

Southeastern Wisconsin Regional Transit Authority: A Briefing

**City of Milwaukee
Steering and Rules Committee
January 25, 2007**





Southeastern Wisconsin Regional Transit Authority

- **Created in 2005 – 2007 State budget**
- **Three Counties – Kenosha, Milwaukee, and Racine**
- **Seven member governing body**
 - **One each appointed by the Kenosha, Milwaukee, and Racine County Executives and confirmed by County Boards**
 - **One each appointed by the Kenosha, Milwaukee, and Racine City Mayors and confirmed by City Councils**
 - **One appointed by the Governor from the City of Milwaukee**
- **Southeastern Wisconsin Regional Planning Commission is staff to the RTA**
- **Communications consultant team headed by Mueller Communications has been retained by RTA.**
- **Revenue - \$2 per vehicle rental totaling an estimated \$700,000 annually (current estimate of local annual commuter rail costs is about \$4 million, and of all public transit in the 3 counties is about \$26 million)**



Southeastern Wisconsin Regional Transit Authority Statutory Responsibilities (Section 59.58(b) Wisconsin State Statutes)

- **Provide the following recommendations to the State Legislature and Governor (by November 15, 2008)**
 - **A permanent regional funding source to provide local funds for the 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.**
 - **Whether the authority should be limited to collection and distribution of regional transit funding or also include transit service operation.**
 - **A plan for the distribution among the mass transit operators in the Region of any permanent regional funding.**
 - **A plan to improve the coordination of expanded mass transit, commuter rail, and passenger rail.**
 - **The use of bonding for commuter rail and public transit in the Region, and the role of the authority.**
 - **Whether the authority should continue in existence after September 30, 2009.**



Southeastern Wisconsin Regional Transit Authority

- **Nine meetings to date beginning February 2006**
 - **Why public transit?**
 - **How is public transit presently funded?**
 - **What need is there for an RTA and new/dedicated transit funding?**
 - **How do southeastern Wisconsin public transit systems compare to other transit systems nationwide?**
 - **Considered alternative funding sources for local share of capital and operating costs of public transit and commuter rail**
 - **Considered RTA responsibilities per State Statutes**
 - **www.sewisrta.org**



Why is Good Public Transit Needed?

- **Needed as part of a comprehensive and integrated transportation system**
 - **To provide a necessary and desirable alternative in heavily traveled corridors and areas.**
 - **To support higher density and infill development and redevelopment, which results in efficiencies for public infrastructure and services, including transportation.**
 - **To contribute to efficiency in the transportation system, including reduced highway traffic and congestion, air pollution and energy consumption.**



Why is Good Public Transit Needed? (continued)

- **Needed to meet the travel needs—work, education, healthcare, shopping—of the significant portion of the population (15% of households) without an automobile.**
- **Needed to enhance economic development/quality of life**
 - **To provide job and labor force accessibility**
 - **To access opportunities for higher education**
 - **To provide choice**
 - **To reduce household expenditures on transportation, permitting greater savings, other expenditures, and higher standard of living**



Why KRM Commuter Rail?

- **To better connect Southeastern Wisconsin and Northeastern Illinois.**
 - **Improved connection should promote economic and population growth in the KRM corridor, Southeastern Wisconsin, and the Chicago-Milwaukee mega-metro area**
 - **Improved job and labor force accessibility**
 - **Promote more efficient high density development and redevelopment around stations**
 - **Improve accessibility to, and enhance GMIA; arts, culture, and entertainment venues; and colleges and universities**
- **Provide a high quality alternative to the automobile, particularly during freeway reconstruction over the next 20 years.**



How is Public Transit in Southeastern Wisconsin Now Funded?

- **Public transit is heavily dependent on State and Federal funding**
- **Milwaukee County**
 - **Annual Operating Funding**
 - 20% Federal
 - 60% State
 - 20% Local (\$20 million)
 - **Annual Capital Funding**
 - 80% Federal
 - 20% Local (\$2.4 million)
- **Cities of Kenosha and Racine**
 - **Annual Operating Funding**
 - 35% Federal
 - 35% State
 - 30% Local (\$2.9 million)
 - **Annual Capital Funding**
 - 80% Federal
 - 20% Local (\$1.0 million)



How Would KRM Service Be Funded?

