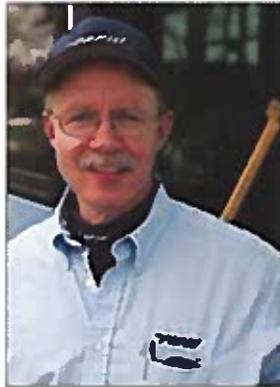


MICHIGAN PUBLIC TRANSPORTATION:
**MOVING US
FORWARD**



'PURE MICHIGAN' PRO-TRANSIT

Our state's popular "Pure Michigan" campaign attracts visitors and tourists to our state, generating more than \$17 billion in revenue. Once they get here, public transit keeps them connected and engaged with area festivals, attractions and events. Moving masses of people is what public transit does best.

According to the 2012-2017 Michigan Tourism Strategic Plan, one primary objective of the Pure Michigan program is to "support the improvement and increased awareness of the quality, connectivity and diversity of tourist transportation options into and throughout the state."

Beyond this formal strategy, public transportation plays a critical role in supporting tourism throughout the state. During the Ann Arbor Art Fair, the Ann Arbor Area Transportation Authority (TheRide) provided more than 42,000 rides for the event, and countless others for University of Michigan home football games through its FootballRide shuttles. Similar services are offered by Harbor Transit during the Coast Guard Festival in Grand Haven, the Macatawa Area Express in Holland for the Tulip Time Festival, and by the Bay Area Transportation Authority for the National Cherry Festival in Traverse City.



"Michigan's transportation system connects travelers to the vast natural beauty and countless destinations our state has to offer. This in turn helps to grow the economy and create jobs here in Michigan."

—George Zimmermann

Vice President for Travel Michigan, Michigan Economic Development Corporation

LEVERAGING STATE INVESTMENTS FOR FEDERAL DOLLARS

Public transit's strong return on investment is further enhanced by its federal partnership. Michigan's transit fleets and infrastructure represent significant opportunities for securing federal capital funding that supports increased mobility and additional jobs for residents.

For far too long, Michigan has been a "donor" state. We send more in gas taxes to the federal government than we receive back in federal grants awarded to our state for transportation investments. Failure to provide adequate funding on the state level results in a significant loss of federal capital funding needed to support public transportation.

RIDING AS A WAY TO SAVE

Of course, more people are realizing the financial benefits of using public transportation as a way to save money. For the many Michigan families still struggling financially, this is an easy way to trim expenses.

Transportation is the second largest expense in most households, and the average cost of owning and operating a vehicle is about \$8,000 per year. When adding in the cost of city parking, individuals who ride public transportation instead of driving can save more than \$10,000 per year, according to a study by the American Public Transportation Association.

OVERWHELMING VOTER SUPPORT

With all of the proven personal and community benefits of effective public transportation, it is no wonder that Michigan voters overwhelming support for public transportation funding:

2010

19 out of 21 transit ballot measures won voter approval (90% success rate)

2011

11 out of 12 transit ballot measures won voter approval (91% success rate)

2012

32 out of 33 transit ballot measures won voter approval (97% success rate)

TRANSIT TRENDS AND FUTURE DEMANDS

As the demographics and needs of our communities change, investment in public transportation becomes even more critical. Michigan must position itself to meet these demands head on through preparation, planning and investment in public transportation.



Chris Kolb
President & CEO, Michigan
Environmental Council

THE 'SILVER TIDE' APPROACHES

According to the U.S. National Library of Medicine, the average age a person no longer drives is 70. Considering that the U.S. Census Bureau projects that the number of senior citizens should more than double to 88.5 million by 2050, the demand for public transportation will be greater than ever.

Baby Boomers seeking a change in lifestyle are looking to trade their large homes in the suburbs for "safe urbanism." They often desire walkable, denser areas with access to transit and quality healthcare. Boomers are also looking for communities with opportunities for continuing education, culture, and an active lifestyle.

For the growing elderly population, having access to public transportation can mean the difference between being able to "age in place" and moving to a more costly care facility or relying on family and friends.

