

To: Alma Wheeler, Ned Stabler, Ben Stupka

Feb. 11, 2021

CC: WATS Policy Committee, AAATA Board

Ms. Wheeler, Mr. Stabler and Mr. Stupka,

Thank you for the opportunity to provide feedback on three elements of the RTA's regional transit plan update: 1) the commuter rail project, and other services in 2) rural and 3) urban areas of Washtenaw County. I hope to share some detailed perspective by submitting written comments.

I would suggest that the RTA describe rail as a long-term goal, but not include it in the updated 2022 plan. We can replace it with locally-driven ideas that produce more widespread benefits throughout the County and services build ridership so rail will be more viable in the future.

The commuter rail project (Ann Arbor-Detroit) appears to concentrate most of the RTA's investment into *one* mega-project that produces few riders at this time; and I fear there will not be enough money left for other services or projects. The RTA's credibility could be damaged by this result. The following are some key observations:

1. **Costs are High and Benefits are Low**

- a. **High Costs:** Capital costs have grown from \$130 million to \$222-\$364 million – an astonishing increase which may grow further. I understand that costs for a new station in Ann Arbor are not yet included. Operations costs are pegged at \$12-\$20 million/year. Even with these heavy costs, the amount of service planned is actually quite low; only eight roundtrips a day. In comparison, in early 2020 the D2A2 highway-coach service provided 16 roundtrips at a fraction of the cost.
- b. **Low Ridership:** The RTA estimates ridership at 1,150-1,800 trips per day. This is *extremely* low. By comparison before the pandemic the AAATA carried over 4,500 trips per day on *one* bus route (#4) between Ann Arbor and Ypsilanti.
- c. **Cost/Benefit:** The cost-per-new-rider appears to be a very high \$6,800- \$17,000 per trip (operating). For comparison, TheRide's cost per rider was \$4.65 in 2019, and the D2A2 service was expecting 500-800 daily trips for less than \$2.1 million per year (all operating).

After 20 years, the economic case for commuter rail appears to be getting worse. We are not obligated to follow well-intended ideas from 15 years ago. In light of this new information, I would be negligent for not advising the RTA and county leaders to consider a new course.

2. **Equity** – Commuter rail may raise class and racial equity issues:

- a. Commuter rail will consume most of the county's funding, leaving little to be spent elsewhere. Everyone in the County will pay but only a few communities will directly benefit. This project may not benefit the eastern or western parts of the

County to any meaningful degree. With such low ridership any spin-off benefits near stations are unlikely. The chief beneficiary may be the University of Michigan which does not pay property taxes.

- b. By its nature, commuter rail is targeted at a professional audience which tends to be more affluent and whiter than other transit riders. Focusing so much money on such a small group may attract negative criticism.
- c. Rail is too slow to connect the Ann Arbor and Ypsilanti areas.

Most of these concerns can be avoided by relying on smaller services that can be distributed more equitably and with greater local input. TheRide has won two referendums by wide margins with no rail projects, so rail may not be necessary politically.

3. **Will Anyone Help us Pay for Rail?** – I would ask that the RTA clarify who will pay for commuter rail *before* the 2022 plan is finalized. The proposed tri-county transit plan of 2019 would have had Washtenaw County taxpayers, not our regional partners, pay for almost all of the rail project. Similar assumptions may have existed the RTA's 2016 and 2018 plans. I'd ask the RTA to ensure the funding arrangements concerning commuter rail are shared with local decision makers. Federal stimulus may not help; we've known since 2007 that the feds won't pay for such an under-used project, and there are many worthier rail projects in line ahead of us for future infrastructure spending.
4. **There are Better Alternatives** – The RTA's resources can better serve the County with smaller, less costly and more flexible services that can be implemented quickly and spread across the County. By redirecting rail funding, we could triple the funding for WAVE and People's Express, build a proper bus rapid transit line between Ann Arbor and Ypsilanti, and start three more D2A2 services – and have a lot of funds left over. Back-of-the-envelope plans for such alternatives already exist and could be refined locally with the RTA before the 2022 referendum. The RTA's 1 to 2 mill tax levy will compete with other needs and so should provide as much local benefit as possible. Rail projects do not have a good track record in Michigan.

Many of us have been long-time supporters of regional transit and want to see it succeed. I would suggest that the RTA plan describe rail as a long-term goal but not fund it in the 2022 plan. Instead, we can develop locally-driven ideas that produce more widespread benefits throughout the County, and services that build ridership so rail is more viable in the future.

Again, thank you for the opportunity to provide feedback on the RTA's regional transit plan.

Sincerely,



Matt Carpenter, CEO TheRide