FROM THE OFFICE OF THE CITY MANAGER

December 5, 2011

To: The Honorable Mayor and City Council Members

From: John Szerlag, City Manger

Subject: City Council Member Questions and Responses

Attachment #1 – Please find attached a response regarding a request from Mayor Daniels to see additional information about the mowing contract approved at the November 28th Meeting. (Item I-4)

Attachment #2 – Please find attached a response regarding a request from Mayor Daniels requesting an explanation of city funds.

Attachment #3 – Please find attached an explanation regarding the length of previous Council Member Robin Beltramini's National League of Cities presentation.

Attachment #4 – Please find attached a response to Transit Center questions received by Council Member Dave Henderson.

Attachment #5 - Please find attached a response to Council Member Dane Slater requesting information from City Staff relating to the PowerPoint presentation submitted by Mayor Daniels.

Attachment #6 – Please find attached a correspondence received today from Grand Sakwa that Mr. Szerlag requested by forwarded to you regarding the Transit Center.

c: Table

JS/bt\Agenda\2011\12.05.11 – Council Questions and Responses

Attachment #1

Mowing breakdown –

Service	2010 Actual	2011 Estimated
Proposal A – Medians	$132,079.00	$167,700.00
Proposal B – Twice A Month Mowing	$27,901.80	$23,962.80
Proposal C – Overpasses	$2,250.00	$2,700.00
Proposal D – Abandoned Properties	$6,376.56	$718.93
Proposal E – Athletic Fields	$0.00	$74,699.20
Totals	**$168,607.36**	**$269,780.93**

Attachment #2

Response:

The 2011 Comprehensive Annual Financial Report reports **Unassigned** fund balance of $12,359,648 or 23% of 2011 annual expenditures. Unassigned fund balance is the residual amount of fund balance that is not classified as Nonspendable, Restricted, Committed or Assigned. Further details regarding the definitions of fund balance can be found on page 37 of the CAFR. In addition, details regarding composition of the fund balance classifications can be found in the notes to the financial statements number 9 (page 55) of the CAFR.

Significant assumptions and additional details regarding the Three Year budget can be found under the Three Year Budget tab of the 2011/12 Budget book. In regards to taxable value, the forecasts indicate declining taxable values through fiscal 2014 as noted on page 9 in this section. This trend corresponds to budgeted decreases in property taxes as noted on page 13 in this section. It should be noted that budgeted property tax revenues are historically predictive to actual results. This can be demonstrated through the 2009, 2010 and 2011 CAFR(s) as follows:

Year	Budget	Actual	Percent
2009	36.4	36.5	99.7%
2010	35.9	36.3	98.9%
2011	32.6	32.5	99.7%

Attachment #3

City Council has encouraged any Council Members to share knowledge gained at any event or conference they attend with the rest of Council. Council's reasoning has been that there is a cost savings in only sending one or two Council Members to a conference with the understanding that they bring back knowledge to share with the rest of Council.

On August 22, 2011, City Council unanimously passed a resolution authorizing expenses associated with the 2011 NLC Congress of Cities and Exposition for any Council Members wishing to attend. On October 17, 2011, City Council unanimously passed a resolution appointing Robin Beltramini as the voting delegate for the 2011 NLC conference since she had already expressed interest in attending.

In the past, Robin would bring the knowledge obtained from conferences to Council in the form of a report she would present during Council Comments. