

2022 Service and Millage Proposal

May 11, 2022

ISSUE SUMMARY

On April 21, 2022, TheRide’s Board of Directors approved a ballot proposal to be placed on the August 2, 2022 primary election ballot. The proposal was based on two years of public feedback on long-term planning and a month of public feedback on the specific 5-year millage proposal. This briefing outlines the details of this 5-year, 2.38 mill ballot measure. If approved, this proposal would replace the existing 0.7 mill levy, creating a net *additional* levy of 1.68 mills.

Key elements of the ballot measure include:

- Increasing **ridership**, social **equity**, **environmental benefits**, and **worker-mobility**.
- Maintaining existing transit services for **seniors**, persons with **disabilities** or **low-incomes**, **essential workers**, **students**, and others.
- Increasing access to jobs, housing, medical, education, and other destinations., increasing social equity and mobility, and acting on climate change. Expansion proposals detailed on the following pages include:
 - A new Ann Arbor-Ypsilanti Express Route
 - Longer Hours of Service
 - More Frequent Weekend Routes
 - Expanded Overnight Service
 - More Customer Service Agents
 - Increasing TheRide’s capacity to deliver major transit projects in the future,
- Maximizing the use of outside funding.
- Advancing community values and aspirations as outlined in policy documents such as the Ann Arbor A2Zero plan, the Washtenaw County Housing Affordability and Economic Equity Analysis, the WATS 2045 Plan, the Ypsilanti Township Master Plan, City of Ypsilanti’s Climate Action Plan, and the RTA’s Regional Transit Plan.

BACKGROUND

TheRide’s Board of Directors has laid out ambitious goals for TheRide and transit services;

*Advance the community’s needs for **social, environmental and economic sustainability** through strategic provision of transit, while remaining careful **stewards** of the public trust.*

In 2019 TheRide began developing a new Long-Range Plan to serve as the blueprint for meeting our communities’ changing needs. Based on strategic goals identified by TheRide’s Board of Directors, and incorporating extensive public requests and feedback, this Plan has been vetted by the public and is expected to be finalized later in 2022.

This 5-year millage proposal (2024-2028, 2.38 mills) outlines how far TheRide could move towards achieving those goals by 2028. If the ballot measure is approved by

voters in August 2022, funding will arrive in July 2024 and the new services will begin in August 2024.

This proposal also magnifies outside funding; for every \$1 in local tax investment, TheRide collects another \$1.40 in federal and State transit formula grants. All those funds are directly invested in our communities and residents.

TheRide has served our communities for over 50 years and has implemented many successful initiatives. As TheRide's existing millage expires soon, now is an appropriate time to build on past successes with a new Long-Range Plan and 5-year millage.

IMPACTS OF RECOMMENDED ACTION(S)

- **Budgetary/Fiscal:** High. Determines revenue and service levels through 2028.
- **Social:** High. Revenue & services levels affect passengers, taxpayers and society in general.
- **Environmental:** High. Services levels impact ridership and environmental benefits.
- **Governance:** High. The Board must act on millage decisions.

ATTACHMENTS

1. Details of Proposed Services and Mill Rate
2. Rationale for Timing and Referendum Date
3. Approved Board Resolution (4/2022) with Ballot Language, Date, and Mill Rate

Attachment 1: Details of Proposed Services and Mill Rate

This section details the itemized content of the 2022 millage proposal.

Overview of Millage Proposal, Content, Rates, and Timelines

Based on policies approved by local jurisdictions¹, and public feedback during the development of the Long-Range Plan, **there is a clear public and institutional desire to maintain and enhance transit services**. During the public involvement for the Long-Range Plan, over 1,400 people were engaged, and 72% of survey respondents indicated they wanted to see transformational investment in public transit. This public input aligns with goals developed by TheRide's Board of Directors: **improve access for seniors, persons with mobility challenges and low incomes, increase social equity and environmental benefits, facilitate labor mobility and economic development, and enable access to education**. Such goals help to clarify *what* TheRide does, *for whom*, and *at what cost*, and are directions for the CEO and staff.

As the first stage of implementing the emerging Long-Range Plan ([TheRide 2045²](#)), the Board approved a 5-year ballot measure for services (2024-2028) with a mill rate of 2.38 mills. Each element of this proposal addresses multiple goals to different degrees. For example, more weekend bus service can aid seniors, persons with disabilities, and labor mobility simultaneously, while also increasing social equity. There are 10 separate elements of the larger proposal which are grouped into two broad categories:

- **Maintain Existing Services** - This includes renewal of basic operating funds with allowances to continue previously under-funded services and address inflation, as well as staffing requests to meet growing expectations.
- **Service Enhancements** - This includes expansion of overnight services, customer service agents, a new express route, longer hours of service systemwide, more frequent weekend service systemwide, and capital funds for future projects.

