

Transportation Development Association



Issue Paper #6

Moving Forward: The Benefits of Commuter Rail

This is the sixth in a series of issue papers on key transportation topics facing the state of Wisconsin

In an era of growing highway traffic and associated congestion, citizens, businesses, and their government representatives are looking for reliable alternatives to auto travel and increased numbers of mobility options for the public.

For these reasons, a number of metropolitan areas across the country are studying or have implemented commuter rail systems. Commuter rail is a passenger service that typically operates over existing railroad tracks and on the same rights-of-way used by freight and long distance passenger trains.

Service is intended for longer distance transit trips (as many as 20 miles) from suburbs and urban centers or to connect urban centers within metro areas.

This combination of efficiency (utilizing existing infrastructure), convenience, and enhanced mobility makes commuter rail a viable mode of public transportation. However, the major issue facing states and other units of government is not a question of whether these systems can work, but rather how they are financed.

What is happening in Wisconsin?

To date, there are two major commuter rail projects being considered for development in Wisconsin. The first in southeast Wisconsin would be an extension of the current Metra service from Illinois that now terminates in Kenosha. This 33-mile extension would run along existing tracks north through Kenosha, Racine and end at Milwaukee's Amtrak station (KRM line). The Southeast Wisconsin Regional Planning Commission (SEWRPC) has conducted a study of KRM, and determined that a commuter rail system is feasible in the southeast corridor. If financing and management issues can be resolved construction could start in 2007, with operation possible by 2010.

SEWRPC's study estimates commuter rail would carry an average of 4,100 to 5,100 passengers each weekday, depending on frequency of service. Approximately 2,200 to 3,100 of these trips would be by those who previously

traveled by auto. With 82,000 vehicles on Interstate 94 in Racine County daily, commuter rail can help slow the growth in highway congestion along the corridor, but it is unlikely to reduce it.

The second system under evaluation is in Dane County and would utilize existing freight tracks for a 13-mile system. Recently, a joint state/city/county study identified a locally preferred alternative providing a "start up" commuter rail system running east-west from Middleton through downtown Madison to the far



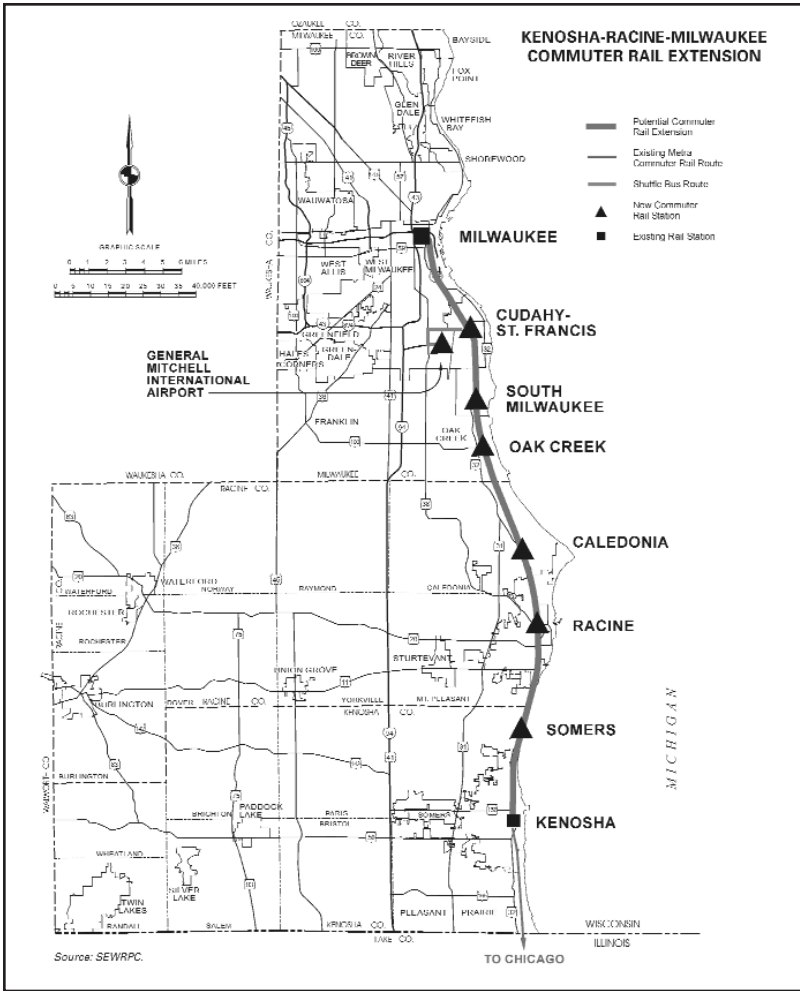
northeast side of Madison. The system would link the University of Wisconsin campus, the Capitol and state government agencies, and commercial and retail clusters.

