

## **Board Meeting Agenda**

**Thursday June 2, 2011 • 8:30 a.m. • Kent County Commission Chambers**

- 1. Call to Order by Chair**
- 2. Public Comment**
- 3. Approval of Minutes dated May 5, 2011 (attachment)**
- 4. Transportation Department**
  - a. Presentation of the Draft Findings and Recommendations of the Kent County Transit Needs Assessment Study**
- 5. Legislative Advocacy**
  - a. Report of the GVMC Legislative Committee**
  - b. Legislative Issues Update**
  - c. Next meeting of the GVMC Legislative Committee – 8:30 a.m., Wednesday June 8**
- 6. Other items of business and comments from GVMC members**
- 7. Adjournment**



## Memorandum

**To:** Grand Valley Metropolitan Council  
**From:** Donald J. Stypula, Executive Director  
**Date:** May 30, 2011  
**Re:** Agenda Items for our June 2, 2011 Board meeting

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Attached are the agenda and support documents for our next GVMC Board of Directors meeting, scheduled for **8:30 am Thursday June 2, 2011 at the Kent County Commission Chambers in downtown Grand Rapids**. This month we will focus in detail on a comprehensive analysis of public transportation needs throughout Kent County as we present the draft of the Kent County Transit Needs Assessment. I will also bring the latest information on developments in Lansing and Washington as we prepare for more fast-paced activity out of both Capitols.

We'll start by reviewing and accepting the attached minutes from our May 5, 2011 GVMC Board meeting.

### **TRANSPORTATION: KENT COUNTY TRANSIT NEEDS ASSESSMENT**

We are nearing the end of a comprehensive, Kent County-wide study of unmet public transportation needs that began in early 2010. With a mix of funding from various sources, GVMC contracted with RLS & Associates, Inc. to complete an assessment of the unmet need and demand for public transportation services in Kent County, most notably those portions of the county that are not currently served by ITP-The Rapid. The analytical work has been done and we have just completed a series of public meetings throughout Kent County to present the results and recommendations. Now, it is time to present the findings and recommendations to you, answer your questions and incorporate your comments.

On Thursday morning, a representative of RLS Associates will brief us on the KCTNA and answer your questions about the report and recommendations.

I have attached a briefing memorandum prepared by GVMC Transportation Planner Andrea Dewey, who managed the project for GVMC. I also have attached Technical Memorandum #4 from the study in which the consultant analyzes the myriad financing and governance options for improving public transportation throughout Kent County.

## **LEGISLATIVE ADVOCACY – REPORT OF THE LEGISLATIVE COMMITTEE**

Following GVMC Board approval of the resolution in support of state government reforms and reinvention at last month's meeting, I prepared a cover letter for both Governor Rick Snyder and our West Michigan Legislators. The letter and resolution were transmitted via email to the offices of Governor Snyder and our legislative delegation early morning on May 12. The timing was good, in that lawmakers were engaged in the debate on the Governor's business tax plan, and discussions are continuing on various bills – governing intergovernmental collaboration – in the next several weeks. Staff in the Governor's office was pleased with the tone and language in the resolution, as were the staff people of most legislators from the West Michigan delegation. For your records, I have attached the packet that was sent to Governor Snyder.

## **LEGISLATIVE ADVOCACY – ISSUES UPDATE**

### **FY 2012 State Budget Completed Well Ahead of Schedule**

By early afternoon on Thursday May 26, the Legislature completed final action on the FY 2012 budget which begins on Oct. 1. This is the earliest that a Michigan Legislature has completed action on all budget items in nearly 50 years and came five days ahead of Gov. Snyder's established deadline of May 31. The final state budget for FY '12 was condensed into a pair of omnibus budget bills – HBs 4526 and 4325 – that provide spending blueprints for the state's General Fund and the School Aid Fund. As we have discussed over the past several months, statutory revenue sharing has been eliminated and replaced with the Economic Vitality Incentive Program (EVIP) for those communities currently receiving statutory revenue sharing. Despite our efforts to advocate for West Michigan communities that have developed collaborative service-sharing agreements over the past few decades, the final version of the "consolidation" portion of the EVIP program focuses exclusively on new agreements to consolidate services rather than rewarding existing examples of cooperation, collaboration or consolidation.

### **Personal Property Tax: Elimination and Replacement**

Following our Board meeting on Thursday, I will convene a meeting at the GVMC offices with representatives of Kent and Ottawa Counties and three local governments, together with representatives of the Grand Rapids Area Chamber of Commerce (GRACC), regarding replacement options for the Personal Property Tax (PPT). With the state budget completed, Governor Snyder and lawmakers are turning their sights on eliminating the PPT, which yields hundreds of millions of dollars for counties, local governments and school districts across the state. This is a good faith, collaborative effort with our friends at the GRACC to look at various PPT replacement models and see if we can reach consensus on a way forward. Any suggestions developed by this small work group will be reported to the GVMC Legislative Committee for a more thorough vetting before being shared with Governor Snyder, state lawmakers and our local government partner organizations in Lansing.

**Intergovernmental Collaboration** – The fate of one of the Metro Council’s long-time legislative priorities is in the hands of Senator Mark Jansen (R-Gaines Township). As chair of the Senate Committee on Reforms, Restructuring and Reinventing, Jansen is weighing the advantages and disadvantages of various vehicle bills that will remove obstacles to intergovernmental collaboration, cooperation and service-sharing. One of those vehicle bills – SB 8 – would create the Grand Rapids metro area-inspired Municipal Partnership Act (MPA), which gives local governments a new tool to encourage intergovernmental collaboration and multi-jurisdictional service sharing. In addition, Jansen’s Committee is considering three bills to favorably amend the state’s intergovernmental cooperation acts (House Bills 4310-4312 that passed the House on March 24). Jansen and his staff are continuing to work with Curtis Holt from Wyoming and Eric DeLong from Grand Rapids to fashion a workable MPA covering all regions of the state. Concurrently, Jansen and his staff are weighing the possibility of also moving the amendments to the Intergovernmental Cooperation Acts that have been supported by GVMC, the MML and other groups. Look for updates from me as this process moves forward.

**Governor Snyder’s Special Message on Infrastructure** – The second week of October is now the target for Governor Snyder to deliver a special message to the Legislature on Infrastructure. According to his staff, he will address both transportation-related infrastructure (roads, bridges, transit, air, freight and passenger rail), together with municipal water and sewer infrastructure. At the Request of Bill Rustem from the Governor’s staff, I assembled a small work group of local utilities folks to develop a wish list of ideas for improving our ability to finance water and sewer infrastructure improvement projects. I also engaged the Michigan Municipal Utility Directors Association to weigh in on this topic as well. From those meetings, I am putting together a comprehensive list of ideas and recommendations that will be discussed with the Legislative Committee and then shared with Bill Rustem at his Lansing office in late-June.

**REMINDER: The next GVMC Legislative Committee is scheduled for 8:30 a.m. Wednesday June 8 here at the GVMC offices**

As always, we’re looking forward to seeing you and having a fruitful discussion. If you have any thoughts, comments, questions or suggestions you can reach me anytime on my cell phone at 616-450-5217, in the office at 776-7604, at home at 257-3372 or via email at [stypulad@gvmc.org](mailto:stypulad@gvmc.org).

# GRAND VALLEY METRO COUNCIL

## Board Meeting

May 5, 2011

8:30 a.m.

Kent County Commission Chambers

### MINUTES

#### 1. Call to Order

The meeting was called to order at 8:35 a.m. by Vice Chairman Don Hilton.

#### Members Present:

Jerry Alkema	Allendale Township
Alex Arends	Alpine Township
Dale Bergman	Sparta Township
Jim Buck	City of Grandville
Chris Burns	City of Cedar Springs
Tom Butcher	Grand Valley State University
Dan Carlton	Georgetown Township
Daryl Delabbio	Kent County
Mike DeVries	Grand Rapids Township
Brian Donovan	City of East Grand Rapids
Rebecca Fleury	Village of Middleville
Cindy Fox	Cascade Township
Doyle Hayes	At-Large Member
Carol Hennessey	Kent County
Don Hilton, Sr.	Gaines Township
Denny Hoemke	Algoma Township
Jim LaPeer	Cannon Township
Robert May	City of Hastings
Mick McGraw	At-large Member
George Meek	Plainfield Township
Jim Miedema	Jamestown Township
David Pasquale	City of Lowell
Jack Poll	City of Wyoming
Rick Root	City of Kentwood
Jim Saalfeld	Kent County
Ken Snow	City of Greenville
Martin Super	Village of Sparta
Al Vanderberg	Ottawa County
Rob VerHeulen	City of Walker
Bill VerHulst	City of Wyoming
Patrick Waterman	City of Hudsonville

**Members Absent:**

Jason Eppler	City of Ionia
Tom Fehsenfeld	At-Large Member
Brian Harrison	Caledonia Township
George Heartwell	City of Grand Rapids
John Helmholdt	At-Large
Jim Holtrop	Ottawa County
Elias Lumpkins, Jr.	City of Grand Rapids
Cy Moore	Treasurer
Audrey Nevins	Byron Township
Steven Patrick	City of Coopersville
Chuck Porter	Courtland Township
Milt Rohwer	City of Grand Rapids
Toby VanEss	Tallmadge Township
Roger Wills	City of Belding
Chris Yonker	City of Wayland
Michael Young	City of Rockford

**Others Present:**

Andy Bowman	Grand Valley Metro Council
Leon Branderhorst	Grand Valley Metro Council
Abed Itani	Grand Valley Metro Council
Dennis Kent	MDOT
Erick Kind	MDOT
Gayle McCrath	Grand Valley Metro Council
Don Stypula	Grand Valley Metro Council
Don Tubbs	City of Hastings

**2. Public Comment**

None

**3. Oath of Office for New Members**

Mary Hollinrake administered the GVMC Oath of Office to Martin Super of the Village of Sparta.

**4. Approval of Minutes**

**MOTION – To Approve the Minutes of the April 2011 GVMC Board Meeting with Correction. MOVE – Delabbio. SUPPORT – Fox. MOTION CARRIED.**

**5. Finance**

**a. Finance Report**

Don Stypula reviewed the financial report. The Finance committee and Executive committee have reviewed and approved.

