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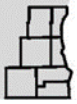

SEWRPC Staff Memorandum

PROPOSED KENOSHA-RACINE-MILWAUKEE (KRM) COMMUTER RAIL FEASIBILITY STUDY AND DEVELOPMENT ASSISTANCE

March 29, 2023

INTRODUCTION

The Kenosha-Racine-Milwaukee (KRM) commuter rail line has been long planned and desired by the communities along Lake Michigan between Milwaukee and the Illinois State Line. It is one of the main commuter rail lines recommended by VISION 2050, the long-range regional land use and transportation plan prepared by the Southeastern Wisconsin Regional Planning Commission (SEWRPC). The KRM corridor has been considered a logical first line for a regional commuter rail system. Additional planned commuter rail lines connecting to KRM's northern terminus (the Milwaukee Intermodal Station) would extend west to Waukesha County and north along Milwaukee's 30th Street rail corridor.

Commission staff provided support for previous KRM commuter rail planning efforts. Commission staff completed a KRM feasibility study in 1998[1] and an analysis of commuter rail and bus alternatives for the KRM corridor in 2003.[2] In early 2005, SEWRPC assumed the role of lead agency, project manager, and fiscal agent for KRM technical and environmental studies, including preparation of a Draft Environmental Impact Statement, conducted by an Intergovernmental Partnership (IGP)[3] formed that same year. Upon creation in 2009 of a permanent Southeast Regional Transit Authority (SERTA),[4] SEWRPC provided temporary staffing support for SERTA. This included assisting with the development and submission of an application to the Federal Transit Administration (FTA) in 2010 requesting permission to initiate preliminary engineering (PE) under the FTA's discretionary "New Starts" funding program. In 2011, SERTA withdrew the application in conjunction with SERTA's dissolution.[5]

As part of the Consolidated Appropriations Act of 2022, signed into law by the President on March 9, 2022, Congress provided $5 million to the City of Racine for the "Kenosha-Racine-Milwaukee (KRM) Regional Rail Corridor."[6] FTA staff indicated to Racine staff that this funding should be used to advance commuter rail in

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[1] *SEWRPC Community Assistance Planning Report No. 239,* Feasibility Study of Commuter Railway Passenger Train Service in the Kenosha-Racine-Milwaukee Corridor, *June 1998.*

[2] *SEWRPC Community Assistance Planning Report No. 276,* Kenosha-Racine-Milwaukee Corridor Transit Study Summary Report and Recommended Plan*, August 2003.*

[3] *The Intergovernmental Partnership was comprised of the County Executives and Mayors of Kenosha, Milwaukee, and Racine, the Secretary of the Wisconsin Department of Transportation (WisDOT), and the Chairman of SEWRPC.*

[4] *SERTA was created through the 2009-2011 Wisconsin State budget.*

[5] *SERTA was dissolved as part of the 2011-2013 Wisconsin State budget.*

[6] *168 Cong. Rec. H3087 (daily ed. Mar. 9, 2022) (statement of Rep. DeLauro).*

the KRM corridor. Racine staff subsequently inquired if Commission staff could assist the City with preparing a KRM commuter rail feasibility study and completing environmental and engineering work necessary to move a KRM commuter rail project forward.

The purpose of this memo is to outline potential elements of a KRM commuter rail feasibility study and describe how Commission staff could assist Racine staff with completing each element. The memo also describes additional services Commission staff can provide in support of KRM development, including assisting with preparing initial environmental and engineering work. Finally, the memo summarizes key organizational and funding aspects of KRM commuter rail development that should be addressed in tandem with the feasibility study. These will likely need to be addressed prior to submitting an application to enter the FTA's Capital Investment Grants (CIG) program, likely as a New Starts project, which could provide up to 60% of the capital costs associated with constructing the KRM commuter rail line.[7]

KEY ORGANIZATIONAL AND FUNDING ASPECTS

Moving a KRM commuter rail project from the planning phase to implementation will require identifying an implementing entity, replacing the now-dissolved SERTA, to construct, operate, and manage the commuter rail line. This entity could consist of the Wisconsin Department of Transportation (WisDOT), a local unit of government (e.g., a county or city), a collaboration between several local units of government (e.g., an intergovernmental partnership or a rail commission), or a partnership between the public and private sector. Moving a KRM commuter rail project to implementation will also require identifying appropriate funding sources to construct, operate, and manage the line. Exploring implementing entity and funding source options would be a KRM feasibility study element, as described below. Importantly, this element should identify any potential changes to State law required to create or allow the entity to oversee KRM implementation and to allow any public funding sources to be enacted.

