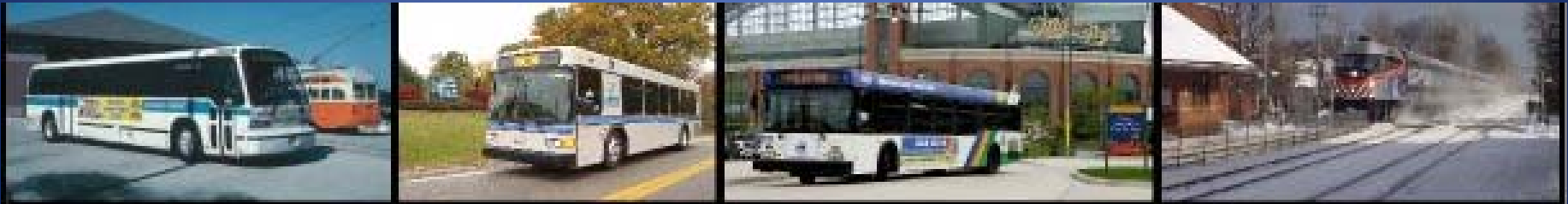




*Southeastern Wisconsin  
Regional Transit Authority*

# SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY (RTA)

Overview of Governor Doyle's recommendations to  
the Legislature





# *The Urgent Transit Need*

- **Local bus transit is facing a funding crisis**
  - State and Federal funds are not increasing to meet the needs of the system
  - Without dedicated funding, burden on local property tax will increase and service will decrease
- **Service cuts have made jobs inaccessible by transit**
- **Our region is falling behind**
  - Wisconsin is one of the last remaining states to fund transit with a property tax
  - Wisconsin has never secured a federal New Starts grant
- **Enhanced connections to Chicago will drive economic development**

# *What will improve local transit?*

- **Establishment of a Regional Transit Authority**
  - Stronger focus on a regional transit system to better connect people from home to work, education and entertainment
  - Necessary to operate cross-county systems, such as the KRM or other commuter rail projects
- **Dedicated funding for existing bus transit**
  - Will save existing systems from impending bankruptcy
  - Will allow for restored routes, expanded service, faster and more convenient service
- **Enhanced connections to Chicago**
  - Will promote transit-oriented development, increase access to jobs and education and enhance the pool of talent for local business expansion

# *Regional Transit Authorities*

## *Comparison of RTAs in similarly-sized metropolitan regions*

- The majority include both counties and portions of counties
- Five operate only regional bus transit
- Nine operate transit systems that integrate bus and other modes, such as commuter rail, light rail and ferry boat
- Over 70% fund transit with a dedicated sales tax
  - Ranging from 0.125% to 1.0%
- Three regions use payroll taxes; one uses gas tax

## *Dedicated funding for local bus transit*

- We largely rely upon Federal and State funds to pay for annual operating costs for our local transit systems (70-80%)
  - Funds have not increased with inflation
  - Our state faces a \$5 billion budget deficit
- As a result:
  - Federal capital dollars have been used to fill operating deficits
  - Transit systems' reserves have been spent
  - MCTS is in need of new buses
  - Routes have been cut
  - Fares have increased

## *Enhanced connection to Chicago*

- Increase access to jobs and labor force
  - Five times more jobs exist in the N-S corridor to Chicago than the E-W corridor to Waukesha
- Create economic development by stimulating a better business environment
- Increase access to universities and research institutions in SE Wisconsin and Chicago
- Reduce I-94 traffic congestion and provide an alternative during I-94 reconstruction
- Increase passengers and airline service at General Mitchell airport

## *Enhanced connection to Chicago*

- Transit options studied to connect to the Chicago corridor:
  - 33-mile KRM commuter rail line
  - Express bus service alternative
  - “No build” alternative
  - Enhancements to the existing system
    - More park and ride lots
    - Increased feeder bus system



## *Enhanced connection to Chicago*

- KRM commuter rail selected as the “preferred alternative” – provided the most significant return on investment:
  - Meets the economic development needs of the local business community
  - Provides a reliable, affordable link between jobs and a regional workforce
  - Connects to nearly 1 million jobs currently existing within 1 mile of stations between Milwaukee and Chicago
  - Supports and brings about 71,000 new jobs and billions in increased property values through transit-oriented development
  - Creates 4,000 jobs during construction



## *Enhanced connection to Chicago*

- Other studies found the KRM will:
  - Promote research consortiums and technology transfer that will help attract top research grants, faculty and students
  - Reduce I-94 traffic congestion and provide an alternative during I-94 reconstruction
  - Increase passengers and airline service at General Mitchell airport
  - Enable greater participation in the region's cultural and entertainment amenities. A 1% increase in tourism is expected to generate \$20 million in additional expenditures, \$12 million in wages, 500 new jobs and \$3 million in additional state and local government revenue



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## *Wisconsin State Budget*

# **The RTA's recommendations and the Governor's budget**



## *Wisconsin State Budget*

- **The Governor recommends the creation of a permanent RTA for southeastern Wisconsin (SE RTA).**
  - Kenosha County
  - Milwaukee County
  - “Urbanized area” of Racine County, currently defined as the areas east of I-94
  - Other municipalities from Waukesha, Ozaukee and Washington counties, or the counties as a whole may join
  - Similar RTAs in Dane County (DC RTA) and the Fox Valley (UFCMPA RTA).