The following table itemizes each element, gross annual cost, net mill rate, cumulative mill rate, and expected start date. As the table illustrates, all the elements combined would require 2.38 mills. Since this proposal replaces TheRide's existing 0.7 mill levy, the *new* net levy is 1.68 mills. Key points include:

- The proposal is weighted towards creating direct, immediate benefits, with 79% of millage and 81% of costs going directly to services in the community.
- Maintaining existing services receives 58% of expenses (1.52 mills) and 64% of the millage.
- Funding for major capital projects requires 15% of costs and 17% of the millage, and helps to maximize outside funding that can be invested in the community in the future.
- New services in the community account for 28% of costs and 19% of millage (0.86 mills).

It is important to note that the *gross* annual costs cannot be directly compared with the *net* mill rate as each element receives differing fare revenue and State subsidies. Detailed descriptions of each element are provided after the table.

¹ Ann Arbor's [A2Zero](#) and [Transportation Master Plan](#); Ypsilanti's [Climate Action Plan](#) and [Non-Motorized Transportation Master Plan](#); Ypsilanti Township's [Master Plan](#); Washtenaw County's [ReImagine Washtenaw](#), [Opportunity Index](#), and [Housing Affordability and Economic Equity Analysis](#); WATS [2045 Long Range Plan](#), and the RTA's [Regional Transit Plan](#).

² <https://www.theride.org/about/projects/theride-2045>

Elements and Costs of 2022 Service and Millage Proposal						
	Annual Cost (Gross)*		Mill Rate (Net)*		Cumulative Mill Rate	Start Date **
	\$	% of Total Costs	Rate	% of Total Rate		
Maintain Existing Services						
1. Renewal of existing millage	\$ 5,600,000	26%	0.70	29%	0.70	Aug 2024
2. Allowance for deficit	\$ 4,800,000	22%	0.60	25%	1.30	Aug 2024
3. Allowance for inflation	\$ 1,280,000	6%	0.13	5%	1.43	Aug 2024
4. Additional Staff (9 FTEs)	\$ 940,000	4%	0.09	4%	1.52	2023-2024
Subtotal	\$ 12,620,000	58%	1.52	64%		
Service Enhancement						
5. Ann Arbor-Ypsilanti Express Service	\$ 930,000	4%	0.07	3%	1.59	Aug 2024
6. Longer Hours of Operation Systemwide	\$ 1,901,000	9%	0.15	6%	1.74	Aug 2024
7. Increase Weekend Frequency Systemwide	\$ 1,996,000	9%	0.14	6%	1.88	Aug 2024
8. Expand Overnight Service (Ypsi Twp & Ypsi)	\$ 1,066,000	5%	0.09	4%	1.97	Aug 2024
9. Customer Service Agents (Ypsi Transit Center)	\$ 184,000	1%	0.01	0%	1.98	2023-2024
10. Funding Major Capital Projects	\$ 3,200,000	15%	0.40	17%	2.38	2024
Subtotal	\$ 9,277,000	42%	0.86	36%		
Totals	\$ 21,897,000		2.38			

*Total gross costs for each element are paid for with a differing mixture of local taxes, fares, and State subsidies. The net mill rate reflects only the local millage cost. The two figures are not directly comparable on this table.

**New funding will not arrive until July 2024. During 2023, staff would conduct the necessary planning, public involvement, regulatory clearances (Title VI), and make operational arrangements. Some staffing positions may start before the new services. Dates are tentative pending pandemic impacts.

Implementation Timeline

If the ballot measure is approved by voters in August 2022, funding will arrive in July 2024 and the new services will begin in August 2024. The long lead time will allow TheRide to conduct necessary planning work, and recruit and train additional staff.

Contextualized Millage Rates

On average 1.0 mill costs approximately \$187 in Ann Arbor, \$69 in Ypsilanti, and \$76 in Ypsilanti Township, based on average taxable values. While this millage would apply to all properties, for the average household in our service area, the cost of this 2.38 mill proposal is estimated to be:

- Ann Arbor: \$445 annually, or \$37 per month,
- City of Ypsilanti: \$164 annually, or \$14 per month
- Ypsilanti Twp: \$181 annually, or \$15 per month

For context, 1.0 mill generates about \$8 million per year. These local funds are magnified by leveraging outside matching funds. For every \$1 in local tax investment, TheRide collects another \$1.40 in federal and State transit formula grants, a 140% return on local investment. All those funds are directly invested in our communities and residents.

