest rate of taxes and fees: 7%.

The USA TODAY analysis represents only a snapshot of what car renters may expect to pay at a given airport. Base rental rates fluctuate by company. They also fluctuate according to factors such as the increased demand for cars during a big convention, says Laura Bryant, a spokeswoman for Enterprise. In turn, the percentage paid in taxes and fees changes with changes in the base rental rate.

The politics behind car rental fees

The industry argues against fees and taxes that have nothing to do with rental car operations. "It's inequitable and unfair because they're unrelated," Bryant says.
The primary concern for the $18 billion industry is the possibility that more drivers would be turned off by the high fees and rent for fewer days or look for other transportation. In recent months, the industry has stepped up efforts to raise awareness among customers and to lobby local officials.

Rental car fees have been a politically expedient means to generate funds for stadiums, convention centers and concert halls.

In anecdotally, officials typically assume that local constituents are shielded from payment because out-of-town visitors - and therefore non-voters -- carry most of the burden.

Steve Glorioso, assistant to Kansas City, Mo., Mayor Kay Barnes, says the arena fee was approved by local voters.

The downtown arena "will bring tens of thousands of conventioners to the city," he says. Revitalizing the downtown area also helps to attract more visitors, which helps rental car companies, he says.

The $4-a-day arena fee has been a success, he says. In the 12 months ended in April, the city has raised $8.3 million from it, or about $700,000 above the initial projection.

Business travelers such as Jerry Vandiver are upset about the high cost of renting in Kansas City. The country singer and songwriter from Nashville recently rented a car from Thrifty while visiting Kansas City. He says the base rate for renting for two days was $88, but the bottom-line price was nearly double, $160.

"I don't mind paying a couple of bucks on top. But to pay almost 100% over rental, that's exorbitant," he says.

More taxes are in the works. Currently, 86 taxes unrelated to rental car operations are being levied nationwide, Enterprise's Bryant says. State and local officials are discussing 48 additional proposals. For example, officials in Nashville are considering a 1% rental car tax to help pay for a convention center.

The industry is reaching out to business travelers for help in opposing taxes and fees that have no direct link to car rentals. Officials from the National Business Travel Association have testified before lawmakers, says Bill Connors, executive director of the Washington, D.C.-based organization, whose members include corporate travel managers.

The organization has told members to look at local car rental costs as a factor in selecting convention sites. "More corporations are paying attention to this because it's affecting the bottom line," Connors says.

The industry is also betting the notion that rental car taxes don't hurt local residents.

In 2004, revenue from rentals at non-airport locations -- which presumably cater more to local residents -- exceeded revenue from airport rentals for the first time in industry history.

"The notion that it is borne by someboby else who doesn't live here is increasingly outdated," says William Gale, an economist at The Brookings Institution and co-author of an industry study on the taxes.

Gale and Kim Rueben, an economist at the Urban Institute, found that many customers in Kansas City were willing to travel several miles outside of the city to avoid the arena fee.
Economists Say Car Rental Excise Taxes Fall Tests of Good Tax Policy

Taxes are "inconsistent with basic principles of good taxation."

Chicago (July 17, 2006) - As state and local governments rely more heavily upon the use of car rental excise taxes to fund sports facilities, arts centers and other local projects, a new study by a pair of nationally respected economists finds that these taxes are discriminatory and based on unsound tax policy.

Released today at the National Business Travel Association (NBTA) International Convention & exposition, "Taken for a Ride: The Economic Effects of Rental Car Excise Taxes," was conducted by William G. Gale of The Brookings Institution and Kim Rueben of the Urban Institute. NBTA has played a leading role in assembling a nationwide coalition of businesses and associations to defend car rental customers and business travelers against these fees.

In the past decade, the number of car rental excise taxes has doubled, with 33 current car rental taxes in effect in 35 states and the District of Columbia, and new ones under consideration in at least 24 states (based on publicly available data and the status of research as of July 10, 2006).

The study finds car rental excise taxes are "inconsistent with basic principles of good taxation."

"Although local governments may need to raise revenue, they should still seek to raise revenue in the most equitable and efficient manner possible," Gale and Rueben wrote in the study. "Stacking extra taxes on car rental customers is unjustified by almost any criteria."

"This study supports NBTA's position that excessive excise taxes on rental car insurance have a negative impact on American businesses, consumers and local economies," said Bill Conners, NBTA Executive Director & Chief Operating Officer. "Car rentals have been hit with more than $3 billion worth of these taxes. The projects financed by these users either have nothing to do with renting a car or benefit a broad base of additional constituents who are not taxed accordingly. We hope cities and counties can find funding solutions for major projects that don't damage the local economy or unfairly discriminate against airport customers or businesses."

Unsound Tax Policy

Gale and Rueben trace the rise in car rental excise taxes to three primary factors:

- The escalating revenue needs of state and local government;
- Decisions in many cities to provide public subsidies for the construction and renovation of professional sports facilities;
- The commonly held myth that such taxes are patriotism for local residents.

"On closer examination, none of these factors provides justification for the fees - or the existence - of rental car excise taxes," Gale and Rueben stated in the study, which cites a number of ways rental car excise taxes fail to measure up to generally accepted principles of sound tax policy.

