

MINUTES OF THE THIRD MEETING

SOUTHEASTERN REGIONAL TRANSIT AUTHORITY

DATE: January 11, 2010
TIME: 8:00 a.m.
PLACE: General Mitchell International Airport
Mitchell Gallery of Flight Museum – Sijan Room
Upper Concourse Level
Milwaukee, Wisconsin

Board Members Present

John Antaramian City of Kenosha Representative
Earl Buford City of Milwaukee Representative
Jon Henderson..... Racine County Representative
Lee Holloway..... Chairman, Milwaukee County Board of Supervisors
and Milwaukee County Representative
Joseph “Jody” Karls City of Racine Representative
Chris Layden..... City of Milwaukee Representative
Michael Mayo, Sr..... Milwaukee County Supervisor, 7th District
and Milwaukee County Representative
Karl Ostby Kenosha County Representative
Julia Taylor Governor’s Representative

Staff Members

Kenneth R. Yunker Executive Director, SEWRPC
Christopher Hiebert..... Chief Transportation Engineer, SEWRPC
Eric Lynde..... Planner/Engineer, SEWRPC

Guests

Craig Anderson Enterprise Rent-A-Car
Kelly Bablitch Deputy Director, Intergovernmental Relations, Milwaukee County Board
Melissa Banigan..... Enterprise Holdings/Wisconsin Business Travel Association
Peter W. Beitzel Vice President, International Trade,
Transportation, and Business Development,
Metropolitan Milwaukee Association of Commerce
Amy Boyer..... Hamilton Consulting Group
Roy De La Rosa Director, Intergovernmental Relations, Milwaukee County Board
Daniel Ewald..... President, Mayfair Rent-A-Car, LLC
David Fantle..... Visit Milwaukee
Mona Fitzgerald..... Broydrick & Associates, Hertz Corp.
Anita Gulotta-Connelly..... Managing Director, Milwaukee County Transit System
Tim Hamilton..... Wisconsin Business Travel Association
Peter Hansen Chairman, Racine County Board of Supervisors
Dorian Keller Enterprise Holding/Wisconsin Business Travel Association

stated that the Intergovernmental Partnership (IGP) of the Counties and Cities of Kenosha, Racine and Milwaukee, the Wisconsin Department of Transportation (WISDOT), and the Commission, have been advancing the New Starts application to allow the project to apply to enter preliminary engineering and potentially receive a Federal discretionary capital grant. He noted that the IGP had appointed a Steering Committee to guide the technical studies of the KRM project (see Attachment 3 to these minutes), and that a draft of the full application would likely be ready for the Board's review in February. Mr. Yunker's presentation provided an overview of the New Starts application, including:

- A bus service alternative, against which the commuter rail alternative was compared and evaluated, proposed an improved and expanded commuter bus service in the KRM corridor, with 29 stations or stops, 14-17 weekday buses in each direction, and technology improvements such as traffic signal prioritization for buses.
- The current commuter rail service proposal is for 15 weekday trains in each direction, serving nine stations along a 33-mile commuter rail line between Milwaukee and Kenosha.
- The commuter rail alternative would have higher capital and operating and maintenance costs than those of the bus alternative, but the benefits of commuter rail would be significantly higher.
- About 80-90% of all commuter rail costs may potentially be funded by Federal and State funds.
- FTA project evaluation would be based on several measures, including mobility improvements, cost effectiveness and operating efficiencies, environmental benefits, land use and economic development effects, and local financial commitment.
- Estimates in the application, which attempt to meet the FTA's project justification criteria, include a ridership forecast of about 8,300 riders per average weekday in 2035, about one million hours of user benefits, a cost per new rider of about \$16.67, and a cost effectiveness index of \$27.80 per hour of user benefit.
- The KRM project would receive a "high" rating for environmental benefits due to the study area's U. S. Environmental Protection Agency air quality designation, although this measure does not factor heavily into the FTA's project evaluation.
- Land use and economic development effects are identified based primarily on transit-oriented land use plans for KRM commuter rail station areas, developed with extensive community input.
- The 20-year financial analysis and plan for the KRM project is based on SERTA's authority to enact an \$18 vehicle rental fee indexed to inflation. The plan assumes a Federal discretionary grant for 60% of the project's capital costs, Federal Congestion Mitigation and Air Quality grants for about 8% of the project's capital costs, and State funding of 50% of the non-Federal share of capital costs, or about 16% of total capital costs, with the remainder to be funded by SERTA.

In regards to the cost effectiveness criterion, Mr. Yunker stated that the project would receive a "medium-low" rating from the FTA with an index of \$27.80, which would likely be acceptable to allow the project to enter into preliminary engineering. He stated that currently the FTA required a "medium" cost effectiveness rating to obtain a Federal discretionary grant for the project's capital costs, and that during preliminary engineering the project would need to improve its cost effectiveness to \$25 or less to achieve a "medium" rating. He noted, however, that the U.S. Department of Transportation was considering the elimination of this requirement, which could occur prior to the project seeking a Federal discretionary grant.

[Secretary's Note: On January 13, 2010, U.S. Department of Transportation Secretary Ray LaHood announced that New Starts projects would no longer be required to achieve at least a "medium" rating for cost-effectiveness in order to receive Federal discretionary funding (see Attachment 4 to these minutes). However, a project must receive at least a "medium" overall rating, including at least a "medium" rating each for project justification and local financial commitment.]

Mr. Antaramian asked if there had been an analysis of the cost effectiveness of operating a seamless service with Metra. Mr. Yunker responded that this option is not being considered under the current proposal in the New Starts application.

In response to a question by Milwaukee County Board Chairman Holloway about the relative difference in cost-effectiveness between the commuter rail alternative and bus alternative considered in the KRM project evaluation, Mr. Yunker responded that the estimated annual operating and maintenance costs would be approximately 4.5 times higher for commuter rail, while the estimated capital costs would be approximately 7 times higher. He stated, however, that ridership for the commuter rail alternative would be about 4 times higher than for the bus alternative, and Mr. Antaramian noted that there was the potential for significant benefits associated with anticipated development and redevelopment in the areas around commuter rail stations. Milwaukee County Supervisor Mayo, Sr. acknowledged the development potential that commuter rail has over a bus alternative, but questioned whether Milwaukee County station areas would see the same level of economic impact as greenfield sites such as Somers and Caledonia. Mr. Karls stated that new development around stations in greenfield areas and redevelopment in already developed areas would both have positive economic impacts. Milwaukee County Board Chairman Holloway questioned whether the redevelopment around stations in Milwaukee County would shift economic development within the County rather than creating new development. Mr. Karls and Mr. Antaramian noted that both the Racine and Kenosha stations would be in urban settings similar to the proposed stations in Milwaukee. Mr. Antaramian stated that the City of Kenosha has experienced significant economic benefits in terms of increased land value and tourism around the City's Metra commuter rail station. In response to a question by Mr. Antaramian regarding the stations in Somers and Caledonia, Mr. Yunker stated that work to determine the potential development and redevelopment around each of the proposed commuter rail stations had been prepared as part of a transit-oriented development study prepared in 2006 and 2007 for the KRM project, and that Commission staff would provide this work to the Board.

[Secretary's Note: The Transit-Oriented Land Use Technical Report published in 2007 for the KRM project, as well as Transit-Oriented Development (TOD) Portfolios for each station area, can be downloaded at <http://www.sewrpc.org/KRMonline/reports.shtm>.]

Ms. Taylor suggested the Board also review information presented to the former Southeastern Wisconsin Regional Transit Authority (RTA) describing the revitalization potential around commuter rail stations.

[Secretary's Note: Commission staff has attached a presentation given to the former RTA by Mr. Eugene Skoropowski on May 15, 2006, which describes the economic impacts experienced in communities with commuter rail stations (see Attachment 5 to these minutes). An additional presentation, which includes the results of analysis on the economic impact of transportation investment in southeastern Wisconsin, can be downloaded at <http://www.transitnow.org/documents/Bernstein-Sept182009LR.pdf>.]

