



## Interurban Transit Partnership

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### Planning & Technology Committee Members

Mayor Rosalynn Bliss	Jack Hoffman	Robert Postema	Terry Schweitzer (Chair)	Paul Troost
	Citizen Members:	Ryan Anderson	Dave Bulkowski	

## PLANNING & TECHNOLOGY COMMITTEE MEETING

Monday, September 11, 2023 – 8:30 a.m.

Rapid Central Station Conference Room (250 Cesar Chavez Avenue, SW)

### AGENDA

	<u>PRESENTER</u>	<u>ACTION</u>
<b>1. PUBLIC COMMENT</b>		
<b>2. MINUTES REVIEW – July 17, 2023</b>	Terry Schweitzer	Review
<b>3. DISCUSSION</b>		
a. Transit Master Plan (TMP) Progress/Update	AECOM/Monoyios	Information
b. 2023 American Society of Civil Engineers (ASCE) Report Card For Michigan’s Infrastructure	Nick Monoyios	Information
c. Model Michigan Mileage-Based User Fee Program	Jack Hoffman	Information
d. Fall 2023 Service Update	Max Dillivan	Information
e. TDM Study	Nick Monoyios	Verbal update
f. IT Strategic Plan Status	Andy Prokopy	Verbal update
g. APTA Annual Meeting	Nick Monoyios	Verbal update
<b>4. ADJOURNMENT</b>		

Next meeting: November 6, 2023



## Future Planning & Technology Committee Members

Mayor Rosalynn Bliss

Jack Hoffman

Robert Postema

Terry Schweitzer (Chair)

Paul Troost

Citizen Members:

Ryan Anderson

Dave Bulkowski

## **PLANNING & TECHNOLOGY COMMITTEE MEETING MINUTES**

**Monday, July 17, 2023 – 8:30 a.m.**

**Rapid Central Station Conference Room (250 Cesar E Chavez Avenue, SW)**

### **ATTENDANCE:**

#### Committee Members Present:

Dave Bulkowski, Jack Hoffman, Terry Schweitzer

#### Committee Members Absent:

Mayor Bliss, Andy Guy, Ryan Anderson, Paul Troost

#### Staff Attendees:

Nancy Groendal, Kris Heald, Deron Kippen, Linda Medina, Nick Monoyios, James Nguyen, Deb Prato, Andy Prokopy, Steve Schipper, Mike Wieringa, Kevin Wisselink

#### Other Attendees:

Andrew Ittigson (AECOM), Ann Marie Kerby (AECOM), Adam Erber, Mara Gericke (GVMC)

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Mr. Schweitzer called the meeting to order at 8:33 a.m.

### **1. PUBLIC COMMENT**

No public comment.

### **2. MINUTES – May 8, 2023**

Chair Schweitzer entertained a motion to approve the meeting minutes of May 8, 2023. The meeting minutes were accepted as submitted.

### **3. Information**

#### **a. Thriving (Transit Master Plan) Update**

Mr. Monoyios introduced Mr. Andrew Ittigson from AECOM team to give an update and status report.

Mr. Ittigson (AECOM) reported we are in the middle of summer when we are finishing up the baseline information, the existing conditions, and market analysis.

This week the team will be meeting with the communications team to plan the public outreach push in the fall.

Today the discussion will include the schedule and where we are, technical task updates, existing conditions, market analysis, and West Michigan Express.

We will also pause and discuss our aspirational peers, and we will be looking for input and direction from this committee.

Ms. AnnMarie Kerby is also present today from MKSK, and she will give an update on public involvement.

Mr. Ittigson continued his report that we are not quite at the halfway point, and we are heading toward developing our future scenarios. In the fall, with the public outreach, we will get into the corridor analysis, the staffing plan, and the technical analysis of the facilities and vehicles.

West Michigan Express is in progress and the AECOM team has been working closely with the task force for WMX. We are getting great input and guidance from them which included reverse commute, capture areas, and how far people would walk to stations/stops. Because of that, we will be making some adjustments to the feasibility study. Then we will do the implementation plan which will be the number of vehicles, the cost, the number of revenue hours, and how The Rapid would operate that service.

On deck is the staffing evaluation for The Rapid.

Corridor Analysis Planning - Performance Measures, Fleet and Facilities Plan

As we move into Winter and Spring the joint development opportunities and then implementation, Financial, and all the way to the Transit Master Plan next spring.

The team is making some minor adjustments to the Existing Conditions Report and the Market Analysis.

Mr. Hoffman was reflecting on progress. When we talk about future conditions, Mr. Hoffman wanted to reiterate his position in the process that the present transportation system we have now, including the roads, is unsustainable. MDOT will tell you we are only raising half the money to keep them in good repair. Unless there is a huge paradigm change in funding...we will be driving on gravel in twenty (20) years. Mr. Hoffman feels we are peer leaders across the board, always have been, and still are, in leadership and employees. I look to the future shuffling the deck. In a new funding paradigm. Where is Transit's optimum positioning in a new funding paradigm? Mr. Hoffman believes that there will be mileage-based user fees on commercial and personal vehicles.

Mr. Monoyios added we are critically looking at the financial piece and seeing all the tools in the toolbox. So much of the existing future conditions and the market analysis help to paint the picture and demonstrate the critical need for exactly what you are talking about. The third piece is the public. Being able to see a snapshot of the future and how we adjust ourselves as the future progresses.

Mr. Hoffman has been thinking and discussing with the public support people and they believe we should get a committee, however, the more he reflects on it, the more he believes it should come from the top. There is no transit solution that will make everyone happy as the public is not used to paying for transit. The opportunity is there. The legislature could hand off the ball to the transportation commission and you set the user fees. Whether the public wants it or not, change must happen.

Mr. Ittigson added that we need to do a good job explaining what the options are. Through the first phase of outreach, focus groups and committee meetings. We ask them to think ahead twenty (20) years for the vision. Once people get past the light rail it's hard to know what else there is. Part of our job will be to provide a vision.

Mr. Bulkowski asked Mr. Hoffman what he meant when he said people are not used to paying for transit. Mr. Hoffman replied that commercial vehicles cause \$9B worth of damage to Michigan roads per year. We spent \$4.5B and what trucks pay in gas tax and registration fees is \$.5M. We are not used to paying the cost of freight transportation. The whole freight business is a huge, subsidized operation. We cannot get a realistic handle on all the environmental issues, urban issues, and equity issues with transportation unless we start assigning costs to use.

Mr. Bulkowski clarified if we had to pay the full cost of transportation, many of us would make different choices. Mr. Hoffman agreed.

Mr. Bulkowski stated he is personally curious about the whole West Michigan Express (WMX). He is wondering how far people will walk. He strongly feels that no one is going to walk to those places. He feels there should be some good-sized park-and-ride lots. If you were to go to the Silver Line (SL) park and ride lot at 60/Division. I'd be shot. What is going to change the behavior? Has anyone ever counted the number of parking spaces in the six cities? We are paying for it. Parking isn't free. Mr. Bulkowski would love to see more analysis, but he is not sure how to bring this out to the community, especially when we look at existing conditions.

Mr. Ittigson said we will provide these metrics on the resources page on the website and have the reports this week.

Mr. Hoffman said that would be great.

Mr. Ittigson moved to the Peer analysis. There are two parts – Benchmark Peers and Traditional Peer Analysis. The goal is to match peers like The Rapid, but there are others in the SW part of the country.

The focus areas of interest are:

Sustainable Funding

Successful TOD

Mode Split

Innovative Marketing

Affordable Housing

Success with Regional Expansion

The list of peers is as follows:

Seattle, Minneapolis, Los Angeles, Austin, Indianapolis, and Ann Arbor

(Slide from presentation)

Stop here to reflect and add input.

Mr. Hoffman said it seems fine to him and it all makes sense. His understanding is that post covid, Ann Arbor just passed a millage that is a net increase that is greater than our whole millage.

Mr. Monoyios confirmed that the millage was \$1.68M.

Mr. Hoffman was surprised. Wow! that is aspirational. He is so focused on paradigm change funding. He feels we need to shuffle the whole deck.

Mr. Bulkowski clarified the city of Ann Arbor. Mr. Monoyios replied, The Ride in Ann Arbor.

Mr. Ittigson added that Macomb County has passed a continuation of SMART. Oakland County has its own Transit Authority.

Mr. Hoffman asked when the Macomb County renewal was.

Mr. Ittigson replied in November 2022.

Mr. Bulkowski asked if any mid-sized Canadian cities were in. Who is using the bus if any? He is all in favor of doing something different.

Mr. Hoffman shares Mr. Bulkowski's overarching concerns. What would it really take to move the needle to get people to move away from personal vehicles in large numbers?

Mr. Bulkowski added when we look at funding opportunities, ACT 196 allows us to have one millage question per year. What if we were allowed, like the old school millages? Here's the renewal, here's

enhancement package A, and here's enhancement C and D. If we put something crazy out there it might help lift the other enhancement packages.

Mr. Monoyios added we could develop a menu that would identify all those items, especially toward the end stages of this TMP, and generate that enthusiasm. One of the key focus areas of this entire project is the concurrent planning effort. It is understanding what is done, what is in the oven now, and what is anticipated. We can influence externalities both in policy and geographically as a part of checking in on this full spectrum of things happening in the entire region.

Mr. Hoffman says he does think there is recognition that didn't used to be there, and there is an issue or problem that needs to be dealt with and not just limited to public transit. He feels there is an awareness and that making alliances is necessary.

Mr. Bulkowski circled back to Mr. Hoffman's comment about people not wanting to pay for it.

Mr. Hoffman replied that is why he thinks it will end up being leadership from the top. Maybe it will be Governor Whitmer who will go big.

Mr. Ittigson handed the podium off to Ms. Kerby for Public Involvement.

Public Involvement – Ms. Ann Marie Kerby  
Gave a quick update on public involvement.

Highlights and Feedback:

- Accessibility of physical and informational
- Connections – transit isn't always easy getting where people want to go.
- Convenience – Frequency and proximity to transit

Mr. Hoffman asked the steering committee to consider the financial part, the cost of their wish list.

Ms. Kerby replied it is more high-level however, it is a part of the conversation.

Mr. Monoyios added that we have mapped out the remainder of the steering committees, and we had a Rapid 101 presentation on what our services are. September will be Rapid 201 and discuss financial items.

Ms. Prato added there were some Ah-Ha moments with the Steering Committee.  
Transit trips take 2-3x longer when using transit. Which does not make it convenient.

Recap of Technical Advisory Committee (TAC)  
Stakeholders focus on the needs of the transit system.

Ms. Prato added that the community survey does ask if you are a former rider.

