

**VW MITIGATION PROGRAM
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM APPLICATION**



SECTION 1. APPLICANT INFORMATION

Applicant Name: City of Racine in partnership with Foxconn

Address: 730 Washington Ave

City: Racine Zip: 53403 County: Racine

Contact Person: Michael J. Maierle Title: Transit and Parking System Manager

Phone: 262-636-9480 Email: michael.maierle@cityofracine.org

Urban Mass Transit System Website (URL): <https://cityofracine.org/Racine-Transit/>

Applicant Type (check one):

- ☐ County ☒ City ☐ Village ☐ Town ☐ Transit or Transportation Commission
☐ Transit or Transportation Authority ☐ Public Corporation

Applicant Service Area:

Counties: Racine

Municipalities: Racine, Mount Pleasant, Caledonia, Yorkville

Brief description of transportation services provided by the Applicant:

The City of Racine administers and partly funds Racine Transit, doing business as RYDE. All policy matters are overseen by a Transit Commission. RYDE provides 1,128,000 unlinked passenger trips and 3,524,000 passenger miles on its nine fixed routes; 30,600 passenger trips and 132,000 passenger miles on its complementary para-transit service for persons with disabilities; and, 52,300 passenger trips and 1,311,000 passenger miles on a commuter bus service to Milwaukee's Amtrak station, Mitchell International Airport, and Kenosha's METRA station. The system has 35 full-size buses, 9 medium buses for paratransit, and contracts for three buses on the commuter service. The service area covers all of the City of Racine and the major employment districts in Mount Pleasant, Caledonia and Yorkville, plus the aforementioned commuter destinations.

Transit System Type (check all):

- ☒ Fixed Route ☐ Demand Response ☒ ADA Paratransit ☐ Deviated Fixed Route

SECTION 2. ELIGIBILITY REQUIREMENTS

Local Public Body. Pursuant to §85.20 (1)(d), Wis. Stats., does the applicant certify that it is a county, municipality or town, or agency thereof; transit or transportation commission or authority and public corporation established by law or by interstate compact to provide mass transportation services and facilities or 2 or more of any such bodies acting jointly under §66.0301 to 66.0303, Wis. Stats.?

Yes ☒ No ☐

Operating Deficit. Pursuant to §85.20, Wis. Stats., does the applicant certify that it operates an urban mass transit system incurring an operating deficit?

Yes ☒ No ☐

Shared Revenue Reduction. If the applicant is a county, city, village or town, does the applicant acknowledge that the receipt of a grant under this program will result in a reduction of future county and municipal revenue payments pursuant to §79.035(7), Wis. Stats.? If available, provide any resolution or executive action taken by the county, city, village or town acknowledging this reduction in revenue payments and authorizing the application.

Yes ☒ No ☐ N/A ☐

List all counties and municipalities subject to the shared revenue reduction. If multiple, please indicate whether all governmental bodies will share the reduction *equally* (e.g., \$500,000 grant to two cities and the basis of each city's reduction will be 50%, or \$250,000) or *disproportionately* (e.g., \$500,000 grant to two cities and the cities agree that the basis of City A's reduction will be 60%, or \$300,000, and the basis of City B's reduction will be 40%, or \$200,000).

City of Racine. Please see Attachment 1. "City of Racine Certified Copy Resolution Res.0271-18" agreeing to a reduction in future municipal payments. Also included are minutes from the Sep 25, 2018 Public Works and Services Commission meeting at which they resolved to modify the resolution to increase the number of buses from eight to ten. Common Council action is scheduled on that modification on Oct 2, 2018.

Vehicle Eligibility. Does the applicant certify that the vehicle(s) submitted for replacement is a Class 4-8 Transit Bus with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people and powered with a 1992-2009 diesel engine?

Yes ☒ No ☐

Scrapping. Does the applicant certify that it will render the eligible replaced vehicle(s) inoperable and available for recycle? The applicant, at a minimum, will cause a 3-inch hole to be cut in the engine block for all engines. In addition, the chassis of the vehicle shall be disabled by cutting the vehicle's frame rails completely in half. Scrapping of any vehicle(s) shall occur within 90 days of the applicant accepting delivery of the replacement bus(es).

Yes ☒ No ☐

SECTION 3. PROJECT PLAN

Current Use of Transit Buses. Explain how current buses are used and why they require replacement. Where possible, provide data on ridership, bus condition and other factors that support replacement. Applicant may attach supporting documentation to its application for each bus requested for replacement.