In response to a question from Chairman Ostby regarding FTA requirements on ridership, Mr. Yunker explained that the FTA has specific guidelines for each of the criteria included in the project justification evaluation, and that a ridership forecasting model was developed specifically for the KRM project based on models used by other transit agencies. He also stated that ridership forecasts had been compared to those of similar commuter rail lines in the Metra system, as well as sketch ridership estimates calculated using a more general FTA model. Chairman Ostby noted that he believed actual ridership had exceeded ridership forecasts for recent rail projects in Phoenix and Minneapolis.

In regards to the KRM project financial plan, Milwaukee County Supervisor Mayo, Sr. asked when a vehicle rental fee was assumed to be implemented by the SERTA Board. Mr. Yunker stated that the

financial plan assumes the fee would begin to be collected on September 1, 2010, and that the financial planning to date would indicate that the \$18 vehicle rental fee indexed to inflation may be adequate to fund KRM commuter rail. He noted that the date of September 1 assumes that the Board would submit the application in February 2010 and that the FTA would approve the application by May 2010, at which time the Board would enact the fee. He also noted that the date would need to be revised if SERTA decided to delay submitting the application. Ms. Taylor asked whether SERTA could enact a vehicle rental fee in phases, beginning with a lower fee and increasing to a higher fee at a future stage of project development. Mr. Yunker stated that Commission staff would work with KRM project consultant staff to analyze a phasing approach to enacting the fee to determine if this approach would be feasible.

Mr. Antaramian suggested that the funding source for the KRM project may change as draft legislation is considered by the State Legislature, which would create local dedicated funding sources for the transit systems in Kenosha, Racine, and Milwaukee Counties. Mr. Yunker stated that the draft legislation would continue the \$18 vehicle rental fee indexed to inflation to fund the KRM project, and also identifies that, should additional revenues be needed for the KRM project, each of the three counties could provide these funds based on the proportion of KRM ridership in each county. Milwaukee County Supervisor Mayo, Sr. stated that Milwaukee County could not afford to fund KRM commuter rail from revenues from the 0.5% sales tax, to be used for bus transit in Milwaukee County. Mr. Yunker noted that in order to have a viable financial plan in the New Starts application, a funding source for KRM commuter rail would be necessary, and currently the only source available to the SERTA Board was the \$18 vehicle rental fee indexed to inflation. Mr. Antaramian asked if the revenue sources from the draft legislation would be included in the financial analysis and plan. Mr. Yunker indicated that the financial plan would need to describe the potential that the legislation would have to address the funding crisis for the local bus systems through the provision of local dedicated funding.

In response to a question from Mr. Antaramian regarding how the level of State operating assistance was determined, Mr. Yunker stated that a level of 40% of annual operating and maintenance costs was assumed, which was comparable to historic funding levels for the Milwaukee County Transit System (MCTS). Mr. Yunker explained that the source of Federal funding for KRM commuter rail operating and maintenance costs was Federal Section 5307 Urban Area Formula funds. He noted that in 2009, urbanized areas of over 200,000 population with commuter rail received an additional minimum amount of about \$9 million annually in Federal Section 5307 funding. KRM commuter rail operating and maintenance costs were assumed to be funded by a portion of that additional funding.

Mr. Yunker noted that a strong financial analysis and plan, including conservative assumptions regarding funding, costs, growth, and inflation, and the demonstration of adequate funding under several scenarios which test the plan under even more pessimistic assumptions, will likely be necessary for the FTA to approve the New Starts application. He explained that the next steps for the SERTA Board to move the project forward would be to adopt the KRM commuter rail alternative as the locally preferred alternative, then to submit the New Starts application to the FTA. He stated that the Board could either submit the application as soon as it is ready – likely in February or March 2010—anticipating that legislation is passed which provides adequate funding for the local bus systems—or the Board could wait until that legislation passes before submitting the application. Chairman Ostby indicated that the Board should review the detailed financial analysis and plan, as well as the other elements in the New Starts application, before any further consideration be given to submitting the New Starts application to the FTA.

In response to a question by Mr. Buford regarding the approximately one million jobs in the corridor between Milwaukee and Chicago, Mr. Yunker stated that Commission staff could look into whether the jobs could be broken down by type and sector.

CONSIDERATION OF ENACTMENT OF VEHICLE RENTAL FEE

Mr. Antaramian suggested that the Board review additional information prior to deciding to enact a vehicle rental fee, including where revenues from the \$2 vehicle rental fee levied by the former RTA were raised. Mr. Yunker stated that Commission staff would attempt to obtain data on the revenue from the \$2 vehicle rental fee generated in each individual county – Kenosha, Racine, and Milwaukee – as opposed to the 3-county area as a whole; and the proportion of the revenue from the \$2 vehicle rental fee generated from residents in the 3-county area compared to residents outside the 3-county area. He noted that Commission staff had requested similar information from the Wisconsin Department of Revenue in the past, and had been informed that the Department did not have the information available.

[Secretary's Note: Commission staff contacted Mike Hinnendael of the Wisconsin Department of Revenue, and Brian Mitchell of the Wisconsin Car Rental Alliance to request the above information on the \$2 vehicle rental fee levied by the former RTA. A memo summarizing this correspondence is provided as Attachment 6 to these minutes.]

Mr. Antaramian requested that the Board be provided with a breakdown of estimated capital and operating and maintenance costs for KRM commuter rail, as well as information on the expansion and improvements proposed for the transit systems in Kenosha, Racine, and Milwaukee Counties, and their integration with KRM commuter rail. Milwaukee County Supervisor Mayo, Sr. requested that the Board also be provided with information on how the funding sources for KRM commuter rail could potentially impact funding of existing transit systems. Mr. Karls suggested the Board also needed a timeline for when the SERTA Board will need to take actions to move the KRM project forward. Chairman Ostby indicated that Commission staff already has some of this information, and Mr. Yunker agreed to provide this information to the Board at the next meeting.

A motion that consideration of enacting a vehicle rental fee be postponed until the Board could review a breakdown of estimated capital and operating and maintenance costs and funding sources for KRM commuter rail, as well as a timeline for Board actions necessary to move the KRM project forward, was made by Mr. Karls, seconded by Chairman Ostby, and carried unanimously by the Board.

CONSIDERATION OF RETENTION OF COMMUNICATIONS CONSULTANT

Chairman Ostby asked Mr. Mueller to speak about the current communications consultant proposal (see Attachment 7 to these minutes). Mr. Mueller stated that the recommendations in the current proposal for a four-month contract were a product of the discussions and experience Mueller Communications has had over the past several years working with the former RTA. He stated that the proposal focuses on how transit is critical to communities, and recognizes that the Board needs to have local dedicated funding for the transit systems in Kenosha, Racine, and Milwaukee Counties in order to move the KRM project forward. He noted that Mueller Communications would keep the Board updated on a weekly basis, and that their work could be reviewed monthly by the Board, with revisions to the contract made as needed.

In response to a question from Mr. Antaramian regarding the purpose of a direct mailing. Mr. Mueller stated that a direct mailing would target certain areas where a misunderstanding of the benefits of transit was prevalent. Mr. Layden indicated he was in full support of a direct mailing and asked if it would also be beneficial to conduct polling as a part of the community outreach campaign.

Chairman Ostby asked what was meant by social media outreach, to which Mr. Mueller stated that common examples of social media would be Facebook, LinkedIn, or Twitter. Milwaukee County Board Chairman Holloway requested that the subconsultant that would perform this social media outreach be presented to the Board, indicating he would like the opportunity to meet the subconsultant. Mr. Mueller

responded that Mueller Communications staff would present a potential subconsultant at the next meeting. In response to a question from Mr. Layden regarding whether the subconsultant would be supporting the goals of the proposal, Mr. Mueller indicated that the subconsultant would follow the goals, but would also carry out more specific tasks identified by Mueller Communications.