OVERVIEW OF KRM COMMUTER RAIL DEVELOPMENT PROCESS

Assuming the project would eventually pursue FTA New Starts funding, these are the likely steps that would be completed to construct a KRM commuter rail line.

- Pre-feasibility study work
  - Establish initial intergovernmental cooperation
  - Develop feasibility study scope of work and request for proposal (RFP)
  - Establish feasibility study team and hire consultant for feasibility study
- Feasibility study (potential study elements described later in memo)
- Pre-New Starts work
  - Initiate environmental study and engineering work
  - Establish KRM implementing entity and secure local capital funding to match New Starts funding
- New Starts Project Development
  - Complete environmental study and PE (minimum 30% design)
- New Starts Engineering
  - Complete final design
  - Complete all critical third-party agreements
  - Meet FTA readiness requirements
- New Starts Construction

[7] *New Starts projects must be new fixed-guideway projects or extensions to existing fixed-guideway systems that have a total estimated capital cost of $400 million or more or that are seeking $150 million or more in CIG program funds.*

ESTABLISHING INITIAL INTERGOVERNMENTAL COOPERATION

As a first step towards completing the feasibility study, the City of Racine should develop an initial partnership along the commuter rail corridor to guide the study and review study deliverables. Racine, as the recipient of the federal earmark for KRM, would be the lead entity of this partnership. The partnership could include local, county, and State governments, as was done for the former Intergovernmental Partnership.

SEWRPC Staff Roles

- Assist Racine with drafting a cooperative agreement establishing an initial partnership for guiding the feasibility study.
- Assist Racine with communicating to the partners and providing meeting support.

DEVELOPING FEASIBILITY STUDY SCOPE OF WORK AND RELATED WORK AGREEMENTS/CONTRACTS

Working with the initial partnership, the City of Racine would lead development of the feasibility study's scope of work. The scope of work would define specific study elements and deliverables to be completed by SEWRPC staff and/or a private consultant, and it would include a schedule for completing each element and deliverable. Racine would then lead the initial partnership in selecting an entity to conduct the feasibility study. SEWRPC would assist in conducting the study, likely enlisting a private consultant for some of the study elements.

SEWRPC Staff Roles

- Assist Racine with communicating and meeting with other local units of government.
- Assist Racine with developing a scope of work for completing the feasibility study.
- Assist Racine with selecting an entity to conduct the feasibility study.
- Assist Racine with preparing relevant work agreements/contracts with SEWRPC and/or a private consultant.

POTENTIAL FEASIBILITY STUDY ELEMENTS

An initial set of potential feasibility study elements are described below.

1. Stakeholder Engagement and Coordination

Conducting the feasibility study would require the study team to regularly engage and coordinate with various stakeholders, including Federal, State, and local officials; Union Pacific Railroad and Canadian Pacific Railway; Metra; Amtrak; the private sector; and the general public.

SEWRPC Staff Roles

- Provide staff support for outreach efforts (e.g., meetings, letters, project website, email, and social media).
- Provide staff support for documenting outreach efforts and input.

2. Review of Past KRM Commuter Rail Studies

The feasibility study should be informed by past KRM planning efforts. A review of past KRM commuter rail studies would help the study team identify previous plan elements or relevant information or data that should be updated.

SEWRPC Staff Roles

- Provide study team with previous KRM studies and other relevant documentation.
- Review past KRM studies and suggest previous plan elements or relevant information or data that should be updated.

3. Describe Existing and Planned Demographics, Land Use, and Travel Patterns

The feasibility study would describe existing and planned demographics, land use, and multimodal travel patterns in the study corridor. This information would inform the selection of the recommended station locations and commuter rail operating plan (e.g., train speeds, frequencies, and schedule), as well as forecasts of ridership and operating revenue and estimates of capital and operating costs.

SEWRPC Staff Roles

- Assist study team with collecting and analyzing existing and planned demographics, land use, and travel pattern information and data.

4. Describe Existing and Planned Transportation Services and Facilities

The feasibility study would describe existing and planned transportation services and facilities in the study corridor. This information would inform the selection of the recommended station locations and commuter rail operating plan (e.g., train speeds, frequencies, and schedule), as well as forecasts of ridership and operating revenue and estimates of capital and operating costs.