Descriptions of Millage Elements

The following pages describe each proposed element in detail. The elements are categorized as either Maintaining Existing Services or Service Enhancements.

Maintain Existing Services

The following items (1-4) are directly related to *maintaining existing transit services*:

1. **Renewal (0.70 mills - \$5.6 million)** – TheRide’s current service depends on a 0.70 mill property levy. The levy was first approved in 2014, overwhelmingly renewed in 2018, and naturally expires in 2023. Maintaining these funds is crucial to maintaining current services. If this funding is not renewed before 2024, TheRide will need to reduce services in order to balance the budget.
2. **Deficit (0.60 mills - \$4.8 million)** – The original 0.7 mill levy approved in 2014 did not generate enough revenue to cover the costs of new services introduced in 2013-2015, nor the strong growth in demand for services like paratransit. This has created an ongoing structural deficit where costs have grown faster than revenues. When the deficit was discovered in 2017, TheRide decided to cut internal costs rather than reduce services or raise taxes or fares. The 0.7 mill rate was renewed in 2018. However, although this has *delayed* the onset of the deficit, updated forecasts show that without additional funds, deficit spending or service cuts will be needed as early as 2025 ([FY2022 Budget, page 11-13³](#)). Meanwhile, internal staff reductions have reduced the organization’s capacity at a time when the community expectations are increasing. For more information on the deficit, click [here⁴](#). This 0.60 mill addition will add enough revenue to resolve the underfunding of services.
3. **Inflation (0.13 mills - \$1.28 million)** – TheRide faces the same volatile inflationary pressures as other organizations. Historically, while property-tax revenue has grown somewhat (although constrained by State law), revenue from fares has *not* grown, and federal and state grants have *not* kept up with inflation. This leaves TheRide exposed to 1%-1.5% of uncovered inflationary costs per year. TheRide has not increased its tax rate since 2014. Recently, per unit costs for fuel, salaries, insurance, and many other necessities have risen and are expected to continue to increase by over 3% annually. Staff will continue to work to control costs and increase productivity, but an inflationary adjustment is necessary to maintain services. This 0.13 mill addition will help TheRide to maintain services in the face of ongoing inflationary pressures.
4. **Additional Staff (0.09 mills - \$940,000)** – Since 2015, the number of administrative staff positions has decreased by 9%. While TheRide has a dedicated and talented workforce, burnout is becoming a concern. To fully meet today’s expectations, remain an attractive employer, and prepare for growth, the CEO is requesting funding to increase staffing by 9 full-time positions: four operational/supervisory positions, and five office positions. The costs are for additional salary and benefits.

³ <https://www.theride.org/media/1154/download?inline>

⁴ <https://annarborobserver.com/goodbye-hybrids/#.YhkzvujMJPY>

Service Enhancements

The following (5-10) are the proposed *expansions* of various services.

5. **Ann Arbor-Ypsilanti Express Service (0.07 mills - \$930,000/year)** – This initiative would create a new bus route along Washtenaw Avenue between downtown Ann Arbor and downtown Ypsilanti. It will reduce downtown-to-downtown travel times by 1/3 (from 45 minutes to about 30 minutes), saving the daily commuter 30 minutes a day and 10 hours a month.

Limited-stop express service will allow TheRide to reduce travel times, increase speeds, and incorporate some of the benefits of bus rapid transit (BRT) at lower costs. Benefits include:

- Faster service and reduced travel times. This benefits residents throughout the network, not just those along the corridor.
- More seating and less crowding by adding more buses and seats during rush-hours.
- Greater on-time performance with fewer stops.

This express service is also seen as a precursor to BRT along the Washtenaw Avenue corridor, helping to build ridership for an eventual BRT project.

Faster service between Ypsilanti and Ann Arbor has been a common request from both riders and community stakeholders for many years. In a recent public input survey for TheRide's 2045 Long Range Plan, quicker service and reduced travel times were some of the most requested service features.