Mr. Mueller indicated that the current proposal recommended the hiring of a lobbyist to work for the SERTA Board in representing the Board's interests to the State Legislature. Mr. Karls suggested that a SERTA lobbyist could coordinate all lobbying efforts, including those of the individual governments represented on the Board, to present a consistent message to the State Legislature regarding the draft transit legislation. Milwaukee County Supervisor Mayo, Sr. suggested that the hiring of a lobbyist be separated from the communications consultant contract, and a lobbyist be hired directly by SERTA. Ms. Taylor asked if the proposed contract would give Mueller Communications the ability to coordinate their actions with that of a lobbyist, if a lobbyist was hired directly by the Board. Mr. Mueller stated that he believed the proposal would be adequate to allow this coordination.

A motion to approve the Mueller Communications proposal for a four-month communications consultant contract, with the provision that a lobbyist be hired directly by SERTA, was made by Mr. Karls, seconded by Mr. Antaramian, and carried unanimously by the Board.

Chairman Ostby suggested that a lobbying subcommittee be created from Board members to make a recommendation on a lobbyist at the next meeting. Mr. Karls asked if \$6,000 per month for the hiring of a lobbyist, as estimated in the Mueller Communications proposal, would be adequate to hire a highly qualified lobbyist. Mr. Antaramian indicated that a very good lobbyist could likely be hired for around \$3,000 to \$7,000 per month. A motion to approve the hiring of a lobbyist with the naming of three Board members as the lobbying subcommittee to make a recommendation on a lobbyist was made by Mr. Antaramian and seconded by Mr. Karls. Mr. Layden suggested a friendly amendment that each of the three counties be represented on the lobbying subcommittee. Mr. Karls noted that a lobbyist was needed immediately since the State Legislature could begin reviewing the draft transit legislation prior to the next meeting. He suggested an additional friendly amendment that the subcommittee be permitted to select a lobbyist and get them started immediately upon selection, with the provision that full approval by the Board would be necessary at the next meeting. Mr. Antaramian and Mr. Karls agreed to make the two amendments to the motion. There being no objection, the motion was carried unanimously by the Board. Mr. Karls requested that Mueller Communications set a meeting between the members of the lobbying subcommittee as soon as possible, and compile a list of potential lobbyists.

Mr. Antaramian asked who would be responsible for drafting a request for qualifications/proposals for the hiring of a communications consultant subsequent to the conclusion of the four-month Mueller Communications contract. Mr. Yunker indicated that Commission staff would draft a request for qualifications/proposals and present it to the Board at a future meeting.

CORRESPONDENCE AND ANNOUNCEMENTS

Mr. Yunker directed the Board's attention to a draft letter encouraging the Governor and State Legislature to enact legislation providing dedicated local funding for public transit, which was prepared by Commission staff on behalf of the SERTA Board in response to a request from the Board at the last meeting (see Attachment 8 to these minutes). Chairman Ostby, referring to the second paragraph of the draft letter, questioned whether the letter should specify that the legislation be enacted by April, 2010. Mr. Yunker stated that the date in the letter was based on the anticipation that the KRM New Starts application to the FTA would be submitted in February, but that the letter could be revised to not include a specific date. Chairman Ostby asked if the third bullet point on the second page of the draft letter should recommend that only revenues from a sales tax be subject to the requirement that revenues raised in an

interim regional transit authority's jurisdictional area, be expended only within that area upon the interim regional transit authority becoming part of a single regional transit authority. Mr. Yunker responded that there may be different revenue sources levied by interim regional transit authorities in Kenosha and Racine, for which this requirement would also apply. Ms. Taylor suggested that the Board wait to send the letter until after a lobbyist had been selected, and the communications consultant and lobbyist had reviewed the letter. Ms. Taylor also requested that the Board receive another briefing from Governor Doyle's staff regarding the legislation that would provide funding for the local bus systems. Mr. Antaramian agreed, noting that discussing what was being proposed in the legislation would aid the Board members in better understanding how it may impact their respective communities. Mr. Yunker stated that Commission staff would provide the draft letter, along with the proposed letterhead (see Attachment 9 to these minutes), to Mueller Communications.

ADJOURNMENT

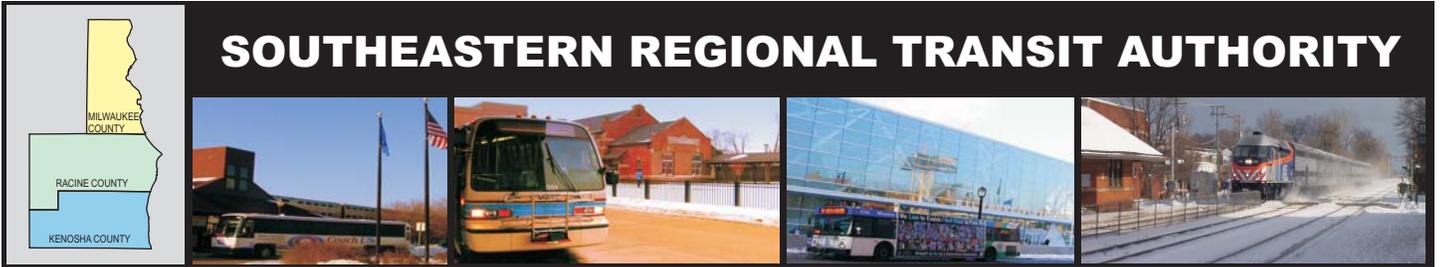
Chairman Ostby stated that the next scheduled meeting was at 8:00 a.m. on Monday, February 8, 2010, in the Sijan Room of the Mitchell Museum of Flight. Mr. Antaramian suggested that the Board consider holding the March meeting in Kenosha. Chairman Ostby stated that probable agenda items at the next meeting would include review of the capital and operating and maintenance cost breakdown for the KRM project; review of the potential KRM project development schedule; review of an anticipated timeline for SERTA Board actions; review of the needs for a vehicle rental fee; review of the potential funding sources for the KRM project and how existing bus funding may be affected; review of the needed improvements and expansion of bus transit service, including in the KRM project study area; review of research on the revenues raised by the \$2 vehicle rental fee levied by the former RTA; approval of a lobbyist as selected by a SERTA Lobbying Subcommittee; and a briefing from Governor Doyle's staff on the draft legislation to provide adequate funding for the local bus systems.

[Secretary's Note: SERTA was not charged for the November 23, 2009 meeting, but has been charged \$70 for the December 18, 2009 meeting and \$100 for the January 11, 2010 meeting. Beginning with the February 8, 2010 meeting, SERTA will be charged \$200 to use the rooms at the Mitchell Museum of Flight, including a \$50 fee to set up the microphones and sound system.]