"A standard view of tax analysis is to create a broad tax base to spread the burden to all who draw benefits from the project or purpose being funded with tax dollars," wrote Gale and Rueben. "A broad tax base also allows taxing authorities to maintain low marginal tax rates. States and localities, in their recent efforts to shore up revenues, appear to have strayed significantly from these precepts."

"This study also includes a market analysis that demonstrates the negative impact of a specific car rental excise tax on a local economy. Using data from a leading car rental company in the Kansas City, Mo., market - which in 2005 began imposing a $4-per-day rental car tax - Gale and Rueben analyzed and tracked all of the company's rental car transactions in the market between January 2002 and June 2005. Key findings included the following results of the tax:

- A 36 percent reduction of car rental customers at locations where the tax was in effect
- Reduced car rental demand among people living near taxed locations by as much as half
- A reduction of between 66 and 86 percent in the number of days people rented cars from taxed locations
- Increased Missouri state sales tax receipt as higher rental costs drove customers across the state border into Kansas

The proceeds of this particular tax were earmarked largely to finance a new sports arena in downtown Kansas City. Mo., but, Gale and Rueben concluded, "since its implementation the tax has generated significant, unintended consequences - given its negative impact on consumers, on business activity, and even on the larger state economy."

Alternatives

Gale and Rueben suggested that, in place of car rental excise taxes to fund a stadium or arena, a more economically appropriate financing mechanism would be private investment by team owners and their backers, so that customers from one industry are not being charged into subsidizing the profit margins of another.

The study suggests that another mechanism for funding these facilities would be user fees, such as taxes on tickets. Therefore, the people who benefit from the investment would pay its costs.

Taken for a Ride was commissioned by Enterprise Rent-A-Car. To view it in its entirety, go to yense.ride or nbta.org.

About NBTA

The National Business Travel Association is the source for critical information on the business travel industry. For more than 50 years, NBTA has dedicated itself to the professional development of its members through advocacy, education and training, and networking opportunities. NBTA represents over 2,700 corporate and government travel managers and travel service providers, who collectively manage and direct more than $170 billion of expenditures within the business travel industry. For more on NBTA, visit www.nbta.org.

About This Effort

This effort has brought together a diverse, broad-based group including NBTA, the million's leading car rental companies, city and state representatives, the National Tour Association, and travel agents. These entities have joined to represent the views of the millions of car renters and business travelers who historically had no voice against the growing impact and increasing reliance on car rental excise taxes.
The New York Times

How Far Would You Drive to Avoid a Rental-Car Tax?
By David Cay Johnston
July 17, 2006
The New York Times

People will stand in line for an expensive cup of coffee, but a study to be released today by the nation's largest car rental company shows that people will go miles out of their way to avoid a $4-a-day tax on rental cars.

The study, for Enterprise Rent-A-Car, also challenges the widely held perception that taxes on rental cars are imposed on visitors, rather than local residents, and are thus a free lunch for local governments.

Enterprise Rent-A-Car, the privately held St. Louis company that is the nation's largest car rental agency with 657,000 vehicles, hired two tax economists, William G. Gale of the Brookings Institution and Kim Rueben of the Urban Institute. Mr. Gale and Mr. Rueben looked at every jurisdiction with local rental-car taxes, but focused on tax avoidance behavior in Kansas City, Mo., because there were many rental offices just outside the city.

The study compared every Enterprise rental in and around Kansas City in 2002 though 2004 with rentals in the first half of 2005, when a $4-a-day tax to subsidize local sports arenas began.

Among people who lived within five miles of an Enterprise location where the tax applied, large numbers rented from an office more than five miles away where the tax did not apply. The number of cars rented by such people in the taxed area fell 41 percent while the number of rental days fell even more, by 69 percent. On average these renters avoided almost $16 each in local car rental tax.

Many renters crossed the Missouri River into Kansas, costing the state of Missouri more than $4,000 a month in sales taxes just among Enterprise customers. In effect, the effort to increase local revenue came at the expense of all Missouri taxpayers outside of Kansas City.

Some people who lived within a mile of a rental office where the tax applied rented from an office more than five miles away to avoid the tax, the analysis found.

The Star

Sticker Shock Is Worst At KCI
Car-Rental Taxes: Levies At Kansas City's Airport Are The Nation's Highest
By Rick Alm
December 13, 2006
The Kansas City Star
Car-rental taxes and add-on fees at Kansas City International Airport have the highest "sticker shock" rate in the nation, according to Travelocity.

A study released Tuesday by the online travel Web site said state and local taxes and fees charged at agencies at KCI bump the bottom-line cost to rent a car an average 53 percent over the base rate. The national average in the survey of the 100 busiest U.S. airports was 28 percent.

"If someone was basing their trip solely on the cost of a rental car tax, I'd say this news was disastrous," said Rick Hughes, president of the Kansas City Convention and Visitors Association.

"Fortunately, travelers consider their total cost, and when it comes to total cost, we are a very high value in Kansas City."