We are proposing to replace ten specific buses because they are past their practical useful life and incur double the maintenance cost per mile of our other buses. Supporting documentation is in Attachment 2. "Bus Parts Maintenance Cost - 2017."

The buses to be replaced had an average of 471,000 lifetime miles at the end of 2017 compared to the State of Wisconsin's end-of-useful-life standard of 500,000 miles. By comparison our remaining buses have an average of 240,000 lifetime miles. In 2019 nine buses will be 15 years old; the tenth bus has our highest maintenance cost and will be ten years old, compared to Wisconsin's standard of 12 years. These are the oldest buses and biggest emitters in the fleet.

Repair costs for the buses to be replaced are 94% higher than the rest of the fleet. Higher maintenance costs generally mean more frequent repairs and lower reliability, both of which interrupt our operation. In early September 2018 we had so many out-of-service buses that the system literally had no spare to use if another bus failed. Normal operation is 30 buses on the road during peak and 5 spares.

As buses age they are driven 42% as much as the rest of the fleet to extend their life and avoid higher maintenance costs. Although every bus may serve all routes at one time or another (as in most transit systems), reducing miles means mainly putting them on school-focused routes and using them as spares. The next topic explains that the new buses would not serve the same duty as those they replace.

Future Use of Transit Buses. Explain how the new bus(es) will be used in the future. Please include information on whether the applicant expects ridership will increase, decrease, or maintain current levels.

The new buses will be placed in service on our highest priority and most visible new and reconfigured routes and schedules. These routes will connect employers and employees traveling in the booming Wis 20 and 11 Corridor, between I-94, Wisconn Valley, the Village of Mount Pleasant, and the City of Racine. (Please see Attachment 3. "Job Density in Racine County." The Wis 20 and 11 Corridor is outlined in red on the map. Wisconn and Downtown Racine are labeled.) The new buses operating in this corridor will serve 78% of the high job density quarter-sections (250 jobs or more) in Eastern Racine County, including Foxconn's Phase 1 site. (Source: SEWRPC)

The new buses will attract commuters by providing a quiet, high tech experience commensurate with the new economic opportunities and technologies in the service area. Bus routes and schedules will be tailored to connect employers and employees in a timely manner. The new buses will have priority for implementing Smart City information and communication technologies planned for the Wis 20 and 11 corridor. Some of the service is explicitly planned to operate in express (infrequent stops) mode and connect to regional transportation. See next topic.

Ridership on these routes is expected to increase as the areas in and near Wisconn Valley and Downtown Racine continue to develop; the total number of jobs increases; density intensifies, and economic linkages strengthen.

Some conventional existing buses currently on routes in the corridor will bump down to take on the duties now performed by the older buses that have been replaced by this grant.

Transportation to Employment. Explain how the new bus(es) will connect employees with employers.

Attachment 4. "Major Activity Centers Compared to Public Transit Services in Racine County: 2018" shows specific new and existing bus routes in the Wis 20 and 11 corridor and how they relate to Foxconn (light blue district) and other major employers (black dots).

The City of Racine and the Village of Mount Pleasant have been collaborating with SEWRPC, WisDOT, and the Eastern Racine County Transportation Task Force for months to identify, and build consensus for, specific transportation improvements (highway and transit) needed to maximize the economic development success by connecting employers and employees.

New routes are shown on the map as dashed. New service areas are shown as striped diagonally. A proposed express bus will connect Wisconn Valley with Downtown Racine by the most direct route. A demonstration ride before a Task Force meeting showed this trip will take less than 30 minutes. Conventional bus service will be extended from current western neighborhoods to Wisconn. And a shuttle will connect Wisconn Valley to the Amtrak station. All services will be coordinated with Foxconn business plans and will employ state-of-the-art energy, navigation and communication systems. Employees and business associates will be able to work seamlessly on board while they transfer between office, production, research, and residential facilities in Wisconn Valley and Downtown Racine. Services to Milwaukee and Chicago could be integrated as well.

Existing routes may also be modified to serve the greatest need and number of riders. For example RYDE currently operates commuter Route #20 between GrandView Business Park in Yorkville on I-94 and the Downtown Racine Transit Center. Local routes #1 and #27 in the Wis 20 and 11 corridor may also be modified.