- **KRM Commuter Rail**
 - **Annual Operating Funding (projected \$6 million)**
 - **20% Federal**
 - **65% State**
 - **15% Local (\$1 million)**
 - **Total Capital Funding (estimated \$198 million)**
 - **60% Federal**
 - **20% State**
 - **20% Local (\$40 million)***

***\$40 million local share start-up capital cost at 4.5% over 20 years is annual \$3 million.**

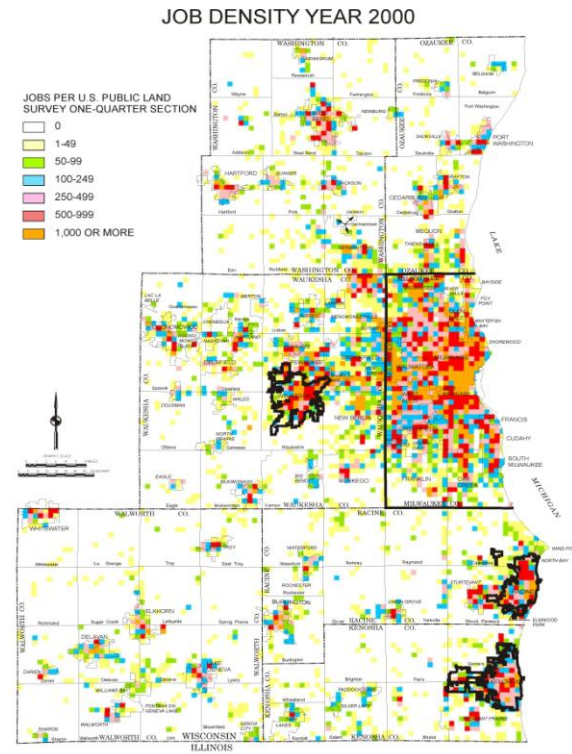
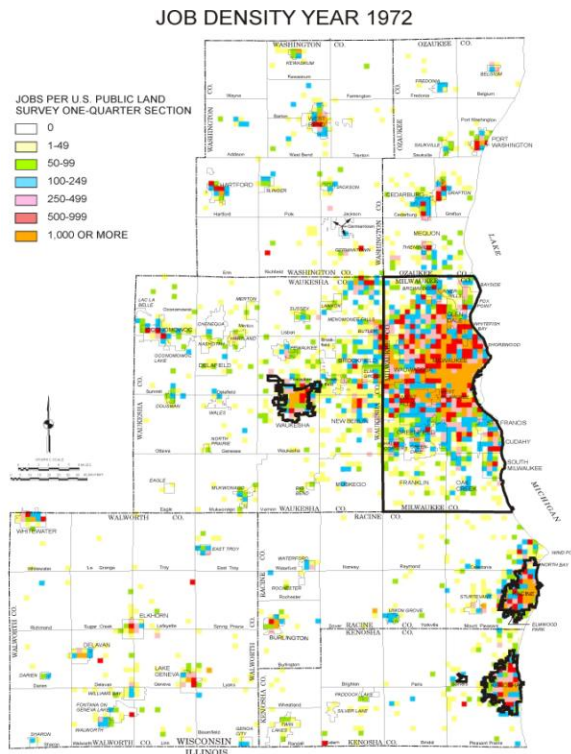


What is the Need for an RTA and New Transit Funding?

- **Local government no longer has the financial capacity to maintain and expand public transit to meet growing needs**
 - **State and Federal funds which have funded the bulk of transit operating costs (70 to 80%) have not increased with inflation.**
 - **Substantial service reductions and increases in fares have occurred over the past 5 years even though local funding has increased.**
 - **Federal funds intended to fund capital projects are increasingly being used for annual operating funding.**

Need for RTA and New Transit Funding (continued)

- Transit service needs extend well beyond the corporate limits of existing transit operators—Milwaukee County and Cities of Kenosha and Racine—and existing operators are largely unable to meet these needs.