Mr. Bulkowski asked that the non-transit riders not be mixed in with the transit riders. He feels the people who used to ride would do all the talking.

Ms. Kerby reported that we have the logo and the brand completed. Thriving, the future of connectivity. [Transithriving.org](http://Transithriving.org)

Ms. Kerby updated the committee on the outreach plan. We have completed internal staff focus groups, external focus groups are happening now, and, in the fall, committee meetings are ongoing. The public announcement and press release kickoff happening next month. The fall public outreach events will be happening between September and November. The Rapid staff is also going out and meeting people where they are.

Mr. Hoffman asked if anyone had an update on the Kent County Mobility Task Force. Mr. Bulkowski answered that the county received a grant from MDOT to fund the study, however, the money won't be available until Oct 1st. It's a short-term planning grant for what is going to be done in the townships.

Mr. Schweitzer asked if Metro Council is providing the support.

Ms. Prato added that GVMC will be coordinating this.

**b. Transportation Demand Management (TDM) Update**

Mr. Monoyios reported The Rapid is the lead on four (4) of these twelve (12) draft strategies.

The first one is a knowledge library with a park-and-ride map, a transit user guide for all audiences, and other resources. A way to develop a communications library and material to help promote transit use.

The second one is implementing employer commuter outreach and regional campaigns in a new technology platform building on the WM Rideshare.

The third one is park-and-ride lots, carpooling and transit seem to be an overwhelming positive strategy that we will also be seeing in the Transit Master Plan (TMP). And the last one is an equity pass/mobility wallet. It is a convenient way to digitally provide resources that could be used multi-modal.

**c. APTA Tech Conference**

Mr. Monoyios informed the committee that the APTA Tech Conference will be in Anaheim, CA and it is at the end of the month. The conference is for IT. Mr. Justin Hagel will be attending. We will report on the conference at the September committee meeting.

Mr. Bulkowski asked where a list of changes in the township contracts. He has received a distressing email that the Cascade service is ending in August. It will have a massive impact.

Ms. Prato added we let our customers know.

Mr. Bulkowski knows The Rapid is not the issue, it is the township, as they do not want to pay for the service.

Ms. Prato said Cascade Township hired a consultant who did an analysis and they decided they can fund transportation mobility differently without as great of an expense. That was their decision and they voted on it at their June 20 meeting. The service will end on August 28<sup>th</sup>.

Ms. Prato said we are always disappointed when a partner decides to leave.

**4. ADJOURNMENT**

This meeting was adjourned at 9:39 a.m.

The next meeting is scheduled for September 11, 2023

Respectfully submitted,

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Kris Heald, Board Secretary

**THE RAPID**

**AECOM**

**MKSK**

**uis**

the image  
shoppe

**CLARK**  
COMMUNICATIONS

# The Rapid Transit Master Plan

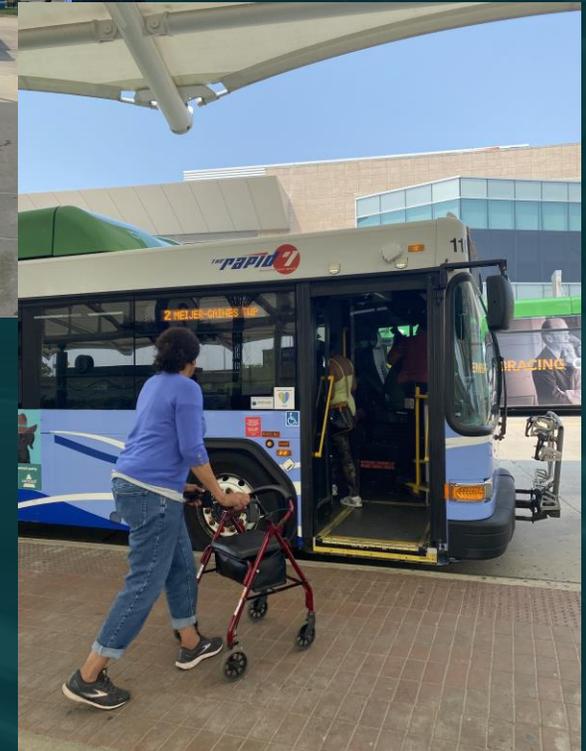
Planning & Technology Committee Meeting

September 11, 2023

Delivering a better world

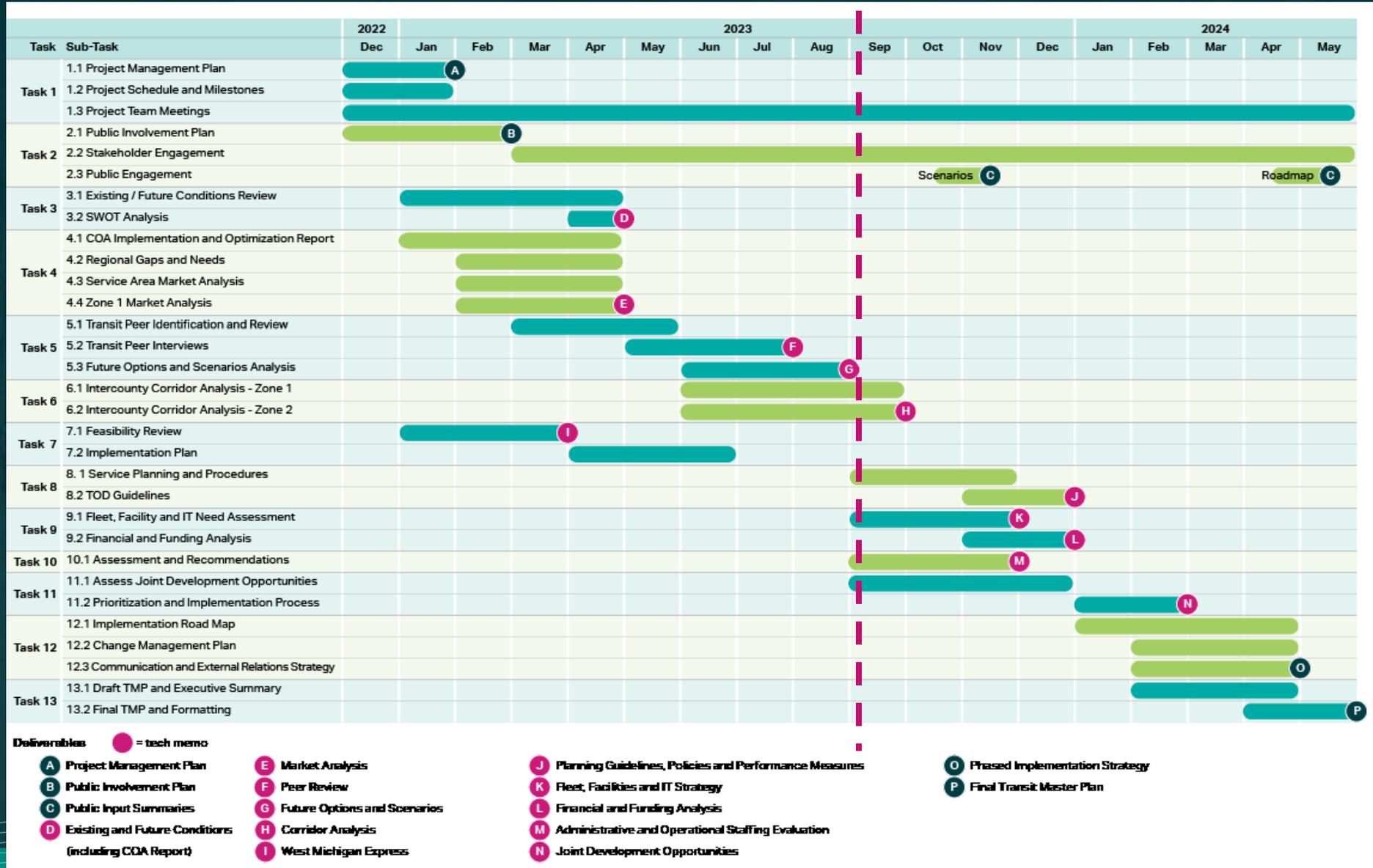
# Agenda

- Project Schedule/Technical Updates
  - Peer Interview Takeaways
- Public Involvement
  - Fall Outreach
  - Recap of Committee Meetings
  - Fall Focus Groups
- Concurrent Plans & Projects Updates
- Next Steps



# Project Schedule

we are here



# Project Status

IN PROGRESS



**Public Involvement**  
Building partnerships (throughout the process, public workshops targeted for Fall 2023 and Spring 2024)

COMPLETE



**Market Analysis**  
Transit demand, travel patterns, mobility need

IN PROGRESS



**Future Options and Scenarios Analysis**  
Who and where to serve? How?



**Existing and Future Conditions Analysis**  
Strengths, weaknesses, opportunities, threats



**Peer Review**  
Best practices from similar and aspirational mobility providers

COMPLETE

IN PROGRESS

# Project Status

IN PROGRESS



**West Michigan Express Planning**  
Reassess feasibility, develop implementation plan



**Planning Guidelines, Policies and Performance Measures**  
How to measure and ensure success?

IN PROGRESS



**Administrative and Operational Staffing Evaluation**  
How to staff?



**Corridor Analysis**  
Connections to places outside current service area



**Fleet, Facilities and IT Strategy**  
How to support?

IN PROGRESS

# Project Status



## Joint Development Opportunities

How to shape what happens next to transit?  
(Sept 2023-Feb 2024)



## Phased Implementation Strategy

(Jan-April 2024)



## Final Transit Master Plan

(April-May 2024)



## Financial and Funding Analysis

How to fund?  
(Nov-Dec 2023)