Planning estimates suggest this system would carry an average of 5,000 riders each weekday and, if successful, could be

expanded to serve additional Dane County communities. The project schedule for this system - pending financial and management issue resolution - has preliminary engineering and environmental documentation taking place from 2004-2006, final engineering being completed in 2007, and construction being completed in 2010.

Economic and Environmental Benefits

Both business and environmental advocates support commuter rail for a number of reasons. First, employers like SC Johnson in Racine and others in urban or commercial centers are continuously looking for convenient and reliable transportation alternatives to help attract and retain employees and consumers. Congestion, parking, and perceived inconvenience are a deterrent to potential workers and customers. Second, many commuter rail proponents point to the economic development that occurs around rail stations and communities along the route as shops, restaurants and services cater to commuters' busy lives. Harbor Park in Kenosha has risen from a parcel of vacant manufacturing property into a multi-unit housing development with convenient access to Metra service for Chicago commuters. This project has increased the value of the



recommended service options as suggested by planning organizations associated with each project.

New projects like those being studied in Dane County and Southeast Wisconsin are categorized as "New Starts" for federal funding purposes, meaning they are entirely new systems that need to be developed as opposed to expansions or enhancements of existing services. These systems are eligible for up to 80% federal funding for implementation. It is important to note that funding for New Starts is a competitive process with limited funds, and projects that can provide a greater non-federal share are much more likely to be approved.

Raising the non-federal match can be a challenge for some communities. Municipalities and other jurisdictions that have established commuter rail systems have done so through a variety of funding mechanisms. A common thread in nearly all of them has been implementation of a local funding alternative to the property tax. The most common method is a local option sales tax dedicated to transit or for specific project development. Successful examples include the Regional Transit Authority (RTA) in metro Chicago, which uses a regional sales tax to pay the local share for Metra. More recently, Dallas established a county sales tax to pay for commuter rail development.

property by approximately \$50 million and will generate nearly \$1.2 million in annual property tax revenues when completed. Third, land use planners and environmental organizations support commuter rail because it can revitalize urban centers and neighborhoods by promoting more compact development along routes. In addition, supporters note that commuter rail has the potential to reduce vehicle emissions and provide an alternative to driving, particularly during rush hour.

How do we pay for it?

Estimates on project costs are \$152 million for capital and equipment and \$15.5 million for annual operating expenses of the KRM service. The KRM project has received \$7 million in federal funds to date and it is important to note that federal revenues may be available to supplement operating costs. Projections for the Dane County starter service (including express bus service and park/ride lots) are approximately \$242 million for capital and equipment and \$8 million for annual operating expenses. Each of these amounts is reflective of the

Wisconsin is the only state that relies on state highway fees and local property taxes to pay for transportation system development. That may be the primary reason why Wisconsin has yet to develop passenger rail alternatives.

There is no question that commuter rail can be an effective means of transportation that provides mobility for commuters, students and leisure travelers. However, municipalities that are pursuing system development need to plan and prepare for several challenges. Projects like these must have strong local support, a well-defined management structure and a dedicated revenue source in order to get beyond the study and design phase. Despite these challenges, many communities have implemented commuter rail systems because they understand the benefits of enhanced mobility and recognize that these projects have proven to act as catalysts for economic growth.



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#2 The Cost of Transportation Fund Bonding: Cash or Charge?

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#4 Public Transit Critical to Balanced Transportation

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The Transportation Development Association of Wisconsin is a statewide, nonprofit organization working for an efficient transportation system for Wisconsin that addresses safe mobility and economic growth. To receive a copy of previous issue papers or for further information please contact the TDA office:

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