Need for RTA and New Transit Funding (continued)

- **Needed major transit improvements with significant benefits and marginal increases in local costs are not possible.**

- **Transit service needs are not being met**
 - **Mobility for those without automobile**
 - **Perform its role as part of an integrated transportation system**
 - **Enhance economic development/quality of life**



Conclusions from Comparing Southeastern Wisconsin Public Transit Systems to Other Systems Nationwide

- **Milwaukee County Transit System**
 - **Efficiency and effectiveness are high compared to other systems**
 - **Almost all other systems are governed by an RTA serving multiple jurisdictions, and have dedicated local funding, typically a sales tax**

- **Kenosha and Racine Transit Systems**
 - **Efficiency and effectiveness compare well to other systems**
 - **Many other systems are governed by an RTA serving multiple jurisdictions, some with dedicated local funding**



Conclusions from Comparing Southeastern Wisconsin Public Transit Systems to Other Systems Nationwide (continued)

■ **KRM Commuter Rail**

- **KRM commuter rail compares well to recent and proposed new commuter rail lines—area size, length, station spacing, service schedule, and ridership.**
- **Almost all commuter rail lines are operated by an RTA, with a few operated by a State.**
- **Almost all commuter rail lines have dedicated local funding, usually a sales tax**



Use and Source of Local Dedicated Funding

Name	2000 Population (in millions)	Source of Local Dedicated Funding
St. Louis, MO	2.08	0.25% Sales tax
Denver, CO	1.98	0.6% Sales tax
Cleveland, OH	1.79	1.0% Sales tax
Pittsburgh, PA	1.75	Sales tax^a
Portland, OR	1.58	.006218% payroll tax
Cincinnati, OH	1.50	0.3% payroll tax
Norfolk, VA	1.39	--
Sacramento, CA	1.39	0.5% Sales tax
Kansas City, MO	1.36	0.375% Sales tax
San Antonio, TX	1.33	0.5% Sales tax
Las Vegas, NV	1.31	0.25% Sales tax
Milwaukee, WI	1.31	--
Indianapolis, IN	1.22	--
Providence, RI	1.18	6.25 cents per gallon gas tax
Columbus, OH	1.13	0.25% Sales tax
New Orleans, LA	1.01	1.0% Sales tax^b
Buffalo, NY	0.98	0.125% Sales tax
Memphis, TN	0.97	--
Austin, TX	0.90	1.0% Sales tax
Salt Lake City, UT	0.89	Sales tax^c
Jacksonville, FL	0.88	1.0% Sales tax
Louisville, KY	0.86	0.2% payroll
Charlotte, NC	0.76	0.5% Sales tax

^a Portion of State 1.22% Sales tax, and \$1 per tire, \$2 per vehicle rental, and 3% of vehicle lease.

^b Also 0.6% hotel room tax.

^c 0.4375% in Salt Lake County, 0.5% in 2 counties, and 0.25% in 3 Counties.



RTA Consideration of Alternative Dedicated Funding and RTA Responsibilities

- **Considered and evaluated range of alternative funding sources for KRM commuter rail and public transit.**
- **Considered alternative roles and responsibilities of RTA**



Preliminary Positions Taken at RTA December 18, 2006, Meeting

- **RTA should be the sponsor and operator of the proposed Kenosha-Racine-Milwaukee commuter rail service.**
- **Retain the present RTA authority to levy a \$2.00 per vehicle rental fee in the three-county region.**
- **Request allocation of \$1.0 million in State funds for the proposed commuter rail project, which funds would represent an initial State share of capital costs and would be used for preliminary and final engineering during the 2007-2009 biennium.**
- **Request bonding authority of up to \$50 million to enable the RTA to borrow the anticipated local share of funds required for initiating the commuter rail service.**



Preliminary Positions Taken at RTA December 18, 2006, Meeting (continued)

- **Request authorization for the RTA to levy a regional sales tax over all three counties – Kenosha, Milwaukee, and Racine – in an amount up to 0.05 percent to support commuter rail operations, including debt service. It would be the intent of the RTA Board not to levy the tax before it is needed, likely late in the 2007-2009 biennium.**
- **Request authorization for the RTA to levy sales taxes over its constituent counties in amounts up to 0.45 percent to support local public transit systems. The RTA would enact a county sales tax only upon the request of the governing bodies of the agencies providing public transit services.**
- **Request legislative authority to permit the RTA to sponsor and operate local public transit services in Kenosha, Racine, or Milwaukee Counties should local transit operators request the RTA to assume such functions.**



RTA Reaction to Initial Response to Preliminary Funding Positions

- **RTA has determined to further consider funding alternatives to a sales tax.**
- **RTA is considering whether a sales tax should be limited in total to 0.25 percent.**
- **RTA is considering whether to stage their recommendations over time, beginning with KRM commuter rail and following with all public transit.**