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

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary



KENOSHA COUNTY • RACINE COUNTY • MILWAUKEE COUNTY



KRM Commuter Rail New Starts Application



January 11, 2010

#148421 v3



KRM Commuter Rail Studies

Elements of Study and New Starts Application

- **Transit Alternatives Analysis**
 - Completed in 2007 and updated in 2009
- **Draft Environmental Impact Statement**
 - Completed in 2009
- **“New Starts” Application to Federal Transit Administration (Project Evaluation)**
 - Application submitted and withdrawn in 2007 and updated in 2009

2



KRM Commuter Rail Studies (continued)

Responsible Authorities

- **Intergovernmental Partnership**
 - Technical Steering Committee
- **“Temporary” and “Limited Authority” Southeastern Wisconsin Regional Transit Authority (2005-2007 State budget)**
- **Southeastern Regional Transit Authority (SERTA)**

3



Proposed KRM Commuter Rail Service



Will connect Milwaukee and Racine to existing Chicago-Kenosha commuter rail

- Service to Kenosha (option to Waukegan)

33-mile commuter rail line using existing Union Pacific Railroad (UP) and Canadian Pacific Railway (CP) freight lines

9 stations

- Existing stations at Kenosha, Racine, and Milwaukee
- New Stations at Somers, Caledonia, Oak Creek, South Milwaukee, Cudahy, and Milwaukee South Side

4



Proposed KRM Commuter Rail Service (continued)

Level of service

- Service provided in both directions along corridor during all time periods
- 15 weekday trains in each direction

Train operation

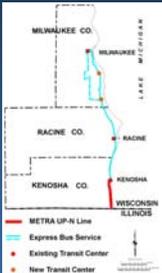
- Service provided by meeting existing Metra trains at Kenosha (option for trains to Waukegan)
- Diesel-multiple-unit cars (“DMUs”) or self-propelled coaches




5



Proposed Bus Service Alternative



- **The bus alternative is an improved and expanded bus service**
 - The best that can be done with improved and expanded bus service over existing streets and highways to provide a similar service as commuter rail, while maintaining the unique advantages of bus service
- **29 stations or stops – limited stop service**
- **14-17 weekday buses in each direction**
- **Motor coach vehicles with commuter bus amenities**
- **Buses operate as their own collector/distributor**
- **Traffic signal prioritization**

6



Evaluation and Comparison of Commuter Rail and Bus Alternatives

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

7



Evaluation and Comparison: Travel Time

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

	Milwaukee to Kenosha	
	Average Speed	Average travel time
Commuter Rail	38 mph	53 minutes
Bus	20 to 29 mph	83 to 108 minutes

In comparison, a trip by automobile between Milwaukee and Kenosha during the peak traffic hours may be expected to require 54 minutes.

8



Evaluation and Comparison: Ridership

- Commuter rail may be expected to attract nearly four times the ridership of the bus
 - Annually, commuter rail will attract 2.12 million trips vs. 0.56 million for bus
- Commuter rail will also attract longer trips and annual passenger-miles from commuter rail ridership will be more than five times that of the bus

9



Evaluation and Comparison: Accessibility to Jobs

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

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

- Percentage of residents residing within 3 miles of KRM station
 - 41% - City of Milwaukee
 - 57% - Racine County
 - 64% - Kenosha County

10



Evaluation and Comparison: More Efficient Development and Redevelopment

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

11



Evaluation and Comparison: Corridor Economic Development and Growth

- The potential for future economic growth of southeastern Wisconsin through more closely linking to northeastern Illinois is one of a few major economic development themes being advanced for southeastern Wisconsin by the Milwaukee 7
 - Companies have cited the importance of this link to Northeastern Illinois to retaining and attracting qualified employees, and maintaining and expanding its presence in southeastern Wisconsin
- Due to its much higher average speeds and shorter travel times, commuter rail will do a significantly better job of more closely connecting Kenosha, Racine, and Milwaukee to each other and to northeastern Illinois and Chicago

12



Evaluation and Comparison: Capital and Operating Costs

- **Commuter rail would have higher capital costs and annual operating and maintenance (O&M) costs than bus**
 - Capital cost (2009 dollars) – \$232.7 million for commuter rail compared to \$30.0 million for bus
 - Annual Operating & Maintenance cost (2009 dollars) – \$13.4 million for commuter rail compared to \$3.1 million for bus
 - About 80 to 90% of the capital and net operating and maintenance costs may be expected to be funded with Federal and State funds

13



Draft Environmental Impact Statement

- Prepared and filed in July 2009
- Describes KRM transit alternatives analysis and environment potentially affected by KRM commuter rail implementation
- Overall, potential adverse impacts will likely be minor
 - Existing rail corridor used, most impacts would be near stations
 - All potential adverse impacts will be avoided or mitigated to the extent possible
 - Additional field investigations and further analysis are recommended to determine the potential extent of, as well as mitigation measures for, some impacts
 - Would occur during Preliminary Engineering/Final EIS

14



Federal Discretionary (New Starts) Grant Application

- **Elements of Project Evaluation**
 - Mobility improvements
 - Cost effectiveness and operating efficiencies
 - Environmental benefits
 - Land use and economic development effects
 - Local financial commitment

15



Mobility, Cost-Effectiveness, and Operating Efficiencies

- **Ridership:** about 8,300 average weekday riders in 2035 (previous estimate was about 7,400)
- **Mobility improvements:** about 1 million annual hours of user benefits (i.e. travel time savings)
- **Cost-Effectiveness Index (CEI)**
 - Ratio of annualized capital and O&M costs to annualized hours of user benefits
 - KRM New Starts CEI: \$27.80 per hour of benefit (medium-low rating, acceptable to enter PE)
 - Needs to be improved to less than \$25 to obtain a Full Funding Grant Agreement with FTA
- **Cost per new transit rider:** \$16.67

16



Environmental Benefits

- **Based on EPA air quality designation**
 - Milwaukee-Racine area is nonattainment area for 2006 PM 2.5 (particulate matter) standard
 - Southeastern Wisconsin is moderate nonattainment area for 8-hour ozone standard
- **KRM New Starts: High Rating**

17



Land Use and Economic Development Effects

- **Based on existing land use, transit-supportive plans and policies, and performance and impacts of policies**
- **Transit-oriented development land use plans for KRM station areas**
 - Based on community policy preferences for type and intensity of preferred future land uses
- **Job access and economic development**
 - Nearly 1 million jobs within 1 mile of KRM and Metra UP North lines
 - Access to Milwaukee and Chicago airports
 - Access to cultural and educational facilities

18



Local Financial Commitment

- **Stability of capital and operating funding for proposed guideway transit line**
 - Amount of non-Federal capital matching funds
- **Stability of capital and operating funding for existing transit system(s)**
 - Milwaukee County Transit System
 - City of Racine and Kenosha Transit Systems

19



Local Financial Commitment (continued)

- **Financial Plan based on SERTA authority to enact \$18 vehicle rental fee, indexed to inflation**
- **Assumed vehicle rental fee implementation date of September 1, 2010**
- **Analysis results indicate maximum vehicle rental fee would need to be implemented for KRM commuter rail**

20



Local Financial Commitment - Conclusions

- **An \$18 vehicle rental fee, indexed to inflation, would be adequate to fund local share of KRM commuter rail capital and operating costs**
- **FTA has indicated funding for existing transit systems also needs to be addressed prior to FTA approval of an application to enter preliminary engineering**

21



KRM Commuter Rail Potential Funding - Capital Costs

Capital Cost - \$232.7 million (2009 dollars)

- \$140 million Federal discretionary grant (FTA)
- \$18 million FHWA CMAQ grants
- \$35 - 40 million State share
- \$35 - 40 million Local share (potential \$3 million annual debt service on 20 year bond)

Capital Cost - \$280.0 million (YOE dollars)

- \$168 million Federal discretionary grant (FTA)
- \$18 million FHWA CMAQ grants
- \$45 - 50 million State share
- \$45 - 50 million Local share (potential \$4 million annual debt service on 20 year bond)

22



KRM Commuter Rail Potential Funding - Operating Costs

Operating Cost - \$13.4 million (2009 dollars)

- \$4.1 million fare revenue
- \$5.4 million State assistance
- \$2.3 million Federal assistance
- \$1.6 million Local share

Operating Cost - \$19.3 million (2016 dollars)

- \$4.9 million fare revenue
- \$7.7 million State assistance
- \$3.3 million Federal assistance
- \$3.4 million Local share

23



Next Steps

- **Commuter Rail Project Next Steps**
 - Consider adoption of KRM commuter rail as Locally Preferred Alternative
 - Determine to submit "New Starts" application to FTA for consideration of discretionary Federal funding to enter Preliminary Engineering
 - FTA decision on entering Preliminary Engineering
 - Conduct Preliminary Engineering
 - Apply to FTA for Final Engineering and Design funding
 - FTA decision on entering Final Engineering and Design
 - Conduct Final Engineering and Design
 - FTA Decision on Full Funding Grant Agreement
 - Construction
 - Service operations begin

24

**INTERGOVERNMENTAL PARTNERSHIP
TECHNICAL STEERING COMMITTEE**

Intergovernmental Partner

Steering Committee Member

City of Milwaukee Jeffrey J. Mantes, Commissioner of Public Works

City of Racine Richard M. Jones, Commissioner of Public Works

City of Kenosha Ron Iwen, Interim Transit Director

Milwaukee County Brian Dranzik, Fiscal and Policy Administrator,
Department of Transportation and Public Works

Racine County David Prott, Director of Public Works

Kenosha County George E. Melcher, Director of Planning and
Development

Wisconsin Department of Transportation.. Mark J. Wolfgram, Administrator,
Division of Transportation Investment Management

Attachment 4



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

January 13, 2010

Dear Transportation Leader:

I am writing to let you know that, effective immediately, the U.S. Department of Transportation's Federal Transit Administration (FTA) is restoring the statutorily prescribed process for recommending New Starts and Small Starts projects for discretionary Federal funding assistance. We will also be initiating some additional steps to further improve the process for rating and evaluating such projects.