NOx Reduction. Using the US Environmental Protection Agency Diesel Emissions Quantifier (DEQ) tool, please state the projected NOx benefit as a result of replacing the identified bus(es). Include a description of how bus replacement will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of these emissions. Applicant may attach supporting documentation to its application.

The electric buses funded by this grant will reduce NOx by 2.169 short tons annually. That is a 100% reduction according to the DEQ tool. For the 14-year estimated life of the project the reduction is 30.368 short tons or 100%. Printouts from DEQ are Attachment 5.

Racine is a community that has historically borne a disproportionate share of the adverse impacts of emissions. The State of Wisconsin Volkswagen Environmental Trust Beneficiary Mitigation Plan lists Racine County in the "Top 20 Counties NOx Emissions" graph on p.8. Because of its location on Lake Michigan, Racine County was also impacted by high levels of ozone and fine particles (PM2.5), although it currently meets standards.

For the DEQ analysis the project was organized into three groups: the mileage of 9-2004 buses and 1-2009 bus, and the net mileage of other buses that the new buses will replace. These other buses will shift down to running the actual routes of the replaced buses. This method carefully avoids double counting, but calculates all the benefits of all the new bus mileage.

Project Timeline. Provide a detailed timeline for the replacement of each bus for which funding is requested. Include anticipated dates for ordering, delivery, placement in service and scrapping. All work must be completed by June 30, 2025.

Timeline for 10 new electric buses, 10 base overnight chargers and 1 rapid charger at Wisconn Valley

2018 SEP: Research technology, vendors, and prices. OCT: Receive grant notification. DEC: Sign grant agreement. Begin selection process for electric buses and chargers.

2019 MAR: Order buses and base overnight chargers #1 - #6 for delivery in two batches, plus the rapid charger. Plan and prepare for base charger installation. SEP: Take delivery of buses and base overnight chargers #1 and #2. Install chargers. OCT: Scrap 2 old buses. NOV: Finish all testing. DEC: Place buses #1 and #2 in service.

2020 JAN: Order buses and chargers #7 - #10. MAR: Take delivery of buses and base overnight chargers #3-#6 and 1 rapid charger to be located at Wisconn Valley. APR: Scrap 4 old buses. May: Finish testing. JUN: Buses #3 - #6 in service.

2021 MAR: Take delivery of buses and chargers #7 - #10. APR: Scrap 4 old buses. MAY: Finish testing. JUN: Buses #7 - #10 in service.

SECTION 4. PROJECT BUDGET

Using the Appendix A Project Budget Excel spreadsheet, identify each bus proposed to be replaced and each proposed replacement vehicle. For each bus to be placed, include eligible costs for new purchases and scrapping in the highlighted columns. If more than one replacement request is made, buses must be listed below with the highest priority bus listed first, the second highest priority bus listed second, etc.

SECTION 5. REQUIRED SIGNATURES

Applicant Authorized Representative

The signatory below certifies that, to the best of his/her knowledge and belief, the information contained in the VW Mitigation Program Transit Capital Assistance Grant Program Application, including all attachments, is true, accurate and complete.

Name: Mark H. Yehlen Title: Commissioner of Public Works

Applicant: City of Racine

Signature:  Date: Sep 25, 2018

Phone: 262-636-9400

Email: mark.yehlen@cityofracine.org

Governmental Unit Authorized Representative

The signatory below certifies that, to the best of the his/her knowledge and belief, the information contained in the VW Mitigation Program Transit Capital Assistance Grant Program Application, including all attachments, is true, accurate and complete.

Name: Cory Mason Title: Mayor

Governmental Unit: City of Racine

Signature:  Date: SEP 26, 2018

Phone: (262) 636-9111

Email: Cory.Mason@cityofracine.org

Note: If more than one governmental unit will be subject to a shared revenue reduction, copy this page and submit a signed certification of an authorized signatory from each unit.