# Peers Analysis - Aspirational Peers



## Peers

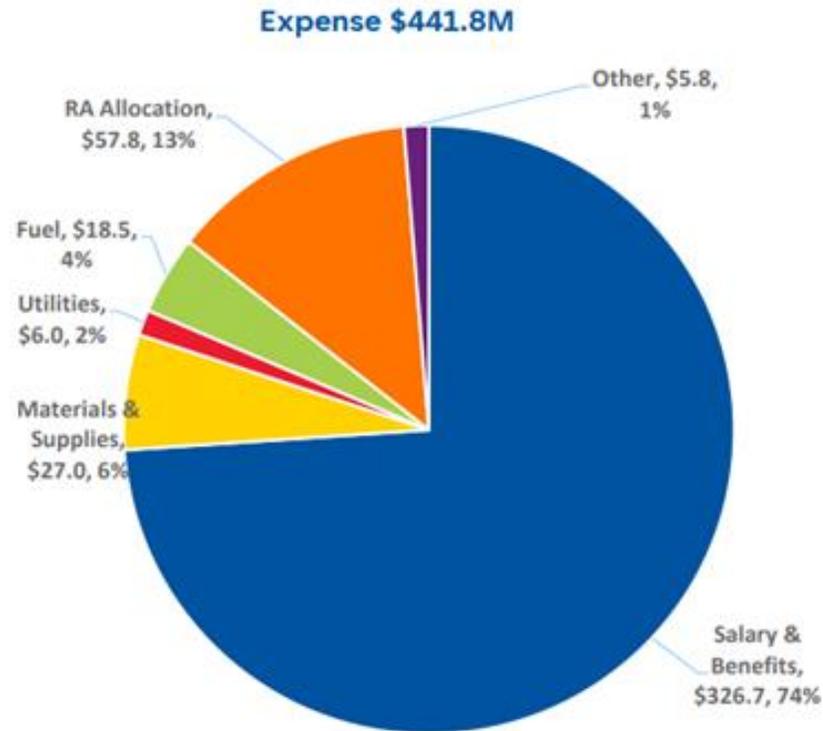
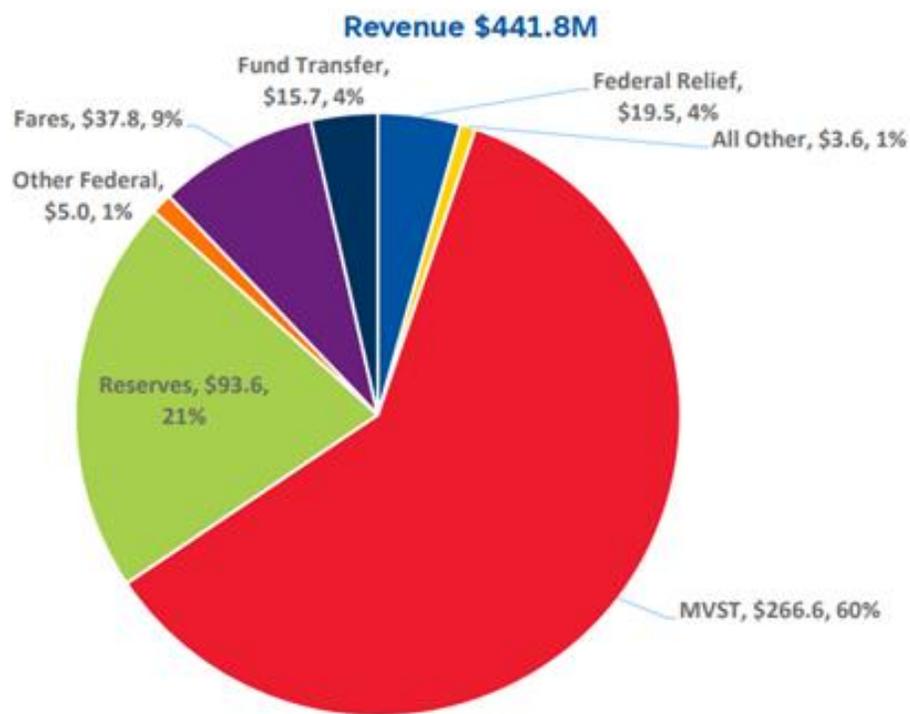
- The Ride**  
(Ann Arbor, MI)
- IndyGo**  
(Indianapolis, IN)
- CapMetro** (Austin, TX)
- LA Metro**  
(Los Angeles, CA)
- Metro Transit**  
(Minneapolis, MN)
- Sound Transit**  
(Seattle, WA)

# Peer Interviews – Insights

## MetroTransit (Minneapolis, MN)

- Sustainable Funding
  - Large capital support funds from state (MPO)
  - 1.204 mills property tax levy (capital funding)
  - New 0.75% sales tax revenue established in last legislative session
- Successful TOD
  - Large team of TOD-dedicated staff
  - FTA grants for station area planning (LRT & BRT, preemptive re-zoning)
  - Regional development guide (MPO) & Metro Transit 2013 TOD Policy
  - Development agreements on city/Metro-owned property (economic development support)
- Mode Split
  - Unified fare collection with other agencies
  - Bikeway/parking coordination at / to stations
  - Mobility hubs at stations
- Transit Service Operations
  - BRT always replaces a high frequency route
  - Will keep off board fare collection on BRT to keep buses moving quickly
- Affordable housing
  - Led by the state (funding) and city (zoning)

# Metro Transit Bus 2024 Operating Revenue & Expense (To Be Updated with Sales Tax Revenue)



# Peer Interviews – Insights

## CapMetro (Austin, TX)

- Sustainable Funding
  - New property tax towards operations/maintenance/capital (*only for Project Connect projects*)
  - 1% sales tax
    - Formula where each community pays depending on their usage
  - Many grant opportunities (*e.g., small starts grant - coordinated with the city to make sure land use patterns matched what the grant was looking for, prepositioning*)
- Successful TOD
  - Champion within CapMetro, coordinates with the city
- Innovative Marketing
  - Large community presence
    - Hired “community connectors” from within the community for 2-years
  - Communicate the value of community input received, let people know their voice has been heard
- Affordable Housing
  - Collaborate with the city on policies
  - eTOD policy
  - Development agreements on city/CapMetro-owned property
- Success with Regional Expansion
  - Dedicated to fostering regional relationships

# Peers Analysis - Categories

## *Primary Topics / Categories*

Sustainable Funding  
Successful TOD  
Medium-Sized City Mode Split  
Innovative Marketing  
Affordable Housing  
Success with Regional Expansion

## *Additional Topics / Categories*

IT Improvements  
Contract Rate Methodology  
Safety Best Practices  
Measuring Customer Experience  
Data Analytics/Visualization Tools  
Public Policy/Government Affairs

*Any other topics that you'd like to learn about from peers?*

# Public Involvement Update

- Past Committee Meetings update
- Summer Focus Groups feedback
- Fall Outreach Plan update

# Recap of Past Committee Meetings

- Past **Technical Advisory Committee** meetings: June 8, July 13, & August 10

## Content

- Update on project tasks and schedule
- Input on
  - Peer Interview Topics
  - Focus Groups
  - Website & Branding
  - Fall Outreach
- Continued coordination on concurrent regional planning efforts

# Stakeholder Focus Groups – June 6, July 17 & 18

## Representatives include:

- Innovators (*June*)
- Disabled Community & Consumer Advisory Committee (*July*)
- Customers (*July*)
- Employers (*July*)
- Health institutions (*July*)
- State and Government Officials (*Fall*)
- Developers (*Fall*)
- Tourism (*Fall*)
- Local Communications (*Fall*)
- Non-Transit Riders (*Fall*)
- Students (*Fall*)
- Real Estate (*Fall*)

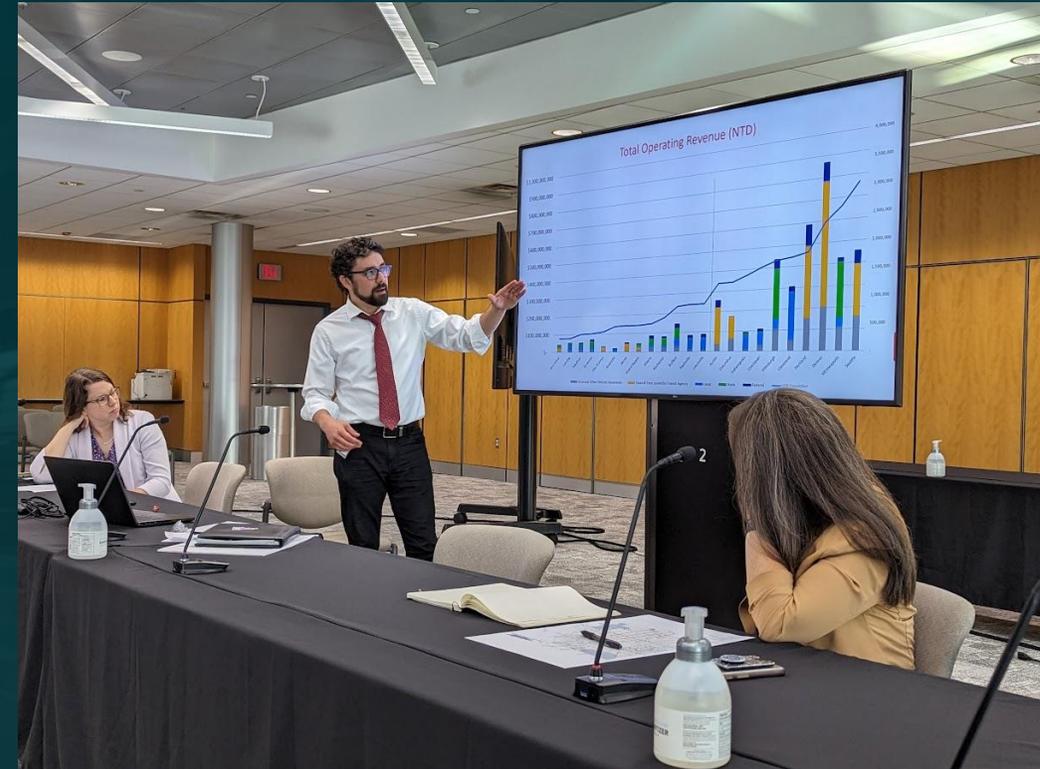


**Goal:** Solicit input and build relationships with the community to help the project team better understand concerns, needs, and opportunities for the transit system.