As you may recall, on March 9, 2005, the FTA Administrator issued a "Dear Colleague" letter announcing that the Administration would limit its New Starts funding recommendations to projects that achieved a "medium" or higher rating for cost-effectiveness. As of today, that letter is no longer in effect, and the Administration will no longer use it in making funding recommendations.

Instead, we will rely on the statutory framework contained in Sections 5309(d) and (e) of Title 49, United States Code, as amended. Thus, in order to be recommended for funding, a project must receive an overall rating of at least "medium." To achieve this rating, as provided for in the law and its implementing regulations, a project must receive a rating of at least "medium" on both project justification and local financial commitment.

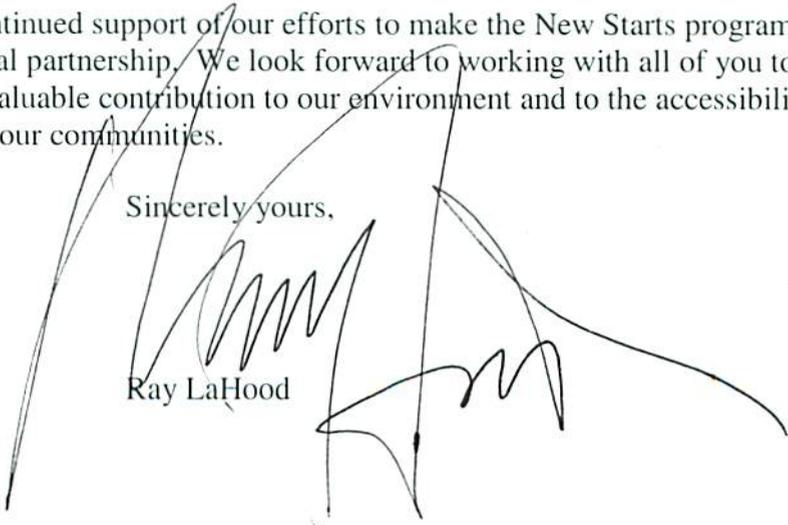
We are making this change in order to give meaningful consideration to the full range of benefits that transit can provide. These include not only mobility-oriented benefits such as transit travel time, but also important economic development, environmental, social, and congestion relief benefits. By taking all these factors into account, we will more fully realize the livability and sustainability goals of the Obama Administration.

Consistent with this change in policy, I am also announcing our intention to change our regulatory framework so that it more fully and accurately reflects the wide range of benefits that result from major transit investments. This effort will include a revised cost effectiveness measure that will recognize these benefits. Shortly, FTA will initiate a rulemaking process to accomplish this goal. As the Administration works to develop measures to appropriately capture the full range of public benefits that transit projects provide, I encourage you to participate and comment on our new proposed approaches through the rulemaking process.

We very much appreciate your continued support of our efforts to make the New Starts program a model for a local, State, and Federal partnership. We look forward to working with all of you to continue to demonstrate transit's valuable contribution to our environment and to the accessibility, mobility, and economic vitality of our communities.

Sincerely yours,

Ray LaHood

A large, stylized handwritten signature in black ink, appearing to be "Ray LaHood", written over the typed name and extending across the bottom of the page.



What are reasonable expectations when commuter rail comes to the KRM Corridor?



February 28, 2006
Eugene K. Skoropowski
Managing Director
Capitol Corridor Joint Powers Authority
Oakland, California



Will commuter trains transform this area into 'Paradise'?

Not likely, but it certainly will make life a lot better for the people who live and work here



What are key ingredients?

- Visionary plan (exciting enough, but buildable)
- Support from residents and businesses
- Political 'champion' 
- A willing freight railroad (if not publicly owned) 
- Source of capital funding, state support
- One entity charged to 'make it happen' 
- Coordination with other services (transit, intercity rail, etc.)
- Having the right demographics 

What are the KRM strengths?

- Satisfied most of the criteria
- Working on the ones 'not yet done'
- State DOT support is there 
- Existing Intercity Corridor nearby
- Enthusiastic local advocates
- Existing infrastructure
- An organized support group



Where else can we look?

- Haverhill, Massachusetts (35 miles from Boston)
- Older, industrial and manufacturing city
- Mills closed, stagnant neighborhoods
- Depressed downtown, empty stores
- Difficult job access, in and out
- Commuter Rail service started Dec.1979
- Started with 6 RT trains each weekday
- Today 13 RT each weekday

Also, Fitchburg, Leominster, Lawrence, Lowell, Attleboro, Massachusetts and Providence, Rhode Island

Haverhill is 35 miles north of Boston, and is now also a stop along Amtrak's new Downeaster service to Portland, Maine



What is Haverhill today?



H A V E R H I L L
I S T H E P I C T U R E O F P R O G R E S S



The Boston Globe February 12, 2006

By Charlie Russo

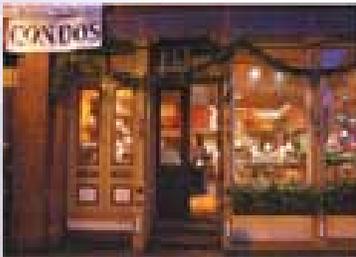
Its funky center already has food and nightlife; now developers are turning old factories into chic housing

- **HAVERHILL -- This small city on the Merrimack River is poised for its second renaissance.**
- "We picked Haverhill because it looked like it was a community that had tremendous potential," said Pamela Goodman, president of Beacon Communities Development. **"It's got the train,** is poised to sort of take off, and has a lot of the basic characteristics that we look for."

Developers say Haverhill has the ingredients they look for: large, brick factory buildings in the heart of a downtown that has

easy access to a commuter rail station.

- Another attractive feature: Boston is just an hour away via commuter rail.
- the city has low vacancy rates and rising home values; the median sales price of a condominium more than tripled in a decade, to \$218,000 in 2005

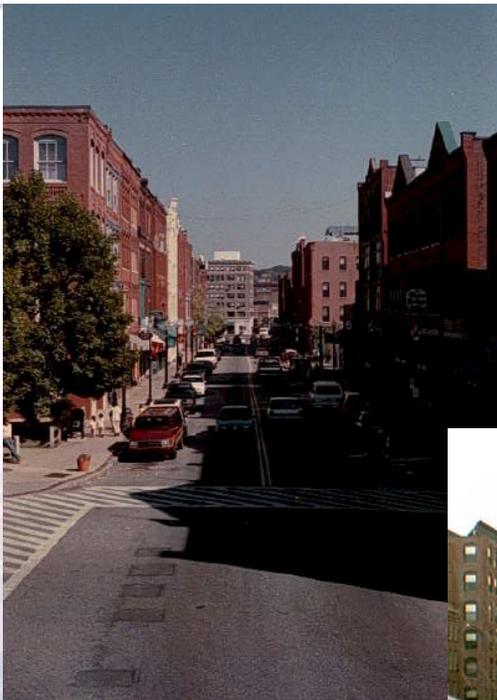


"All ships rise when the tide comes in"

- Most important to Haverhill's future development is its growing population. The city's population grew by 15 percent in the 1990s -- more than three times the statewide rate -- and is now at about 60,000.
- "The town is gritty," said David J. Levey, executive vice president for Forest City. "It was a former blue-collar town. But there's been some interesting reinvestment by younger professionals in the area."