Appendix A

Priority for Replacement		Make	Model	Engine Model Year	Date Placed in Service	Gross Vehicle Weight Rating (GVWR) Class	Vehicle Identification Number (VIN)	Engine Serial Number
1.	Coach 068	Gillig	G29B102N4	2004	4-Aug-04	39,000	15GGB291841074584	46399602
2.	Coach 069	Gillig	G29B102N4	2004	12-Aug-04	39,000	15GGB291841074585	43402869
3.	Coach 073	Gillig	G29B203N4	2004	5-Aug-04	39,000	15GGB291841074589	46403516
4.	Coach 074	Gillig	G29B102N4	2004	12-Aug-04	39,000	15GGB291841074590	46403753
5.	Coach 066	Gillig	G29B102N4	2004	Aug-04	39,000	15GGB291841074582	46386644
6.	Coach 070	Gillig	G29B102N4	2004	Aug-04	39,000	15GGB291841074586	46402905
7.	Coach 075	Gillig	G29B102N4	2004	18-Aug-04	39,000	15GGB291941074591	46402875
8.	Coach 072	Gillig	G29B102N4	2004	Aug-04	39,000	15GGB291841074588	46403728
9.	Coach 071	Gillig	G29B102N4	2004	Aug-04	39,000	15GGB291841074587	46402935
10.	Coach 076	Gillig	G27B102N5	2009	5-May-10	39,000	15GGB271691079709	73013709

Fleet ID Number (Required if Available)	Diesel Engine (Yes or No)	Annual Fuel Usage	Annual Operating Hours	Annual Mileage	Current Mileage	Date Current Mileage Recorded	Estimated Value
Coach 068	YES	2404	900	9825	469887	31-Dec-17	1500
Coach 069	YES	2736	900	11816	447289	31-Dec-17	1500
Coach 073	YES	4665	900	19806	530656	31-Dec-17	1500
Coach 074	YES	3360	900	14609	498194	31-Dec-17	1500
Coach 066	YES	2090	900	8446	482588	31-Dec-17	1500
Coach 070	YES	3978	900	17460	495440	31-Dec-17	1500
Coach 075	YES	3015	900	12425	481426	31-Dec-17	1500
Coach 072	YES	2824	900	11049	432103	31-Dec-17	1500
Coach 071	YES	3339	900	11599	450014	31-Dec-17	1500
Coach 076	YES	7330	900	30370	328424	31-Dec-17	3000

Grant Amount Requested to Scrap	Replacement Engine Type (Clean Diesel, CNG, Electric, Hybrid)	Make	Model	Year	Grant Amount Requested for New Purchase
\$300.00	Electric	Proterra	E2 Max + I	2019	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2019	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2020	\$ 1,534,500
\$300.00	Electric	Proterra	E2 Max + I	2020	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2020	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2020	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2021	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2021	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2021	\$ 990,500
\$300.00	Electric	Proterra	E2 Max + I	2021	\$ 990,500
					\$ 10,449,000

Attachment 1

City of Racine



City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Certified Copy

Resolution: Res.0271-18

File Number: Res.0271-18

Application to the Wisconsin Transit Capital Assistance Grant Program (VW Mitigation Program) and Reduction of Future Municipal Payments

Resolved, that application to the Wisconsin Transit Capital Assistance Grant Program (VW Mitigation Program) for up to eight buses is authorized, agreeing to a reduction of future municipal payments if necessary to pay for the local share, and applying to other grant programs, including Department of Workforce Development grants is approved.

Fiscal Note: N/A

I, Tara Coolidge, certify that this is a true copy of Resolution No. Res.0271-18, passed by the Common Council on 8/21/2018.

Attest: 
Assistant Clerk Tara Coolidge


Date Certified



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Meeting Minutes - Draft

Public Works and Services Committee

Chairman John Tate II
Vice Chair Mollie Jones
Aldersperson Melissa Lemke
Aldersperson James Morgenroth
Aldersperson Henry Perez

Tuesday, September 25, 2018

5:30 PM

City Hall, Room 303

Call To Order

The meeting was called to order at 5:30 P.M.

PRESENT: 4 - John Tate II, Mollie Jones, Melissa Lemke and Henry Perez

EXCUSED: 1 - James Morgenroth

Also Present: Mark Yehlen, Tom Eeg, Michael Maierle, Tina Kobriger, Larry Kobriger, Jill Hartmann

Excused: John Rooney

Approval of Minutes for the September 11, 2018 Meeting.

The minutes of the September 11, 2018 meeting were approved as printed. Passed unanimously.

0914-18

Subject: Communication from Robert Kreil, Walden III Middle/High School Directing Principal, requesting to close off the south sidewalk of Rupert Boulevard from Chicago Street west to the cemetery during the 2018-2019 winter season.