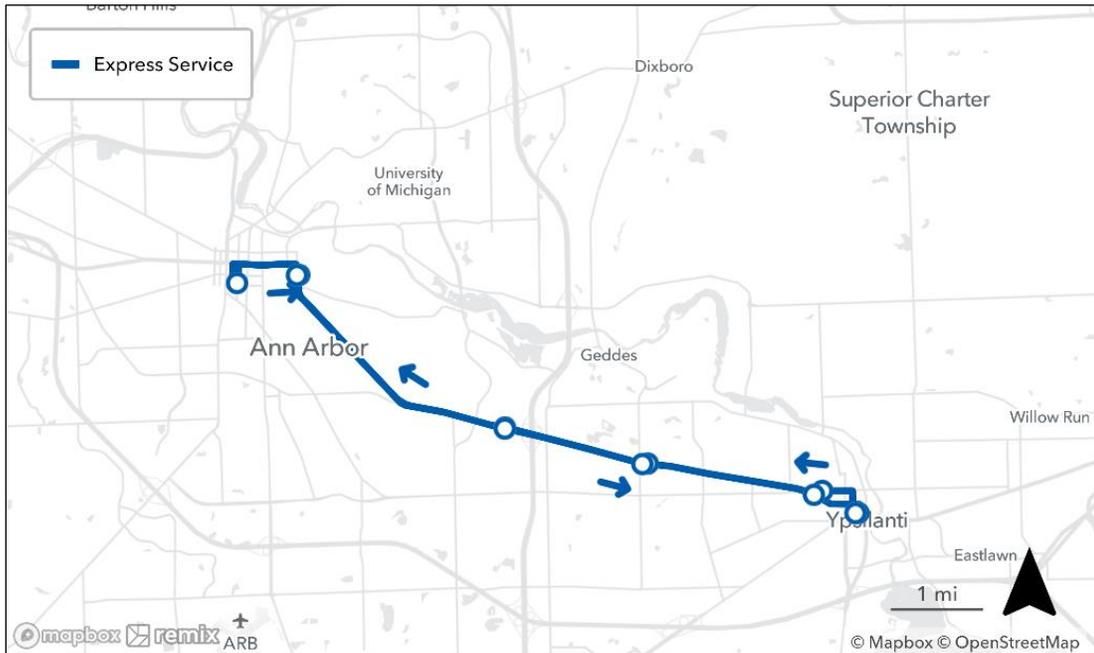
These improved services advance many larger policy goals such as:

- Making transit more attractive to all sorts of riders, but especially commuters, job seekers and employers by expanding to accessible labor pool; as well as students, and medical appointments.
- Providing an even more attractive service that draws drivers out of their cars, thereby helping the environment.
- Increase customer satisfaction by increasing speed, on-time performance, and availability of seats (i.e. less crowding).
- Increases regional equity by reducing perceived distance between the Ann Arbor and Ypsilanti areas, encouraging social and economic integration. This will be especially beneficial for workers and students.

Planning Process and Initial Proposal: If the millage is approved by voters, TheRide staff will need to engage the public, riders, and stakeholders in public discussions regarding the details of the future service. The expected timeline for those discussions is outlined below:

- Develop preliminary schedules and stop locations: Sept 2022 to May 2023
- Equity analysis (Title VI): Jun-Aug 2023
- Public engagement: Oct-Nov 2023
- Finalize schedules and stop locations: Dec 2023 to Mar 2024
- Public communication: Apr-Aug 2024
- Implementation: Aug/Sept 2024

Specific routing and stop locations will be determined in 2023/2024 in consultation with the public, passengers, and stakeholders. It is initially envisioned that the new express service will be added on top of the existing local Route 4 service (buses every 8 minutes in rush hours serving all stops). This “layered” service would better serve the many needs along this long corridor. The express service would run weekdays from 6am to 6pm, with a frequency of 30 minutes. In addition to the downtown terminals there would be just four intermediate stops: EMU, Golfside Rd, Arborland Mall, and U-M Central Campus as illustrated below:



Transit-signal priority measures (TSP) can help all buses move faster and more reliably, and will be explored and implemented as an existing TSP project moves forward over the next year.

Routing in the U-M campus area is proposed to be moved from Observatory St onto Washtenaw Ave near Palmer Field, with new stops north of the intersection of Geddes Ave. This will allow the Central Campus and Medical Campus areas to be served via connecting pedestrian paths while moving buses onto the quickest path into/out of the downtown area. TheRide will work closely with the City and U-M staff to confirm these bus stop locations.