Commuter Rail helps 'bring in the money'

- New residences created from old, empty warehouses and industrial buildings
- Many of the proposed homes are expected to sell to young professional couples and to empty nesters eager for the services and activity of an urban center, but reluctant to pay Boston prices, where the median price for a condo is more than double the cost in Haverhill.



View of
Merrimack
Street from the
Train Station



Existing Residents Not Displaced

- The door to downtown redevelopment opened in April 2004, when City Council approved a plan by the mayor that allowed shops and offices at street level and homes in the upper floors of downtown industrial buildings.
- "All ships rise when the tide comes in," Levey said. "Haverhill's not back yet, but it's coming, it's going to be there. I guarantee it."



Comparative stats on Haverhill

	Haverhill	Racine
• Population in 1980:	46,865	85,730
• Population in 2000:	58,969	81,855
• Average Age in 2000:	35.5	34.74
• Median income 1980:	\$15,044	\$18,437
• Median income 2000:	\$49,833	\$37,164
• Aver. 4+ yrs. College:	23.4%	15.5%
• Non-white residents:	24.9%	31.1%
• Aver. Household size:	2.51	2.60
• Home ownership ratio:	60.2	56.7

Lessons learned?

- CR provides 'visible connection' to major employment, population and financial centers
- CR brings people 'in' to jobs, provides access 'out' to higher paying jobs for residents
- CR can be one of the deciding factors in attracting or retaining businesses
- Miracles do not happen overnight, but you need to start to get to the goal
- Haverhill's 'miracle' took 25 years

What are KRM advantages?

- KRM route is in a strong metropolitan area
- Wisconsin DOT is a major national leader in passenger rail advocacy
- Passenger rail is now considered as having a significant transportation function
- Proximity to Hiawatha Corridor
- Metra and Hiawatha rail services viewed as being among the best in the nation

Conclusions

- You have the right ingredients for success
- You know the investment won't be cheap
- You know the benefits are long-range
- You know it will take time and money
- You know this will be a major effort
- You know it is worth the effort
- You know you will be successful

Thank you!

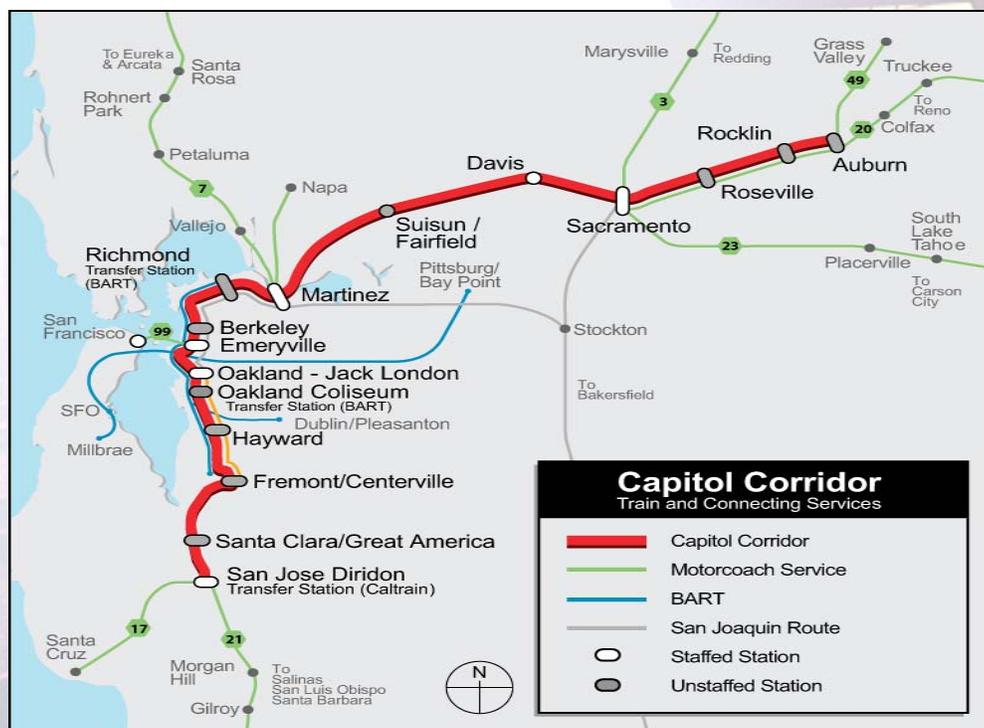


- For inviting me
- For taking the leadership and advocacy role for KRM commuter rail service
- For being a part of a growing national movement to reintroduce passenger rail as an effective component of our regional and national systems of transport

How about the Capitol Corridor?

- New service started in December 1991
- Broad support from communities served
- Public Investment of about \$2.7 mm/mile (including tracks, signals, rolling stock/shops/stations)
- A willing freight railroad
- Solely state capital funding (voter bonds)
- Source/commitment of operating funds
- No federal participation

The Capitol Corridor Route – 90 mile ‘core’



How much does it cost?

- Capital Investment in the entire state program to date: \$2.7 Billion, from all sources

Pacific Surfliner	San Joaquin Corridor	Capitol Corridor
\$1.152 Billion	\$516 Million	\$269 million
Plus \$585 million for rolling stock; \$146 million for maintenance facilities		

- Direct State capital investment is \$1.7 Billion
- Capitol Corridor share: about \$375 million
- Capitol Corridor annual operating subsidy: \$22 million

Seven Years of CCJPA Improvement

SEVEN YEARS OF CCJPA MANAGEMENT: CAPITOL CORRIDOR PERFORMANCE SUMMARY

	Service Level	Ridership	Revenue	Revenue to Cost Ratio
FY 2005	24 daily trains	1,260,250	\$15.27 million	43%
Pre-CCJPA → FY 1998	8 daily trains	463,000	\$6.25 million	30%
Seven Year Improvement	+200%	+172%	+144%	43% better

Average Rail Trip is 70 miles

What is the future in California?

- State cannot continue funding all rail capital needs
- Federal partnership is required for capital investments (80% federal-20%state/local match)
- Population now is 35 million, going to 50 million by 2020
- Roadway mobility almost non-existent in peak hours in urban areas
- Services will likely expand: commuter, intercity/corridor, and long distance national trains

Attachment 6

**RESULTS OF RESEARCH ON REVENUES FROM \$2 VEHICLE RENTAL FEE
LEVIED BY FORMER SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY**

At their January 11, 2010 meeting, the Board of Directors of the Southeastern Regional Transit Authority (SERTA) requested that Commission staff research where revenues from the \$2 vehicle rental fee levied by the former Southeastern Wisconsin Regional Transit Authority (RTA) were raised. In particular, the research was to attempt to determine how much revenue from the \$2 vehicle rental fee was generated in each individual county – Kenosha, Racine, and Milwaukee – as opposed to the 3-county area as a whole; and what proportion of the revenue from the \$2 vehicle rental fee was generated from residents in the 3-county area compared to residents outside the 3-county area.

Commission staff contacted Mike Hinnendael of the Wisconsin Department of Revenue, who stated that a breakdown of revenues from the \$2 vehicle rental fee was not available from the Department because the rental car companies were only required to report the revenues from the fee in a lump sum for the three counties. Commission staff also contacted Brian Mitchell of the Wisconsin Car Rental Alliance (WICRA) to request the above information. Mr. Mitchell indicated that WICRA did not have direct access to the information, but he indicated that one of the car rental companies in southeastern Wisconsin, Enterprise Rent-a-Car, was able to provide an analysis of their revenues. He provided an analysis that Enterprise had conducted on their own revenues from calendar years 2007 and 2008, which indicated that about 90% of revenues were raised in Milwaukee County, compared to about 6% in Racine County and about 4% in Kenosha County. The analysis also indicated that during this time, residents of the 3-county area represent about half of Enterprise's vehicle rentals, with the other half by residents from outside the three counties.