Recommendation of the Public Works and Services Committee on 09-25-18: That Racine Unified School District be granted permission to close the sidewalk on Rupert Boulevard in front of Walden III Middle/High School from December 1, 2018 to April 1, 2019 with the requirement that Racine Unified School District holds the City of Racine harmless from any and all injuries caused by conditions of the sidewalk related to this closure.

Fiscal Note: There will be no cost to the City of Racine in granting this permission.

Tom Eeg outlined the details on why Walden School makes the annual request to close this sidewalk in the winter months.

Motion made by Jones, seconded by Perez to approve. Passed unanimously.

Recommended For Approval

0985-18

Subject: (Direct Referral) Communication from the Friends of the Racine Public Library requesting permission to pre-pay \$100.00 for all parking in the Library Lot and the Memorial Hall Lot from 8:00 A.M. to 1:00 P.M. on Saturday, November 10, 2018.

Recommendation of the Public Works and Services Committee on 09-25-18: Rent all spaces in the Library Lot and the Memorial Hall Lot to the Friends of the Racine Public Library on Saturday, November 10, 2018, from 8:00 A.M. to 1:00 P.M. for a fee of \$100.00.

Fiscal Note: The agreement will generate \$100.00 for the Parking System.

Mike Maierle stated this event had paid the \$100.00 fee in the past, but based on the quantity of meters in this area and the 5 hour time period of the request, it would result in an actual cost of \$250.00.

Jill Hartmann stated this was an annual event to raise funds for the Racine Public Library. She stated the Library opens at 11:00 A.M. on Saturday, so there would likely be no one parking in this lot until 11:00 A.M. to go to the Library. This would result in just a 2 hour revenue period which the \$100.00 fee would cover.

Alderman Perez recommended that the \$100.00 fee be honored for this event.

Alderman Tate and Alderwoman Lemke stated there should be a uniform policy in place to allow City related events to have a lower parking lot rental rate.

Motion made by Perez, seconded by Jones to approve the \$100.00 fee. Passed unanimously.

Recommended For Approval

0993-18

Subject: (Direct Referral) Communication from the Transit and Parking System Manager requesting to amend Res.0271-18 to change the wording to increase the number of buses from eight to ten.

Recommendation of the Public Works and Services Committee on 09-25-18: Amend Res.0271-18 to increase the number of buses from eight to ten.

Fiscal Note: This will result in an estimated reduction of future State revenue payments of \$396,200.00.

Mike Maierle outlined the details on how this would result in a \$396,200 reduction in Municipal payments over the 10 year program.

Motion made by Perez, seconded by Jones to approve. Passed unanimously.

Recommended For Approval

Public Comment

Tina Kobriger stated her request was to post reduced speed limit signs adjacent to Horlick High School and explained the safety concerns in this area.

Adjournment

The meeting adjourned at 6:20 P.M.

If you are disabled and have accessibility needs or need information interpreted for you, please contact the Department of Public works, (262) 636-9122, at least 48 hours prior to this meeting.