# Focus Group Meetings – July 17 & 18

## Key Themes:

- Bus Amenities / Improvements
- Outreach / Education
  - Language barriers
  - Accessibility
  - Marketing & advertising
  - Information & wayfinding
- Transit Needs / Demand
- Convenience
  - Route frequency & reliability
  - Long trip times
  - Service hours
  - Service area
  - Mobility as a service (like Uber or Lyft)
- Transit Connections



# Outreach Plan

## Fall Public Outreach Schedule

September – December 2023

	September	October	November	December
Outreach & Engagement				

-  Marketing Materials/Engagement – *September – December*
-  Upcoming PTC Meetings – *9/11 & 11/06*
-  Public Announcement / Kickoff - *September*
-  Public Open House Event - *October 19*
-  Focus Groups – *week of October 19*
-  Aligned Planning Engagement with *150+ Regional Stakeholders Groups*

# Outreach Materials

Fall Public Outreach Schedule  
*September – December 2023*

SLIDE 17

## *Communications*

- Press Release
- Media Relations Plan
- Community Stakeholder Engagement  
*(Aligned Planning, Lynee Wells)*
- Project website:  
[www.transitthriving.org](http://www.transitthriving.org)
  - Survey
  - Interactive map
  - Ideas wall
  - Upcoming events

## *Graphics*

- Promotional video
- Digital / Social Media Campaign
- Email Outreach
- Bus Station Graphics
- In-Bus Graphics
- Bus Wrap
- Billboards

***Which materials will help engage your community?***

# Next Steps

- Branded Technical Reports Online
  - Existing and Future Conditions
  - Market Assessment
  - West Michigan Express Feasibility Review
- Public Engagement
  - Tomorrow through early December
  - October 19 open house
  - ***Engage your community to participate!***
- Upcoming Planning and Technology Committee Meeting:
  - November 6

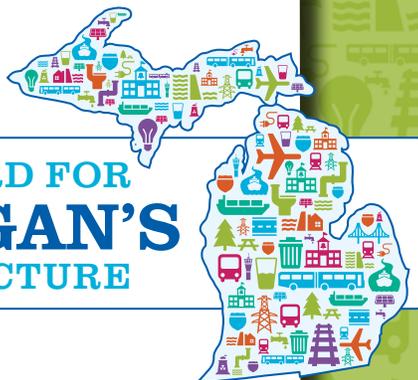
A blue and white Laker Line bus (number 6008) is shown at a charging station. The bus has "Laker Line" and "6008" written on its side, along with a "MASKS REQUIRED" sign. The charging station consists of several tall, grey, vertical charging pillars connected by a horizontal beam. A green arc is drawn over the top of the image. The background is a blurred outdoor setting with trees and a building.

# Thank You!

Delivering a better world

2023

REPORT CARD FOR  
**MICHIGAN'S**  
INFRASTRUCTURE



**MICHIGAN SECTION  
OF THE  
AMERICAN SOCIETY  
OF CIVIL ENGINEERS**



G.P.A.



# 2023 Michigan's Infrastructure Report Card

 AVIATION 

 RAIL 

 BRIDGES 

 ROADS 

 DAMS 

 SCHOOLS 

 DRINKING WATER 

 SOLID WASTE 

 ENERGY 

 STORMWATER 

 INLAND WATERWAYS 

 TRANSIT 

 PUBLIC PARKS 

 WASTEWATER 



## Executive Summary

**Quality infrastructure is necessary for Michigan’s economic success, public health, and social prosperity. Our transportation system allows Michiganders to take essential and recreational trips. Water systems deliver drinking water to homes and offices, collect and treat wastewater from growing communities, and convey stormwater from dangerous flooding. Ports and inland waterways provide routes from farm to market. And the state – home to Edison’s private residence, the first in America to utilize electricity – relies heavily on the power grid to charge electronics and keep the lights on.**

For too long, Michigan’s infrastructure suffered the impacts of chronic underinvestment. Fortunately, progress has been made over the past five years thanks to investments from the state and federal lawmakers. These included \$3.5 billion in bond funding from the “Rebuilding Michigan Program” and \$4.7 billion from the “Building Michigan Together” plan. Michigan is also set to receive \$11 billion over the next five years from the 2021 Bipartisan Infrastructure Law for much needed projects in the systems assessed by this report card.

To sustain recent improvements to Michigan’s infrastructure, close investment gaps, and expand system services, decisionmakers must implement sustainable, dedicated, long-term funding solutions, address workforce challenges, and prioritize resilience and reliability. The 2023 Report Card for Michigan’s Infrastructure can help residents, elected officials, and decisionmakers easily understand the state of our infrastructure and how to make strategic decisions to continue the forward progress.



**Transit**





## EXECUTIVE SUMMARY

In 2021, Michiganders took 32.6 million trips across 88 public transit systems in all 83 counties. The reliability and availability of transit services in many areas is inadequate to meet demand or attract new riders. Existing fleets and facilities are aging. The ability to invest in vehicle procurement, facilities upkeep, and larger capital improvements is constrained due to lack of funding. Over the next 25 years, public transit in Michigan needs \$17.3 billion in investment. Of this total, approximately \$5.9 billion is unmet needs under current revenue forecasts. The state is also experiencing a shortage of qualified bus operators and mechanics to operate and maintain transit fleets, which constrains service and limits growth potential. Greater funding from predictable, dedicated sources – state and local funds to match increased federal dollars – is necessary for Michigan to improve and expand transit services.

## BACKGROUND

Michigan has 88 public transit agencies, which provide transit services to the general public within their local service areas (Figure 1). Twenty-one of those public transit agencies serve urbanized areas and 57 serve rural areas. In addition, MDOT provides financial support to 37

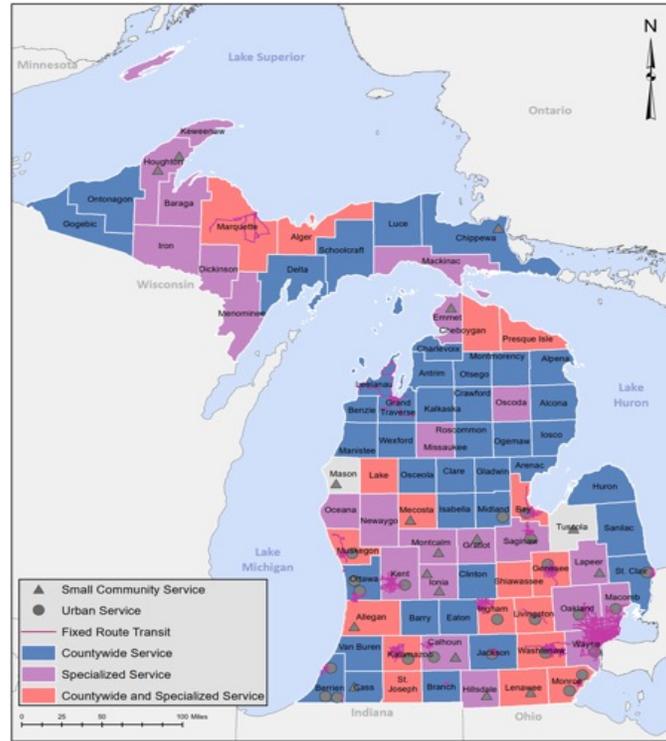
specialized providers whose services focus on people with disabilities and senior citizens. All 83 counties in Michigan have some form of transit service through the public transit agencies and specialized providers.

## CAPACITY

Michigan transit has made significant improvements in recent years, including in the following areas:

- Laker Line Bus Rapid Transit (BRT) - Interurban Transit Partnership (aka The Rapid) launched the Laker Line BRT service, which connects Grand Valley State University to downtown Grand Rapids' Medical Mile.
- Fast, Affordable, Safe, Transit (FAST) Routes – Suburban Mobility Authority for Regional Transportation (SMART) launched three new express bus routes on Michigan, Woodward, and Gratiot Avenues.
- DART Regional Fare – SMART and Detroit Department of Transportation (DDOT) worked in partnership to develop a unified regional fare pass.
- SMART Flex – SMART launched three on-demand service zones in Clinton Township (along M-59), Troy, and Dearborn.
- Detroit to Ann Arbor (D2A2) Express Bus – Regional Transit Authority of Southeast Michigan (RTA) launched the D2A2 express bus service connecting downtown Ann Arbor to downtown Detroit.
- Battery electric buses - Blue Water Area Transit (BWAT) operated by the Blue Water Area Transportation Commission became the first public transit agency in Michigan to deploy fully battery-electric buses in its fleet.

FIGURE 1: TRANSIT AGENCIES IN MICHIGAN



In addition, there are multiple studies taking place within Michigan that are looking to bring additional enhancements to the existing transit network, which include:

- RTA recently approved an updated Regional Master Transit Plan (RMTP) that includes a strategic agenda for expanding and enhancing transit within its jurisdiction. This includes advancing major corridor projects and modernizing the existing fare payment system.
- The Rapid recently completed the Mobility for All study, which was a comprehensive look at the transit system and the Division United study, which was a targeted look at integrated land use and transit improvements to

support development of a key corridor in Grand Rapids. The Rapid is scheduled to begin an update of its overall transit master plan in Spring 2023

- Capital Area Transportation Authority (CATA) is proposing a pilot program to use large (40-foot) automated electric buses on two existing fixed routes on the campus of Michigan State University (MSU) in East Lansing, Michigan.
- The Ann Arbor Area Transportation Authority (TheRide) is in the process of completing a long-range plan, TheRide 2045, and it is working to move forward with a large upgrade to its Ypsilanti Transit Center.

## CONDITION

Between 2015 and 2019, local transit in Michigan saw a 5 percent decrease in overall ridership numbers, as shown in Table 1 below. The ridership decline reflects trends such as increased use of transportation network companies (e.g., Uber, Lyft) and more frequent working from home. Before the onset of the COVID-19 pandemic, there were

some signs of the trend reversing. Specifically, there were significant route level ridership increases on the SMART FAST services and other premium services throughout the state. The COVID-19 pandemic caused an even greater reduction in ridership over the course of 2020 and 2021.

TABLE 1: 2015 – 2019 STATEWIDE OPERATING TRENDS

	2015	2016	2017	2018	2019
Riders	88,867,543	88,977,342	86,370,448	84,611,391	84,078,927
Service Hours	6,786,412	6,931,875	6,591,479	6,765,456	6,944,857
Service Miles	96,984,142	99,545,093	105,188,664	108,122,144	111,303,659

Michigan’s transit agencies continue to utilize and maintain an aging fleet of vehicles to provide transportation services. In 2018, the Federal Transit Administration (FTA) required all transit operators develop Transit Asset Management Plans (TAMPs). In Michigan, 21 urban providers developed their own TAMP and the Michigan Department of Transportation (MDOT) developed a group TAMP for the remaining rural and non-profit

providers. The MDOT group TAMP highlighted in 2018 that 16 percent of vehicles are past their useful life. A review of the urban provider TAMPs revealed vehicle replacement and maintaining an acceptable average vehicle age remains the top priority. However, facility modernization and expansion are a growing concern that is often overlooked, underfunded, and uncompetitive for large discretionary grant programs.

## OPERATIONS & MAINTENANCE

Almost all categories of transit providers in Michigan saw operational expenses increase between 2015 and 2019, driven in part because labor and fuel costs. The largest increase has been in the urbanized areas, but rural service operators have also seen operational costs grow by more

than 10 percent in this five-year time frame. Across the state, transit service expenses have risen nearly 15 percent since 2015. At the same time, transit is experiencing shortages of qualified bus operators and mechanics to operate and maintain transit fleets.

## FUNDING & FUTURE NEED

Adequate, sustainable, and predictable funding for public transit’s operating and capital needs have been challenging for many years.