The email correspondence between Commission staff and Mr. Mitchell is provided on the following pages.

* * *

Attachment 6 (continued)

From: Lynde, Eric D.
To: Brian Mitchell
Sent: Tuesday, January 12, 2010 3:42 PM
Subject: SERTA Vehicle Rental Fee Questions

Mr. Mitchell,

On December 18, 2009, you spoke to the Southeastern Regional Transit Authority (SERTA) Board of Directors regarding the Wisconsin Car Rental Alliance's opposition to the potential enactment of a vehicle rental fee in Kenosha, Racine, and Milwaukee Counties. Pursuant to your presentation, SERTA is seeking information to answer two questions regarding the previous \$2 vehicle rental fee which was raised in Kenosha, Racine, and Milwaukee Counties by the former Southeastern Wisconsin Regional Transit Authority. This information is not available from the Wisconsin Department of Revenue. Does the Wisconsin Car Rental Alliance have access to this information and, if so, could the Alliance provide the source? Here is the information SERTA is seeking:

1. How much revenue from the \$2 vehicle rental fee was generated in each individual county – Kenosha, Racine, and Milwaukee – as opposed to the 3-county area as a whole?
2. What proportion of the revenue from the \$2 vehicle rental fee was generated from residents in the 3-county area compared to residents outside the 3-county area?

Your assistance in this matter would be greatly appreciated. If you have any questions, do not hesitate to contact me.

Sincerely,

Kenneth R. Yunker, Executive Director
Southeastern Wisconsin Regional Planning Commission

Office: 262-547-6722 Ext 211
Cell: 414-379-6721
Email: XXXXXXXXXXXX

From: Brian Mitchell
Sent: Tuesday, January 12, 2010 5:02 PM
To: Lynde, Eric D.
Subject: Re: SERTA Vehicle Rental Fee Questions

Mr. Lynde,

Unfortunately WICRA does not have direct access to the information requested by Mr. Yunker and it would have to be retrieved from each rental car company's data. I do know that some of the individual companies have broken-down transactions subject to the \$2 fee by county for certain periods (e.g. 2007 & 2008) and we have scheduled a conference call to discuss how we might be able to assist here.

Hope to provide you additional information later this week.

Brian Mitchell

#149670

Attachment 6 (continued)

From: Brian Mitchell
Sent: Monday, January 18, 2010 10:39 AM
To: Lynde, Eric D.
Subject: Information Request of 1/12/10

Mr. Lynde:

Attached is a major rental car company's analysis of transactions subject to the \$2 SE WI RTA transaction fee for calendar years 2007 and 2008, with fee revenues broken down by county (your question #1 in the request of 1/12/10).

If you have any questions, please contact Matt Wakefield, Controller, Enterprise Rent-A-Car at (262) 544-8502 or XXXXXXXXXXXX

Brian Mitchell
WI Car Rental Alliance

From: Lynde, Eric D.
To: Brian Mitchell
Sent: Monday, January 18, 2010 2:07 PM
Subject: RE: Information Request of 1/12/10

Brian,

Thank you for providing this analysis. Is there additional information to follow, or is this the extent of the information you have available? In particular, if you have any contacts that may be able to provide information on the second half of our request (proportion of revenue from the \$2 fee that was generated from residents in the 3-county area compared to residents outside the 3-county area), we would greatly appreciate it.

Also, this analysis appears to be only for one car rental company. Is data available for any other companies?

Finally, can you tell me how "HOME CITY" and "AIRPORT" are defined in the table?

Thanks,

Eric

Attachment 6 (continued)

From: Brian Mitchell
Sent: Monday, January 18, 2010 5:16 PM
To: Lynde, Eric D.
Subject: Re: Information Request of 1/12/10

Eric,

First, regarding to the Enterprise data, "Airport" refers to rental transactions at Enterprise's General Mitchell Int'l Airport office, 5300 S. Howell Avenue in Milwaukee. "Home City" refers to transactions at all other offices, including other locations in Milwaukee and in other communities throughout the three-county RTA area.

Relative to this data and the proportion of tax revenue from RTA-area residents vs non-residents (question #2), Enterprise advises that area residents accounted for 98% of the rentals outside the Airport; while at the Airport location area residents were only 8% of the transactions (92% were non-residents). Looking at the two-year percentage of revenue generated in each of these markets, this comes close to a 50 / 50 split of tax revenue based on the "resident vs non-resident" categories.

We are still looking at the question but I am not sure how much additional information from other companies that we are going to be able to provide you with. Most of the rental car companies have accounting systems that consolidate and report tax collections from a single office and they do not segregate that information by where in the three-county area the transaction took place. (As you already know, the Department of Revenue's tax reporting requirements are not set up that way.) Similarly, the renter's home zip code is not correlated to transactions subject to the RTA tax. In most cases the only way that information could be retrieved is through examination of the invoices involved which would be a daunting task. We're fortunate that the Enterprise system lent itself to this request and that, based on share of total tax collections, that data appears to be a significant sample.

Brian

Attachment 6 (continued)

January 2007-December 2008			
COUNTY	TOTAL CONTRACTS	TOTAL AMOUNT	
Kenosha Total	5,650.00	\$ 11,300.00	3.79%
Milwaukee Total	134,930.00	\$269,860.00	90.40%
Racine Total	8,686.00	\$ 17,372.00	5.82%
Grand Total	149,266.00	\$298,532.00	
HOME CITY MARKET	71,289.00	\$142,578.00	47.76%
AIRPORT MARKET	77,977.00	\$155,954.00	52.24%
Grand Total	149,266.00	\$298,532.00	

Calendar Year 2007			
COUNTY	TOTAL CONTRACTS	TOTAL AMOUNT	
Kenosha Total	3,122.00	\$ 6,244.00	4.28%
Milwaukee Total	65,302.00	\$130,604.00	89.53%
Racine Total	4,514.00	\$ 9,028.00	6.19%
Grand Total	72,938.00	\$145,876.00	
HOME CITY MARKET	36,279.00	\$ 72,558.00	49.74%
AIRPORT MARKET	36,659.00	\$ 73,318.00	50.26%
Grand Total	72,938.00	\$145,876.00	

Calendar Year 2008			
COUNTY	TOTAL CONTRACTS	TOTAL AMOUNT	
Kenosha Total	2,528.00	\$ 5,056.00	3.31%
Milwaukee Total	69,628.00	\$139,256.00	91.22%
Racine Total	4,172.00	\$ 8,344.00	5.47%
Grand Total	76,328.00	\$152,656.00	
HOME CITY MARKET	35,010.00	\$ 70,020.00	45.87%
AIRPORT MARKET	41,318.00	\$ 82,636.00	54.13%
Grand Total	76,328.00	\$152,656.00	



Mueller Communications, Inc.

Preliminary Recommendations

In order to maximize support for the statewide transit legislation, we need to re-energize current business, environmental, labor and other transit advocates, and engage in a communications and outreach effort to help the general public understand the business philosophy that transit, like other basic infrastructure services, is critical to them as individuals, even though they may not personally ride it, and to the economic sustainability and growth of this region.

SHORT-TERM GOALS

(to be executed January – April 2010)

GOAL 1: As a board, come to consensus on a solitary, consistent message regarding support for statewide transit funding legislation and deliver that united opinion to Madison through:

- Letters;
- Phone calls/personal visits; and
- Coordinated, unified municipal outreach efforts.