After Kansas City, the nation's priciest car tax add-ons were found in Seattle and Anchorage, Alaska, both at 54 percent. At the low end of the scale was the 7.8 percent bump in San Diego, Palm Springs and Orange County, Calif., the study said.

Two years ago Kansas City voters approved a $4-a-day citywide car-rental charge to help build the Sprint Center arena downtown.

At that time, Travelocity ranked Kansas City No. 6 among the nation's priciest airport car-rental cities. A similar study by Hertz in 2003 ranked Kansas City No. 17.

Now Kansas City is No. 1 in how much taxes and fees push up car-rental prices.

"We knew this going in," Hughes said of the effect the airport tax has had on car-rental rates. "But the risk of not having the arena was far greater than the risk of losing a few people over a couple of bucks.

"Prudent travelers and meeting planners are more interested in total costs than tax percentage breakdowns."

Hughes cited a recent survey by USA Today that also ranked Kansas City tops in car-rental taxes among 50 cities surveyed but No. 19 in the overall cost of renting a car.

Two years ago, executives of St. Louis-based Enterprise Rent-A-Car led the charge against Kansas City's $4-a-day tax, calling it punitive and a burden that mostly would fall on residents, not visitors. Enterprise and others said at the time that the city was risking its reputation with such high taxes.

Enterprise spokeswoman Laura Bryant refused to gloat Tuesday. Instead, she pointed to a coalition forged since 2004 among eight national car-rental companies and a half-dozen travel and public policy advocacy groups.

The coalition opposes what it calls a "blatantly unfair ... predatory tax" on one class of people — car renters.

The coalition asserts that car renters in recent years have helped pay for 18 stadium and sports complexes, with 17 more under consideration.

Car-rental taxes nationwide also are helping to cut budget deficits and pay for civic improvements including performing arts centers and sewage treatment plants, the coalition said.

The coalition said 91 car-rental taxes have been imposed in 39 states since 1975. Renters have paid $5.9 billion in rental excise taxes since 1990 alone.

"This is as much a consumer issue as a business issue," Bryant said.

A study conducted earlier this year for Enterprise concluded that to dodge Kansas City's $4-a-day tax, metro-area car renters avoided rental agencies in the city in droves — to the benefit of ones in the suburbs.

Enterprise.com lists a $33 daily base charge at its KCI office to rent a full-size passenger vehicle, such as a Chevy Impala or Ford Taurus. Sales taxes, airport fees, the "arena fee," plus other surcharges bring the base bill to $49.40.

An Enterprise office in Overland Park lists a $38.94 base charge for the same vehicle. Add-on taxes in Kansas bring the total to $43.25.

BY THE NUMBERS

A study for Travelocity says taxes and add-on fees make a car renter's final bill at Kansas City International 63 percent higher — the most in the country.

1. Kansas City, 63%
2. Seattle, 54.4%
3. Anchorage, Alaska, 54.4%
4. Atlanta, 53.5%
5. Dallas-Fort Worth, 52.1%
6. Phoenix, 47.9%
7. Austin, Texas, 45.2%
8. Albuquerque, N.M., 44.6%
9. Las Vegas, 44.2%
10. Houston, 43.6%
CAR RENTAL EXCISE TAXES

"HALL OF SHAME"

"The real advantage to it is that it reports our taxes outside the state..."
Stella Swanson, Nashville Business Journal, February 9, 2007

"The governor claims there is a tax to taxpayers because the taxes are paid by citizens..."
Governor of Utah, American Press, January 10, 2007

"The public funding these are not due exclusively from "visiter" taxes or "tax" transfers, and not from local general public tax revenues (i.e., the City's General Fund)...
Mayor of Seattle, Letter to Governor, Senate Majority Leader, and House Speaker, April 25, 2006

"We try to shift the final burden away from our citizens as much as we can..."
Mayor of Virginia, Massachusetts, USA Today, April 10, 2006

"We're not leaving any tax. I didn't think it would be a big deal - most rentals are to citizens anyway..."
Mayor of Sandy Springs, Georgia, The Atlanta Journal Constitution, March 1, 2006

"It has the obvious attractiveness, is that it [the tax] essentially attacks those people out of the state..."
Tampa, Dade Metropolitan, South Florida Sun-Sentinel, January 3, 2004

"If you can tax a visitor instead of one of our own, then we should look at it..."
County Judge Constand, El Paso Times, February 4, 2001

"We tried extremely hard to make it a visitor tax...
City Councilman, The Columbus Dispatch, October 22, 2003

"Out-of-town guests are great taxpayers..."
City Councilman, The Washington Post, February 16, 2001

"This financing plan suggests a tax to fund basketball stadium is ideal. It allows us to keep 90% below minimum without any burden on Atlanta residents. Eighty percent of all rental car sales are from residents outside of the city..."
Mayor of Atlanta, Georgia, Atlanta Journal-Constitution, November 7, 1995

A copy of this eight-page brochure will be made available upon request.
From: Bryant, Laura T (mailto:Laura.T.Bryant@enc.com)
Sent: Wednesday, February 21, 2007 3:41 PM
To: Tinker, Kenneth R.
Subject: NHTA Release (car rental excise taxes)