Michigan Mobility 2045 (MM2045), the state’s recently updated long-range transportation plan, projected revenue needs for the complete multimodal transportation system, including public transit, over the coming 25 years. Overall, Michigan’s transportation needs are estimated to total \$164.6 billion for all modes in that time period. For public transit, the total needs for the next 25 years are estimated to be \$17.3 billion. Of this total, approximately \$5.9 billion would be unmet needs under current revenue forecasts.

Transit receives funding from the federal, state, and local sources. Federal funding is provided in accordance with the Infrastructure Investment and Jobs Act (IIJA), aka Bipartisan Infrastructure Law, which is a five-year

authorization bill that was approved in November 2021. IIJA includes \$1 billion in transit formula funds over the next five years for Michigan, which is approximately a 30 percent increase over previous levels. State funding is provided through the Comprehensive Transportation Fund (CTF), which was established in 1951 by the Michigan Legislature through Public Act 51 (known as Act 51). Revenue sources for the CTF come from a portion of the state’s motor fuel taxes, vehicle registration fees, and sales taxes on automobile purchases. These fees have lost their purchasing power because of inflation, fuel efficiency, and are rarely sufficient to sustain operations.

There are limited options for local transit operators to raise their own funds for operations and match for capital projects. Most agencies that raise local funds do so through local government general fund contributions and/or direct property tax millages. Currently, only the RTA in metro Detroit formed under a specific state law can raise vehicle

registration fees to enhance local transit funding. All other regional transit authorities that were formed under different state laws are not eligible to raise local transit funding through vehicle registration fees. Currently, local option sales taxes, which is a popular funding option in peer states to support public transit services, are not permitted

## PUBLIC SAFETY

Michigan's transit agencies experience about 10 collisions per million vehicle miles of bus transit travel. According to MDOT's Public Transit Management System Safety Data from 2016 to 2020, there was a 66 percent decrease in property damage only (PDO) accidents,

under state law. Other options that could be explored include Transit Development Districts (TDDs), highway and managed lane tolling, income taxes, and fuel taxes. In addition, passenger fares as an overall percentage of funding continue to be lower than average while ridership still recovers from the COVID-19 pandemic.

and PDO accidents greater than \$25,000 in damage stayed relatively flat. MDOT is embarking on a Resilience Improvement Plan in 2023 that will contextualize the relative safety of transit travel relative to passenger vehicles.

## RESILIENCE

A resilient transit system is critical for achieving sustainable healthy communities by contributing to environmental quality, fostering economic vitality, and minimizing social disparities. Additionally, a resilient transit system avoids, minimizes, and mitigates risk. It can absorb the impacts of disaster, recover quickly, and return rapidly to providing the services that customers rely on to meet their essential travel needs. Transit in Michigan is proving its resilience by demonstrating these sustainability impacts as it works to

build back from the effects of the COVID-19 pandemic. That ongoing recovery would not have been possible without federal recovery legislation that included specific funding for supporting transit operations and recovery. Additional funding will be needed for infrastructure that supports truly resilient operations, facilities, and workforce needs to optimize these beneficial and essential impacts to the communities transit serves.

## INNOVATION

Technology advances in the last decade are dramatically impacting the public transit industry. Connected vehicle technology allows for installation of transit priority signals at high-ridership intersections, better service information to users, and real-time sensor data to manage operations through high-ridership periods and identify fleet maintenance concerns. Further planning, investigation, piloting, deployment, and integration of these transit technology advancements is an important need for operators. Research into connected and automated transit vehicles also continues to advance rapidly.

MDOT has been on the leading edge of these advancements through the following efforts:

- Lead participant in the Automated Bus Consortium.
- Working to develop a statewide Mobility as a Service (MaaS) platform. MaaS is the integration of many mobility services, generally through a smartphone app-based system that coordinates multiple travel options to complete a single trip. OPT is exploring a statewide MaaS project that would enable people anywhere in the state to connect with available transit options in their area.
- Supporting several agencies in piloting on-demand transit solutions. SMART and The Rapid both recently launched on-demand pilots that are leading the way in showing the integration of these solutions into our service offerings.



## Transit



### RECOMMENDATIONS TO RAISE THE GRADE

- **Create new funding tools to support transit operations and capital needs.** Transit reliability, state of good repair on fleet and facilities, and service levels attracting “choice riders” requires a combination of local, state, federal, and private investments. Michigan’s Comprehensive Transportation Fund is not sufficient, and regulatory changes could close the gap. Examples include enabling local transit funding through flexible models such as vehicle registration fees, local sales taxes, Transit Development Districts, dedicated funds from tolled lanes, and transit surcharges on fuel taxes.
- **Follow-through on regional transit vision with state and local matches for federal dollars.** The RTA of Southeast Michigan was established a decade ago to implement a regional vision of bus-rapid transit, local transportation demand management, and eventually frequent light-rail in high-traffic corridors. The 2021 Bipartisan Infrastructure Law including a beefed-up FTA Capital Investment Grant program provides significant funding to accomplish RTA plans but requires state and local matching funds. Financial commitments from the state legislature and regional authorities would super-charge RTA’s efforts to advance corridor projects and make operational improvements to connect and coordinate services. Similar efforts should be pursued in West Michigan and populated communities Up North and in the Upper Peninsula.
- **Intervene and allay transit’s workforce crisis.** Decision makers should pursue comprehensive and sustainable solutions for persistent transit workforce issues through a combination of additional funding and flexible funding to increase wages and sponsored training opportunities to build a 21st century workforce.
- **Modify land-use rules to maximize the value of transit investments.** Successful transit systems depend on ridership from those who need it \*and\* those who chose it among travel options. Higher-density, mixed-use development patterns and retrofits within walking distance of transit corridors will maximize the potential of investments in greater service. Transit can connect Michiganders to their homes, their offices, their worksites, their schools, their health care facilities, their families, their friends, their recreation at parks, and their entertainment.

## **Model Michigan Mileage Based User Fee Program**

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To: Growing Michigan Together, Workgroup 2, Infrastructure and Places

Date: August 31, 2023

### **Summary**

According to MDOT calculations Michigan needs 9 billion a year to keep Michigan roads in good repair. We pay 4.5 billion, half of what is necessary. Of the 9 billion in repair cost commercial trucks cause 98% of the damage. Last year, commercial trucks paid only 600 million in fuel and registration taxes, less than 7% of the cost incurred.

It is not possible to raise the necessary funds by an increased fuel tax but it is possible to do so by mileage based user fees, beginning with commercial trucks. As we speak the state of Illinois raises \$1.2 billion per year on mileage based user fees on heavy commercial trucks, paid through the international registration plan.

The goal is a sustainable and flexible funding source for Michigan transportation department road facilities and programs based primarily on market based economic theory, a public service commission model for the transportation commission and department of transportation, and mileage and weight based user fees. This memorandum lays out four steps to reach that goal with an enabling act passed on or before 12/31/23 and with mileage based user fees approved by the Transportation Commission initiating on commercial and electric vehicles about July 1, 2025.

A paradigm change in transportation funding to mileage based user fees is inevitable. There is no other way to raise the necessary funds. The sooner transportation funding in Michigan is put on a rational economic basis, the better for Michigan's human, natural, built and economic environments.

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## **Model Michigan Mileage Based User Fee Program**

**A. The Goal:** - A sustainable and flexible funding source for Michigan transportation department roads, programs and facilities based primarily on market based economic theory, a public service commission model for the transportation commission and department of transportation, and mileage and weight based user fees. This memorandum lays out four steps to reach that goal with an enabling act passed before or on December 31, 2023 and user fees approved by the Transportation Commission initiating with commercial and electric vehicles after July 1, 2025.

### **B. The Problem**

MDOT calculates Michigan needs 9 billion a year to keep the roads in good repair.<sup>1</sup> We pay 4.5 billion, half of what is necessary.<sup>2</sup> Of the 9 billion in repair cost commercial trucks cause 98% of the damage.<sup>3</sup> Last year, commercial trucks paid only 600 million in fuel and registration taxes, less than 7% of the cost incurred.<sup>4</sup>

### **C. The Solution**

It is not possible to raise the necessary funds by increased fuel tax but it is possible to do so by mileage based user fees on commercial trucks. As we speak the state of Illinois raise \$1.2 billion per year on mileage based user fees on heavy commercial trucks, paid through the

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<sup>1</sup> Michigan Mobility 2045, pp 29-31.

<sup>2</sup> Growing Michigan Together, Presentation on Infrastructure and Places, Roads and Bridges, July 13, 2023,

<sup>3</sup> “One 80,000 lb truck causes road damage equal to 9,600 cars.” Michigan Design Manual, Road Design, Chapter 6, 6.01.02. “The damage due to cars, for practical purposes, when we are designing pavements, is basically zero. It’s not actually zero, but it’s so much smaller -- orders of magnitude smaller-- that we don’t even bother with them.” Inside Science, How Much Damage Do Heavy Trucks Do to Our Roads?, October 12, 2020.

<sup>4</sup> [https://www.michigan.gov/-/media/Project/Websites/sos/23lawensn/summary\\_of\\_fees\\_collected\\_25683\\_7.pdf?rev=3b117f12c8414dbdab71d43f23842fe6](https://www.michigan.gov/-/media/Project/Websites/sos/23lawensn/summary_of_fees_collected_25683_7.pdf?rev=3b117f12c8414dbdab71d43f23842fe6); <https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Business/Local-Government/Act-51/MTF-Reports/Annual-Reports/2022/MTF-Annual-Report-Schedule-A-FY2022>.

international registration plan.<sup>5</sup> The very best way to introduce mileage based use fees is to start with commercial trucks. There is no need to do a pilot program because Michigan could implement the same program by hooking up a computer app to a truck's federally required electronic logging device, same as Illinois does. There are no privacy issues with regard to mileage based user fees on commercial vehicles. Mileage based user fees on private vehicles can come later.

A paradigm change in transportation funding to mileage based user fees is inevitable. There is no other way. The sooner transportation funding in Michigan is put on a rational economic basis, the better for Michigan's human, natural, built and economic environments.

## **D. Specific Steps**

### **1: Transportation Program and Facilities Act of 2023**

See draft statute below at Appendix (1).

**Achievable:** This statute can be passed by the legislature and signed by the governor. The legislative proposal is for a transportation program and facilities enabling statute providing the method and manner in which the transportation commission exercises its constitutional jurisdiction<sup>6</sup> over user fee policy and providing for the powers and duties of the Transportation Commission and MDOT with regard to user fee programs and rates for the use of highway facilities. From a political standpoint, it is important to note that initial user fees under this

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<sup>5</sup> [https://www.ilsos.gov/departments/vehicles/cft/fees.html#mileage:](https://www.ilsos.gov/departments/vehicles/cft/fees.html#mileage)  
<https://www.fhwa.dot.gov/policyinformation/statistics/2021/sf1.cfm>

<sup>6</sup> Mich Const 1963, Art V, Section 28: There is hereby established a state transportation commission, which shall establish policy for the state transportation department transportation programs and facilities, and such other public works of the state, as provided by law.