Michigan transit providers must be prepared to meet the anticipated demand for providing transportation to older adults, many of whom may have physical or cognitive disabilities. They may be unable to use fixed route buses, and are likely to need more premium demand response and paratransit services, which can stress transit system resources and increase costs.

Maintaining a network of viable public transportation systems throughout Michigan creates an invaluable resource that allows mature adults to maintain their quality of life.

MILLENNIALS SHIFT GEARS

The two largest generations in the United States are the "Baby Boomers" – born between 1946 and 1964 – and the "Millennials" (also known as "Generation Y") – born between 1980 and 2000. Millennials are entering the workforce just as Baby Boomers are reaching retirement age.

Michigan's continued economic growth depends on our ability to attract and maintain a young, talented, educated and

entrepreneurial work force. Researchers have found that today's Millennials are the most urban, multicultural and transient generation in American history. They're driving less and want livable, walkable communities and are gravitating toward urban living to be near public transportation.

It's no wonder then that residential

properties near public transportation performed an average of 41% better than properties without public transit service from 2008 to 2011.

Millennials say the key advantages to public transportation are the ability to pay-per-use, the protection of the environment, the ability to text and socialize online during travel, and the creation of community. They are the generation most likely to use transit daily, or at least once per week.

MILLENNIALS BY THE NUMBERS:

- ▶ 61 percent live in urban areas
- ▶ Less than 60 percent of 16-19 year olds have a driver's license, down significantly in the last decade
- ▶ Proximity to public transit is central to their housing decisions
- ▶ Millennials are driving 23 percent fewer miles than their counterparts in 2004.

"Green House Gases are a leading contributor to climate change; the transportation sector accounts for roughly 1/3 of GHG emissions. A way to reduce GHG emissions from the transportation sector is to reduce VMT and the easiest way to do that is through transit. Transit is a key piece in the effort to stem climate change."

A GREENER WAY TO GO

Not surprisingly, as residents of the "Automotive Capital of the World," Michiganders have a strong attachment to their personal vehicles. But this is slowly changing. More residents want to be good stewards of the environment, and are attracted to the environmental benefits of public transportation.

Public transportation produces 95% less carbon monoxide per passenger than private vehicles, and nearly 50% less carbon dioxide (CO₂).

A single person commuting alone for a 20-mile round-trip can reduce annual CO₂ emissions by 4,800 pounds per year by choosing to use public transportation. This is equal to a 10% reduction in all greenhouse gasses produced by a typical two-adult, two-car household. By eliminating one car and taking public transportation instead of driving, a savings of up to 30% of CO₂ emissions can be realized. Using public transit saves almost 4 million gallons of fuel per day, making us less dependent on foreign oil.



CHANGING COMMUTING PATTERNS

The proportion of workers commuting by private vehicle declined in 99 out of 100 of America's most populous urban areas between 2000 and 2011. Echoing a national trend, public transportation ridership in Michigan is increasing year by year.

One way Michigan is addressing changing commuting needs is with the introduction of that Bus Rapid Transit (BRT) service. BRT



lines have the feel and speed of light rail at one-tenth of the cost. This form of high-speed transit has proven successful in other parts of the country.

Across the nation, these high-speed fixed guideway systems are magnets for development and urban revitalization. In 2008, in the midst of the economic downturn, the city of Cleveland transformed a \$50 million investment in BRT into \$5.8 billion in new transit-oriented development.

Michigan's first Bus Rapid Transit line will be the "Silver Line" in Grand Rapids, which will connect downtown Grand Rapids with the Cities of Wyoming and Kentwood. By leveraging minimal state and local support, the Interurban Transit Association received over \$31 million in federal funds for this project. Other Bus Rapid Transit lines are being proposed for Lansing and Metro Detroit.



DRIVING INNOVATION AND DEVELOPMENT IN TECHNOLOGY

Michigan's transit systems routinely partner with industry suppliers, research institutions and trade associations to reduce costs, improve services and support the design, development and testing of new technology to operate more efficiently, reduce costs, and improve passenger services.