Laura Bryant
Enterprise Rent-A-Car
314-413-4178 (office)
314-308-8022 (cell)
314-612-6291 (fax)

FOR IMMEDIATE RELEASE

CONTACT: Drew. Hix, 703-964-0080, ext. 120, dmh@nhtad.org
Cowley Leigh Detrich, 703-964-0080, ext. 200, cdetrich@nhtad.org

NHTA, Top Car Rental Companies Must Address "Expanding Tolls" Car Taxes Hit Local Residents and Businesses

Alexandria, VA (April 2, 2007) -- Representatives of the major car rental companies -- Consar Car Rental Group, Inc. (Avail, Budget, Dollar Thrifty Automotive Group, Inc., Dollar, Thrifty, Thrifty Car Rental), Enterprise Rent-A-Car, The Hertz Corporation, and Vanguard Car Rental (USA) Inc., (formerly Rent A Car, National Car Rental) -- and the National Business Travel Association (NHTA) met recently to discuss the impact of expanding car rental taxes on American businesses, consumers, and the local economies where the taxes are imposed.

"Car rental has become a critical funding source for elected officials looking to create new revenue streams for local projects. However, there is little understanding that the expansion of rental taxes has hit local economies and the pocketbooks of millions of local businesses and the general public," said Bill Gentry, CCO, NHTA Executive Director.

"Many people think of car rental taxes as a tax on vehicles, but in fact, a record $5.5 billion in annual car rental taxes imposed by state and local governments now account for a significant portion of many business travel budgets and the daily lives of Americans," said Rob Belknap, President and CEO of Consar Car Rental Group, Inc. "We know that car rental taxes are often a hidden cost of travel for businesses and individuals alike. We must work together with the NHTA to educate the public on the impact of car rental taxes and the need for fair, reasonable, and consistent tax policies for the benefit of all stakeholders involved."
From: Bryant, Laura T [mailto:Laura.T.Bryant@ercu.com]
Sent: Wednesday, February 23, 2007 3:42 PM
To: Yarber, Kenneth R.
Subject: another NBTA press release

Laura Bryant
Enterprise Rent-A-Car
314-312-4178 (office)
314-228-8622 (cell)
314-612-5281 (fax)

FOR IMMEDIATE RELEASE

CONTACT: Calieh Tiller, +1 703-634-0836, ext. 136, ctiller@nbita.org
Co-Contact: Leanna Belsel, +1 703-634-0836, ext. 135, lbelsel@nbita.org

NBTA Praises Gov. Bush Veto of Car Rental Tax Hike
Defeat of Tax Increase Labeled “Victory for Florida”

Tallahassee, Fla. (June 27, 2008) – The National Business Travel Association (NBTA) today congratulated Governor Jeb Bush of Florida for his veto of a bill that would have hurt Florida-based businesses. The bill would have enabled Florida counties to impose an additional $2 per day tax on car rentals, effectively doubling the current tax. The proposed increase was included in a transportation bill with numerous other provisions. In vetoing the measure, Bush stated that his objections were related specifically to the negative impact of the car rental tax increase.

NBTA Executive Director & COO Bill Conners, CTC, said, “Governor Bush is to be congratulated for understanding the negative impact a car rental tax increase has on the Florida economy and for taking a principled stand based on that understanding. All too often, lawmakers and government officials believe they can raise more sales taxes without impairing their constituents. But our research shows that most companies rent as many or more cars locally than in other areas. An increase of car rental taxes adds up to hitting local businesses’ bottom lines.”

NBTA has actively opposed the Florida bill, with actions including testimony before the Florida Senate Transportation Committee in April on the then-pending legislation, letters to the Florida House and Senate Committees with Transportation oversight, a letter to Governor Bush, and grass-roots communications encouraging NBTA members and travelers in Florida to voice their opposition to state officials.

“Instead of hitting companies with a tax increase, the veto allows those companies to continue to invest in their businesses for the future,” continued Conners. “The defeat of this bill should be seen as an import victory for the business and people of Florida, and as an investment in the state’s future.”

He added, “With dozens of proposed car rental tax increases pending in state legislatures across the nation, NBTA will continue to work on behalf of the business community to ensure legislators and government officials understand the impact of such tax hikes.”

The National Business Travel Association is a voice for critical information on the business travel industry. For more than 35 years, NBTA has advocated itself to the profession to the professional development of its members through advocacy, education and training, and networking opportunities. NBTA represents over 2,700 corporate and government travel managers and travel service providers, who collectively manage and direct more than $170 billion of expenditures within the business travel industry. For more on NBTA, visit www.nbita.org.
Employment

- Current
- Potential

Existing Milwaukee County Transit (Local Service)

Heavy Rail (Commuter Service)

Intermodal Station (Amtrak)

Downtown Milwaukee
Employers, Residents and Attractions

Airport

CBD

Residents

Employment & Institutions

COMET (Express Service)

Downtown Circulator

Milwaukee Transit
comprehensive strategy

2/14/07
**Downtown Circulator**

Approx. 3 miles

- Passenger Rail (KRM & Amtrak)
- Intercity / Regional Bus
- Local Transit (MCTS / Circulator)
- Taxi Services

**Milwaukee Intermodal Station**

- First Phase: Amtrak Station Renovation (Fall of '07)
- Second Phase: Downtown Circulator

Providing connectivity between:

- Passenger Rail (KRM & Amtrak)
- Intercity / Regional Bus
- Local Transit (MCTS / Circulator)
- Taxi Services
Park Once

Downtown Circulator enhances “Park Once” concept.

