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Macomb and Oakland on RTA plan: “Let’s do it right”

July 21, 2016, Pontiac, Mich. – The Regional Transit Authority of Southeast Michigan (RTA) Board of Directors postponed its vote today on the Draft Regional Master Transit Plan in order to address concerns Macomb and Oakland counties have about the plan. Both counties emphasized they support a regional transit plan, but want the RTA to take the time to do it right.

“I cannot in good conscience support the current plan which spends over \$1.3 billion of Oakland County taxpayers’ dollars over 20 years but only gives our businesses, workforce, and residents a fraction of that back in transit services,” Oakland County Executive L. Brooks Patterson said.

“The current RTA plan falls short of achieving our county’s expectations for transit,” said Macomb County Executive Mark A. Hackel. “It is difficult for us to support a more than \$4 billion commitment over the next two decades which could negatively impact our county’s longstanding commitment to transit especially the SMART system.”

The plan will collect \$4.65 billion over 20 years of which \$3.2 billion will come from taxpayers in Macomb, Oakland, Washtenaw, and Wayne counties. The remainder of the funds will come from state and federal sources.

Since the plan was released for public review in late May of this year officials from both Macomb and Oakland counties have been working with RTA administrators, transit advocates, and municipal leaders to examine the impact of the proposed strategies. These ongoing discussions have uncovered a number of concerns centered on finances, capital investments and administrative responsibilities. Both Oakland and Macomb County are committed to clarifying three overarching questions: What will Oakland and Macomb County taxpayers receive under the plan in exchange for their investment? When will the benefits be received? How will the RTA guarantee the delivery of those services?

Oakland and Macomb requested changes in the current plan and governance structure to:

- Demonstrate how the RTA will implement on-going compliance with the “85 percent rule” and adherence to the Act 51 bar to the receipt of money for Bus Rapid Transit (BRT) planning and operating costs. The 85 percent rule requires that no less than 85 percent of the taxes collected from a county will be spent on transit in that county.

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- Provide equitable grant coordination measures for the service providers and RTA.
- Address the annual formula allocations between the Detroit Department of Transportation (DDOT), the Detroit People Mover, Suburban Mobility Authority for Regional Transportation (SMART), the RTA as an operating agency, and the Ann Arbor Area Transportation Authority, especially for services that cross metropolitan borders.
- Establish a binding mechanism to guarantee that the benefits promised to each jurisdiction will be delivered, a mechanism that cannot be overturned by a simple majority vote of the RTA Board.
- Describe how the RTA will deal with reductions in general fund subsidies or failed millage renewals. In other words, SMART, Macomb and Oakland counties cannot be left holding the bag if there is a decline in other revenue sources.
- Demonstrate how the plan will avoid negative impact on SMART, its funding, and operation. SMART is the only truly regional bus system, because of the co-mingling of funds. “We will not accept any plan that damages the ability of SMART to perform its existing service levels or prejudices its ability to secure operating and capital resources necessary to execute its mission,” the memo said.
- The RTA taking over the M1 Rail system prior to 10 years of funded passenger operations by M1 Rail is simply a non-starter. “The plan needs to explain the funding role of the RTA, the AAATA, the City of Detroit and Wayne County as it relates to M1, a system that will operate only in Wayne County. Similarly, the plan needs to explain the funding role of the RTA in regard to the proposed Detroit-Ann Arbor rail line, a service that will not touch Oakland or Macomb County,” the memo said.
- In addition, there must be a clear return on investment shown for the current opt-out and other millage excluded areas and a rationale must be provided for the 20-year diversion of RTA millage proceeds and the dollars they leverage out of Oakland County.

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“I supported the legislation to create the RTA. There are growing business clusters throughout Oakland County with thousands of jobs that people must be connected to. Effective regional transit that people can utilize to reliably commute to work is important for both employers and employees. The current RTA plan fails to accomplish that on virtually every level,” Patterson said.

The public needs a straightforward proposal that clearly identifies how the money will be spent,” Hackel said. “We remain dedicated to working with the RTA to develop such a proposal.”

For media inquiries only, please contact Bill Mullan, Oakland County media and communications officer, at 248-202-9668; or John Cwikla, Macomb County public information officer at 586-291-1652.

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