6. **Longer Hours of Operation Systemwide (0.15 mills - \$1,901,000)** – Later evening service creates more opportunities for riders to reach jobs, classes, and other destinations that might otherwise be out of reach. It is especially valuable to workers and employers, those without cars, and those who wish to live a car-free lifestyle. This

initiative would extend evening and weekend hours of operation across the fixed-route service area. Key benefits include:

- **Encouraging Ridership:** Extended span of service can create a cycle that encourages more transit use throughout the entire day. People will be more secure making a transit trip knowing that service will be available even if their work schedule changes. Off-peak service also can encourage a broader variety of trip purposes in addition to conventional work/school commutes. In households with personal vehicles, more convenient transit service can convince people to reduce or eliminate the vehicles in their homes.
- **Increased Equity:** People without personal vehicles, lower-income residents, people of color, women, and younger people are more likely to use off-peak service at higher rates than commuters, often due to non-traditional, non-office jobs (such as hospitality work, factory-shift work, etc). Promoting a wider variety of trip purposes can lead to increases in a community’s social equity by assisting those who are most likely to engage in nontraditional commuting trips and other purposes.

Later hours of service have been a request from both riders and community stakeholders for years. In a recent public input survey for TheRide’s 2045 Long Range Plan, longer hours of service was one of the most requested improvements.

The table below illustrates the expanded hours of service envisioned in this proposal:

	Current	Proposed
Extend weekday span to be consistent on fixed routes	Varies: <i>Start between 6:00am & 7:00am</i> <i>End between 6:00pm & 11:30pm</i>	6:00am-11:30pm
Extend Saturday span to be consistent on fixed routes	Varies: <i>Start between 7:00am & 8:30am</i> <i>End between 9:15pm & 10:30pm</i>	7:00am-11:30pm
Extend Sunday span to be consistent on fixed routes	Varies: <i>Start between 8:00am & 8:45am</i> <i>End between 6:00pm & 7:30pm</i>	8:00am-9:00pm

Planning Process and Initial Proposal: Once the millage is approved by voters, TheRide staff will engage the public, riders, and stakeholders in public discussions regarding the details of the future service. The expected timeline for those discussions is outlined below:

- Develop and assess preliminary options: Sept 2022 to Jan 2023
- Public engagement: Mar-Apr 2023
- Finalize the plan/schedules: May-Aug 2023
- Procurement if required: Sept 2023 to Mar 2024
- Public communication: Apr-Aug 2024
- Implementation: Aug/Sept 2024

Public consultation and planning during 2023 will determine whether this should be delivered by fixed-route or TheRide’s ride-hailing service, FlexRide. Specifically, two options will be developed and considered:

- Option 1 – extend all fixed-route service.
- Option 2 – extend main fixed-route service with higher ridership (i.e. Routes 4, 5, 6, and 23) and use FlexRide or other type of on-demand service to cover the rest of the service area before the Late Night service starts.

7. **Increase Weekend Frequency Systemwide (0.14 mills - \$1,996,000)** – Frequent transit service is one of the chief factors in attracting more people to transit. It is also liberating for seniors, people with disabilities, and those who cannot drive, as it greatly increases their flexibility and independence. It is sometimes said that *Frequency Equals Freedom*.

Higher frequency can decrease waiting times, making transit more attractive to all residents, especially those with cars. Higher frequency can make connections between routes easier by reducing the wait times for transferring between buses. This increases the opportunity for riders to make longer trips to a wider selection of geographic areas, opening opportunities for increased access to essential services and jobs (increasing social equity).

This initiative would make bus service more frequent (from every 60 minutes to every 30 minutes) on Saturdays and Sundays until 6pm, as outlined in the table below:

	Current	Proposed
Increase Saturday service frequency	Most Routes: 60 mins all day	30 mins from start to 6:00pm; 60 mins after
Increase Sunday service frequency	Most Routes: 60 mins all day	30 mins from start to 6:00pm; 60 mins after

Planning Process and Initial Proposal: Once the millage is approved by voters, TheRide staff will need to engage the public, riders, and stakeholders in public discussions regarding the details of the future service. The expected timeline for those discussions is outlined below:

- Develop draft schedules: Sept 2022 to May 2023
- Equity analysis (Title VI): Jun-Aug 2023
- Public engagement: Oct-Nov 2023
- Finalize schedules: Dec 2023 – Mar 2024
- Public communication: Apr-Aug 2024
- Implementation: Aug/Sept 2024

8. **Expand Overnight Service into Ypsilanti Twp and All of the City of Ypsilanti (0.09 - \$1,066,000/year)** – TheRide’s overnight and holiday service efficiently transports people to work and other opportunities during late-night hours and on major holidays. Overnight and holiday service helps promote a car-free lifestyle by providing late-night and holiday options and mobility for those who cannot drive. Presently late-night service runs from 11:45pm until 6am the next day, varying by day of week.