A managed system of street signage, parking structure signage, and accessible / visible public transit will allow visitors, residents and employees to park and move about the central business district in an efficient and enjoyable manner.

Downtown Pedestrian Corridors

COMET : County Of Milwaukee Express Transit
COMET

Travel Lane Options based on local context

- Reserved Lanes
- Priority Lanes
- Mixed Traffic Lanes

Curb “Bump-outs” for:
- Improved waiting area
- Payment kiosk
- Real-time GPS COMET tracking (Wait Time)

Signal Priority with all lane options

COMET Routes

County Research Park / UWM
Midtown / Airport
COMET - Routes

- Targets new economic development opportunities
- Bringing people to jobs
- Improves regional connection with airport linkage

Employment

- Current
- Potential

COMET – Future Phases

- St. Luke’s/MLK Route
- West Allis/Riverwest Route
- Northwest Side Extension
- Other Alignments

- Targets additional economic development opportunities
- Reaches additional people and additional jobs

Employment

- Current
- Potential
Funding

Federal Money Available = $91.5 mil  
Local Match = $16.15 mil  
TOTAL Funds = $107.65 mil

Conceptual Cost Distribution

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMET (Initial Phase)</td>
<td>$46.8 mil</td>
<td>$8.26 mil</td>
<td>$55.06 mil</td>
</tr>
<tr>
<td>Downtown Circulator</td>
<td>$44.7 mil</td>
<td>$7.89 mil</td>
<td>$52.59 mil</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$91.5 mil</td>
<td>$16.15 mil</td>
<td>$107.65 mil</td>
</tr>
</tbody>
</table>

Possible Sources of Funds for Local Match

- KRM Station Circulator/Shuttle Funds
- Amtrak Station TIF
- Visitor Transit Pass
- Park East Land Sales Proceeds (FHWA’s Recovery Portion)
- State Mass Transit Aids
- Park Once Transit Pass
- Gas Tax (% of Existing State Gas Tax)
Project Schedule

- Alternatives Analysis 8 - 11 months
- Engineering / EIS 18 - 24 months
- Construction 12 - 18 months

Thank You
Presentation to the

SOUTHEASTERN WISCONSIN
REGIONAL TRANSIT AUTHORITY

by the

Milwaukee Wisconsin Works (W2) Agencies

March 19, 2007
My name is Paula Penebaker, Executive Director of the Milwaukee YWCA. I am here today speaking on behalf of all the Milwaukee W2 Agencies, i.e. YWCA, MAXIMUS, UMOS and Policy Studies. Thank you for the opportunity to share our ideas with you.

The Milwaukee W2 agencies have the opportunity and responsibility to assist unemployed adults in Milwaukee’s low-income families find and retain jobs. We continue to work with many of the low-income families after they obtain employment to address their special support needs and help them obtain better paying jobs.

W2 Agencies have a vital interest in mass transportation in Metropolitan Milwaukee. Most of the families we assist rely on mass transportation for their first job; they are most often part of that 15% of households without cars. In addition, W2 agencies are a major purchaser of mass transportation for our customers. In 2006, W2 agencies spent approximately $1,850,000 for bus transportation for our customers.

Two major problems face our customers entering the job market: child care and transportation. We can usually address child care needs, working in cooperation with Milwaukee County. Transportation issues, on the other hand, are often beyond our control.

Even when our customers have the needed job skills, they cannot actually take a job unless they get to their place of employment. And if physical access to the job is extremely difficult, even if they obtain a job, they will often not be able to retain the job they started.

A viable mass transit system is vital to our important business of connecting low-income often entry-level job seekers to employment, supporting them in their employment, and assisting them in their career development. It is also vital to the employers who hire our customers, often in entry level positions. They need their workers to be able to get to work and carry out their responsibilities.
We experience the trends that SEWPC has documented in its many reports:

- Our customers cannot use mass transit to access areas where jobs are more available in Milwaukee County and adjoining counties.
- Mass transit across county lines to nearby counties is extremely limited or in some cases non-existent.
- The time it takes to use mass transit, even when mass transit is available, is often extremely long.
- Evening and weekend mass transit services are even more limited than an inadequate mass transit available during the day during week.

The results of the severe limits of mass transportation are devastating. Low-income family heads cannot take jobs. Low-income household heads are not able to retain the jobs they do take. People are not able to seize opportunities to leave public cash assistance and lead more independent lives. Employers are unable to hire and retain reliable employees.

While our most basic concern is availability of mass transit services, we are also concerned about the cost of mass transit. We see costs continuing to rise with no service expansion and no greater access to the areas where jobs are available. We as W2 agencies must pay initial transportation costs for access to both training and employment. But when the newly hired person assumes this responsibility, mass transit costs can take a disproportionate amount of entry-level wages.