**MOTION – To Approve the Financial Report. MOVE – VerHulst. SUPPORT – Delabbio. MOTION CARRIED.**

**b. FY 2011 General Fund Budget Amendments**

Don Stypula reviewed the requested budget amendments. The amendments include a \$75,000 grant from MDOT (a large amount of which will fund Planning & Strategic Initiatives), carryovers from the Fisher Station project, and adjustment to interest income.

**MOTION – To Approve the Proposed FY2011 Budget Amendments. MOVE – VerHulst. SUPPORT – Carlson. MOTION CARRIED.**

**6. Legislative Advocacy**

Legislative Committee Chair, Rick Root, discussed the proposed Resolution Endorsing a Responsible Reform and Reinvention Agenda for Michigan.

Discussion:

Jim Saalfeld stated he was concerned with some of the whereases and wanted to know for the record that this resolution is not an endorsement of the One Kent initiative as there are many unanswered questions regarding One Kent and endorsement would be premature.

Don Hilton reported he was involved in all the meetings in which the resolution was discussed, and One Kent was not mentioned in any way.

Rick Root explained there will be a commission brought together with local officials to study and give input into the One Kent initiative, but it has not yet started and had nothing to do with this resolution.

Rob VerHeulen stated the minutes should reflect this resolution should not be construed as a statement of support or opposition to One Kent.

Carol Hennessey said many of the words in the resolution could be misconstrued to interpret it this way (regionalism, intergovernmental cooperation, etc.). It appears we are giving the state permission to tell us how to operate. She would like to postpone the issue and bring it back again.

Don Hilton reported he is concerned there is a need to move forward relatively soon with the resolution. He added that this Council was formed to provide regional cooperation which is the backbone of this resolution.

Denny Hoemke stated the goal of the resolution was to tell Lansing we want to be at the table; we know how to do it as we have been cooperating with each other for years.

Al Vanderberg said a solution could be in a cover letter which would state the resolution is not meant to take a position in support or against One Kent.

Jim Saalfeld stated he shares Carol Hennessey's concerns, although after hearing the explanations could be supportive of the resolution.

Carol Hennessey said a cover letter which makes very clear our intent is to get a seat at the table and that it is not an endorsement of One Kent could work.

Rick Root asked Carol if she could support the resolution with the above mentioned cover letter which would be vetted through the Legislative committee chair and GVMC Board chair.

Carol Hennessey stated yes, she could.

**MOTION – To Approve the Resolution Endorsing a Responsible Reform and Reinvention Agenda for Michigan with the Inclusion of a Cover Letter Explaining the Resolution is in no Way a Statement of Endorsement or Opposition of One Kent. The Cover Letter will also Contain Language Explaining that the Intent of the Resolution is not to Endorse any Specific Initiative but Rather to Secure GVMC a Seat at the Table in the Reinvention of Michigan. (The cover letter is to be vetted by the Legislative committee chair and GVMC Board chair)**

**MOVE – Root. SUPPORT – Burns. MOTION CARRIED.**

### **Legislative Issues Update**

Don Stypula reported on meetings being convened with GVMC members regarding infrastructure financing. The information will be conveyed to the Governor and his staff.

### **7. Transportation Department – TIP Amendment**

Don Stypula explained the Kent County Road Commission has asked GVMC to set aside one item from the proposed amendment, the Muskatawa Trail.

Due to several changes being requested by ITP The Rapid, KCRC, the City of Grand Rapids and MDOT to the FY2011-2014 TIP, staff is requesting approval of the following changes:

- ITP The Rapid is requesting to add a Specialized Services Operating Assistance grant to the FY2011 – 2014 TIP specifically to FY2012. The grant is for \$463,289, 100% State funded.
- The KCRC is requesting to add two awarded High Risk Rural Road (HRRR) projects to FY2012 (please see attached). KCRC is also requesting to remove Byron Center Township from the Fred Meijer Kenowa Trail project. The Macatawa Area Coordinating Council (MACC) MPO will display the remainder of the awarded project in their TIP. Next, KCRC is requesting to move an FY2012 Local Bridge Fund project (68th Street Bridge over Plaster Creek) to FY2011.
- The City of Grand Rapids is requesting to change the scope and remove one awarded FY2011 Safety project. The City is also requesting to add a Rail Trail Acquisition project as well as Butterworth Avenue Realignment and Reconfiguration project for design phase services.
- MDOT is requesting Administrative Modifications as well as Amendments to the FY2011-2014 TIP, specifically to FY2011 and FY2012..

**MOTION – To Approve the Amended TIP Amendment. MOVE – LaPeer. SUPPORT – Vanderberg. MOTION CARRIED.**

**8. Adjournment – 9:40 a.m.**

**MOTION – To Adjourn. MOVE – Meek. SUPPORT – Super. MOTION CARRIED.**



GRAND VALLEY METROPOLITAN COUNCIL

ALGOMA TOWNSHIP • ALLENDALE TOWNSHIP • ALPINE TOWNSHIP • BELDING • BYRON TOWNSHIP • CALEDONIA TOWNSHIP • CANNON TOWNSHIP • CASCADE TOWNSHIP • CEDAR SPRINGS • COOPERSVILLE • COURTLAND TOWNSHIP • EAST GRAND RAPIDS • GAINES TOWNSHIP • GEORGETOWN TOWNSHIP • GRAND RAPIDS • GRAND RAPIDS TOWNSHIP • GRANDVILLE • GREENVILLE • HASTINGS • HUDSONVILLE • IONIA • JAMESTOWN TOWNSHIP • KENT COUNTY • KENTWOOD • LOWELL • MIDDLEVILLE • OTTAWA COUNTY • PLAINFIELD TOWNSHIP • ROCKFORD • SPARTA • SPARTA TOWNSHIP • TALLMADGE TOWNSHIP • WALKER • WAYLAND • WYOMING

**MEMORANDUM**

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**DATE:** May 16, 2011  
**TO:** Grand Valley Metropolitan Council  
**FROM:** Andrea S. Dewey, Transportation Planner  
**RE:** **Kent County Transit Needs Assessment Draft Report Presentation**

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In 2008, the Grand Valley Metropolitan Council, in cooperation with ITP/The Rapid and Kent County, successfully applied for and received a \$150,000 Service Development New Technology grant from the Michigan Department of Transportation to conduct a transit needs assessment for Kent County. These funds, combined with \$100,000 in supporting funds from ITP/The Rapid, were used to fund the Kent County Transit Needs Assessment study.

The purpose of the Kent County Transit Needs Assessment (KCTNA) is to complete an assessment of the unmet need and demand for transit in Kent County, in particular those parts of Kent County that are not currently served by The Rapid. The information collected as part of this study provides information about the potential expansion of transit service beyond the current scope of existing transit service providers in the county.

Specifically, the KCTNA's primary goals are to:

- a) examine the current transit use and service provided and identify gaps in service,
- b) anticipate future transit demand by identifying areas that may need transit to meet demand, and finally
- c) if a latent demand is identified, to identify governance options and financial implications of future public transportation service.

In December, 2009 RLS & Associates, Inc. was selected as the consultant to perform the \$223,685 KCTNA study and in March 2010 work began. Since that time a technical workgroup made up of representatives of several townships, Kent County, MDOT, The Rapid, Hope Network, Disability Advocates, and GVMC has met seven times to assist the consultant with the development of the study.

Four Technical Memorandums have been generated along with a Draft KCTNA Report and are available on the GVMC website (<http://www.gvmc.org/transportation/KCTNA.shtml>):

- Technical Memo #1: Existing transit services, costs, ridership, population demographics
- Technical Memo #2: Latent demand estimation from a 1,000-household and employer surveys
- Technical Memo #3: Potential transit service options
- Technical Memo #4: Alternatives to finance and govern the proposed transit service options.

In June 2010, six public meetings were held to introduce the study and make available preliminary information about existing transit service providers and demographics. At the same time a series of focus groups were coordinated by the consultant with various transit users, non-users, and caregivers. Now that the study is nearly complete, another series of six public meetings are scheduled May 23-26, 2011 to reveal the results of the study and gather public input on the Draft KCTNA report.

In addition to the public meetings, final presentations of the Draft KCTNA report, including consultant recommendations for new transit service in Kent County, will be presented to the GVMC Board (June 2) and the Kent County Board of Commissioners (June 9). Comments received at these final presentations, combined with notes from presentations to the ITP/The Rapid and Hope Network boards, will be incorporated into a final KCTNA Report, expected late June, 2011.

If you have any questions or comments, please contact me at (616) 776-7601 or [andrea.dewey@gvmc.org](mailto:andrea.dewey@gvmc.org).

**KENT COUNTY TRANSIT NEEDS ASSESSMENT**

**TECHNICAL MEMORANDUM #4**

**FINANCIAL ALTERNATIVES  
GOVERNANCE ALTERNATIVES**

**APRIL 11, 2011**



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## INTRODUCTION

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# Introduction

This is the fourth technical memorandum of the Kent County Transit Needs Assessment. It includes financial and governance alternatives. In previous technical memoranda, an assessment of the existing transportation services in Kent County was performed. This assessment included information about the existing transportation services, costs, and ridership and was summarized in Technical Memorandum #1. The core task in this study is a transportation needs assessment and latent demand estimation. The findings of this task are summarized in Technical Memorandum #2. Potential transit service options have been developed and are summarized in Technical Memorandum #3. This Technical Memorandum #4 includes alternatives to finance the proposed service options and related governance alternatives. The next step in the process is the production of a draft report. Public and community input will be sought when this step is completed.

This document is draft and confidential. Information contained within is intended only for use by the authors, RLS & Associates, Inc. and the Grand Valley Metropolitan Council. If you are not the intended recipient, you are hereby notified that any disclosure, copying, or distribution is strictly prohibited without permission. Thank you.

# FINANCIAL ALTERNATIVES

## CURRENT FIXED ROUTE SERVICE COSTS

All fixed route service in Kent County is currently being provided by The Rapid. As described in Technical Memorandum #1, total operating costs are approximately \$26 million. Fare revenues approach \$4 million.

## CURRENT DEMAND RESPONSE SERVICE COST

The great majority of demand response services that are available in Kent County are provided by The Rapid, Hope Network, and through the Ridelink program. A breakdown of the costs of these services is provided in Exhibit 1. The individual costs for each of the Hope Network and The Rapid programs was based on the total operating cost for each agency and the ridership levels for each program. The Ridelink cost comes from the County Board of Commissioner and voter approved property tax levy supporting senior citizen programs. It is managed by the Area Agency on Aging of Western Michigan on behalf of the County. This amount is contracted to several organizations including The Rapid for scheduling and dispatching services, Hope Network, and several other agencies for transportation services. Also, The Rapid is the recipient of the funding for the Network 180 program, and contracts with Hope Network to provide this service.

**Exhibit 1**  
**Estimated Operating Costs for Demand Response Services in Kent County**

<b>Program</b>	<b>Annual Operating Cost</b>	<b>Funding Source</b>
<b>The Rapid</b>	<b>\$8,578,660</b>	
Go!Bus	\$4,815,598	Rapid GF
PASS	\$337,226	Rapid GF
County Connection	\$800,147	JARC
Township Contracts	\$212,405	Townships
Network 180	\$2,374,000	CMH
Other	\$39,284	Rapid GF
<b>Hope Network</b>	<b>\$824,174</b>	
Specialized Group Services	\$63,645	private pay/ins.
North Kent Transit	\$64,695	Townships/CDBG
Competitive Employment	\$92,696	JARC, Spec. Svcs.
Care Resources	\$567,745	Care Resources
Other	\$35,392	private pay/ins.
<b>Ridelink</b>	<b>\$600,000</b>	Senior Millage
<b>Total</b>	<b>\$10,002,834</b>	

A variety of funding sources are used to provide these services. The Rapid uses its base allocation of federal, state, and local levy funding to provide the Go!Bus and PASS services. County Connection utilizes Federal Transit Administration (FTA) Job Access Reverse Commute (JARC) grant funding. The Township Contracts are paid directly by each participating Township. North Kent Transit is provided by participating townships. Other Hope Network transportation services are provided by program-related funding as shown.

While a network of transit services exists throughout Kent County, most are program related. That is, a person would have to qualify for a specific program in order to receive transportation. Other issues identified for these services include:

- ◆ Latent demand for public transportation services has been documented;
- ◆ A patchwork of transportation services exist in Kent County with much of it having program eligibility requirements;
- ◆ This variety of transportation services can be difficult for the public to understand how to access them;
- ◆ Current users experience a rationing of transportation services indicating that there is unmet demand;
- ◆ Development continues to occur in areas outside of the current service district of the Rapid, leaving major destinations and residential areas without public transportation;
- ◆ The current network of transportation services do not parallel existing travel patterns, particularly to growing suburban areas located outside of the Rapid service area.

## **COST AND REVENUE PROJECTIONS OF POTENTIAL SERVICES**

As described in Technical Memorandum #3, the potential transit services for Kent County include extensions of current The Rapid routes, new routes, GoBus expansion, commuter express service, and county demand response services. The operating and capital costs for these services were estimated and projected over a twenty five year period. These are summarized in this section.

It should be noted that the implementation of the Kent County demand response service would replace two existing programs: North Kent Transit and County Connection. All other agency program transportation is assumed to continue service, including the Ridelink program transportation services.

### **Annual Cost of Service Improvements**

Annual operating costs were estimated for the proposed service improvements. Estimates were made for each of the express routes, route extensions, new routes, Go!Bus complementary ADA paratransit service expansion, and the countywide demand response service. The average cost of The Rapid service, which is \$61.02 per vehicle hour, was used to estimate operating costs for each of these service improvements. A summary of this information appears in Exhibit 2.

**Exhibit 2**  
**Estimated Annual Operating Costs of Proposed Service Improvements**

Route	Annual Vehicle Hours	Annual Vehicle Miles	Annual Operating Cost	Annual Ridership*	Fare Revenues	Net Operating Cost
<b>Express Routes</b>	<b>3,555</b>	<b>106,641</b>	<b>\$ 216,908</b>	<b>150,000</b>	<b>\$ 72,129</b>	<b>\$144,779</b>
Cedar Springs/Rockford	1,081	32,436	\$ 65,975			
Ada/Lowell	969	29,070	\$ 59,128			
Byron/Gaines	918	27,540	\$ 56,016			
Caledonia/Cascade	587	17,595	\$ 35,788			
<b>New Routes/Route Extensions</b>	<b>62,105</b>	<b>705,317</b>	<b>\$ 3,789,665</b>	<b>1,200,000</b>	<b>\$ 577,028</b>	<b>\$3,212,637</b>
Route 16 - Byron Center	3,889	48,217	\$ 237,276			
Route 10 - 76th Street	3,904	31,229	\$ 238,198			
Route 1 - 76th Street	3,970	15,881	\$ 242,262			
Route 4 - 76th Street	4,072	32,578	\$ 248,486			
Route 2 - Gaines Marketplace	3,943	15,773	\$ 240,614			
Route 9 - Rockford	13,988	335,702	\$ 853,523			
Route 11 - Plainfield Avenue	3,914	30,529	\$ 238,832			
Route 28 - Cascade	5,396	43,168	\$ 329,264			
New Route - East Fulton/Ada	12,312	98,496	\$ 751,278			
New Route - Rockford/East Beltline	3,658	29,264	\$ 223,211			
New Route - 60th/68th Street	3,060	24,480	\$ 186,721			
<b>GoBus ADA Expansion</b>	<b>30,162</b>	<b>448,583</b>	<b>\$ 1,840,485</b>	<b>60,324</b>	<b>\$ 129,623</b>	<b>\$1,710,862</b>
<b>Countywide Demand Response</b>	<b>75,000</b>	<b>1,650,000</b>	<b>\$ 4,576,500</b>	<b>80,000</b>	<b>\$ 340,000</b>	<b>\$4,236,500</b>
<b>Total for New Services</b>	<b>170,822</b>	<b>2,910,541</b>	<b>\$ 10,423,558</b>	<b>1,490,324</b>	<b>\$ 1,118,780</b>	<b>\$9,304,778</b>

\*Note - Ridership estimate is at full maturity. It will take three (3) to five (5) years to reach this level.

As shown in Exhibit 2, the four proposed express routes have a total annual operating cost of \$216,908. With an estimated annual ridership of 150,000, fare revenues would total \$72,129 based on the current average fare for The Rapid riders. The net cost for the express routes would be \$144,779 annually.

Also shown in Exhibit 2, total annual operating costs for the eight route extensions and three new routes would be almost \$3.8 million. The estimated annual ridership of 1.2 million would yield \$577,028 in fare revenues. The net annual operating cost for these improvements would be over \$3.2 million. The total annual cost for the Go!Bus ADA complementary paratransit serving the route extensions/new routes areas, is an estimated \$1.8 million or a net annual cost of \$1.7 million.

The county demand response service is estimated to cost \$4.6 million annually, or a net operating cost of \$4.2 million. This brings the total annual operating cost for all service improvements to \$10.4 million, or a net cost of \$9.3 million.

**Projection of Costs and Revenues**

Three different service package options were created along with three different revenue scenarios to determine their adequacy to fund these different levels of services. These are described on the following pages.

### **Service Option 1 – Express, New/Expanded Routes and Demand Response Services**

Twenty five year cost and revenue projections were made for the potential service improvements including express bus service, new and expanded fixed routes, and demand response services. The projections include operating and capital costs. Exhibit 3 summarizes the results. Note that these projections start in 2012 while Exhibit 2 contains 2011 estimates.

These projections were distributed among seven categories based on the current budgeting of The Rapid. The first six categories are for directly operated service and include labor, fringe, services, materials and supplies, utilities, and casualty/liability. The estimated operating costs for the express routes, route extensions, new routes and Go!Bus ADA service were assumed to be directly operated service. The seventh category is purchased transportation. The county demand response operating costs were placed in the purchased transportation line.

Total operating costs for the proposed service improvements are projected to grow from \$10.7 million in 2012 to \$14.0 million in 2021, and \$21.2 million by 2035. This is based on an assumed three (3) percent annual inflation factor.

Capital costs include the purchase of vehicles for fixed route and demand response service. The useful life of a coach used by The Rapid for fixed route service is twelve years or 500,000 miles. Therefore, vehicles purchased in 2012 would not be eligible for replacement until 2024, based on the age criteria. A total of twenty-five (25) vehicles would be needed for express routes, new routes, and route extensions. With each of these estimated to cost \$400,000 in 2012, a total of \$10.0 million would be needed initially for fixed route vehicles.

Demand response vehicles are estimated to cost \$74,000 in 2012. A total of thirty five (35) paratransit vehicles will be needed for the proposed countywide demand response and Go!Bus services, for a total of \$2.6 million needed for paratransit vehicles. This type of vehicle has a useful life of six years, thus vehicles purchased in 2012 would be eligible for replacement in 2018 and 2024. It was assumed for the purpose of these scenarios that federal and/or state funding possibilities are virtually non-existent and they would not be available. Therefore, revenue to finance these capital costs would need to be raised one hundred percent locally.

Two revenue scenarios are presented. Both are based on the assumption that a countywide millage would be approved. The first assumes passage of a property tax millage of 0.0005, and the second assumes passage of 0.00025.

The first scenario also assumes that State Operating Assistance will be available initially at a rate of 31.41 percent of net operating costs, but decreasing by .66 percent annually. This is reflecting current trends in State Operating Assistance. It was also assumed that the State would not provide the 20 percent of the cost for vehicle purchases, as is currently the practice. With a 0.0005 millage, the result is a surplus of between \$3 million and \$4 million in most years.

