



**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

FOR IMMEDIATE RELEASE

July 22, 2016

Statement from RTA Board Chairperson Paul Hillegonds and RTA CEO Michael Ford on Macomb and Oakland County feedback regarding RTA Master Plan

For nearly 50 years, our region – alone in the country – has been unable to come together to deliver the kind of comprehensive regional transit system needed to expand access to jobs; provide independence for seniors and individuals with disabilities; and enable us to compete with vibrant regions across the country for investment and growth.

For the past year, the RTA worked with our region's elected leaders and engaged the public in developing the Regional Master Transit Plan released on May 31. Over the last six weeks, we solicited public comment on the plan, receiving overwhelmingly positive feedback, and hearing time and again from business and community leaders that this is an historic opportunity to finally bring regional transit to Metro Detroit.

We are disappointed by the postponement of the RTA Board vote and yesterday's statement by the Oakland and Macomb County Executives. The issues they have raised require a response describing how the RTA plan benefits each county, strengthens our existing transit systems (i.e., SMART), and ensures fairness.

The RTA is committed to working urgently over the next week to address the stated concerns. We believe this process will confirm that most of the concerns are already addressed. We also believe that fair-minded people, working in good faith, can find ways to resolve outstanding accounting and process issues where they exist. We are also reminded that the question before us is whether to give the people of this region the chance to decide. After 50 years, we believe that is only right.

With respect to the main issues raised in yesterday's statement:

1. **Return on Investment:** From the outset, the RTA has focused on ensuring full and fair return on investment to each county. In addition to satisfying the 85% return rule in the statute, the RTA plan will leverage state and federal funds to provide each county with more than 100% of its millage contribution back in new transit investment. This is measured under the strictest possible methods, where, for example, only the portion of the Woodward Bus Rapid Transit line physically in Oakland County is considered a benefit to Oakland County – even though, of course, the entire route benefits the county and its commuters. In reality, the amount of new transit investment that benefits each county far exceeds its millage contribution. The RTA is required to adopt a budget



annually that must comply with state law, which includes the 85% return on investment requirement. The RTA will not adopt a budget that is not in compliance with the law.

2. The RTA plan will provide direct transit connections to over 900,000 jobs throughout the region in major regional employment centers like Troy, Southfield, Novi, Dearborn, Warren, Ann Arbor, Detroit and several others. Beyond providing these crucial connections to jobs, the RTA plan will also directly support almost 68,000 new jobs over the next 20 years. Further, the plan provides connections to 23 colleges, 310 schools and head start facilities, 22 hospitals, over 100 grocery stores, 410 parks and 47 libraries. These connections to community assets and opportunities create the vibrant and thriving region that all us want for ourselves, our families and our friends.
3. Long-Term Compliance: The RTA will monitor ongoing compliance with the 85% rule and adjust the plan if the amount of millage revenue from each county comes in greater or less than projected. We have developed a framework for monitoring revenue trends, with timelines and triggers for what constitutes a material change that will require a corresponding change in the plan to maintain compliance. We are committed to working with all of our board members to translate this framework into a robust and detailed policy. We do not believe this issue can or should prevent the RTA plan from moving forward.
4. Impacts on SMART: Far from negatively impacting SMART, the RTA plan will provide SMART with \$30 million in new funding annually to implement the cross-county connector routes and other expanded service. Frequency on key SMART cross-county routes will double and in many cases increase four-fold, with the RTA funding the additional service. Further, the RTA plan is built on a “hold harmless” principle that protects and preserves existing state and federal funding allocated to SMART, DDOT and AATA. The RTA’s goal is to build a strong regional system. That can only be done if we protect and build on the current systems. This is established clearly in the plan, as the financial model shows that the RTA foregoes state funding it would otherwise be entitled to in order to protect and preserve SMART, DDOT and AAATA’s funding.
5. Allocation of Federal and State Funds: As explained above, the RTA’s financial model reflects a general “hold harmless” principle with respect to the allocation of state and federal funding to support the RTA plan. This is the critical question for the adoption of the RTA Master Plan. With respect to how the RTA will allocate federal and state funding between SMART and DDOT, that is a separate question and has not been part of the Master Plan process. That being said, it is important to emphasize the RTA’s record on this issue. While this has been contentious historically, last year the RTA Board unanimously approved a 50%-50% allocation between SMART and DDOT that included an innovative new regional service partnership. The RTA’s record on this issue is one of fairness, consensus, and unprecedented collaboration.
6. Guarantees and Governance: The RTA plan is straightforward and detailed, specifying what each county will receive and when. We believe that all parties should be open to developing mechanisms to ensure the benefits promised to each jurisdiction cannot be changed without the same level of consensus by which the plan was adopted in the first place. While there are legal constraints within the RTA Act, we believe this should be a



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consensus issue that can be addressed through bylaws, resolution, or some other means and we are committed to working with the entire board to deliver this reasonable assurance.

The RTA plan reflects tremendous work by a dedicated staff and—as I believe these explanations make clear—fundamentally sound and fair approaches on these most critical issues. Over the short time we have ahead, the RTA will work tirelessly to provide all reasonable additional details, processes, or assurances that can be worked out.

The great disappointment if we are unable to go forward is that, on these most fundamental and challenging issues, the RTA plan gets it right. To the extent there are open issues, it is because we are off by an inch, not a mile. Rather, the gulf will be one of trust. If we cannot bridge this and go forward together, it will signify not that the RTA plan is deficient, but something much deeper about our capacity to function as a region. We will fall further behind, and this we will do together.

ABOUT The Regional Transit Authority of Southeast Michigan:

The Regional Transit Authority of Southeast Michigan (RTA) was created in 2012 to plan for and coordinate public transportation in the four-county southeast Michigan region, including developing a plan for rapid transit. It has a 10-member board whose members are appointed for three-year terms by the county executives of Wayne, Oakland and Macomb counties, the chair of the Washtenaw County Board of Commissioners, the mayor of Detroit and the governor of Michigan. When implemented, the RTA Master Plan will provide the region with the necessary steps to build a truly regional public transportation system.

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