The state transportation commission shall consist of six members, not more than three of whom shall be members of the same political party. They shall be appointed by the governor by and with the advice and consent of the senate for three-year terms, no three of which shall expire in the same year, as provided by law.

The director of the state transportation department shall be appointed as provided by law and shall be the principal executive officer of the state transportation department and shall be responsible for executing the policy of the state transportation commission.

program will be on commercial and electric vehicles. Motor fuel taxes will not be raised and motor fuel powered passenger vehicles will not be required to pay user fees at this time. Nor will Act 51 be amended. This raises the political achievability of the statute. See the section below on Timeline for a further discussion of the politics and timing of this issue.

**Relevant:** Transportation services and facilities in Michigan are in chronically poor condition across the board. The cause of the problem is the motor fuel tax paradigm of funding transportation programs and facilities. The problem operates in four ways, any one of which is potentially fatal even if operating alone.

First, the funding method defies the laws of market based economics. There is no real connection between the amount of the resource used and additional cost to the user of using it. In large part the costs of the system are off loaded to other than the users. The laws of economics dictate the resource will be over used and under funded. This is also the cause of the additional problem of induced demand. It is futile to build more capacity under the existing paradigm, because the economic laws of how the increased capacity is funded dictate that as soon as capacity is built it will be filled up and overused.

Second, the reliance on a tax ties the fate of transportation funding to the appetite of legislators and voters for higher taxes. Little wonder that adequate funding is politically radioactive. A user fee is not a tax. User fees do not require a vote of the legislature under Const 1963, Art 9, Sec 1 and are not subject to the Headlee amendment under Sec 31.

Third, the dinosaur effect. Everyone knows that commercial vehicles cause 98% of the damage and pay only 7% of the cost incurred. It has been that way since at least 1951. By this time the dinosaur has turned into a fossil but it still dominates the transportation landscape

because too many interests have a stake in the existing funding. The only solution is to find new funding on a twenty-first century basis.

And last but not least is the commanding position of commercial trucking under the motor fuel tax paradigm. In Greek mythology it is said if you took a strong cord and put Zeus on one end and all the other gods on the other and had a tug of war, Zeus would win. That is the position of commercial trucks in Michigan versus all other modes put together. On mode side commercial trucks carry two-thirds of the freight tonnage.<sup>7</sup> On the cost side commercial trucks cause 98%<sup>8</sup> of pavement damage and pay 18%<sup>9</sup> of the fuel tax. This amounts to a subsidy of the commercial trucking industry of four billion per year. Commercial trucks would not have the dominance they do without this subsidy. Again, simple economics.

The good news is that with a new user fee paradigm, commercial trucking alone represents billions per year in a yet untapped source of new revenue. This method is technically feasible. The federal government already requires commercial trucks to have an electronic locating device (ELI). Illinois charges the equivalent of five cents a mile on a 16,000 pound axle and raises \$1.2 billion per year on this basis. Michigan can do the same by merely adding a computer app to the on board ELI.

The Model transportation commission user fee policies and MDOT program and rate recommendations also recognize transportation demand management user fees as a transportation purpose. Again the laws of classical economics dictate that user fees raised on the basis of transportation demand management be dedicated to comprehensive transportation, public transportation and transportation demand alternatives to commercial freight and personal

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<sup>7</sup> MDOT, Freight Primer, (2015), p 2.

<sup>8</sup> FHWA, Comprehensive Truck Size and Weight Study (1995), pp 2-4.

<sup>9</sup> MDOT, Michigan Transportation Fund, Summary of Receipts and Distributions, Schedule A (2022)

motor vehicles. To invest TDM revenue in new capacity is merely to chase one's tail due to the economics of induced demand.

Equity and mitigation demand that system costs on which a user fee is based include costs associated with an alternative system serving those without access to a personal motor vehicle. Transportation Demand Management and the laws of market based economics likewise dictate the dedication sufficient revenue to alternative modes to create measurable effect on personal motor vehicle demand.

The final relevance factor is that to the extent a user fee program is in existence for state trunkline miles, adding a local option user fee for local roads is as simple as adding a computer application. The model user fee program recommendations include such a local option for cities and counties.

The first step is to establish jurisdiction in the transportation commission and MDOT of transportation user fee policies, programs and rates for the use of highway facilities. The commission already has constitutional jurisdiction of transportation policy, including user fee policy. The prerogative of the legislature limited to prescribing the method and manner by which commission jurisdiction over policy is exercised.<sup>10</sup> The constitution further provides that "comprehensive transportation purposes" shall be "as defined by law."<sup>11</sup>

**Timeline:** The target date for passing a statute is by 12/31/23. The timing of passing a statute has practical, political, and governance aspects. From a practical stand point the Transportation Commission and MDOT will need time to develop a user fee program. From a

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<sup>10</sup> The constitution provides that "state transportation commission shall establish policy for the state transportation department transportation programs and facilities, and such other public works of the state, as provided by law." Const 1963, Art 5, Sec 28.

<sup>11</sup> See Const 1963, Art 9, Sec 9. "The balance of specific taxes . . . shall be used exclusively for the transportation purposes of comprehensive transportation purposes as defined by law." Comprehensive transportation purposes are currently defined by state at MCL 247.660c (h)

political and governance standpoint, implementing a user fee has similarities to raising a fuel tax, but there are important differences. In governance a tax is very different from a user fee. A tax is a general purpose revenue which can be created only by a vote of the legislature or the voters in a referendum. Jurisdiction over user fees can be delegated to an administrative regulatory body such as the Public Service Commission or the Transportation Commission, as user fees on electricity and heating gas are regulated under the public service commission. In politics this means that a considerable time can elapse between the time the legislature votes to enable the constitutional jurisdiction of the transportation commission over user fees for road facilities and programs and the time the transportation commission first implements user fees. This memorandum recommends a vote by the legislature in 2023 to enable user fee jurisdiction in the transportation commission and department. While the commission and the department are working up the program the November 3, 2024 elections will occur. MDOT will recommend rates early in 2025. The commission will approve rates by mid-year and first user fees will be charged about July 1, 2025, a year and a half before the next election on November 3, 2026.

In short, from the stand point of political feasibility the legislature and the governor have three levels of insulation. First, the program contemplates no increase in fuel or registration taxes for the owners of private passenger motor vehicles and no amendment of Act 51. Second, the first user fees under the program will not come on line until six months after the 2024 election and a year and a half before the 2026 election. Third, ultimately it will be the transportation commission, not the legislature or the governor, which approves and implements user fee policy and rates. Indeed, one purpose of the new paradigm is to remove transportation funding one step from the politics, in the same way in which the Public Service Commission removes electric, gas, and communication services one step from the political process.

## **2: Transportation Commission adopts 2025 Transportation Programs and Facilities Policy Regarding User Fees**

See model Transportation Commission program and facilities user fee policy below at Appendix (2).

**Achievable:** Under Const 1963, Art 5, Sec 28 the state transportation commission has constitutional jurisdiction to establish user fee policy for department programs and facilities, said jurisdiction to be exercised in the method and manner as provided by law. Passage of the model transportation programs and facilities act of 2023 would further enable the jurisdiction and power of the commission and the department to implement commission policy. Per Const 1963, Art 5, Sec 28 the transportation commission has six members appointed by governor, not more than three from the same political party. The technological basis for measuring, billing and collecting mileage based user fees is in existence and being used to collect large amounts of revenue. Federal law already requires commercial vehicles to carry a electronic logging device (ELI). The state of Illinois at present collects about \$1.2 billion per year on mileage based user fees assessed on commercial vehicles. Much of this is collected through the international registration system. Mileage logging of electric vehicles likewise involves nothing more complicated than adding an application to the vehicles already existing GPS system or the operator's personal phone.

**Relevant:** Transportation in Michigan is in such a woeful state because the motor fuel tax funding paradigm by intent and effect creates an overused and underfunded resource, merely by the operation of the basic laws of economics. Simple logic dictates the creation of a new paradigm based on new policies.

**Timeline:** The Transportation commission adopts its user fee policies about January 31, 2025.

### **3. MDOT recommends initial user fee program and rates.**

See draft MDOT user fee program and rate recommendations for highway facilities at Appendix (3).

**Relevant:** This section recommends specific user fees on an axle ton per mile basis. The section also recommends allocation of the proceeds of the fee as between the state trunkline fund and the comprehensive transportation fund.

**Timeline:** 3/31/25

### **4. Transportation Commission approves user fee program and rates (2025).**

See draft Commission approval of MDOT recommendations at Appendix (4).

**Relevant:** Once the MDOT recommendations for a user fee program and rates are approved by the commission, the program and rates can go into effect.

**Timeline:** The Transportation Commission approves the MDOT recommendations by 6/30/25 Rates can be implemented after 7/1/25

## **Appendix 1. Model Statute: Transportation Programs and Facilities Act of 2023**

AN ACT to provide for the manner and method in which the transportation commission exercises its jurisdiction over transportation department policy under Section 28 Article 5 of the state constitution with regard to programs for user fees for use of department facilities including highway facilities and to provide for the powers, and duties of the state transportation commission and the state transportation department with regard to user fee programs and rates for use of department program, services, and facilities, including highway facilities, and user fee programs and rates for local highway facilities pursuant to programs agreed to with the local unit of government as provided in this act.

(1) This act shall known as the Transportation Programs and Facilities Act of 2023.

(2) The commission is vested with complete power and jurisdiction to set policy for the department with regard to user fees for the use of state trunkline highway facilities and other department properties, facilities and services and to regulate and establish all user fees pertaining to the use of state trunkline highway facilities and other department properties, facilities and services. The commission and a local unit of government may agree on a program for the assessment and collection of a user fee for locally owned streets.

(2) If so directed by commission policy, the department shall recommend a mileage and weight based user fee program and propose mileage based user fees for vehicles using state trunkline highway facilities. If the commission finds that the proposed user fees are just and reasonable<sup>12</sup> and a user is not charged more or less than other users are charged for like contemporaneous use under similar circumstances, the commission shall approve the recommended program and rates..

(3). The department shall propose the procedures by which a per-mile charge outlined in sections (1) and (2) is collected and reported, subject to the approval of the commission. If the program is

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<sup>12</sup> See section 7 of the Transmission of Electricity Act of 1909, MCL 460.557 (4) for the electric utility equivalent.

reasonable and consistent with Commission policy, the Commission shall approve the proposed procedures.