**Exhibit 3 - Cost and Revenue Projections**

<b>Operating Costs</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total Labor</b>	\$ 2,829,176	\$ 2,914,051	\$ 3,001,473	\$ 3,091,517	\$ 3,184,263	\$ 3,279,790	\$ 3,378,184	\$ 3,479,530	\$ 3,583,916	\$ 3,691,433
<b>Total Fringe Benefits</b>	\$ 1,571,607	\$ 1,618,755	\$ 1,667,318	\$ 1,717,337	\$ 1,768,857	\$ 1,821,923	\$ 1,876,581	\$ 1,932,878	\$ 1,990,864	\$ 2,050,590
<b>Total Services</b>	\$ 401,386	\$ 413,428	\$ 425,830	\$ 438,605	\$ 451,763	\$ 465,316	\$ 479,276	\$ 493,654	\$ 508,464	\$ 523,718
<b>Total Material &amp; Supplies</b>	\$ 920,605	\$ 948,223	\$ 976,669	\$ 1,005,969	\$ 1,036,148	\$ 1,067,233	\$ 1,099,250	\$ 1,132,227	\$ 1,166,194	\$ 1,201,180
<b>Total Utilities</b>	\$ 135,603	\$ 139,671	\$ 143,861	\$ 148,177	\$ 152,622	\$ 157,201	\$ 161,917	\$ 166,774	\$ 171,778	\$ 176,931
<b>Total Casualty &amp; Liability</b>	\$ 164,094	\$ 169,017	\$ 174,088	\$ 179,310	\$ 184,690	\$ 190,230	\$ 195,937	\$ 201,815	\$ 207,870	\$ 214,106
<b>Purchased Transportation</b>	\$ 4,713,795	\$ 4,855,209	\$ 5,000,865	\$ 5,150,891	\$ 5,305,418	\$ 5,464,580	\$ 5,628,518	\$ 5,797,373	\$ 5,971,294	\$ 6,150,433
<b>Total Cost of New Service</b>	\$ 10,736,265	\$ 11,058,353	\$ 11,390,104	\$ 11,731,807	\$ 12,083,761	\$ 12,446,274	\$ 12,819,662	\$ 13,204,252	\$ 13,600,380	\$ 14,008,391
<b>Capital Costs</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Fixed Route Vehicles (25)</b>	\$ 10,000,000									
<b>Demand Response Vehicles (35)</b>	\$ 2,590,000						\$ 2,800,000			
<b>Total Capital Cost</b>	\$ 12,590,000						\$ 2,800,000			
<b>Total Capital and Operating</b>	\$ 23,326,265	\$ 11,058,353	\$ 11,390,104	\$ 11,731,807	\$ 12,083,761	\$ 12,446,274	\$ 15,619,662	\$ 13,204,252	\$ 13,600,380	\$ 14,008,391

**Revenue Scenario I - 0.0005 millage**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Passenger Fares</b>	\$ 364,643	\$ 611,880	\$ 859,117	\$ 988,949	\$ 1,118,780	\$ 1,342,536	\$ 1,342,536	\$ 1,342,536	\$ 1,342,536	\$ 1,342,536
<b>Property Tax</b>	\$ 10,609,593	\$ 10,927,881	\$ 11,255,718	\$ 11,593,389	\$ 11,941,191	\$ 12,299,427	\$ 12,668,409	\$ 13,048,462	\$ 13,439,916	\$ 13,843,113
<b>MDOT Operating Assistance</b>	\$ 3,257,727	\$ 3,235,900	\$ 3,214,219	\$ 3,192,684	\$ 3,171,293	\$ 3,150,045	\$ 3,128,940	\$ 3,107,976	\$ 3,087,153	\$ 3,066,469
<b>Federal - Capital</b>	\$ -						\$ -			
<b>Total Revenues</b>	\$ 14,231,963	\$ 14,775,661	\$ 15,329,054	\$ 15,775,022	\$ 16,231,264	\$ 16,792,008	\$ 17,139,885	\$ 17,498,974	\$ 17,869,604	\$ 18,252,118
<b>Surplus/(shortfall)</b>	\$ (9,094,302)	\$ 3,717,308	\$ 3,938,950	\$ 4,043,215	\$ 4,147,503	\$ 4,345,734	\$ 1,520,223	\$ 4,294,722	\$ 4,269,225	\$ 4,243,727

**Revenue Scenario II - 0.00025 millage**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Passenger Fares</b>	\$ 280,594	\$ 485,807	\$ 691,020	\$ 820,851	\$ 820,851	\$ 985,021	\$ 985,021	\$ 985,021	\$ 985,021	\$ 985,021
<b>Property Tax</b>	\$ 5,304,797	\$ 5,463,941	\$ 5,627,859	\$ 5,796,695	\$ 5,970,595	\$ 6,149,713	\$ 6,334,205	\$ 6,524,231	\$ 6,719,958	\$ 6,921,557
<b>MDOT Operating Assistance</b>	\$ 3,284,126	\$ 3,262,123	\$ 3,240,266	\$ 3,218,557	\$ 3,196,992	\$ 3,175,572	\$ 3,154,296	\$ 3,133,162	\$ 3,112,170	\$ 3,091,319
<b>Federal - Capital (80%)</b>	\$ -						\$ -			
<b>Total Revenues</b>	\$ 8,869,517	\$ 9,211,870	\$ 9,559,145	\$ 9,836,102	\$ 9,988,439	\$ 10,310,307	\$ 10,473,522	\$ 10,642,415	\$ 10,817,149	\$ 10,997,896
<b>Surplus/(shortfall)</b>	\$ (14,456,748)	\$ (1,846,483)	\$ (1,830,959)	\$ (1,895,705)	\$ (2,095,322)	\$ (2,135,967)	\$ (5,146,140)	\$ (2,561,837)	\$ (2,783,230)	\$ (3,010,494)

**Note:** It is assumed that County Connection and North Kent Transit programs would end. Other township and agency program services are assumed to continue including Ridelink.

**Exhibit 3 (cont.) - Cost and Revenue Projections**

**Operating Costs**

	2022	2024	2026	2028	2030	2032	2034	2035
<b>Total Labor</b>	\$ 3,802,176	\$ 4,033,729	\$ 4,279,383	\$ 4,539,997	\$ 4,816,483	\$ 5,109,807	\$ 5,420,994	\$ 5,583,624
<b>Total Fringe Benefits</b>	\$ 2,112,108	\$ 2,240,735	\$ 2,377,196	\$ 2,521,967	\$ 2,675,555	\$ 2,838,497	\$ 3,011,361	\$ 3,101,702
<b>Total Services</b>	\$ 539,429	\$ 572,280	\$ 607,132	\$ 644,107	\$ 683,333	\$ 724,948	\$ 769,097	\$ 792,170
<b>Total Material &amp; Supplies</b>	\$ 1,237,215	\$ 1,312,562	\$ 1,392,497	\$ 1,477,300	\$ 1,567,268	\$ 1,662,714	\$ 1,763,973	\$ 1,816,893
<b>Total Utilities</b>	\$ 182,239	\$ 193,337	\$ 205,111	\$ 217,603	\$ 230,855	\$ 244,914	\$ 259,829	\$ 267,624
<b>Total Casualty &amp; Liability</b>	\$ 220,529	\$ 233,959	\$ 248,207	\$ 263,323	\$ 279,359	\$ 296,372	\$ 314,422	\$ 323,854
<b>Purchased Transportation</b>	\$ 6,334,946	\$ 6,720,745	\$ 7,130,038	\$ 7,564,257	\$ 8,024,920	\$ 8,513,638	\$ 9,032,119	\$ 9,303,082
<b>Total Cost of New Service</b>	\$ 14,428,643	\$ 15,307,347	\$ 16,239,564	\$ 17,228,554	\$ 18,277,773	\$ 19,390,889	\$ 20,571,794	\$ 21,188,948
<b>Capital Costs</b>								
	2022	2024	2026	2028	2030	2032	2034	2035
<b>Fixed Route Vehicles (25)</b>		\$ 13,750,000						
<b>Demand Response Vehicles (35)</b>		\$ 3,325,000			\$ 4,025,000			
<b>Total Capital Cost</b>		\$ 17,075,000			\$ 4,025,000			
<b>Total Capital and Operating</b>	\$ 14,428,643	\$ 32,382,347	\$ 16,239,564	\$ 17,228,554	\$ 22,302,773	\$ 19,390,889	\$ 20,571,794	\$ 21,188,948

**Revenue Scenario I - 0.0005 millage**

	2022	2024	2026	2028	2030	2032	2034	2035
<b>Passenger Fares</b>	\$ 1,342,536	\$ 1,342,536	\$ 1,342,536	\$ 1,611,043	\$ 1,611,043	\$ 1,611,043	\$ 1,611,043	\$ 1,611,043
<b>Property Tax</b>	\$ 14,258,406	\$ 15,126,743	\$ 16,047,962	\$ 17,025,283	\$ 18,062,123	\$ 19,162,106	\$ 20,329,078	\$ 20,938,951
<b>MDOT Operating Assistance</b>	\$ 3,045,923	\$ 3,005,245	\$ 2,965,109	\$ 2,925,510	\$ 2,886,440	\$ 2,847,891	\$ 2,809,857	\$ 2,791,031
<b>Federal - Capital</b>								
<b>Total Revenues</b>	\$ 18,646,866	\$ 19,474,524	\$ 20,355,607	\$ 21,561,836	\$ 22,559,605	\$ 23,621,040	\$ 24,749,978	\$ 25,341,025
<b>Surplus/(shortfall)</b>	\$ 4,218,223	\$ (12,907,823)	\$ 4,116,043	\$ 4,333,282	\$ 256,833	\$ 4,230,151	\$ 4,178,184	\$ 4,152,076

**Revenue Scenario II - 0.0025 millage**

	2022	2024	2026	2028	2030	2032	2034	2035
<b>Passenger Fares</b>	\$ 985,021	\$ 985,021	\$ 985,021	\$ 1,182,026	\$ 1,182,026	\$ 1,182,026	\$ 1,182,026	\$ 1,182,026
<b>Property Tax</b>	\$ 7,129,203	\$ 7,563,372	\$ 8,023,981	\$ 8,512,641	\$ 9,031,061	\$ 9,581,053	\$ 10,164,539	\$ 10,469,475
<b>MDOT Operating Assistance</b>	\$ 3,070,607	\$ 3,029,598	\$ 2,989,138	\$ 2,949,218	\$ 2,909,830	\$ 2,870,969	\$ 2,832,627	\$ 2,813,649
<b>Federal - Capital</b>								
<b>Total Revenues</b>	\$ 11,184,831	\$ 11,577,991	\$ 11,998,140	\$ 12,643,885	\$ 13,122,917	\$ 13,634,048	\$ 14,179,192	\$ 14,465,150
<b>Surplus/(shortfall)</b>	\$ (3,243,811)	\$ (20,804,355)	\$ (4,241,424)	\$ (4,584,669)	\$ (9,179,855)	\$ (5,756,841)	\$ (6,392,602)	\$ (6,723,799)

In addition to the 0.00025 millage and the State Operating Assistance, the second scenario assumes that state operating assistance will be available at a 2011 rate of 0.317 of net operating costs. The result is that deficits appear in all ten years, ranging from \$1.6 million in 2012 to over \$3.0 million in 2021.

