

# MICHIGAN TRANSIT VISION

## SUMMARY

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*Providing a high quality comprehensive transportation system has become a benchmark for economic competitiveness for nearly every state. Yet for decades, Michigan has underfunded its transportation system and focused almost exclusively on roads alone.*

*Michigan can boost its economy by making major investments in a first class transit system, including bus, commuter rail, light rail, paratransit and other forms of public transit.*

### Transit Promotes Economic Development and Job Creation

- Many people want to live, work, shop and play near convenient public transit. Consequently, transit investments spur private development, create jobs, and increase property values.
- On average, every dollar invested in public transit returns **\$6-8 in local economic activity.**
  - In Grand Rapids, \$74 million of development has taken place within three blocks of the new transit center since 2004. An additional \$54 million is under construction.
  - Dearborn has identified \$311 million in development and an additional \$150 million in planned development around the proposed station for the Ann Arbor to Detroit Commuter rail.
  - Dallas' first light rail line resulted in over \$3.3 billion in private investment and 32,000 jobs created in the first five years.
  - In Charlotte, NC, private investment adjacent to the new LYNX Line have increased annual property tax receipts from \$260,000 in 2000 to \$6 million in 2007 and are projected to grow to \$24 million by 2011.
- Quality transit is essential to creating the vibrant urban areas desired by creative and knowledge based workers. New economy businesses seek these workers and open businesses where transit exists. To retain college graduates, we must invest in transit.



### Public Transit is Vital to Michigan Residents

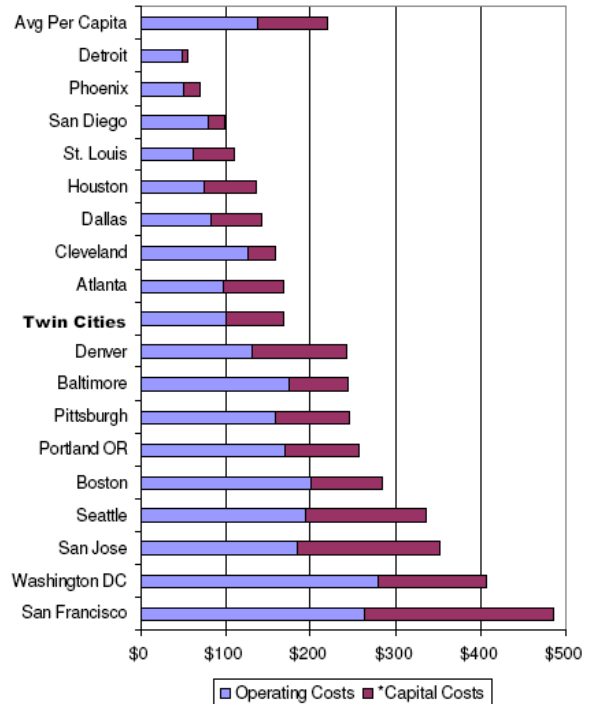
- Gas prices have doubled in the past three years, draining family budgets; many are spending over 25% of their income on transportation.
- One-third of Michiganders are too old, too young, or physically or financially unable to drive. In the next 25 years, our population of those aged 65 and older will double and those over 85 will nearly triple.
- Transit also helps alleviate traffic congestion, air pollution, and climate change.



# Transit has been Significantly Underfunded for Decades

State revenue for transit comes primarily from gas and diesel taxes. The tax rate for transit hasn't increased in two decades. Revenue is declining while expenses and demand grow rapidly. Also, because Michigan has failed to sufficiently invest in transit project that are eligible for federal funds, Michigan taxpayers send \$100 million to other states for their transit systems.

| State           | FY 2005 Transit Funding | Per Capita Spending |
|-----------------|-------------------------|---------------------|
| DC              | \$211,822,288           | \$384.77            |
| Massachusetts   | \$1,197,137,541         | \$187.09            |
| Maryland        | \$727,433,000           | \$129.89            |
| New York        | \$2,169,005,000         | \$112.65            |
| New Jersey      | \$910,584,000           | \$104.45            |
| Alaska          | \$59,850,000            | \$90.18             |
| Delaware        | \$72,600,000            | \$86.07             |
| Pennsylvania    | \$835,223,000           | \$67.20             |
| Connecticut     | \$206,440,541           | \$58.81             |
| Minnesota       | \$254,527,000           | \$49.59             |
| California      | \$1,399,800,143         | \$38.74             |
| Illinois        | \$445,600,000           | \$34.91             |
| Rhode Island    | \$34,847,617            | \$32.38             |
| Virginia        | \$157,600,000           | \$20.83             |
| Wisconsin       | \$109,438,341           | \$19.77             |
| <b>Michigan</b> | <b>\$195,149,300</b>    | <b>\$19.28</b>      |
| North Carolina  | \$154,680,000           | \$17.81             |
| Oregon          | \$49,585,874            | \$13.62             |
| Vermont         | \$6,266,976             | \$10.06             |
| Florida         | \$149,738,231           | \$8.42              |
| Indiana         | \$37,046,940            | \$5.91              |