(4) The proceeds of the portion of the user fee based on cost shall be allocated 75% to the State Trunkline fund and 25% for comprehensive transportation purposes. The proceeds of the portion of the user fee attributed to transportation demand management shall be used exclusively for the transportation purposes of comprehensive transportation purposes.

(5) A local government and the department may agree that the department shall assess and collect a user fee for county and city primary and local roads at an amount set by the local government and agreed to by the department. The proceeds of such a local user fee, less a reasonable amount for a collection and processing fee, shall be transmitted by the department to the local government.

(7) Reasonable appurtenances to highway facilities designed primarily for the use of motor vehicles are transportation purposes and include comprehensive transportation, public transportation, mitigation of adverse impacts, transportation demand management, congestion mitigation, complete streets and non-motorized transportation purposes.

(8) Transportation purposes include provision for reasonable appurtenances to highway facilities including but not limited to purposes of planning, administering, constructing, reconstructing, financing, and maintaining reasonable appurtenances to highway facilities.

(7) Definitions

(a) Commission. The Michigan Transportation Commission

(b) Costs of Operating a Highway System. In addition to costs of planning, administering, constructing, reconstructing, financing, and maintaining highway facilities, costs of operating a highway system shall include costs of all reasonable appurtenances to highway facilities.

including complete streets<sup>13</sup>, provision for non-motorized transportation<sup>14</sup>, comprehensive transportation, public transportation including rail, and costs of mitigation

(c) Department. The Michigan Department of Transportation.

(d) Mitigation. Mitigation of the adverse impacts of state transportation programs, facilities, operations and services on the human, natural, built, and economic environments including but not limited to adjacent wetlands, parks, recreational areas, scenic natural areas, urban areas, designated historically and architecturally significant areas and structures. Mitigation includes congestion mitigation. Mitigation is declared by law to be a transportation purpose.

(d) Transportation Demand Management. Provision of quality of life, the environment and the economy by managing the demand for transportation including but not limited to such techniques as moving more people and goods with existing transportation infrastructure and services, improving mobility options and access, redistributing trips to comprehensive transportation<sup>15</sup> and to times and routes that can accommodate more trips, and reduction in transportation consumption. TDM tools include but are not limited to adjustments to policy and pricing, congestion mitigation, improvements to transportation services and infrastructure including joint development agreements, marketing and incentives to educate travelers about their travel options, and employer and commuter programming to encourage employees to drive alone less. Transportation Demand Management purposes as defined in this subdivision are declared by law to be transportation purposes.

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<sup>13</sup> MCL 247.660p (1) (a) provides "Complete streets' means roadways planned, designed, and constructed to provide appropriate access to all legal users in a manner that promotes safe and efficient movement of people and goods whether by car, truck, transit, assistive device, foot, or bicycle."

<sup>14</sup> MCL 247.660k (1) provides: "Transportation purposes as provided in this act include provisions for facilities and services for nonmotorized transportation."

(e) User fee. Any rate, fare, fee, or charge, pertaining to the use by vehicles of highway facilities and other department properties, facilities and services and local highway facilities.

(f) Mileage based user fee. A user fee based in whole or in part on the amount of miles traveled by the vehicle.

(h) Demand Management Fee. A fee charged to reduce demand for a resource.

(j) Reasonable appurtenances to highways designed primarily for use of motor vehicles using tires include but are not limited to programs and facilities for mitigation, comprehensive transportation, public transportation, transportation demand management, congestion mitigation, complete streets, and non-motorized transportation.

(k) “Highway facility” means a way wider than a trail, including a highway, road, street, alley, bridge or viaduct, but not including a water way, air way, or pipeline. A highway facility may include a railway but a railway designed exclusively for rail transportation is not a highway facility.

(l) Transportation is the movement of persons or goods to gain access to persons or goods in other places. Access of persons to other persons and goods is a transportation purpose. Transportation exclusively for the sake of transportation itself is not a transportation purpose.

## **Appendix 2. Model Policy: Transportation Commission Policy On User Fee Programs and Facilities (2025)**

It is the policy of the Michigan Transportation Commission that transportation programs, facilities, and services in this state be provided at the highest achievable ratio of benefit to cost with regard quality of life, and the human, natural, built, and economic environments.

Transportation is the movement of persons or goods to gain access to persons or goods in other places. Access of persons to other persons and goods is a transportation purpose. Transportation exclusively for the sake of transportation itself is not a transportation purpose. Between two transportation programs which provide the same amount of access, the program which requires less movement of persons and goods is the preferred transportation purpose.

Pursuant to market based economic theory the primary tool to finance and allocate transportation resources for transportation purposes is to charge a user fee. It is the policy of the commission to implement reasonable user fee programs for highway facilities based on costs of providing highway programs and facilities and transportation demand management.

## **Appendix 3. Model Program: MDOT Recommended User Fee Program and Highway Facility Rates (2025)**

### **a. Commercial Vehicles**

1. Effective July 1, 2025 all commercial vehicles shall pay a user fee based on axle weight, number of axles, and mileage on Michigan state trunkline highway facilities. The Department recommends to the Transportation Commission that a cost based commercial mileage user fee be assessed at the initial rate of 5 cents per 8 ton axle per mile. This rate will generate \$1.2 billion per year. On a standard five axle 80,000 lb truck-trailer the fee would be 25 cents per mile. Illinois currently charges 27.5 cents per mile for this class and weight of vehicle and generates about \$1.2 billion per year in doing so.

3. After payment of administrative expenses the proceeds of the commercial mileage based user fee shall be paid 75% to the state trunkline fund and 25% to the comprehensive transportation fund.

### **b. Electric vehicles**

1. Effective January 1, 2025 electric vehicles shall pay either a mileage based user fee or an annual user for the use of state trunkline highways.

2. The department recommends to the Transportation Commission that the initial cost based mileage rate for passenger electric vehicles be 6 mills per 1 ton axle per mile. On average this will amount to \$110 per year per vehicle. The standard mileage rate for electric vehicles will be deducted from any user fees incurred by the vehicle for use of limited access highways.

3. After payment of administrative expenses the proceeds of the standard electric passenger vehicle cost per mile based user fee shall be paid 75% to the state trunkline fund and

25% to the comprehensive transportation fund. The excess of limited access highway user fees over the standard rate shall be paid to the Comprehensive transportation fund.

4. The department recommends that the initial annual lump-sum electric user fee in lieu of a mileage based user fee shall be \$150 per year. The proceeds shall be allocated 75% to the state trunkline fund and 25% to the comprehensive transportation fund. No credit will be given on user fees for limited access highways.

**c. Voluntary User Fee Program for Non-Electric Passenger Vehicles**

1. The department establishes a voluntary mileage based user fee program for gasoline fueled passenger vehicles.

2. The department recommends to the Transportation Commission that the initial cost based mileage rate for passenger vehicles voluntarily enrolled on the mileage based user fee program be 6 mills per 1 ton axle per mile. . The standard mileage rate will be deducted from any user fees incurred by the vehicle for use of limited access highways.

3. After payment of administrative expenses the proceeds of the voluntary passenger vehicle cost per mile based user fee shall be paid 75% to the state trunkline fund and 25% to the comprehensive transportation fund.

**d. Voluntary User Fee Program for Counties and Cities**

1. Any Local Government may agree with the Department of Transportation that the Department shall administer and collect a user fee on behalf of any county or city for the use of the highway facilities owned by that local unit of government. The rate proposed by the local unit of government and the department must be approved by the transportation commission before the rate goes into effect. Local user fees on commercial vehicles at the same rate as state

trunkline fees would generate \$330 million per year statewide for local roads, plus another \$2 million per year on electric vehicles, at about \$100 per vehicle per year.

2. After payment of costs of administration and collection, the proceeds of the local government user fee shall be paid to the local government for transportation purposes or comprehensive transportation purposes or both but not less ten percent of the proceeds shall be allocated to comprehensive transportation purposes.

**e. Limited Access Highways**

1. Effective January 1, 2028 passenger vehicles shall pay a user fee for the use of limited access highways on the state trunkline system. The user fee shall be based on either or both of costs and transportation demand management fees.

2. The department recommends to the Transportation Commission that the initial cost based rate for passenger vehicles be 3 mills per 1 ton axle per mile.

3. After payment of administrative expenses the proceeds of the passenger vehicle cost based user fee for limited access highways shall be paid 75% to the state trunkline fund and 25% to the comprehensive transportation fund.

4. An additional transportation demand management mileage based user fee shall be assessed on passenger segments during indicated times.

5. The department recommends to the transportation commission that the initial transportation demand management fee be 1.5 mills per 1 ton axle per mile.

5. After payment of administrative expenses, the proceeds of the transportation demand management fee on passenger vehicles using limited access state trunkline highways shall be paid to the Comprehensive Transportation Fund.

## **Appendix 4. Model Commission Approval: Transportation Commission Approval of Department Recommendations**

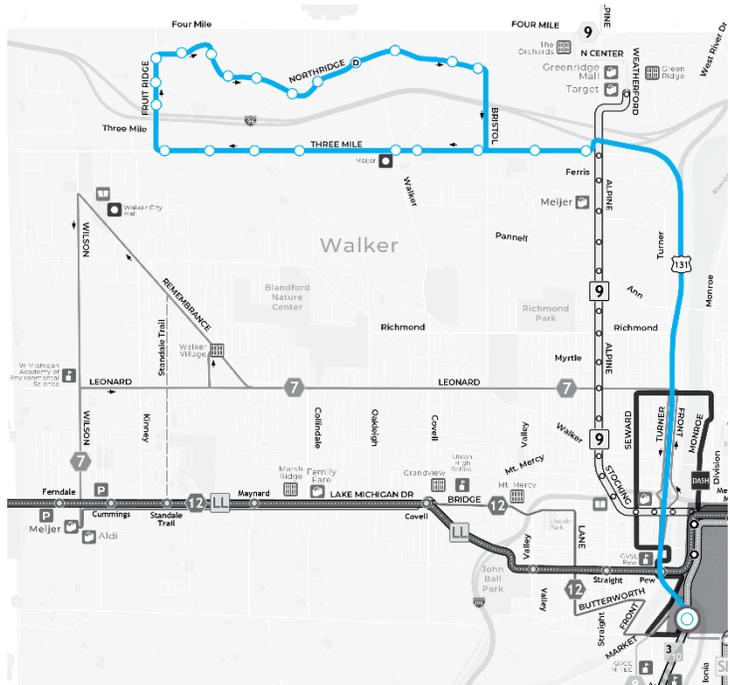
The Transportation Commission approves the user fee program and rates recommended by MDOT. The program and rates are just and reasonable and implement the policy established by the commission with regard to user fee programs for use of highway facilities.