SEWRPC Staff Roles

- Assist study team with collecting existing and planned transportation services and facilities information and data.

5. Review and Update of Recommended Station Locations and Station Area Plans

The most recent KRM plans include ten stations along the commuter rail corridor. Given changes in demographics and land use development patterns over the past two decades, the feasibility study would review and update the recommended station locations. In addition, the study would include updated station area plans that would help determine the extent of opportunities for transit-oriented land use development and redevelopment around the proposed stations.

SEWRPC Staff Roles

- Provide study team with updated demographic and land use data.
- Provide study team with analyses of how demographic and land use data have changed since previous KRM studies were completed.

6. Develop Commuter Rail Operating Plan

The feasibility study would identify potential alternative commuter rail facility (stations and maintenance facility) and service options for the commuter rail corridor. The study would identify: the route alignment; recommended station locations; recommended station characteristics (e.g., station structure, platform, and parking); number and type of train equipment; maximum train operating speeds; train schedules; fare structure; connections to other modes of transportation; and staffing requirements. The study could include a review of alternative commuter train technologies, including diesel-electric, battery-electric, and hydrogen fuel-cell multiple unit trains. A consultant may need to be retained as part of the study team to develop a recommended commuter rail operating plan.

SEWRPC Staff Roles

- Assist study team with developing a recommended commuter rail operating plan, as necessary.

7. Develop Capital Cost Estimates

The feasibility study would include cost estimates for the capital improvements needed to implement the service (e.g., track, grade crossings, signal system, train equipment, land acquisition, maintenance facility and yard, stations, and professional services related to engineering, design, and construction). Either high-level capital costs or more-detailed capital costs could be developed for the study. A consultant may need to be retained as part of the study team to develop capital cost estimates.

SEWRPC Staff Roles

- Update high-level capital cost estimates previously provided to Racine in 2021.[8]
- Assist study team with developing new, more-detailed capital cost estimates, as necessary.

8. Develop Operating Cost Estimates

The feasibility study would include cost estimates for the various activities needed to operate the service (e.g., vehicle operations, vehicle maintenance, facility maintenance, general administration and personnel costs, insurance, and shuttle bus service to Milwaukee Mitchell International Airport). Either high-level operating costs or more-detailed operating costs could be developed for the study. A consultant may need to be retained as part of the study team to develop operating cost estimates.

SEWRPC Staff Roles

- Update high-level operating cost estimates previously provided to Racine in 2021.[8]
- Assist study team with developing new, more-detailed operating cost estimates, as necessary.

9. Summarize Potential Commuter Rail Benefits

The feasibility study would qualitatively and quantitatively summarize the potential benefits of the service (e.g., provide travel-time competitive service, help meet travel needs of people without access to a car, improve access to workers and jobs, promote economic and population growth, and improve access to Milwaukee Mitchell International Airport).

SEWRPC Staff Roles

- Assist study team with summarizing potential commuter rail benefits.

[8] *SEWRPC Staff Memorandum,* Summary of Kenosha-Racine-Milwaukee (KRM) Commuter Rail Project*, May 28, 2021.*

10. Explore Potential Governance Models

As noted above, moving a KRM commuter rail project from the planning phase to implementation will require identifying an entity to construct, operate, and manage the commuter rail line. This entity could consist of WisDOT, a local unit of government (e.g., county or city), collaboration between several local units of government (e.g., an intergovernmental partnership or a rail commission), or a partnership between the public and private sector. The feasibility study would explore potential governance models and recommend a preferred model.

SEWRPC Staff Roles

- Assist study team with identifying and summarizing governance examples for similar existing and planned passenger rail systems (e.g., Brightline and Capital MetroRail).
- Assist study team with assessing how different KRM commuter rail governance models could work within the existing State and local government framework in Southeastern Wisconsin, or within a new framework created through changes in State law.
- Monitor ongoing efforts by private entities (e.g., Wisconsin Transit & Realty Group) to pursue passenger rail in the KRM corridor.

11. Identify Potential Funding Sources

As noted above, moving a KRM commuter rail project from the planning phase to implementation will require identifying appropriate funding sources to construct, operate, and manage the line. The feasibility study would explore potential funding sources and recommend a preferred source or sources.