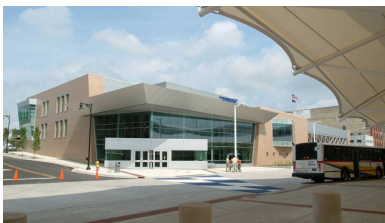


**Level of public transit investment, ranked by per capita funding.** 2005 Survey of State Funding for Public Transportation, by the US Department of Transportation Bureau of Transportation Statistics, with AASHTO and APTA. ([www.APTA.com](http://www.APTA.com))

**Transit funding in peer and smaller metro regions, per capita.** Average over 1999-2003, regions with 1.5 million-4.1 million population. Data from the National Transit Database ([www.ntdprogram.com](http://www.ntdprogram.com)). Chart developed by Transit for Livable Communities, St. Paul, MN. ([www.TLCMinnesota.org](http://www.TLCMinnesota.org))

## Barriers to Achieving a Statewide Transit Vision

- Michigan has underfunded its entire transportation system for more than 40 years with insufficient transportation tax revenues and funding diversions. Transit has been hardest hit.
- MDOT has a long history of focusing on roads and highways.
- 20<sup>th</sup> century land use patterns resulted in disinvestment of urban centers and transit.
- The current state funding structure is a “win-lose” system, funding one transit agency’s improvements by reducing funding at all other agencies. This discourages investment and fosters unnecessary antagonism.



Rapid Central Station in Grand Rapids

- The Michigan constitution limits transit investment and local funding options. Michigan communities are limited to a local property tax or spending general fund dollars to fund their transit. More than 30 other states allow for local or regional sales tax, gas tax, property transfer fees and other taxing options.

## The Transportation System Must Serve All Michiganders

Michigan's transportation system must ensure that all people can get where they need to go, while helping create places people want to be. It must serve the needs of:

- A Grand Rapids businessman who is tired of high gas prices and traffic;
- A single mom in Saginaw whose car is unreliable;
- An accountant in Munising with a physical disability;
- A college student in Kalamazoo visiting her family in Dearborn;
- A senior citizen in Gladwin who can no longer drive but needs to get to the doctor; and
- A Birmingham couple having drinks after attending the Detroit Symphony.



## Michigan Needs a Comprehensive Transportation System

Michigan's transportation system must include the following:

- **High speed trains** between Detroit, Chicago and other major Midwest cities;
- **Intercity passenger trains and buses** linking all metropolitan areas and major tourist areas throughout Michigan;
- **Regional commuter trains** connecting cities within regions;
- **Light rail, bus-rapid-transit and other rapid transit service** along major corridors in urban areas;
- **Quality local bus service** on good roads to reliably get workers to jobs and citizens to daily activities;



- **Bike lanes, greenways, walking paths** and other infrastructure that provide complete streets and safe non-motorized travel options;
- **Paratransit, dial-a-ride, and other lifeline transit services** in every community to ensure every Michigander access to critical services and employment.

To be successful, Michigan's transit system must provide the following:

- Sufficient and secure funding for all transit systems, large and small;
- Well integrated modes providing quick and easy connections; and
- Transit service and information that is accessible to everyone.



# Michigan Must Make a Major Investment in Transit to Succeed in the 21<sup>st</sup> Century

Significant increases in state transit funding are needed, including increasing fuel and registration tax rates and identifying more stable funding sources.

The state must allow local residents to decide whether to invest in their transit system. Michigan communities need additional local and regional funding options, such as:

- Local sales tax,
- Local gas tax,
- Local vehicle registration or license fees,
- Local property transfer tax,
- Transit-oriented tax-increment financing districts, and
- Enabled private investment for transportation improvements.



Revisions to Michigan's transportation funding system should also include eliminating the restriction of transportation revenues by mode from the constitution and Public Act 51. Due to changes in auto fuel efficiency and driving patterns, funding mechanisms beyond the fuel tax will also be necessary. New and innovative funding mechanisms will be needed in the future.

## These Changes Must Begin Today

The first critical steps to begin achieving this vision include the following:

- Increase and stabilize bus funding, ending the win-lose situation as transit services grow;
- Authorize new local funding options,
- Support and fund new rapid transit investments including the Grand Rapids bus-rapid-transit project, the Wally and Detroit-Airport-Ann Arbor commuter train projects, and a Woodward light rail line.

*By making significant investments in transit across Michigan today, our state can boost our economy, fulfill the needs of all Michiganders, and start creating a successful, attractive state for the 21<sup>st</sup> century.*



Proposed Dearborn multimodal transit station

This document was prepared by the Michigan Transit Advisory Group representing the City of Ann Arbor, Transportation Riders United (TRU), Disability Advocates of Kent County, the Michigan Environmental Council (MEC), and the Washtenaw Area Transportation Study (WATS). The full transit vision document is available online at:

[www.A2gov.org](http://www.A2gov.org)

[www.DetroitTransit.org](http://www.DetroitTransit.org)

[www.EnvironmentalCouncil.org](http://www.EnvironmentalCouncil.org)

[www.miwats.org](http://www.miwats.org)