Historically, this service has only been offered in Ann Arbor and *parts* of the City of Ypsilanti and Ypsilanti Township. This initiative would extend late night and holiday service to cover *all* of the City of Ypsilanti, and Ypsilanti Township *north* of Textile Road

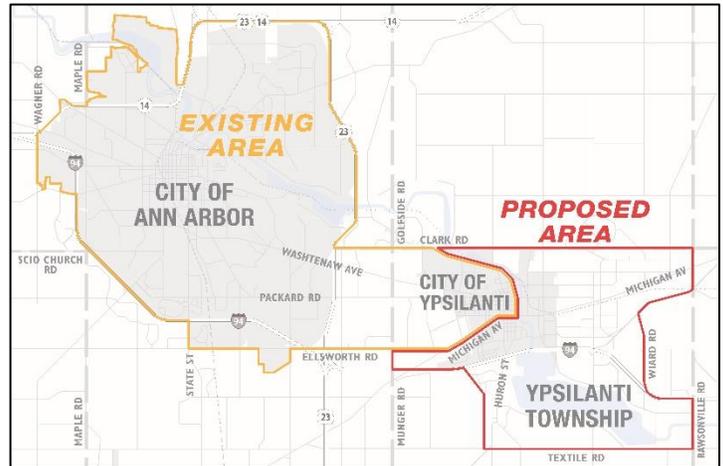
(matching the fixed-route service area) as shown on the map below. This improvement will increase **equity and labor mobility** while improving reliability and reducing wait times.

The proposed service expansion will not only cover additional areas, but also add more vehicles to reduce the average wait time.

Planning Process and Initial Proposal:

Once the millage is approved by voters, TheRide staff will engage the public, riders, and stakeholders in public discussions regarding the details of the future service. The expected timeline for those discussions is outlined below:

- Detailed preliminary plan and equity analysis: Sept 2022 to Jan 2023
- Public engagement: Mar-Apr 2023
- Finalize the plan: May-Aug 2023
- Procurement: Sept 2023 to Mar 2024
- Public communication: Apr-Aug 2024
- Implementation: Aug/Sept 2024



9. **Customer Service Agents at Ypsilanti Transit Center (0.01 mills - \$104,000/year, \$80,000 one-time refurbishment costs)** – This initiative improves equity by staffing the Ypsilanti bus terminal, as is already done in Ann Arbor. These funds would be used to hire two additional customer services agents to staff the Ypsilanti Transit Center (YTC) during regular business hours on weekdays. All services available at the Ann Arbor terminal (fare sales, photos and passes, general questions, etc.) would then be available at the YTC. The YTC office space would also be refurbished to be equivalent with the Ann Arbor terminal space. Having staff on-site will help grow ridership and increase customer satisfaction.

10. **Funding Major Capital Projects (0.40 mills - \$3,200,000/year, \$16 million over 5 years)** – This 0.40 mill element of the 2022 proposal will set aside some funding each year, like a savings account, for large capital projects in the future. Such projects could include **passenger terminals, bus rapid transit, zero-emissions buses, or bus garages**, as well as smaller assets like **bus shelters** and **benches**.

Each September, TheRide’s Board of Directors approves specific capital projects. In advance of the that decision and assuming voter approval in August, staff will likely recommend that the Board use these new funds to accelerate planning efforts to get large projects into a state of readiness and competitive for later federal construction grant applications. Without these new funds, TheRide will need to move more slowly on major capital projects and deferral of some projects is likely. This capital planning process is conducted publicly through the annual budget approval (June-September) and public input is sought and is welcome.

This 0.40 mill element will allow a two-step process; generate enough additional *local millage funds* to 1) pay for all daily operations, and 2) free up the existing federal capital formulae funds (5307) and shift them back to capital purposes⁵. This would increase the total amount of capital grant funding available to pay for facilities and equipment, and (importantly) to pay for planning studies and land acquisition for expansion projects called for in the Long-Range Plan.

By replacing 5307 funds with new millage funds, TheRide can: A) maximize outside funding, B) advance major capital projects sooner, C) improve our chances of winning major construction grants, D) maximize local capital dollars for future construction projects, and E) reduce grantor risk:

- A. By adding local millage dollars to pay for *operations*, we can shift a portion of 5307 funds back to *capital*. MDOT will add 20% to every federal dollar used for *capital*. We can use this \$3.2 million (federal) to leverage an additional \$640,000 each year, roughly the cost of one new diesel bus.
- B. We are allowed to use 5307 funds to conduct planning for future capital projects. During the 2023-2028 period staff will recommend using the newly-freed 5307 funds to advance major projects such as **passenger terminals, bus rapid transit, a garage, and zero-emissions propulsion**. One advantage to using 5307 funds for planning is their predictability; we know for certain and well in advance how much 5307 funding we will receive and do not have to compete for it against other agencies. This would create a stable planning process that can proceed much more quickly. The primary alternative, waiting to win competitive federal grants, is uncertain and can lead to long delays.
- C. By using federal and State funds to conduct planning and/or land acquisition, we lower the remaining total project cost and the size of the eventual grant request to the federal government. A lower price tag for the final grant request improves the chances of winning federal grants. It also reduces the absolute size of the 50% local match funding. Planning and land acquisition are eligible expenses for 5307 funds.
- D. By the end of 2022 TheRide expects to have some funds in our Capital Reserve. These local funds are especially valuable because they are the most flexible. They should be preserved for their highest and best use as the local match for future construction grants.
- E. Continuing to use 5307 funds for *operations* creates risks for grantor relations (policy 2.9.6.1) with the Federal Transit Administration (FTA). The federal government intended 5307 funds for capital, not operations. While TheRide's current practice is permissible, it is frowned upon. If TheRide applies for additional competitive capital grants in the future, we may be refused because of how we are using 5307 funds now.

⁵ Starting in 2013, TheRide shifted some of its 5307 funds from capital to paying for daily operations. This was likely seen as a temporary measure to pay for new transit service on Washtenaw Avenue in advance of an anticipated county-wide millage. But the county-wide millage did not come to fruition and the new services were not pulled back, creating an ongoing deficit. Those costs were not included in the eventual 0.70 mill millage that was approved in 2014, making the deficit and reliance on 5307 funds for operations an unavoidable necessity and jeopardizing bus replacements. This contributed to the overall structural deficit at TheRide and reduced the available capital funding, although the bus replacements were fully funded again by 2018.

Attachment 2: Rationale for Timing and Referendum Date

This section outlines rationale for pursuing additional investment now, as well as for a specific referendum date in August of 2022.

Timing Rationale: 2024-2028

There are several reasons why TheRide is asking the voters for additional support in 2022:

1. **Urgency:** The need for improved public transit is growing. As the pandemic recedes, the need for travel is rebounding, although changed in many ways. Key groups of customers such as seniors, persons with low incomes or disabilities, students, and others require affordable access even more than before. Parking will become a challenge again as the UM continues to grow and our downtowns rebound. Finally, all the policy goals for transit (e.g. social equity, environmental benefits, serving an ageing population, access to affordable housing, labor mobility, etc) are becoming more urgent each year.
2. **5-Year Millages:** By State law, TheRide can only seek 5-year millages and can only hold one referendum per calendar year. Funding from the existing millage will run out in mid-2024. If TheRide were not successful in 2022, we could still hold a second referendum in 2023 without any disruption to cashflow or services in 2024. Due to tax assessment deadlines, Fall 2023 is the *latest* that TheRide could seek replacement funding for 2024. If this deadline were missed, funding would run out in mid-2024 without new funds to replace them. This would create a cash-flow challenge and services would likely need to be reduced to remain within budget.
3. **Implementation:** If the millage is approved in 2022 or 2023, new funds will arrive in mid-2024. Transit services require a long lead time to arrange. Having certainty about future funding will allow TheRide to use 2023 to make the necessary arrangements.
4. **Helping Community Rebound:** As the pandemic wanes many people will need to establish *new* travel patterns and will be looking for new options. This is an ideal moment to upgrade transit services and gain new riders. Waiting until the next millage cycle (2029-2033) will certainly be too late to help the community post-pandemic. From a timing standpoint, 2022-2024 is a window of opportunity to grow our ridership and be a greater service to people throughout our communities.

TheRide's ridership has already begun to return, quickly reaching 50% of pre-pandemic levels. As demand for travel returns, it is essential that TheRide be ready with improved services.

Referendum Date Rationale

It will be much easier and less expensive to educate voters during the August 2022 primary election rather than in the November general election. The August election has only *primary* races (local, state, federal), and there are no other ballot measures in our area.

In contrast, the November general election addresses highly contentious federal and State issues, control of the House of Representatives and the Governorship, and there are reportedly [12 statewide ballot measures](#)⁶ vying to be on the November ballot covering issues such as voting rights, term limits, and abortion rights. These contests will be loud, passionate and expensive. Small local ballot measures will struggle to educate voters amid the cacophony.