We would offer the following recommendations.

**RECOMMENDATIONS**

1. **Establish a Regional Transit Authority with a Clearly Established Funding Source**

We support the establishment of a Regional Transit Authority with a clearly established funding source. In our opinion this is the most critical first step in assuring an effective mass transit system in our area.

As you are aware, Milwaukee is only one of three urban communities of 750,000 or more population without a transit authority that has designated funding source. Without such stabilized funding, we will never adequately maintain and effectively expand mass transit in our community. We will find ourselves consistently striving only to keep what we have or slipping backwards.
We are aware of the current debate regarding specific funding mechanisms. We would prefer a mass transit sales tax as the most equitable way to support mass transit.

We support the inclusion of the KRM train line as part of the mass transit system that would be funded by sales tax or other dedicated funding. We agree with many others that the line can offer additional options to new job entrants and also provide access to career ladders and job advancement.

However, we would not support funding KRM through new funding and not include the current mass transit system as part of a total funding effort. We need to expand our connections to Illinois and other job opportunities in southern Wisconsin. However, we also need to make sure that we support existing mass transit in our area as part of a comprehensive mass transit funding effort. In our opinion, the current system is as important as part of a regional system and it is extremely critical to those whom we serve.

In brief, we see the establishment of a funded Regional Transit Authority as the only viable long-term solution.

In the short-term, however, we have some other recommendations.

2. Develop inter-county agreements for mass transit

More and more mass transportation is being segregated county-by-county. Trips across county lines seem fewer and fewer. Both employees and business suffer from this separation. We would suggest that County Boards and County Executives establish working groups that could identify and obtain multi-county agreement(s) on routes and joint funding.

3. Extend night and weekend services to areas that hire entry level workers

From our efforts with entry-level employees we are aware that many of these workers must work weekends and nights, especially when they are starting a new job. We would welcome the opportunity to work with you, SEWRPC and others to identify individual mass evening and weekend transit routes, many of which would cross county lines, that could be implemented, at least on a pilot basis.

As we pointed out earlier, the time in transit for out customers is often a problem. With multiple stops, trips to and from work can take an hour or longer for relatively short distances. SEWRPC has identified a number of ways to reduce travel times, identifying Rapid Transit Routes and Express Transit Routes that will significantly reduce travel times, especially for workers. We would ask that the establishment of both Rapid and Express Routes be accelerated.

Conclusion

We thank you for the opportunity to share our ideas with you. We hope that you will move forward to establish a funded Regional Mass Transit Authority. We know that you will keep the mass transportation needs of entry level and new workers as one of you major priorities. We offer our help to you as you plan and implement this new Regional Transportation effort.

We would be glad to answer any questions.
Attachment 5

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY
FINANCIAL REPORT: MARCH 19, 2007

Collected Vehicle Fees Received From the
Wisconsin Department of Revenue

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<thead>
<tr>
<th>Reporting Period</th>
<th>Amount*</th>
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<tbody>
<tr>
<td>October 1 - November 27, 2006</td>
<td>$217,839.72</td>
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<tr>
<td>November 28, 2006 - February 23, 2007</td>
<td>262,727.15</td>
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<tr>
<td>* Net amount after payment of Statutory fee to WDOR</td>
<td>$480,566.87</td>
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Communications Consultant

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<tr>
<th>Work Element</th>
<th>Total Budget</th>
<th>Percent Complete</th>
<th>Amount Billed to Date</th>
<th>Amount Paid to Date*</th>
</tr>
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<tbody>
<tr>
<td>1 - Communications Strategy</td>
<td>$39,450</td>
<td>77.0</td>
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<td>$27,353.03</td>
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<td>2 - Funding Source Research</td>
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<td>3 - Communications Materials</td>
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<td>22,973.58</td>
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<td>4 - Public Opinion Assessment</td>
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<td>6,857.60</td>
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<tr>
<td>5 - Outreach--Elected Officials</td>
<td>118,125</td>
<td>43.0</td>
<td>50,786.68</td>
<td>45,708.01</td>
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<tr>
<td>and Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - Outreach--Public</td>
<td>157,550</td>
<td>53.5</td>
<td>84,340.06</td>
<td>75,906.05</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>50.3</strong></td>
<td><strong>$249,353.92</strong></td>
<td><strong>$224,418.51</strong></td>
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</table>

* Ninety percent of billed amount for each work element is paid with 10% withheld until a work element is satisfactorily completed.

Note: The next financial report will reflect the re-allocation of budget amounts to work elements reported at the RTA Board Meeting on February 19, 2007

Expense Reimbursement to SEWRPC
December 29, 2006 $853.26

Financial Summary

<table>
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<th>Description</th>
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<tbody>
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<td>Income</td>
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<tr>
<td>Expenditures</td>
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<td>Encumbrances</td>
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<td><strong>Balance</strong></td>
<td><strong>$231,212.95</strong></td>
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</table>
“Authority” means a Regional Transportation Authority formed under this act.

“Board” means the governing body of an Authority.

“Comprehensive unified local transportation system” has the meaning given to it in s. 66.021 (3) (a) and s. 59.58 (2) (c) (2).

“Regional Transportation System” means all land, shops structures, equipment, property, franchises and rights of whatever nature required for the transportation of passengers or freight within the boundaries of, and under the jurisdiction of, the Regional Transportation Authority and includes but is not limited to, elevated railroads, subways, underground railroads, motor vehicles, motor buses and any combination thereof, and any other form of mass transportation.

“Municipality” means a city or county or village.

Creation of a RTA

Any municipality may vote to form a separate governmental entity to be known as a Regional Transportation Authority by adopting an authorizing resolution containing elements outlined in this legislation. Any combination of municipalities may jointly form a separate governmental entity to be known as a Regional Transportation Authority by adopting identical Authorizing Resolutions.

An Authorizing Resolution shall state the name of the authority, the purposes for which it is created, the power, duties and limitations of the authority and its officers, the method of selecting governing body and officers, the person or persons who are charged with the responsibility of causing the Authorizing Resolution to be published and printed copies thereof to be certified and filed as and any others matters which the authorizing municipality, the method of financing the formation and operation of the Regional Transportation Authority or Unified Regional Transportation Authority.

The legislative body or bodies may approve an Authorizing Resolutions by any of the following methods: A majority or two thirds vote of the legislative body. Or, the legislative body may authorize ratification by the electorate.

Powers of the Regional Transportation Authority

A Regional Transportation Authority may do any of the following:

- Impose a sales tax of up .005 cents (one-half cent) on the area to be served by the Regional Transportation Authority.

- Finance Regional Transportation systems by the issuance of revenue bonds, and payable solely from the income, revenues and rentals derived from the operation
of the Regional Transportation Authority financed from the proceeds of the bonds.

☐ **Note: All of the following is from 59.58 dealing with county transit systems.**

☐ Acquire a Comprehensive unified local transportation system by purchase, condemnation under s.32.05 or otherwise and provide funds for the operation of the Regional Transportation Authority.

☐ Purchase and lease transportation facilities to private transit company that operate within and outside the territory covered by the Regional Transportation Authority.

☐ Apply for federal aids to purchase other facilities considered essential for operation.

☐ Wherever the proposed operations of a Regional Transportation Authority would be competitive with the operations of another existing common carrier (definition?) of passengers or freight, the Regional Transportation Authority shall coordinate proposed operations with such carrier to eliminate adverse financial impact for such carrier. This coordination may include, but is not limited to, route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service and acquisition of route and corollary equipment. If such coordination does not result in mutual agreement, the proposals shall be submitted to the department of transportation for arbitration.

Upon the acquisition of a comprehensive unified local transportation system, a Regional Transportation Authority may: (s. 59.58)

1. Operate and maintain it or lease it to an operator on contract for its use by an operator.
2. Contract for the superintendence of the system with and organization, which has personnel with the experience and skill necessary.
3. Delegate responsibility for the operation and maintenance of the system to an appropriate administrative officer, board or commission of the county notwithstanding, s. 5984 or any other statute.
4. Maintain and improve a railroad right-of-way and improvements on the right-of-way for future use.

Would we have to repeal 59.58 (h) 1 which states: “A county may contract under s. 66.0301 to establish a joint transit system with other municipalities, as defined under s. 66,0303 (1) (b).” What about subsequent provisions in 59.58 relating to joint transit commissions?

**Note: The following provisions are adapted from the provisions in 59.58 relating to joint transit commissions.**
No Regional Transportation Authority may provide service outside the territory of the RTA, unless the RTA receives financial support for the service under the contract with a public or private organization for the service.

Regional Transportation Authority Obligations to employees of Transit Systems acquired by an Authority:

1. An authority acquiring a transportation system shall assume all of the employers obligations under any contract between employees and management of the system.

2. An authority acquiring, constructing, controlling or operating a stransportation system shall negotiate an agreement protecting the interests of employees affected by the acquisition, construction, control or operation. Such agreements shall include, but are not limited to, provisions for:

   a. The preservation of rights, privileges and benefits under an existing collective bargaining agreement or other agreement.
   b. The preservation of rights and benefits under existing pension plans covering prior service, and continued participation in social security.
   c. The continuation of collective bargaining rights.
   d. The protection of individual employees against a worsening of their positions with respect to their employment to the extent provided by section 13© of the urban mass transportation act, as amended by 49 USC 1609 (c).
   e. Assurances of employment to employees of the transportation systems and priority of reemployment of employees who are terminated or laid off.
   f. Assurances of first opportunity of employment in order of seniority to employees of any nonacquired system, affected by a new, competitive or supplemental public transportation system, in unfilled nonsupervisory positions for which they can qualify after a reasonable transition period.
   g. Paid training or retraining programs
   h. Signed written labor agreements.
   i. An agreement may include provisions for the submission of labor disputes to final and binding arbitration by an impartial umpire or board of arbitration acceptable le to the parties.
   j. In all negotiations under this subsection, the Authority executive, if such office exists in the authority, shall be a member of the authority negotiating body.