Estimated budget for Goal 1:

\$1,000 per month – Mueller Communications

GOAL 2: Develop broader public understanding, awareness and support for a dedicated funding source for existing mass transit systems in all three counties.

- Provide background and educational materials to the media, civic groups and individuals regarding topics such as:
 - The current financial state of transit and potential solution to the crisis;
 - The impact of proposed transit legislation;
 - Peer metropolitan area success stories; and
 - The impact of fare increases and route cuts in the three-county region.

Estimated budget for Goal 2:

\$2,000 per month – Mueller Communications

\$1,000 per month – Woo Connections

GOAL 3: Develop a communications and outreach campaign for community groups, labor groups, transit advocates and the general public centered around the message of “transit as a lifeline to economic health” and support through the following specific communications tactics:

- Media outreach;
- Direct mail outreach to current and likely transit supporters and users;

Attachment 7 (continued)

- Host community meetings in targeted geographic areas, and secure business or labor community representatives to present the case for supporting transit to members of the community;
- Grassroots advocacy activities: coordinating attendance at meetings and rallies, coordinating visits to Madison, generation of letters, phone calls and other communications with key audiences;
- Supporting advocacy group activities: Coalition for Advancing Transit (CAT), TransitNOW, Independence First, WISPIRG, MICAH, Racine Transit Task Force, Community for Change, Spreenkler, LaunchMilwaukee and other transit advocates groups; and
- Social media outreach to targeted audiences.

Estimated budget for Goal 3:

\$ 8,000 per month – Mueller Communications

\$ 3,000 per month – Woo Connections

\$2,500 per month – Social media consultant

\$ 30,000-40,000 (one-time payment per mailing) – Direct mail consultant

GOAL 4: Develop a communications and outreach campaign for the business community centered around the message of “transit as a lifeline to economic health” and support through the following specific communications tactics:

- Supporting business community activities with GMC, MMAC, RAMAC and KABA as well as the African American and Hispanic chambers, and other smaller municipal chambers of commerce, including:
 - CEO news conferences;
 - Membership events, rallies or meetings with key elected leaders;
 - Engagement in news interviews and other media relations;
 - Coordinating visits to Madison; and
 - Generation of letters, phone calls and other communications with key audiences.

Estimated budget for Goal 4:

\$ 6,000 per month – Mueller Communications

\$ 2,000 per month – Woo Connections and potentially other regional communicators

GOAL 5: Secure a lobbyist to represent SERTA’s interests in Madison and communicate its solitary, uniform message consistently and frequently with key decision-makers in the legislative process. This effort would also aim to involve and coordinate municipal lobbyists and business lobbying efforts in support of transit.

Estimate budget for Goal 5:

\$6,000 per month – Lobbyist TBD

Attachment 8

January 11, 2010

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

Dear Governor Doyle:

The appointed Board of Directors of the Southeastern Regional Transit Authority (SERTA) commend your efforts, along with those of the Wisconsin State Legislature, to introduce legislation in the next session of the State Legislature that addresses the funding crisis facing the local bus systems in southeastern Wisconsin and seeks to ultimately create a regional transit authority (RTA) in southeastern Wisconsin encompassing all modes of public transit. The SERTA Board, created in the 2009-2011 State budget, recognizes our primary authority is to construct, operate, and manage a Kenosha-Racine-Milwaukee (KRM) commuter rail line. However, unless the bus funding crisis in southeastern Wisconsin is addressed through the authorization of dedicated local funding sources, the proposed KRM commuter rail line will never become eligible for a Federal Transit Administration discretionary capital grant which could fund 50 percent or more of its capital costs, and therefore will never be able to move forward. Moreover, it makes little sense to move forward on a new rail line when the very survival of existing public bus systems is in question.

The draft legislation currently being prepared has been shared with the SERTA Board members, and the Board believes it represents a reasonable compromise, and should be strong enough to address the bus funding crisis and permit the KRM commuter rail line to move forward. The Board would urge that this legislation be moved forward as quickly as possible, for failure for it to be enacted before the end of April, 2010 will guarantee that the KRM commuter rail application to the Federal Transit Administration, to be submitted for entry into preliminary engineering and a potential discretionary capital grant, will certainly not be approved.

Attachment 8 (continued)

While the Board believes that the legislation being prepared is a remarkable step forward, we would offer the following minor suggestions which introduce only slight changes, but would be important to the legislation:

1. The requirement in the draft legislation that all interim regional transit authority (IRTA) applications for Federal or State funding first be submitted to SERTA, and that SERTA be the applicant for all Federal and State transit assistance, should be considered for revision. Since SERTA is not allowed to modify or delay any application, nor the receipt of Federal or State funds, this requirement may add an unnecessary layer of difficulty in applying for these funds, especially since all applications for Federal funding are submitted electronically. We suggest the language be revised to require that all applications for Federal or State funds be submitted to SERTA for review and comment prior to submittal, but that each IRTA submit the applications to the appropriate Federal or State agency.
2. It would be desirable if the requirement that the effective date for a 0.5% sales tax to be levied by an IRTA in Milwaukee County could be shortened from at least 120 days after the IRTA is created and approves a 0.5% sales tax. The funding crisis facing the Milwaukee County Transit System is significant, with the very survival of the transit system in question this year and next. There is therefore a pressing need for institution of this transit funding source. Moreover, an advisory referendum for imposing a sales tax for transit has already been approved in Milwaukee County, and a 0.5% sales tax is already being collected in Milwaukee County, which should minimize any administrative difficulty to adding this tax.
3. As individual county and city IRTAs become part of a single regional transit authority (RTA), there will likely be different revenue sources and levels of revenue being applied throughout the RTA's jurisdictional area. It may be appropriate to specify therefore that once a single RTA is achieved, the different revenue sources collected by the individual IRTAs – potentially including sales taxes, vehicle registration fees, and hotel room taxes – be expended only within the part of the RTA's jurisdictional area that was under the jurisdiction of each individual IRTA. However, the vehicle rental fee, levied throughout Kenosha, Racine, and Milwaukee Counties specifically for KRM commuter rail, should not be subject to the same restriction, and all revenues generated from a vehicle rental fee should be used for the capital and operating costs of a KRM commuter rail line.
4. The legislation has as its goal that three IRTAs be created, and upon meeting certain service enhancement requirements, be combined to form a single RTA. It would be desirable if the legislation would allow an individual IRTA, in the absence of three IRTAs meeting the specified requirements, to continue to collect the revenue it has been generating. As noted above, the

Attachment 8 (continued)

Milwaukee County Transit System has significant funding problems, and the ability of an IRTA in Milwaukee County to continue its existence and collect revenues from a 0.5% sales tax would be crucial.

5. It would be desirable to clarify in the legislation that an IRTA, or ultimately a single RTA for southeastern Wisconsin, if they are to acquire an existing transit system, be required to negotiate acquisition of the assets and liabilities of each existing transit system.

Please consider our suggestions as this legislation moves forward, and contact us with any questions.

Sincerely,

John Antaramian
City of Kenosha Representative

Earl Buford
City of Milwaukee Representative

Jon Henderson
Racine County Representative

Lee Holloway, Chairman
Milwaukee County Board of Supervisors
and Milwaukee County Representative

Joseph "Jody" Karls
City of Racine Representative

Chris Layden
City of Milwaukee Representative

Michael Mayo, Sr., Supervisor, 7th District
Milwaukee County Board of Supervisors
and Milwaukee County Representative

Karl Ostby
Kenosha County Representative

Julia Taylor
Governor's Representative

Cc: Wisconsin State Legislature representatives within Kenosha, Milwaukee, and Racine Counties

Attachment 8 (continued)

KRY/EDL/edl

#148949 v3 - SERTA - Letter to Governor and State Legislature

DRAFT

SOUTHEASTERN REGIONAL TRANSIT AUTHORITY



Serving the Southeastern Wisconsin Counties of:

KENOSHA
RACINE
MILWAUKEE

DRAFT