

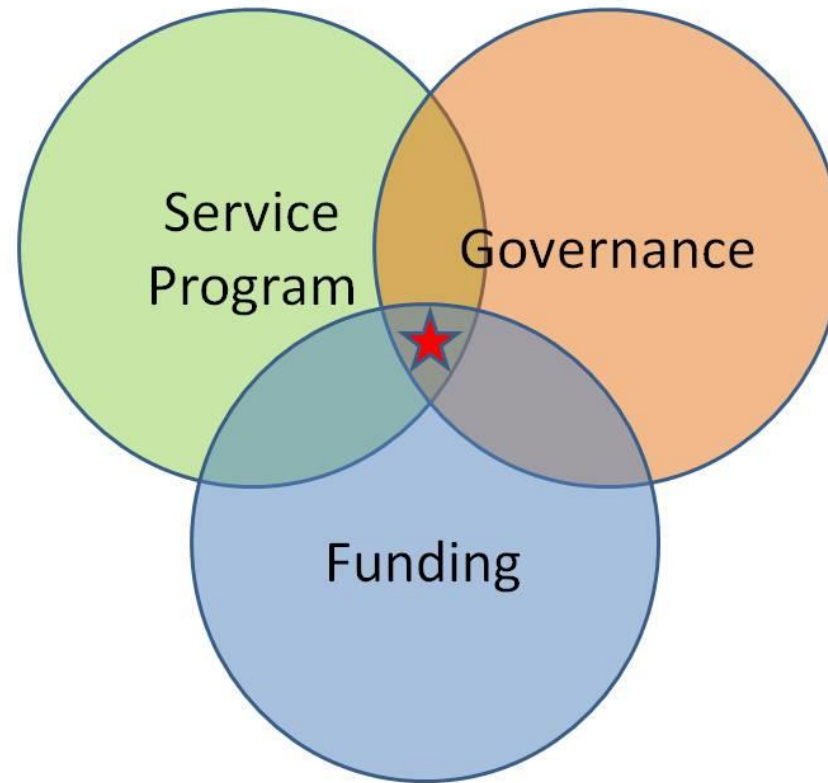
Transit Improvement Funding Request

Issue Analysis

TheRide Board of Directors

February 20, 2014

The Three Components of an Improved Transit System



Service Program

- Expressed needs of the community
- 44% increase in service – buses, vans and dial-a-ride
- Extensive community participation
- Ann Arbor City Council: “Focus on the Urban Core”
- Urban Core Working Group involved in each step
- Wide acceptance: Some of us ride, all of us need it
- Adopted by TheRide Board January 16th

Governance

- City of Ypsilanti Joins Authority August 15th, 2013
- Ypsilanti Township Joins Authority December 17th, 2013
- Unanimous approvals of new members by all
- Purchase of Service Agreement (POSA)
 - New model
 - New partners

Funding: The Questions

- Should the TheRide place a millage referendum on the ballot to enable the voters to decide to fund the services described in Five-Year Transit Improvement Program?
- What should be the amount of such millage?
- When should the question be placed before the voters?

Staff Recommendation

- Full implementation of the 5-Year Transit Improvement Plan
- Achievable with a 0.7 mil property tax levy
- First opportunity: May 6, 2014 ballot
- \$4.3 M annual revenue
- Additional funds secured through Purchase-of-Service Agreements, will equal the \$5.4 M annual local cost of implementing the 5YTIP
- Leverage State and Federal dollars 2:1

Considerations

- Rate
- Timing
- Risks
- Opportunities
- Community Support

Rate Issues

- Full cost
 - TheRide maintains a balanced budget
 - 0.7 mills = cost of service
- Partial Program
 - Less funding = less service
 - Not consistent with the expressed needs
- Uniformity
 - Act 55 requirement: flat rate
- Fairness
 - Money contributed = service received

Timing Issues

- May 6 passage = improvements in August, 2014
 - Beginning of TheRide's annual service change cycle
 - Beginning of a new school year
 - Avoids winter implementation
 - Voter attention
- Significant transit needs go unmet each day
 - Faster, more direct service
 - More destinations
 - Weekends and evenings
 - Seniors and people with disabilities
 - Connections to jobs

Risks/Concerns

- New level of accountability for TheRide
- Regional Transportation Authority tax?
 - 2016 at the earliest
 - 5YTIP is for local service
- Ridership will take time to build to expected levels.
 - TheRide will have to carefully manage expectations
- Should riders help pay?
 - Yes, and they are
 - Last fare increase
 - \$1 to 1.25 in May of 2009
 - \$1.25 to \$1.50 in May 2010
 - In line the industry, and our peers

Option: No New Funding

- TheRide will continue to provide the service for which we have been recognized throughout Michigan and the country
- Without new funding, many needs will not be met
 - Jobs and educational opportunities
 - Connecting seniors and people with disabilities to lifeline destinations,
 - Supporting the economy: workers, customers, tenants, home buyers
 - Community safety and vitality
 - Retaining our young people

Opportunity

- The need for improved transit service is immediate
- Unprecedented level of community involvement and support
- Leverage State and Federal dollars
 - 2 more dollars for each local dollar
 - Would not otherwise come to the region.
- Ypsilanti City - general revenue millage has reached its cap
- Transit system is increasingly regional
 - Many routes cross jurisdictional boundaries
 - Transition to a more regionally funded system.
- TheRide's reputation is excellent
 - Community Survey: Well-run organization
 - Peer Comparison: Efficient and effective
 - Annual Audit
 - Financial Task Force

Community Support

- TheRide can educate, but others must advocate
 - Partners for Transit
 - The business community
 - Other public services and civic organizations
 - Health Care
 - Education
 - Housing
 - Mental Health
 - Economic Development
 - Public Safety
 - Local elected officials
- Community Surveys
 - Support for service
 - Willingness to pay

Bringing the Question to the People

- Ballot Proposal
 - statement of the purpose
 - millage rate
 - estimated amount and duration
 - revenue disbursements
 - renewal or new
 - wording: 'yes' vote is in favor; may not be biased
- Due to County Clerk 2/25 for May 6, 2014 election
- Resolution