The previously described funding package alternatives include countywide property tax levies. It was shown that a millage rate of 0.0005 is enough to finance these improvements, while a rate of 0.00025 is not. This would indicate that if a property tax levy is pursued to fund the proposed transit service improvements that either a millage rate between 0.0005 and 0.00025 is chosen, or the group of service improvements is either increased or decreased.

### **Service Option 2 – County Demand Response and GoBus Expansion Only**

Costs and revenues were also projected for a package of transportation service improvements that include the County Demand Response service and the expansion of GoBus ADA service. County Demand Response service would serve residents currently outside the Rapid core service area. The expansion of the GoBus ADA service area would extend service to additional major trip attractions in Kent County such as a regional shopping center and medical facilities. Exhibit 4 shows the projected operating and capital costs along with Revenue Scenario II.

Total operating costs are estimated at \$6.6 million in 2010 growing to \$8.6 million in 2021, and \$13.0 million by 2035. A total of \$2.6 million would be needed initially for the purchase of vehicles to operate these services.

Benefits from a County Demand Response service and GoBus expansion would provide benefits to all Kent County communities. Therefore, revenue scenario II from Service Option 1 was used in these projections. While not adequate to fund all potential commuter express, fixed route and demand response service improvements, a 0.00025 countywide millage along with MDOT Operating Assistance is adequate to fund both capital and operating costs associated with Service Option 2. The first ten years of these projections show a surplus in the years when vehicles are not purchased. However, after 2030 there is a consistent and growing operating deficit.

### **Service Option 3 – Supplemental Rural/Suburban Demand Response Only**

Costs and revenues were also projected for implementation of the Countywide Demand Response service only. This would apply only to residents of Kent County living outside of the current The Rapid core service area. Exhibit 5 shows the projected operating and capital costs along with a new Revenue Scenario III.

Total operating costs are estimated to increase from \$4.7 million in 2010 to \$6.2 million in 2021, and \$9.3 million in 2035 based on inflationary increases. A total of \$1.9 million would be needed initially for the purchase of vehicles to operate this service.

**Exhibit 4 - Cost and Revenue Projections**

<b>Operating Costs - County Demand Response and GoBus Expansion</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total Labor</b>	\$ 1,862,966	\$ 1,918,855	\$ 1,976,420	\$ 2,035,713	\$ 2,096,784	\$ 2,159,688	\$ 2,224,478	\$ 2,291,213	\$ 2,359,949	\$ 2,430,748
<b>Total Fringe Benefits</b>	\$ 1,034,877	\$ 1,065,923	\$ 1,097,901	\$ 1,130,838	\$ 1,164,763	\$ 1,199,706	\$ 1,235,697	\$ 1,272,768	\$ 1,310,951	\$ 1,350,280
<b>Total Services</b>	\$ 264,306	\$ 272,235	\$ 280,402	\$ 288,814	\$ 297,479	\$ 306,403	\$ 315,595	\$ 325,063	\$ 334,815	\$ 344,859
<b>Total Material &amp; Supplies</b>	\$ 606,203	\$ 624,389	\$ 643,121	\$ 662,414	\$ 682,287	\$ 702,755	\$ 723,838	\$ 745,553	\$ 767,920	\$ 790,957
<b>Total Utilities</b>	\$ 89,292	\$ 91,971	\$ 94,730	\$ 97,572	\$ 100,499	\$ 103,514	\$ 106,620	\$ 109,818	\$ 113,113	\$ 116,506
<b>Total Casualty &amp; Liability</b>	\$ 108,053	\$ 111,295	\$ 114,634	\$ 118,073	\$ 121,615	\$ 125,263	\$ 129,021	\$ 132,892	\$ 136,879	\$ 140,985
<b>Purchased Transportation</b>	\$ 2,643,798	\$ 2,723,112	\$ 2,804,805	\$ 2,888,949	\$ 2,975,618	\$ 3,064,886	\$ 3,156,833	\$ 3,251,538	\$ 3,349,084	\$ 3,449,557
<b>Total Cost of New Service</b>	\$ 6,609,495	\$ 6,807,780	\$ 7,012,013	\$ 7,222,373	\$ 7,439,045	\$ 7,662,216	\$ 7,892,082	\$ 8,128,845	\$ 8,372,710	\$ 8,623,892
<b>Capital Costs</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Demand Response Vehicles (35)</b>	\$ 2,590,000						\$ 2,800,000			
<b>Total Capital Cost</b>	\$ 2,590,000						\$ 2,800,000			
<b>Total Capital and Operating</b>	\$ 9,199,495	\$ 6,807,780	\$ 7,012,013	\$ 7,222,373	\$ 7,439,045	\$ 7,662,216	\$ 10,692,082	\$ 8,128,845	\$ 8,372,710	\$ 8,623,892

<b>Revenue Scenario II - 0.00025 millage countywide</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Passenger Fares</b>	\$ 234,812	\$ 352,217	\$ 469,623	\$ 469,623	\$ 469,623	\$ 563,548	\$ 563,548	\$ 563,548	\$ 563,548	\$ 563,548
<b>Property Tax</b>	\$ 5,304,797	\$ 5,463,941	\$ 5,627,859	\$ 5,796,695	\$ 5,970,595	\$ 6,149,713	\$ 6,334,205	\$ 6,524,231	\$ 6,719,958	\$ 6,921,557
<b>MDOT Operating Assistance</b>	\$ 2,002,288	\$ 1,988,873	\$ 1,975,547	\$ 1,962,311	\$ 1,949,164	\$ 1,936,104	\$ 1,923,132	\$ 1,910,247	\$ 1,897,449	\$ 1,884,736
<b>Total Revenues</b>	\$ 7,541,896	\$ 7,805,031	\$ 8,073,029	\$ 8,228,629	\$ 8,389,382	\$ 8,649,365	\$ 8,820,885	\$ 8,998,026	\$ 9,180,954	\$ 9,369,840
<b>Surplus/(shortfall)</b>	\$ (1,657,598)	\$ 997,251	\$ 1,061,016	\$ 1,006,255	\$ 950,338	\$ 987,149	\$ (1,871,198)	\$ 869,181	\$ 808,244	\$ 745,948

**Note:** It is assumed that County Connection and North Kent Transit programs would end. Other township and agency program services are assumed to continue including Ridelinek.

**Exhibit 4 (cont.) - Cost and Revenue Projections**

<b>Operating Costs - County Demand Response and GoBus</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Total Labor</b>	\$ 2,503,670	\$ 2,656,143	\$ 2,817,903	\$ 2,989,513	\$ 3,171,574	\$ 3,364,723	\$ 3,569,635	\$ 3,676,724
<b>Total Fringe Benefits</b>	\$ 1,390,788	\$ 1,475,487	\$ 1,565,344	\$ 1,660,674	\$ 1,761,809	\$ 1,869,103	\$ 1,982,931	\$ 2,042,419
<b>Total Services</b>	\$ 355,205	\$ 376,837	\$ 399,787	\$ 424,134	\$ 449,963	\$ 477,366	\$ 506,438	\$ 521,631
<b>Total Material &amp; Supplies</b>	\$ 814,686	\$ 864,300	\$ 916,936	\$ 972,778	\$ 1,032,020	\$ 1,094,870	\$ 1,161,547	\$ 1,196,394
<b>Total Utilities</b>	\$ 120,001	\$ 127,309	\$ 135,062	\$ 143,288	\$ 152,014	\$ 161,272	\$ 171,093	\$ 176,226
<b>Total Casualty &amp; Liability</b>	\$ 145,215	\$ 154,058	\$ 163,440	\$ 173,394	\$ 183,954	\$ 195,156	\$ 207,041	\$ 213,253
<b>Purchased Transportation</b>	\$ 3,553,043	\$ 3,769,424	\$ 3,998,982	\$ 4,242,520	\$ 4,500,889	\$ 4,774,993	\$ 5,065,790	\$ 5,217,764
<b>Total Cost of New Service</b>	\$ 8,882,608	\$ 9,423,559	\$ 9,997,454	\$ 10,606,299	\$ 11,252,222	\$ 11,937,483	\$ 12,664,476	\$ 13,044,410
<b>Capital Costs</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Demand Response Vehicles (35)</b>		\$ 3,325,000			\$ 4,025,000			
<b>Total Capital Cost</b>		\$ 3,325,000			\$ 4,025,000			
<b>Total Capital and Operating</b>	\$ 8,882,608	\$ 12,748,559	\$ 9,997,454	\$ 10,606,299	\$ 15,277,222	\$ 11,937,483	\$ 12,664,476	\$ 13,044,410

<b>Revenue Scenario II - 0.0025 millage countywide</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Passenger Fares</b>	\$ 563,548	\$ 563,548	\$ 563,548	\$ 676,257	\$ 676,257	\$ 676,257	\$ 676,257	\$ 676,257
<b>Property Tax</b>	\$ 7,129,203	\$ 7,563,372	\$ 8,023,981	\$ 8,512,641	\$ 9,031,061	\$ 9,581,053	\$ 10,164,539	\$ 10,469,475
<b>MDOT Operating Assistance</b>	\$ 1,872,108	\$ 1,847,106	\$ 1,822,437	\$ 1,798,099	\$ 1,774,085	\$ 1,750,392	\$ 1,727,015	\$ 1,715,444
<b>Total Revenues</b>	\$ 9,564,859	\$ 9,974,025	\$ 10,409,966	\$ 10,986,997	\$ 11,481,403	\$ 12,007,702	\$ 12,567,811	\$ 12,861,177
<b>Surplus/(shortfall)</b>	\$ 682,251	\$ (2,774,534)	\$ 412,512	\$ 380,699	\$ (3,795,819)	\$ 70,219	\$ (96,664)	\$ (183,233)