## *Wisconsin State Budget*

- **To join the SE RTA, the governing bodies must adopt a resolution authorizing its membership.**
  - Kenosha County
  - Milwaukee County
  - Any municipality located in the urbanized portion of Racine County



## *Wisconsin State Budget*

- **The Governor recommends that RTAs be authorized to subcontract with the current operators for local bus transit service, or assume operations as appropriate**
  - Under the current budget language, RTA s would still be able to establish a local transit planning group in each county consisting of members appointed by local elected officials to develop a transit service plan and budget that will be submitted to the SE RTA



## *Wisconsin State Budget*

- **The Governor recommends that RTAs be enabled to levy *up to a 0.5 percent sales tax for transit***
  - Milwaukee County expected to need 0.5 percent
  - Racine and Kenosha Counties expected to need 0.2-0.3 percent



## *Sales tax facts*

**Support is based on the critical and urgent need to identify a stable, reliable source of revenue for our region's ailing transit systems**

**In addition:**

- Sales tax spreads cost of transit among more than just local property owners
  - An estimated 20-30% of local sales tax is paid by out-of-region visitors
- Sales tax exempts essentials: groceries, gasoline, prescription medication, and rent
- Local transit costs regional property owners an average of \$100 in property tax for a home assessed at \$200,000
- Sales tax grows with a region's economy and responds to inflation



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## *Recommendations being considered in the Wisconsin State Budget*

- **The Governor recommends that the RTA Board be granted bonding authority by the governor and legislature to cover capital improvements**



## *Local Support for the KRM and RTA*

- **Milwaukee County Board**
  - Supporting the full RTA recommendations contingent upon support from Racine and Kenosha Counties and the appointment of additional members to the RTA
- **Milwaukee Common Council**
  - In favor of a 0.5% sales tax increase for transit and KRM
- **Kenosha County Board**
  - The Legislative Committee Supports and encourages Governor Doyle to seek federal funds for the KRM project
- **Racine County Board**
  - Supports the creation of an RTA, with reservations
- **Racine Common Council**
  - Unanimously supports the recommendations of the RTA
- **BIDs**
  - Milwaukee Downtown BID #21: Supports dedicated funding for transit, the creation of a regional transit authority and the KRM commuter rail project
  - The Gateway to Milwaukee supports a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
  - The Kenosha Business Improvement District endorses the RTA and KRM



# *Local Support for the KRM and RTA*

- **Chambers of Commerce and Business Groups**
  - The GMC supports dedicated funding for transit, an enhanced RTA and the proposed KRM commuter rail project. Champions from this group include:
    - Mike Grebe, Foley & Lardner
    - Fred Lubber, Super Steel
    - Bob Mariano, Roundy's
    - Ed Zore, Northwestern Mutual
    - Tim Sullivan, Bucyrus
    - Gale Klappa, Wisconsin Energy Corporation
    - Sheldon Lubar, Lubar & Co. Inc.
  - RAMAC supports the recommendations of the RTA and the proposed KRM commuter rail project. Champions from this group include:
    - Randy Baker, Case IH
    - Mike Batten, Twin Disc
    - Tom Burke, Modine Mfg. Co.
    - Ken Buser, Wheaton Franciscan Healthcare-All Saints
    - Jim Eastman, Merchants Moving & Storage Company
    - Dave Eberle, Norco Mfg.
    - Jerry Franke, WISPARK
    - Dick Hansen, Johnson Financial Group
    - Jane Hutterly, Johnson Keland Management, Inc.
    - Dr. H. Fisk Johnson, S.C. Johnson & Son, Inc.
    - Dottie Metz, McDonald's Restaurant
    - Jeff Neubauer, Kranz, Inc.
    - Al Ruud, Ruud Lighting, Inc.
    - Jerry Ryder, InSinkErator



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## *Local Support for the KRM and RTA*

### **(Chambers of Commerce and Business Groups Continued)**

- KABA businesses support the recommendations of the RTA and the proposed KRM commuter rail project. Champions from this group include:
  - Ray Forgianni, Kenosha Harbor Market
  - Mark Jaeger, Jockey International
- MMAC supports the implementation of a regional transit authority and remain open to the use of an incremental increase in the sales tax, dedicated solely to funding transit
- The Hispanic Chamber of Commerce supports the recommendations of the RTA and the proposed KRM commuter rail project
- The African American Chamber of Commerce supports the recommendations of the RTA and the proposed KRM commuter rail project
- The Hispanic Business and Professionals Association supports a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit.



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## *Local Support for the KRM and RTA*

- **Labor Groups**
  - Kenosha County AFL-CIO: Supports a permanent Kenosha, Racine, Milwaukee regional transit authority and a 0.5% sales tax for transit
  - Southeastern Wisconsin Building Trades: Supports the recommendations of the RTA and the proposed KRM commuter rail project
  - Milwaukee Building and Construction Trades: Support the creation of a permanent RTA, the construction of the KRM and a dedicated sales tax of up to a 0.5%.
  - Amalgamated Transit union, Local 998: Supports a dedicated sales tax for transit, the creation of a permanent RTA and the proposed KRM commuter rail project
  - Racine Labor Council: Endorses the RTA and KRM
  - The State AFL-CIO endorses the RTA and KRM



## *Local Support for the KRM and RTA*

- **Alverno College Dept. of Community Leadership & Development**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **NAACP, Milwaukee**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Transit Matters**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Urban Economic Development Association of Wisconsin (UEDA)**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Wisconsin League of Conservation Voters**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Cultural Alliance of Greater Milwaukee**
  - Supports a permanent RTA along with a dedicated local funding source for transit



## *Local Support for the KRM and RTA*

- **Citizen Action of Wisconsin**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Fight Asthma Milwaukee (FAM) Allies**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **The Make it Work Milwaukee Coalition**
  - Support a permanent regional transit authority in southeast Wisconsin and property tax relief through a dedicated funding source of up to 0.5% sales tax for transit
- **Wisconsin Manufacturers and Commerce**
  - Support the creation of RTAs
- **Board of the Metro Builders Association**
  - Supports RTAs and property tax relief through a dedicated funding source for transit