**Date:** September 1, 2023  
**To:** Planning & Technology Committee  
**From:** Maxwell Dillivan, AICP – Senior Planner  
 Nick Monoyios – Director of Planning  
**Subject:** FALL 2023 SERVICE CHANGES

**ROUTE 33 EXPRESS**

In an effort to reduce travel times and improve accessibility to the Walker industrial area, Route 33’s alignment was altered to serve as an express route with direct service from Rapid Central Station. Previously, Route 33 was interlined with Route 9. On specific trips (once every hour), Route 9 would reach Greenridge Mall from Central Station and continue operating as Route 33, serving Old Orchard Apartments, Bristol Avenue, Three Mile Road, Fruit Ridge Avenue, Northridge Drive, and finally terminating at Greenridge Mall. Beginning on August 28, the route was adjusted to travel between the Walker industrial area and downtown via US-131, creating a more direct and faster connection. Transitioning the route to this alignment reduces the total travel time from Central Station to the Walker industrial area by 25 minutes. The reduced travel time is anticipated to position Route 33 as a more attractive option by more closely competing with automobile travel times.



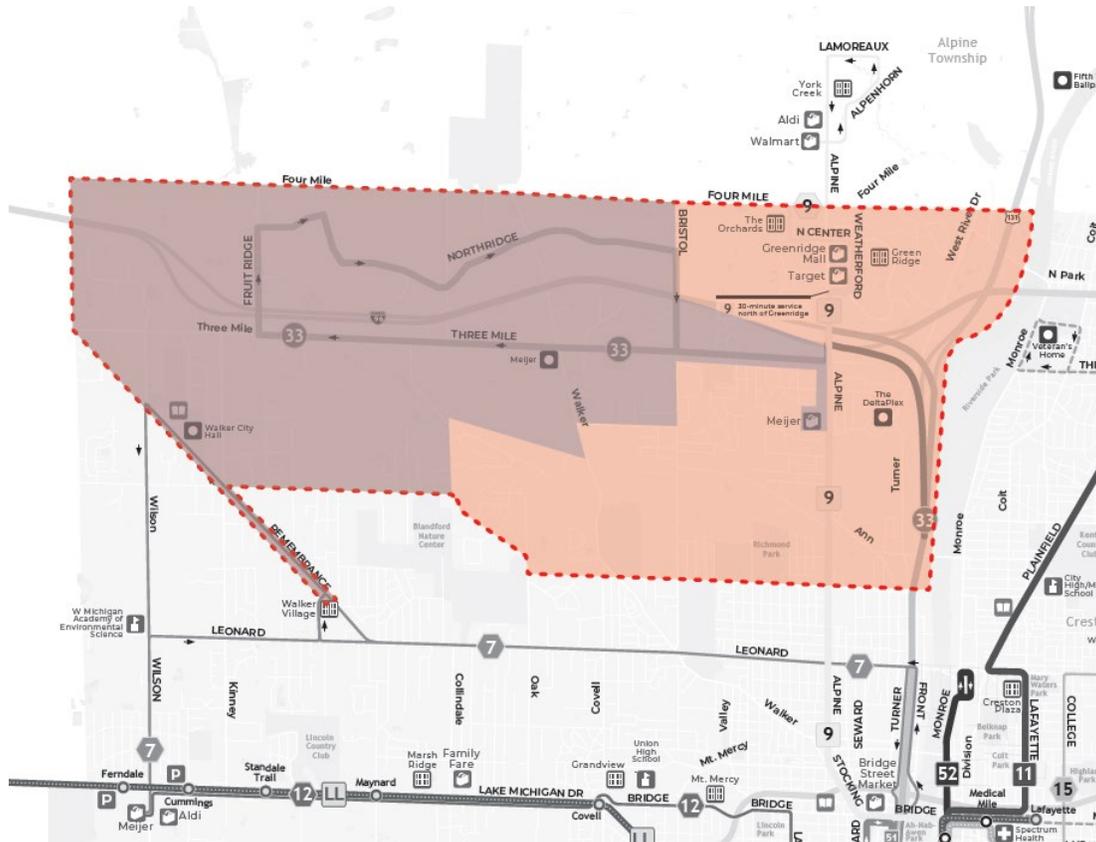
Route 33 schedule was not adjusted and remains operating every hour between 5:45am – 10:45am and 1:45pm – 6:45pm on Monday through Friday.

**RAPID CONNECT WALKER ZONE**

Along with the adjustments to Route 33, the geographic area of the Walker Rapid Connect zone was significantly expanded. Approximately 5.8 square miles of additional area is now served by Rapid Connect. The boundaries were expanded to include all environs bounded by the Grand River (east) and Richmond Street (south). Remembrance Road, Kenowa Avenue, and Four Mile Road remain the southwestern, western, and northern boundaries of the zone. By expanding the zone, an additional 7,290 jobs and 3,863 residents now have access to Rapid Connect.

	Original Zone	Expanded Zone
<b>Size (square miles)</b>	7.3	13.1
<b>Jobs</b>	15,858	23,148
<b>Population (employed)</b>	1,788	5,651

Below is a map depicting the expansion of the Rapid Connect Zone in Walker. The darker shaded area represents the original zone while the lighter shaded area extending to Richmond Street to the south and the Grand River to the east represents the expanded zone.

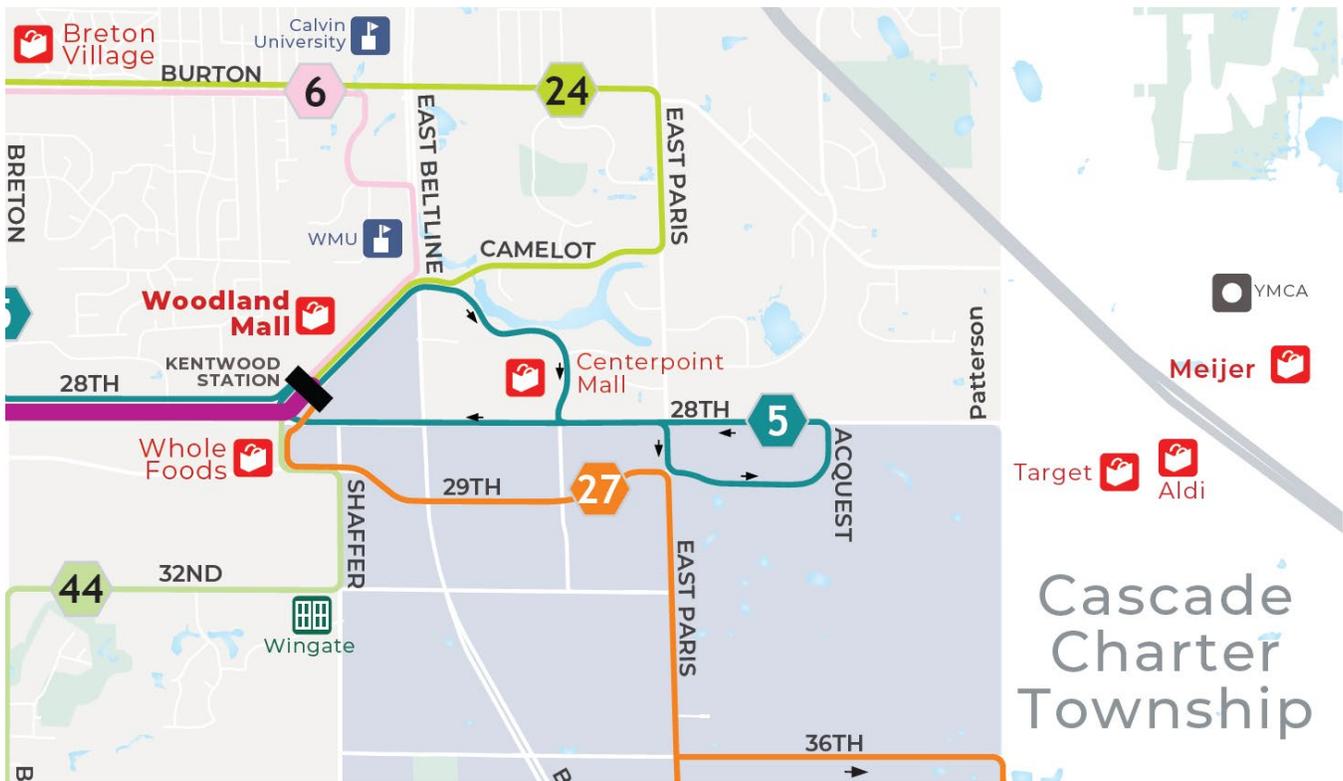


## TERMINATION OF ROUTE 29

Throughout the summer, Rapid staff engaged with Cascade Township officials to negotiate a new contract for service along 28<sup>th</sup> Street east of Woodland Mall (Route 29). Entering discussions, township officials expressed that their primary motivation was to reduce costs. The township's hired planning consultants developed a series of proposed service alternatives for The Rapid's consideration. Each of the service alternatives requested by the township could not be accommodated either from a financial or operational standpoint. Cascade Township's decision not to renew the contract resulted in the discontinuation of the service on August 27.

With Route 29 terminating, Lake Eastbrook Boulevard and the segments of 28<sup>th</sup> Street east of Woodland Mall would otherwise no longer have service. Rapid staff developed and evaluated alternatives to cover as much of the gap as feasible. With the additional running time available in Route 5's schedule, Route 5 was selected to extend farther east to Acquest Avenue, approximately a half mile west of the Cascade Township-City of Kentwood municipal boundary.

A map of the realigned Route 5 may be found on the following page.



## MINOR & SEASONAL SERVICE CHANGES

With the beginning of Fall service, the following minor and seasonal changes to service were made:

- Resumption of contracted GVSU services, including increase of Laker Line peak frequency to every 10-minutes and off-campus shuttles (Route 37, Route 48, and Route 85).
- Resumption of contracted GRCC service (Route 60).
- Resumption of contracted Ferris State service (Route 100).
- Resumption of Grand Rapids Public Schools secondary services.
- Realignment of DASH Circulator to Division Avenue – *removes concurrent bi-directional service on Ionia Avenue to eliminate confusion for operators and passengers; previously, both clockwise and counterclockwise service would operate on Ionia in both northbound and southbound directions.*
- Termination of service to Michigan Turkey (Route 8) – *due to lack of utilization, Route 8 will no longer deviate on its morning and afternoon trips to serve Michigan Turkey.*