**Exhibit 5 - Cost and Revenue Projections**

<b>Operating Costs - County Demand Response Only</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total Labor</b>	\$ 1,328,640	\$ 1,368,499	\$ 1,409,554	\$ 1,451,841	\$ 1,495,396	\$ 1,540,258	\$ 1,586,465	\$ 1,634,059	\$ 1,683,081	\$ 1,733,574
<b>Total Fringe Benefits</b>	\$ 738,059	\$ 760,201	\$ 783,007	\$ 806,497	\$ 830,692	\$ 855,613	\$ 881,281	\$ 907,720	\$ 934,951	\$ 963,000
<b>Total Services</b>	\$ 188,499	\$ 194,154	\$ 199,979	\$ 205,978	\$ 212,157	\$ 218,522	\$ 225,078	\$ 231,830	\$ 238,785	\$ 245,949
<b>Total Material &amp; Supplies</b>	\$ 432,335	\$ 445,305	\$ 458,664	\$ 472,424	\$ 486,597	\$ 501,195	\$ 516,231	\$ 531,717	\$ 547,669	\$ 564,099
<b>Total Utilities</b>	\$ 63,682	\$ 65,592	\$ 67,560	\$ 69,587	\$ 71,675	\$ 73,825	\$ 76,039	\$ 78,321	\$ 80,670	\$ 83,090
<b>Total Casualty &amp; Liability</b>	\$ 77,062	\$ 79,374	\$ 81,755	\$ 84,208	\$ 86,734	\$ 89,336	\$ 92,016	\$ 94,777	\$ 97,620	\$ 100,549
<b>Purchased Transportation</b>	\$ 1,885,518	\$ 1,942,084	\$ 2,000,346	\$ 2,060,356	\$ 2,122,167	\$ 2,185,832	\$ 2,251,407	\$ 2,318,949	\$ 2,388,518	\$ 2,460,173
<b>Total Cost of New Service</b>	\$ 4,713,795	\$ 4,855,209	\$ 5,000,865	\$ 5,150,891	\$ 5,305,418	\$ 5,464,580	\$ 5,628,518	\$ 5,797,373	\$ 5,971,294	\$ 6,150,433
<b>Capital Costs</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Demand Response Vehicles (25)</b>	\$ 1,850,000						\$ 2,000,000			
<b>Total Capital Cost</b>	\$ 1,850,000						\$ 2,000,000			
<b>Total Capital and Operating</b>	\$ 6,563,795	\$ 4,855,209	\$ 5,000,865	\$ 5,150,891	\$ 5,305,418	\$ 5,464,580	\$ 7,628,518	\$ 5,797,373	\$ 5,971,294	\$ 6,150,433
<b>Revenue Scenario III - 0.0005 millage in Suburban/Rural Kent County only</b>										
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Passenger Fares</b>	\$ 170,000	\$ 255,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 408,000	\$ 408,000	\$ 408,000	\$ 408,000	\$ 408,000
<b>Property Tax</b>	\$ 4,986,509	\$ 5,136,104	\$ 5,290,187	\$ 5,448,893	\$ 5,612,360	\$ 5,780,731	\$ 5,954,152	\$ 6,132,777	\$ 6,316,760	\$ 6,506,263
<b>MDOT Operating Assistance</b>	\$ 1,427,206	\$ 1,417,644	\$ 1,408,146	\$ 1,398,711	\$ 1,389,340	\$ 1,380,031	\$ 1,370,785	\$ 1,361,601	\$ 1,352,478	\$ 1,343,416
<b>Total Revenues</b>	\$ 6,583,715	\$ 6,808,748	\$ 7,038,333	\$ 7,187,604	\$ 7,341,699	\$ 7,568,762	\$ 7,732,937	\$ 7,902,378	\$ 8,077,238	\$ 8,257,679
<b>Surplus/(shortfall)</b>	\$ 19,920	\$ 1,953,539	\$ 2,037,468	\$ 2,036,713	\$ 2,036,282	\$ 2,104,181	\$ 104,419	\$ 2,105,004	\$ 2,105,944	\$ 2,107,246

**Note: It is assumed that County Connection and North Kent Transit programs would end. Other township and agency program services are assumed to continue including Ridelink.**

**Exhibit 5 (cont.) - Cost and Revenue Projections**

<b>Operating Costs - County Demand Response Only</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Total Labor</b>	\$ 1,785,581	\$ 1,894,323	\$ 2,009,687	\$ 2,132,077	\$ 2,261,920	\$ 2,399,671	\$ 2,545,811	\$ 2,622,186
<b>Total Fringe Benefits</b>	\$ 991,890	\$ 1,052,296	\$ 1,116,381	\$ 1,184,368	\$ 1,256,496	\$ 1,333,017	\$ 1,414,198	\$ 1,456,624
<b>Total Services</b>	\$ 253,327	\$ 268,755	\$ 285,122	\$ 302,486	\$ 320,907	\$ 340,450	\$ 361,184	\$ 372,019
<b>Total Material &amp; Supplies</b>	\$ 581,022	\$ 616,406	\$ 653,945	\$ 693,771	\$ 736,021	\$ 780,845	\$ 828,399	\$ 853,250
<b>Total Utilities</b>	\$ 85,583	\$ 90,795	\$ 96,325	\$ 102,191	\$ 108,414	\$ 115,017	\$ 122,021	\$ 125,682
<b>Total Casualty &amp; Liability</b>	\$ 103,565	\$ 109,872	\$ 116,563	\$ 123,662	\$ 131,193	\$ 139,183	\$ 147,659	\$ 152,089
<b>Purchased Transportation</b>	\$ 2,533,979	\$ 2,688,298	\$ 2,852,015	\$ 3,025,703	\$ 3,209,968	\$ 3,405,455	\$ 3,612,847	\$ 3,721,233
<b>Total Cost of New Service</b>	\$ 6,334,946	\$ 6,720,745	\$ 7,130,038	\$ 7,564,257	\$ 8,024,920	\$ 8,513,638	\$ 9,032,119	\$ 9,303,082
<b>Capital Costs</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Demand Response Vehicles (25)</b>		\$ 2,375,000			\$ 2,875,000			
<b>Total Capital Cost</b>		\$ 2,375,000			\$ 2,875,000			
<b>Total Capital and Operating</b>	\$ 6,334,946	\$ 9,095,745	\$ 7,130,038	\$ 7,564,257	\$ 10,899,920	\$ 8,513,638	\$ 9,032,119	\$ 9,303,082

<b>Revenue Scenario III - 0.0005 millage in Rural/Suburban Kent County only</b>								
	<b>2022</b>	<b>2024</b>	<b>2026</b>	<b>2028</b>	<b>2030</b>	<b>2032</b>	<b>2034</b>	<b>2035</b>
<b>Passenger Fares</b>	\$ 408,000	\$ 408,000	\$ 408,000	\$ 489,600	\$ 489,600	\$ 489,600	\$ 489,600	\$ 489,600
<b>Property Tax</b>	\$ 6,701,451	\$ 7,109,569	\$ 7,542,542	\$ 8,001,883	\$ 8,489,198	\$ 9,006,190	\$ 9,554,667	\$ 9,841,307
<b>MDOT Operating Assistance</b>	\$ 1,334,415	\$ 1,316,594	\$ 1,299,011	\$ 1,281,662	\$ 1,264,546	\$ 1,247,657	\$ 1,230,995	\$ 1,222,747
<b>Total Revenues</b>	\$ 8,443,866	\$ 8,834,163	\$ 9,249,553	\$ 9,773,145	\$ 10,243,343	\$ 10,743,447	\$ 11,275,262	\$ 11,553,654
<b>Surplus/(shortfall)</b>	\$ 2,108,920	\$ (261,581)	\$ 2,119,515	\$ 2,208,888	\$ (656,577)	\$ 2,229,809	\$ 2,243,143	\$ 2,250,572

Since service is provided to the area in Kent County outside the current The Rapid district, a property tax would only be levied in this area resulting in an estimated \$5.0 million from a 0.0005 millage. Along with additional MDOT Operating Assistance, this would be sufficient to finance capital and operating costs for Service Option 3. MDOT Operating Assistance would be channeled through the Rapid, like Network 180 funding, since The Rapid is the designated recipient.

## GOVERNANCE ALTERNATIVES

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To facilitate implementation of the proposed service improvements, five governance alternatives were created. The first would maintain the current transportation authority with service being expanded through the current method of using purchase of service contracts between The Rapid and individual townships, cities and/or Kent County. The second would expand the current method of service contracting to include Kent County as the primary contractor. The third would expand the current public transportation authority to include additional cities, townships, and/or villages in Kent County. The fourth would create a new public transportation authority that would include all of Kent County as its service area. The fifth alternative includes the creation of a second public transportation authority in Kent County. These five alternatives are organized with respect to the degree of change to the current ITP Board of Directors. This is as follows:

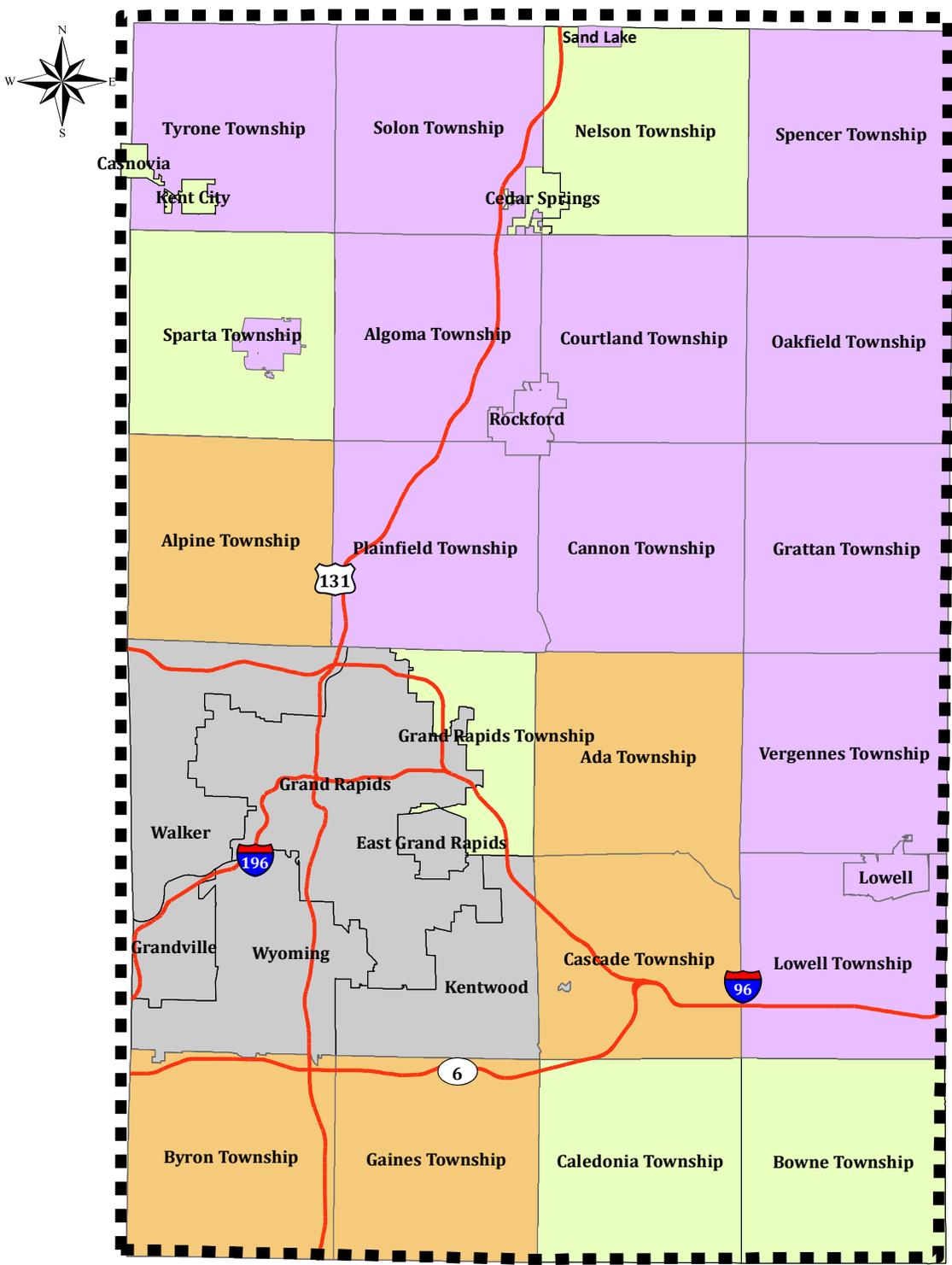
- ◆ Options 1 and 2 – Keep the current ITP Board membership unchanged.
- ◆ Option 3 – Expand the current public transportation authority by adding new members to ITP.
- ◆ Option 4 – Replace current public transportation authority with a new authority with representation of the entire Kent County.
- ◆ Option 5 – Create a second public transportation authority in Kent County and keep the current ITP Board membership unchanged.

### **OPTION I - EXPANDED SERVICE CONTRACTS WITH TOWNSHIPS, VILLAGES AND CITIES**

This option is a continuation of the current governance structure. Any proposed services outside of the current ITP service area would be provided on a contractual basis with individual townships or cities. Individual townships enter into a contract for transportation services with The Rapid, Hope Network, or other transportation provider. Examples of this currently include Go!Bus township contracts and North Kent Transit. Exhibit 6 shows the municipalities that participate in these services.

Currently under this system, access to transportation is limited and restricted. Contracts limit the number of rides that may be taken each month and limit the origin of the trip to a contracted township or service area. Ridership eligibility can also be restricted and vary by contract. This results in gaps in services for certain populations.

# Exhibit 6 Kent County Transit Services



- ITP Core Service Area
- North Kent Transit
- GO!Bus Township Contracts
- County Connection

## Kent County Transit Needs Assessment

## Advantages/Disadvantages

### Advantages

- ◆ Township and/or cities would pay the exact amount of what the service costs.
- ◆ There would be no effort needed to change the governance structure.
- ◆ Current experience shows success at the individual township level.

### Disadvantages

- ◆ The current method of expanding transportation services has left gaps in service coverage, connectivity, and levels of service.
- ◆ Since residents receiving service outside of The Rapid service area are not taxed and only pay a portion of the full cost of a trip, they are not represented on the ITP Board and have no say in policy decisions.

*Applicable Service/Financial Scenarios – All Service Options Possible/Status Quo Revenue Scenario*

## **OPTION II – KENT COUNTY SERVICE CONTRACT**

This option is also a continuation of the current governance structure. But it is a significant change in the way public transportation services outside of The Rapid core service area would be funded. Under Option II, Kent County would provide funding to assure that public transportation is available throughout Kent County. In another location in Michigan, the county commissioners place a levy on the ballot to provide this funding. This particular levy applies to the entire County so it therefore finances both rural public transportation provided outside the core service area and part of the ADA complementary paratransit services provided in the core service area. When passed, the County then contracts with the public transportation authority to provide the desired transportation services.

Because the levy to fund public transportation would be partially outside of the ITP member communities, the Kent County Board of Commissioners would need to place the levy on the ballot.

## Advantages/Disadvantages

### Advantages

- ◆ There would be no effort needed to change the governance structure.
- ◆ This would provide a new source of transit funding.
- ◆ This would allow the townships and cities that are currently contracting for public transportation to divert these funds to other projects or to lower property taxes.
- ◆ This would also improve transportation service for residents of The Rapid core service area.

- ◆ It could eliminate gaps in service area and limits placed on numbers of trips and other service levels.

### **Disadvantages**

- ◆ Getting a new property tax levy passed by the voters can be a difficult task.
- ◆ An additional hurdle to implementation exists since the county commissioners must act to place the levy on the ballot.

### *Applicable Service/Financial Scenarios – Service Option 2/Revenue Scenario II*

## **OPTION III - EXPAND THE CURRENT PUBLIC TRANSPORTATION AUTHORITY**

A political subdivision or a portion of one may join an existing public transportation authority as a result of a resolution adopted by its legislative body and approved by the existing authority's board. In this option, individual cities, villages, or townships could choose to join the Interurban Transit Partnership (ITP). This would create a governance structure that would serve the current ITP service area along with the political subdivisions that vote to join. This would create a more integrated transportation system if it continues to expand, and allow for participation of all political subdivisions in the authority.

Funding for transportation services could be generated from an expanded tax levy(s). The applied tax rate could also be based on the level of service generated to that municipality or portion of one.

### **Advantages/Disadvantages**

#### **Advantages**

- ◆ Increasing membership on the ITP Board provides better representation for areas where more of the transportation services are located.
- ◆ Allows for growth of the service area and taxing district.
- ◆ The current governance structure would remain intact.

#### **Disadvantages**

- ◆ The rate for revenues raised locally must match the existing rate levied in the current six city core service area. This is likely to be a deterrent since demand is lower outside this area.
- ◆ Willingness of a municipality to join the ITP Board does not necessarily reflect the need for public transportation. High levels of demand may exist in communities, both inside and outside the urban area, which may not choose to join the ITP.
- ◆ Municipalities that join are subject to the same millage rate as current members. This will tend to exclude the more rural townships that don't have the same level of demand.

## **OPTION IV - CREATION OF A COUNTYWIDE PUBLIC TRANSPORTATION AUTHORITY**

This option would create a single public transportation authority that would provide service to throughout Kent County. This would create a single entity representing all political subdivisions in the county. A countywide public transportation authority can be created under Act 196 of the Michigan state statutes. Act 196 was adopted in 1986 and updated in 1988 and 1999. The act allows for the formation of a public transportation authority with specified general powers and duties. These functions are summarized below.

### **Powers and Duties**

#### **Membership**

- ◆ A political subdivision, including a county, city, village, or township, (or portion of a city, village, or township) may join together to develop a public authority by resolution of a majority vote of the local legislative body.

#### **Provide Transportation Services**

- ◆ The act establishes the transit authority as the entity responsible for planning, operating, and funding public transportation within the designated area.

#### **Acquire Land/Transportation Facilities**

- ◆ The law states that the authority has the right to acquire land and facilities for the purpose of providing public transportation.

#### **Enter into Contracts**

- ◆ The authority may enter into contracts which are necessary for the provision of public transportation. This includes services and operating contracts.

#### **Issue Bonds**

- ◆ Revenue bonds may be issued by the authority to conduct improvements. These bonds must be backed by the authority's ability to raise revenues through fares or other means.

### **Fund Other Transportation Providers**

- ◆ The authority may contract with other transit providers and act as a pass-through funding source.
- ◆ Through contracts, sub-providers may be used to provide transportation services under an authority.

### **Determine Fares, Routes, Schedules**

- ◆ The authority may establish and enforce the collection of fares. These fares will be a direct revenue source to the transit authority.
- ◆ Routes and schedules may be determined and implemented by an authority. An authority reserves the right to change or modify these routes to better meet the needs of public transportation.

### **Apply for Grants and Loans**

- ◆ The transit authority is eligible for grants and loans that are used to fund capital and operating expenses incurred by and within the authority.

### **Levy Taxes or Fees**

- ◆ The authority may levy a tax on all of the taxable property within the limits of the public authority.

### **Creation of a Public Transportation Authority**

A public transportation authority may be formed by a political subdivision or a combination of two or more subdivisions. This includes cities, villages, townships, and counties. The act requires that the articles of incorporation be adopted by the affirmative vote of a majority of the members serving on the legislative body of each political subdivision. A printed copy of this information must be filed with the secretary state, county clerk, the director of the State Department of Transportation, and circulated throughout the County.

### **Governing Board**

Act 196 does not explicitly identify who will serve on the authority's board. The Act states that the adoption of bylaws and rules of administration be developed. These documents should identify the board's composition and appointment or election method.

Under Act 196, a public transportation authority may be created by the affirmative vote of a majority of the members serving on the legislative body of a political subdivision. The powers and duties of the new public transportation authority are described in the articles of incorporation passed by these legislative bodies.