SEWRPC Staff Roles

- Assist study team with identifying and summarizing examples of funding sources employed for constructing, operating, and maintaining commuter rail in other parts of the country.
- Assist study team with assessing how different KRM commuter rail funding options could work within the existing State and local government framework in Southeastern Wisconsin, or within a new framework created through changes in State law.

12. Summarize FTA New Starts Process and NEPA Process and Requirements

Up to 60% of capital funding for a KRM commuter rail line could be applied for through the FTA's Capital Investment Grants (CIG) program. A KRM commuter rail project likely would seek funding through the program's New Starts process. The feasibility study would include an overview of the New Starts process and identify the key steps necessary for requesting entry into two phases of New Starts—Project Development and Engineering—that must be completed prior to receiving a construction grant award.

SEWRPC Staff Roles

- Assist study team with understanding FTA's New Starts process and identify the key steps necessary for requesting entry into and completing the New Starts Project Development and Engineering phases.
- Assist study team with understanding NEPA requirements and developing key steps for completing a NEPA-compliant environmental study.

PRE-NEW STARTS WORK

Upon completion of the feasibility study, the next logical step would be to prepare a request for proposal (RFP) for conducting initial work prior to requesting entry into the New Starts Project Development phase. FTA encourages project sponsors to perform this initial work to facilitate completion of Project Development within the two-year time frame required by law. This work could include initiating an environmental study—e.g., completing a draft environmental impact statement (EIS) or environmental assessment (EA)—that satisfies the National Environmental Policy Act (NEPA). It could also include some initial engineering work that would aid in completing PE during Project Development. In addition, the initial work could include assistance with identifying and establishing an implementing entity and securing a commitment of local and/or State funds to match New Starts funding. Finally, the initial work could include preparing a request to enter Project Development. The RFP would include a scope of work, deliverables, and required consultant qualifications. The City of Racine would then lead the initial partnership in selecting an entity to conduct this work. SEWRPC would assist in conducting the work, likely enlisting a private consultant for some of the work elements.

SEWRPC Staff Roles

- Assist Racine with communicating and meeting with other local units of government.
- Assist Racine with developing a scope of work for completing the Pre-New Starts work.
- Assist Racine with selecting an entity to conduct the Pre-New Starts work.
- Assist Racine with preparing relevant work agreements/contracts with SEWRPC and/or a private consultant.
- Assist study team with conducting necessary Pre-New Starts work.

FTA'S NEW STARTS PROCESS

This section provides a preview of FTA's New Starts process, including some key considerations.

Project Development Phase

Following completion of Pre-New Starts work, Racine and the intergovernmental partnership, or the implementing entity if it has been established, would request entry into the New Starts Project Development phase. As previously noted, by law, the project sponsor must complete this phase within two years. Among a number of requirements, completing Project Development requires the project sponsor to complete the NEPA study, select a locally preferred alternative (LPA), and adopt the LPA into the fiscally constrained long-range transportation plan (i.e., VISION 2050). The project sponsor also must complete PE (at least 30% design level) and secure the commitment of at least 30% of non-New Starts capital funding for the project.

Engineering Phase

Following completion of New Starts Project Development work, the implementing entity would request entry into the New Starts Engineering (final design) phase. Among a number of requirements, completing Engineering requires the project sponsor to obtain 100% of non-New Starts capital funding, complete final design, and meet other FTA readiness requirements related to technical capacity, staffing, and oversight.

Construction

Following completion of New Starts Engineering work, the implementing entity would submit a New Starts construction grant request to FTA. FTA would evaluate and rate the request to determine whether to award a New Starts construction grant for the project.

SUMMARY AND CONCLUSIONS

This memo has summarized the major steps that would likely need to be completed to construct a KRM commuter rail line, which would likely proceed as an FTA New Starts project. The steps outlined above include pre-feasibility study work, a feasibility study, and pre-New Starts work, all of which SEWRPC is willing to assist the City of Racine and partners in completing. The memo describes proposed SEWRPC roles in completing these steps and identifies potential elements that could be included in a feasibility study. Additional scoping should be done to determine the specific elements to include in the study and the work that needs to be accomplished within each element. The memo emphasizes key organizational and funding aspects of KRM commuter rail development that should be addressed in tandem with the feasibility study. These will likely need to be addressed prior to applying for entry into the FTA's New Starts program. Lastly, the memo provides a brief overview of the New Starts process, including the Project Development and Engineering phases and construction.

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3/29/2023