Bus Parts Maintenance Cost - 2017

Attachment 2

Proposed bus replacements are indicated by		Fleet	Bus #	2017 Parts cost	2017 Avg.	2017 Miles	2017 Avg. Miles	Cost per Mile	Cost per Mile Index	In 2017 Lifetime miles	Comments for 2018
		2004	67	\$ 6,203		12,228				494,059	Frame broke. Already being replaced.
		Priorities for replacement									
		2004	66	\$ 2,439		8,446				482,588	Will hit 500,000 miles with normal usage.
		2004	68	\$ 2,869		9,825				469,887	Will hit 500,000 miles with normal usage.
		2004	69	\$ 4,931		11,816				447,289	
		2004	70	\$ 7,837		17,460				495,440	Will hit 500,000 miles under current usage.
		2004	71	\$ 2,656		11,599				450,014	
		2004	72	\$ 2,097		11,049				432,103	
		2004	73	\$ 2,262		19,806				530,656	Over 500,000 miles
		2004	74	\$ 5,405		14,609				498,194	Will hit 500,000 miles under current usage.
		2004	75	\$ 3,439		12,425				481,426	Will hit 500,000 miles with normal usage.
		2009	76	\$ 19,374		30,370		\$ 0.64		328,424	Worst maintenance cost in fleet by far.
				\$ 5,331		14,741		\$ 0.36	199		
		2009	77	\$ 1,157		31,763				297,881	
		2009	78	\$ 6,050		26,337				281,209	Transmission replaced in 2018 \$11,000
		2011	79	\$ 5,724		42,975				285,300	
		2011	80	\$ 4,699		35,780				280,783	Transmission replaced in 2018 \$10,000
		2011	81	\$ 8,594		38,817				287,940	Transmission replaced in 2018 \$10,000
		2011	82	\$ 4,032		30,729				257,159	
		2011	83	\$ 10,060		30,079				270,602	
		2012	84	\$ 3,273		36,191				205,691	Out of service due to transmission \$11,000
		2012	85	\$ 10,266		33,134				190,473	
		2012	86	\$ 4,324		35,034				190,264	
		2013	87	\$ 6,241		40,664				201,193	
		2013	88	\$ 3,912		34,094				190,632	
		2013	89	\$ 5,103		41,687				200,437	
		2013	90	\$ 4,025		26,586				163,086	
		2013	91	\$ 4,981		41,020				196,549	
		2013	92	\$ 10,902		36,379				180,246	
		2013	93	\$ 4,659		41,516				198,309	
		2013	94	\$ 4,818		32,387				169,532	
		2013	95	\$ 13,890		36,102				192,740	
		2013	96	\$ 8,459		44,190				203,581	
		2013	97	\$ 6,871		34,091				187,708	
		2013	98	\$ 6,057		37,854				186,685	
		2013	99	\$ 12,401		38,019				175,677	
		2013	1	\$ 7,538		45,678				208,633	
				\$ 6,585		36,296		\$ 0.18	100		

We run the proposed replacement buses only 41% of the miles as the rest of the fleet to try to extend their years of life and to avoid higher maintenance costs.

These costs are for parts only, but labor costs and parts costs are correlated. Labor costs for transmissions are more than wiper blades.

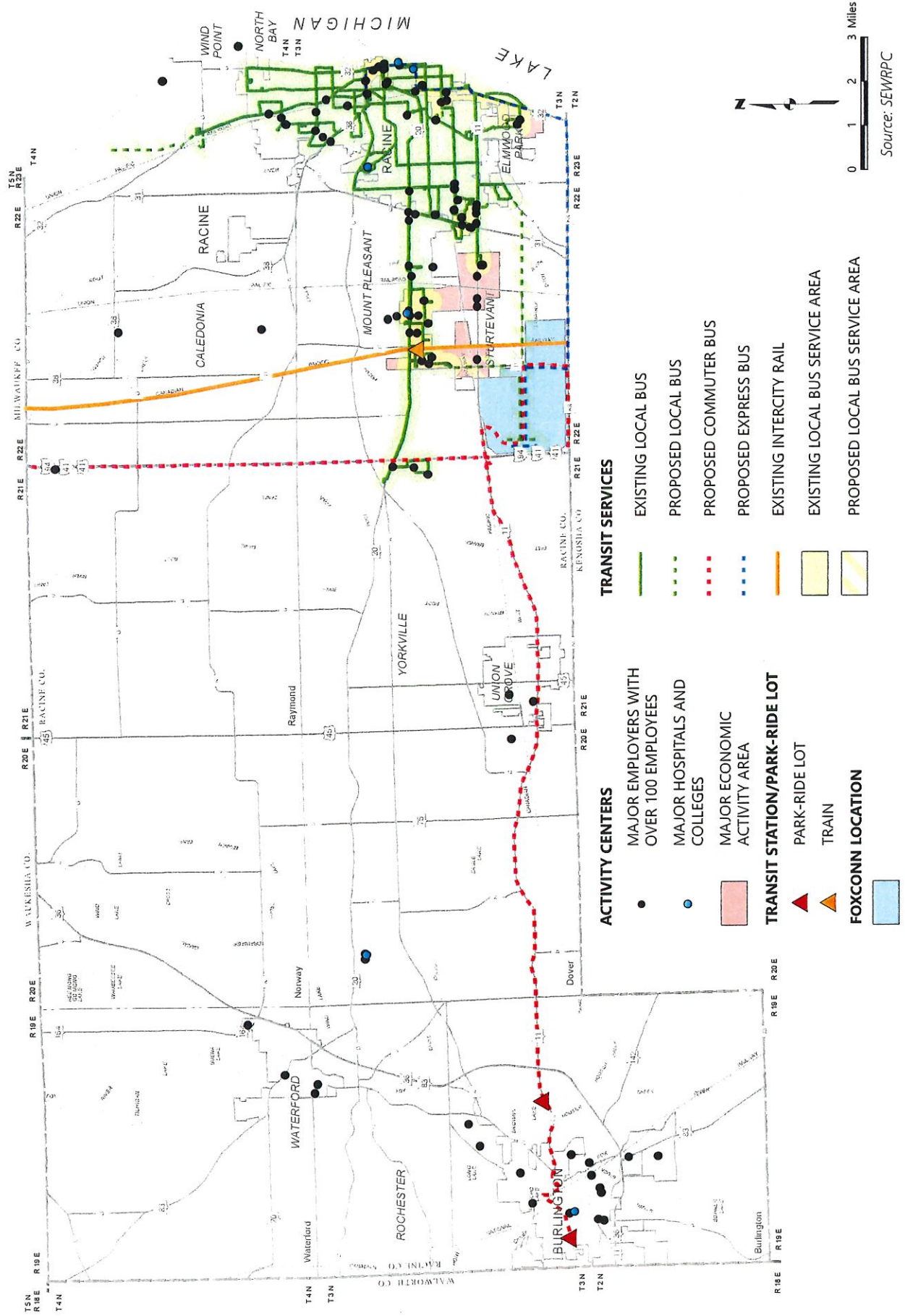
Maintenance costs are a growing share of the total budget because of the aging fleet.