The investment in new technology that supports public transit expands the market for Michigan-based products and services, and supports the growth of new jobs in our state. Just some of the new technologies being used by transit systems include mobile data systems with Automated Vehicle Location (AVL), and real-time performance tracking.

More transit systems are investing in hybrid and alternative fuel vehicles. In 2012, the Mass Transportation Authority in Flint began using its new "zero emissions" hydrogen fuel cell bus and unveiled an alternative fuel facility. The bus is the first of its kind to be used by a Midwest transportation agency.



Matthew Cullen
President & CEO
Rock Ventures
CEO, M-1 RAIL

"M-1 RAIL is going to take downtown and Midtown Detroit to a new level and have a positive effect throughout the region. Every stop along the way is going to have huge economic development impact. M-1 RAIL will provide direct access to 125,000 jobs and 275,000 residents. When complete, we expect the project to bring more than \$500 million worth of economic development along the corridor."

WHERE PUBLIC TRANSPORTATION GOES, COMMUNITY GROWS

Public transportation is an essential part of Michigan's transportation infrastructure. It represents the means and freedom of travel and independence for many of our citizens. Our state's impressive network of 117 public transit providers collectively provided over **109 million rides** in 2012, representing an increase of more than 25% since 2005.

This vital service is found in all 83 counties of Michigan—from our urban to most rural areas. Michigan's transit fleet has 3,600 vehicles that travel over 106 million miles each year.

Public transportation options allow people to remain mobile, engaged and connected. It provides access to jobs, medical visits, shopping, educational, and social opportunities for those who cannot drive, choose not to, or cannot afford personal vehicle costs.



"When we look at a potential store location we ask, 'How accessible is it? Are our customers and team members going to be able to get to us?'"

PUBLIC TRANSPORTATION IN MICHIGAN TAKES MANY FORMS

RAPID TRANSIT

State of the art Bus Rapid Transit in Grand Rapids and Detroit's People Mover, a 2.9 mile elevated, fully-automated transit system in downtown Detroit

FIXED ROUTE

Regular and scheduled routes with bus stops

DEMAND RESPONSE

Cars, vans and buses that pick up passengers and take them to their destinations. Demand response services include paratransit services under the Americans with Disabilities Act, Dial-A-Ride, and specialized services for seniors and persons with disabilities

PUBLIC TRANSPORTATION FUELS OUR ECONOMY

Perhaps the most obvious economic benefit of public transportation is that it provides access to employment and training. Numerous studies show that more than 50 percent of all public transit rides taken each day are for travel to and from work. People are riding either to spend money or to make money – and that's great for our economy.

Investing in local transit fuels our local, state and national economies. It creates and sustains jobs; generates spending on goods and services by employees, suppliers and transit systems; and results in "induced" spending from the circulation of those same dollars within local economies to support other jobs.

For example, Champion Bus Inc. of Imlay City has more than doubled its sales and production, and employs nearly 300 workers who build buses for rural and mid-size

communities throughout North America. Engineered Machined Products, Inc. is North America's leading producer of pumps and complex components for transit buses, and employs 450 workers in Escanaba.

A PRIVATE INDUSTRY ECONOMIC IMPACT ANALYSIS HAS SHOWN THAT:

- ▶ a \$10 million investment in transit capital results in the creation of 314 jobs the following year.
- ▶ commerce benefits as well, with a \$32 million increase in business sales demonstrated for each \$10 million in investments for transit operations.
- ▶ in major metropolitan areas, every \$10 million invested in transit saves over \$15 million via reduced highway systems costs.

In Grand Rapids, American Seating is the nation's premier supplier of seating for the transportation industry, a market that accounts for 60 percent of the company's business.

For the past 30 years, Owosso's Midwest Bus Corporation and its 100 employees have served as one of the nation's leading providers of public transit industry parts, services, and bus remanufacturing.

In rural areas, studies have shown that the economic benefits of transit exceed costs by a three-to-one margin, while metropolitan areas have demonstrated a \$6 return for every transit dollar invested.