⁶ <https://www.mlive.com/public-interest/2022/02/here-are-all-the-proposals-vying-to-get-on-the-ballot-this-year.html>

Attachment 3: APPROVED Resolution (4/2022) with Ballot Language, Date, and Mill Rate

The following resolution and ballot language were approved by TheRide’s Board of Directors on April 21, 2022.

ANN ARBOR AREA TRANSPORTATION AUTHORITY

**Resolution No. 4/2022
Millage Supporting Public Transportation**

WHEREAS, at an election held on August 7, 2018, a majority of the registered electors residing in the political subdivisions that comprise the Ann Arbor Area Transportation Authority (the “Authority”) voting at that election approved the levy by the Authority through 2023 of a tax of 0.700 mills for public transportation purposes on the taxable property within the political subdivisions that comprise the Authority as authorized by Public Act 55 of 1963, as amended, MCL 124.351 to 124.359 (“Act 55”);

WHEREAS, replacing the expiring millage by levying a new millage for public transportation purposes for five years beginning in 2024 at a rate of 2.380 mills as permitted by Act 55 will enable the Authority to advance the needs of communities served by the Authority for social, environmental, and economic sustainability through strategic provision of improved public transit services while remaining careful stewards of the public trust;

WHEREAS, if approved, this proposed millage would replace the expiring 0.700 millage levy, resulting in a net additional levy of 1.68 mills, permitting the maintenance of all existing services provided by the Authority, expanded evening, late night, weekend, and holiday services, and new express services;

WHEREAS, an increased local investment in public transit is projected to magnify outside funding for the Authority, with \$1.40 in transit grants paid to the authority for every \$1 in local tax revenue invested by the Authority;

WHEREAS, Act 55 authorizes the Authority to levy a tax of up to 5 mills for public transportation purposes on all of the taxable property within the political subdivisions that comprise the Authority and permits the Authority to call an election for the purposes of consideration of a proposed levy;

WHEREAS, the board of directors of the Authority wants to levy a tax of 2.38 mills for five years beginning in 2024 for public transportation purposes, subject to voter approval, as authorized by Act 55; and

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Authority that an election is called and the following question must be submitted to a vote of the registered electors residing in the City of Ann Arbor, the City of Ypsilanti, and the Charter Township of Ypsilanti, being the political subdivisions that compromise the Ann Arbor Area Transportation Authority, at the regular primary election to be held on Tuesday, August 2, 2022:

*“ANN ARBOR AREA TRANSPORTATION AUTHORITY
PROPOSAL FOR MILLAGE TO
MAINTAIN AND EXPAND PUBLIC TRANSPORTATION*

The proposal would authorize the Ann Arbor Transportation Authority (TheRide) to levy a property tax:

- *to be used for public transportation purposes, including public transit and paratransit services for seniors and persons with disabilities;*
- *at a rate of 2.380 mills (\$2.38 for each \$1,000 in taxable value), replacing a current authorized millage of 0.700 that expires in 2023 and resulting in 1.680 in net new mills;*
- *for five years beginning in 2024 and continuing through 2028; and*
- *that may not be increased, renewed, or used for other purposes without voter approval.*

If this new additional millage is approved and levied, revenue will be distributed to TheRide. It is estimated that \$22,110,122.57 will be collected in the first year (2024).

Under current state law, the downtown development authorities of the cities of Ann Arbor and Ypsilanti, the local development finance authorities of the cities of Ann Arbor and Ypsilanti and of the Charter Township of Ypsilanti, and the Washtenaw County Brownfield Redevelopment Authority may capture and use for authorized purposes tax increment revenues from the millage, if approved.

Should this proposal be approved?

YES []
NO []";

BE IT FURTHER RESOLVED that the tax, if approved, will be levied and collected on the June tax roll beginning in 2024;

BE IT FURTHER RESOLVED that the preceding question is hereby certified to the Clerk/Register of Deeds of Washtenaw County and, through the Clerk/Register of Washtenaw County, to the Board of Election Commissioners of Washtenaw County; and

BE IT FURTHER RESOLVED that the chief executive officer shall submit a certified copy of this resolution on behalf of the Authority to the clerk of the City of Ann Arbor, the clerk of the City of Ypsilanti, and the clerk of the Charter Township of Ypsilanti not less than 60 days before August 2, 2022.

Secretary's Certification:

I certify that this resolution was adopted by the board of directors of the Ann Arbor Area Transportation Authority at a properly-noticed open meeting held with a quorum present on __April 21__, 2022.

By: _____ SIGNATURE ON ORIGINAL _____
Jesse Miller
Secretary

By: _____ SIGNATURE ON ORIGINAL _____
Eric Mahler
Chair of the Board of Directors