Job Density in Racine County: 2010



Attachment 4

Major Activity Centers Compared to Public Transit Services in Racine County: 2018



Attachment 5

Logged in as Michael | [logout](#) | [help](#)

Note: Your session will time out after 30 minutes of inactivity.

For best results, do not use your browser's "back" arrow.

Emission Results and Health Benefits for Project: Bus replacements for the City of Racine

Emission Results ☐

Here are the combined results for all groups and upgrades entered for your project.¹

Annual Results (short tons)²

	NO _x	PM2.5	HC	CO	CO ₂	Fuel ³
Baseline for Upgraded Vehicles	2.169	0.068	0.187	0.702	885.4	78,700
Amount Reduced After Upgrades	2.169	0.068	0.187	0.702	885.4	78,700
Percent Reduced After Upgrades	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Lifetime Results (short tons)²

Baseline for Upgraded Vehicles	30.368	0.951	2.616	9.830	12,395.3	1,101,800
Amount Reduced After Upgrades	30.368	0.951	2.616	9.830	12,395.3	1,101,800
Percent Reduced After Upgrades	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Lifetime Cost Effectiveness (\$/short ton reduced)

Capital Cost Effectiveness ⁴ (unit & labor costs only)	\$344,080	\$10,985,168	\$3,994,212	\$1,062,955	\$843	
Total Cost Effectiveness ⁴ (includes all project costs)	\$296,365	\$9,461,819	\$3,440,322	\$915,552	\$726	

¹ Emissions from the electrical grid are not included in the results.

² 1 short ton = 2000 lbs.

³ In gallons; fuels other than ULSD have been converted to ULSD-equivalent gallons.

⁴ Cost effectiveness estimates include only the costs which you have entered.

**Remaining
Life**

Replacing miles of some remaining buses: Transit Bus Transit Buses	14 years
1-2009: Transit Bus Transit Buses	14 years
9-2004s: Transit Bus Transit Buses	14 years

Ben Vondra, Grants Specialist Advanced
Department of Administration
Division of Enterprise Operations
101 East Wilson Street, 6th Floor
P.O. Box 7867
Madison, WI 53707-7867

Scott E. Rubitsky
Director, Business Development and Plans
611 East Wisconsin Avenue
Milwaukee, WI 53202

Dear Mr. Vondra

Foxconn is pleased to partner with the City of Racine on this application for a grant under the Transit Capital Assistance Grant Program (VW Mitigation Program).

We understand the importance of a high-quality public transit system in connecting employers, employees and providers. Connections from the Wisconsin Valley Science and Technology Park to the Village of Mount Pleasant and the City of Racine will lead to mutual benefits and success as the local population grows by considerable numbers due to the creation of 13,000 direct jobs and 18,000+ indirect jobs through Foxconn's investment in the area.