Specialized transportation services. The authority may coordinate specialized transportation services as defined in s. 85.21 (2)(g) for residents who reside within the authority boundaries who are disabled or are aged 60 or older, including services funded under 42 USC 3001 to 3057n, 42 USC 5001 and 42 USC 5011 (b) under ss 49.43 to 49.44 and 85.21 and under other public funds administered by the county.
Release from membership in authority. (taken from Michigan law)

1. A political subdivision that is a member of an authority may be released from membership in the authority if all of the following conditions are met:

a. Adoption of a resolution by a majority of the members elected to and serving on the legislative body of the political subdivision requesting release from membership.

b. Acceptance of the request by a majority vote of the members, other than the members representing the political subdivision requesting release, serving on the board of the authority. Notwithstanding any other provision in this act, this condition does not apply to a political subdivision seeking release from membership in an authority, if the political subdivision adopts a resolution described in a before the expiration of the 13TH day after the effective date of this section.

c. Pay or the provision for payment of all obligations of the political subdivision to the authority or its creditors is made.

d. Any tax authorized to be levied by the authority within the boundaries of the political subdivision to be released shall continue to be levied for the period of time originally authorized. In addition, a political subdivision which has been from an authority shall continue to receive public transportation services from the authority until the political subdivision is no longer required to pay a tax levied by the authority during the time the political subdivision was a member of the authority.

e. Release of a political subdivision from an authority shall be evidenced by an amendment to the articles of incorporation executed by the recording officer of the authority and filed and published in the same manner as the original authorizing resolution.
ANALYSIS OF LOCAL PUBLIC TRANSIT FUNDING NEEDS
AND ALTERNATIVE FUNDING SOURCES

Additional Funding Needed^b
- To restore service reductions of last five years^c
- Limit using for operating funding
- Federal funding intended for capital projects^d
- Provide funding to maintain service if State
  funding continues to decrease with inflation^e
- Initiate implementation of long planned
  transit improvement/expansion^f

<table>
<thead>
<tr>
<th>2007 Budget^g</th>
<th>Total Funding Needed^g</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milwaukee County</td>
<td>$50.0 million</td>
</tr>
<tr>
<td>Racine County</td>
<td>3.8 million</td>
</tr>
<tr>
<td>Kenosha County</td>
<td>2.3 million</td>
</tr>
</tbody>
</table>

POTENTIAL FUNDING GENERATED BY ALTERNATIVE FUNDING SOURCES

Sales Tax – 0.1%
- Milwaukee County $12.4 million
- Racine County $ 2.4 million
- Kenosha County $ 1.8 million

Hotel/Motel Room Tax – 1.0%
- Milwaukee County $1.4 million
- Racine County $0.2 million
- Kenosha County $0.2 million

Motor Fuel Tax – 1¢
- Milwaukee County $4.0 million
- Racine County $0.9 million
- Kenosha County $0.8 million

Tire Tax^h – $2 per tire
- Milwaukee County $1.3 million
- Racine County $0.3 million
- Kenosha County $0.3 million

Vehicle Registration Fee – $10
- Milwaukee County $6.5 million
- Racine County $1.7 million
- Kenosha County $1.3 million

Taxicab/Limousine Registration Fee – $10
- Milwaukee County $6,000
- Racine County $ 300
- Kenosha County $ 300
### Taxicab/Limousine Surcharge Per Mile

- **Milwaukee County**: $3.0 million
- **Racine County**: $0.15 million
- **Kenosha County**: $0.15 million

### Surcharge Per Cubic Yard of Asphalt/Concrete Pavement

- **Milwaukee County**: $3.0 million
- **Racine County**: $1.0 million
- **Kenosha County**: $1.0 million

### Surcharge on Moving Traffic Violations

- **Milwaukee County**: $0.5 million
- **Racine County**: $0.2 million
- **Kenosha County**: $0.2 million

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**a** Includes year 2007 budget operating funding and average capital funding over years 2001 to 2005.

**b** Assumes no new Federal funding and State funding increase at 2 percent annually -- less than expected transit cost inflation.

**c** Service reductions of 15% for Milwaukee County, 18% for Racine County, and 6% for Kenosha County.

**d** Annual 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.

**e** Assumes State funding increases annually at 2% and transit cost inflation is 4%.

**f** Provides for about a 10 percent expansion of transit service. Regional transit plan proposes a doubling of transit service over next 30 years.

**g** Additional funding beyond the total funding needs shown would be required to fully implement the transit element of the regional transportation plan. In particular, additional funding beyond that shown would be needed in Kenosha and Racine Counties as the existing transit systems provide limited service beyond the Cities of Kenosha and Racine, provide limited weekend service, provide limited to no evening service to serve second and third shift workers, and provide limited frequency of service. In addition, there is no public transit service in western Kenosha and Racine Counties.

**h** Assumes average vehicle is driven 10,000 miles annually and tires are replaced every 40,000 miles.

**i** Assumes 50,000 miles annually per vehicle.

**j** Based on estimates of average width and depth of arterial and non-arterial pavements and average pavement life cycles.