## **Levy Taxes**

A public transportation authority has the power to levy taxes as expressed in Section 6 of Article IX in the Constitution of Michigan of 1963. The authority may levy a tax on all taxable property with the designated limits of transportation service area. This tax must not exceed five mills of the state equalized valuation on each dollar of assessed valuation. Additionally the tax may not be levied without the approval of a majority of the registered electors residing the public authority. Tax levies are limited to one per year and may not be levied at a rate and period over five years. In addition to the tax levied by the authority any member of the public authority may levy a tax in the taxable property and grant or contribute the proceeds to the public authority<sup>1</sup>.

A countywide transportation authority would provide representation throughout Kent County in the administration of a countywide millage, if one were adopted. The creation of a countywide authority under Act 196 would have to minimally include a 1.12 mill rate since that is what is currently levied in The Rapid core service area and the service leveraged by the property tax would have to be maintained. Act 196 specifies that there can only be one question. If the existing rate is higher like the 1.47 rate that is being proposed, then that would have to be the countywide rate. This poses a problem for this option.

## **Implications for Existing Public Transportation Authority**

At the formation of a countywide public transportation authority, the current public transportation authority would be dissolved subject to the six member cities and ITP Board's approval, and subject to maintaining the millage rate those cities have passed. For gradual transition, an interim governing board could be put in place. This interim board, which would eventually become the new governing board, would be advisory until it is ready to assume responsibilities from the existing ITP Board. Activities of the interim Board would include establishing bylaws, creating policies and procedures, and providing input for the creation of any new countywide transportation services. Key aspects of the by-laws should include the composition of the Board, term length, responsibility for appointing the Board members, and voting procedures.

## **Advantages/Disadvantages**

### **Advantages**

- ◆ Current travel patterns will be better reflected in the expanded public transportation services area.

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<sup>1</sup> State of Michigan. Legislative Council, State of Michigan. *Public Transportation Authority Act*. Act 196 of 1986. 1986, and 1999.

- ◆ Countywide representation on the governing board will be more reflective of a countywide public transportation millage, if this is adopted.

**Disadvantages**

- ◆ A significant change in the governance structure will be needed with the replacement of the ITP with a new county-based Board.
- ◆ Since the rate for revenues raised locally must match the existing rate that the Act 196 in the current core service area, and because the rural areas will have to subsidize activities in the urbanized areas, this option would be difficult to implement.
- ◆ Currently, a regional transportation authority is not allowed to levy taxes at different rates within its service area; therefore, tax rates would not match the different levels of demand experienced in rural and urban areas.
- ◆ There is a current levy in place that is dedicated for The Rapid services. A change in the governance structure may jeopardize this levy.

*Applicable Service/Financial Scenarios – Service Options 1 and 2/Revenue Scenarios 1 and 2*

**OPTION V – CREATE A SECOND PUBLIC TRANSPORTATION AUTHORITY**

In this option a second public transportation authority would be created to serve all or part of Kent County outside ITP jurisdiction. This new public transportation authority would have all the powers and duties of ITP but with a different service area.

Following procedures outlined in Public Act 196, this public transportation authority would be created by action of a group of township and cities. The member townships and cities would then appoint representatives to its board of directors. It could also place a levy on the ballot to finance any desired new services.

**Advantages/Disadvantages**

**Advantages**

- ◆ There would be no effort needed to change the ITP governance structure.
- ◆ Member municipalities will have more control over operating policies than under the current purchase of service arrangements.
- ◆ Services can be focused on the demand that exists in rural and suburban parts of Kent County.

**Disadvantages**

- ◆ A new public transportation authority would have to be created by one or more townships and/or cities in Kent County.

- ◆ A new organizational structure to operate and administer a new public transportation system would have to be created.
- ◆ The Grand Rapids urbanized area would be split between the two public transportation authorities. This adds complications to the distribution of federal transit funding.

*Applicable Financial Scenarios – Service Option 3/Revenue Scenario III*

**SUMMARY**

The current practice of service contracting with individual townships, villages and cities has resulted in significant gaps in service. Continuation of the status quo will not address this problem. Creating a new regional transit authority is a difficult and time consuming undertaking. Adding new members to the existing ITP will apply only to communities that are willing to pay the full levy for The Rapid service. This is a disincentive for most communities that are not considering fixed route service at all or are considering fixed route service for only a portion of their municipality. The most direct and equitable approach is to request the Kent County Commissioners to place a levy on the ballot, which if passed, would be used as for a service contract(s) to expand public transportation throughout the County.



ALGOMA TOWNSHIP • ALLENDALE TOWNSHIP • ALPINE TOWNSHIP • BELDING • BYRON TOWNSHIP • CALEDONIA TOWNSHIP • CANNON TOWNSHIP • CASCADE TOWNSHIP • CEDAR SPRINGS • COOPERSVILLE  
COURTLAND TOWNSHIP • EAST GRAND RAPIDS • GAINES TOWNSHIP • GEORGETOWN TOWNSHIP • GRAND RAPIDS • GRAND RAPIDS TOWNSHIP • GRANDVILLE • GREENVILLE • HASTINGS • HUDSONVILLE  
IONIA • KENT COUNTY • KENTWOOD • LOWELL • MIDDLEVILLE • OTTAWA COUNTY • PLAINFIELD TOWNSHIP • ROCKFORD • SPARTA • SPARTA TOWNSHIP • TALLMADGE TOWNSHIP • WALKER • WAYLAND • WYOMING  
GRAND VALLEY STATE UNIVERSITY

May 12, 2011

Hon. Rick Snyder, Governor  
State of Michigan  
P.O. Box 30013  
Lansing, Michigan 48909

**RE: Grand Valley Metropolitan Council Support for a Responsible Reform and Reinvention Agenda for Michigan**

Dear Governor Snyder:

The Board of Directors and members of the Grand Valley Metropolitan Council – representing Kent and Ottawa Counties and 33 local units of government in West Michigan – would like to advise you that on May 5, 2011 we unanimously adopted the attached resolution which seeks to align our efforts with you and the Legislature to assist in the formulation of positive reform for Michigan.

The elected officials and public administrators serving on the Board of GVMC possess the experience, expertise, and problem-solving ability to assist in overcoming our state’s challenges and steer Michigan in a new and vibrant direction. While we are not, through this resolution, either endorsing or criticizing governmental consolidation concepts such as the “One Kent” proposal, we are requesting the opportunity to be at the decision-making table, assisting you and your staff in crafting workable legislation and policies that bring sustainable benefits for Michigan citizens and the communities where they live.

Thank you for your thoughtful consideration. If you have questions, or if the Grand Valley Metro Council can be of further assistance, please contact our Executive Director, Donald Stypula, at 616-450-4217 or [stypulad@gvmc.org](mailto:stypulad@gvmc.org).

Respectfully submitted,  
**THE GRAND VALLEY METROPOLITAN COUNCIL**

James R. Buck, Chairman  
GVMC Board

Richard L. Root, Chairman  
GVMC Legislative Committee



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IONIA • KENT COUNTY • KENTWOOD • LOWELL • MIDDLEVILLE • OTTAWA COUNTY • PLAINFIELD TOWNSHIP • ROCKFORD • SPARTA • SPARTA TOWNSHIP • TALLMADGE TOWNSHIP • WALKER • WAYLAND • WYOMING  
GRAND VALLEY STATE UNIVERSITY

## RESOLUTION

### **A Resolution Endorsing a Responsible Reform and Reinvention Agenda for Michigan**

**WHEREAS**, Since 1990, the Grand Valley Metropolitan Council (GVMC), which serves Kent and Ottawa Counties and 33 local governments with a combined population of 950,000, has brought together elected and appointed officials to discuss issues, overcome differences and prove time and again that collaboration and cooperation can solve problems on a regional scale; and

**WHEREAS**, The State of Michigan has embarked on a bold new course to reform and reinvent Michigan through changes in tax policy, the adoption of governmental reforms and the creation of a more positive, business-friendly environment that encourages investment and entrepreneurial ventures; and

**WHEREAS**, the GVMC has proposed thoughtful legislative priorities for the 96<sup>th</sup> Michigan Legislature including common sense governmental reforms to encourage intergovernmental cooperation, innovative approaches to ensure sustainable funding for county and local governments, state tax policies to foster new investment and growth, the elimination of unfunded state mandates on county and local governments and new sources of revenue to support investments in transportation infrastructure; and

**WHEREAS**, the GVMC offers its resources and those of its membership to work collaboratively with Governor Rick Snyder, the Michigan Legislature, the Michigan Economic Development Corporation and regional economic partners like The Right Place, Inc. to encourage new economic opportunities through improved state tax policies, intergovernmental cooperation, regional problem solving and other innovative strategies that will enable Michigan to successfully compete for new businesses and the expansion of existing businesses across the state; and

**WHEREAS**, the Grand Valley Metropolitan Council has determined that a simple, fair and efficient state taxation system, coupled with the adoption of GVMC-backed governmental reforms to enhance multi-jurisdictional collaboration and cooperation, will bring lasting benefits to communities and citizens throughout Michigan; and

**WHEREAS**, the Grand Valley Metropolitan Council believes that a complete reform and reinvention agenda must include the development of innovative economic development strategies and tactics that respect the role of county and local governments and regional economic development agencies in helping Michigan successfully compete for economic growth and job creation.

**NOW, THEREFORE BE IT RESOLVED**, that the Grand Valley Metropolitan Council hereby declares its intent to work in partnership with Governor Rick Snyder, the Michigan Legislature, state and regional economic partners, and other opinion leaders to champion the reinvention of Michigan through changes in business tax policy, development of new approaches to ensure sustainable funding for county and local governments, the adoption of governmental reforms to encourage intergovernmental collaboration and cooperation on a regional scale and other common sense solutions that will enhance Michigan's business climate and solidify the state's reputation as a wonderful place to live, work, learn and recreate; and

**BE IT FURTHER RESOLVED**, that the GVMC Executive Director is authorized to transmit a copy of this resolution to Governor Rick Snyder and Lt. Governor Brian Calley, together with the leadership and members of the 96<sup>th</sup> Michigan Legislature.

This Resolution declared adopted by unanimous vote of the Grand Valley Metropolitan Council on May 5, 2011.

  
James R. Buck  
Chair

  
Donald J. Stypula  
Executive Director