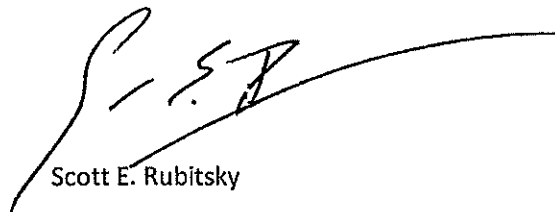
The aforementioned municipalities have already demonstrated their commitment to the Wisconsin Valley development by participating in the Eastern Racine County Transportation Task Force. We are encouraged by the resultant specific and practical proposals to create connections locally and regionally for our employees and their families, business associates, customers and suppliers.

Foxconn is looking forward to working with the City of Racine by sharing information and technological expertise to identify synergies between the City and Foxconn's transportation technology solutions while employing advanced energy, navigation and communication systems.

The transit proposal in the grant proposal is achievable and commensurate with the global technological expertise that Foxconn is creating in Wisconsin.

Therefore, I respectfully and heartily endorse and recommend this proposal for full funding. Thank you for your consideration of this important proposal for these new buses.

Sincerely,



Scott E. Rubitsky

Cc: Peter Buck

APPENDIX A
VW Mitigation Program
Transit Capital Assistance Grant Program
City of Racine

SECTION 4. PROJECT BUDGET

Identify each bus proposed to be replaced and each proposed replacement vehicle. For each bus to be placed, include eligible costs for new purchases and scrapping in the highlighted columns.
If more than one replacement request is made, buses must be listed below with the highest priority bus listed first, the second highest priority bus listed second, etc.
Please see section 6.0 of the instructions for eligible and ineligible expenses.

Priority for Replacement	Make	Model	Engine Model Year	Date Placed in Service	Gross Vehicle Weight Rating (GVWR) Class	Vehicle Identification Number (VIN)	Engine Serial Number	Fleet ID Number (Required if Available)	Diesel Engine (Yes or No)	Annual Fuel Usage	Annual Operating Hours	Annual Mileage	Current Mileage	Date Current Mileage Recorded	Estimated Value	Grant Amount Requested to Scrap	Replacement Engine Type (Clean Diesel, CNG, Electric, Hybrid)	Make	Model	Year	Grant Amount Requested for New Purchase
1. Coach 068	Gillig	G29B102N4	2004	4-Aug-04	8	15GGB291841074584	46399602	Coach 068	YES	2404	900	9825	469887	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2019	\$ 990,500
2. Coach 069	Gillig	G29B102N4	2004	12-Aug-04	8	15GGB291841074585	43402869	Coach 069	YES	2736	900	11816	447289	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2019	\$ 990,500
3. Coach 073	Gillig	G29B203N4	2004	5-Aug-04	8	15GGB291841074589	46403516	Coach 073	YES	4665	900	19806	530656	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2020	\$ 1,534,500
4. Coach 074	Gillig	G29B102N4	2004	12-Aug-04	8	15GGB291841074590	46403753	Coach 074	YES	3360	900	14609	498194	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2020	\$ 990,500
5. Coach 066	Gillig	G29B102N4	2004	Aug-04	8	15GGB291841074582	46386644	Coach 066	YES	2090	900	8446	482588	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2020	\$ 990,500
6. Coach 070	Gillig	G29B102N4	2004	Aug-04	8	15GGB291841074586	46402905	Coach 070	YES	3978	900	17460	495440	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2020	\$ 990,500
7. Coach 075	Gillig	G29B102N4	2004	18-Aug-04	8	15GGB291941074591	46402875	Coach 075	YES	3015	900	12425	481426	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2021	\$ 990,500
8. Coach 072	Gillig	G29B102N4	2004	Aug-04	8	15GGB291841074588	46403728	Coach 072	YES	2824	900	11049	432103	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2021	\$ 990,500
9. Coach 071	Gillig	G29B102N4	2004	Aug-04	8	15GGB291841074587	46402935	Coach 071	YES	3339	900	11599	450014	31-Dec-17	1500	\$300.00	Electric	Proterra	E2 Max + Duopower	2021	\$ 990,500
10. Coach 076	Gillig	G27B102N5	2009	5-May-10	8	15GGB271691079709	73013709	Coach 076	YES	7330	900	30370	328424	31-Dec-17	3000	\$300.00	Electric	Proterra	E2 Max + Duopower	2021	\$ 990,500
																					\$ 10,449,000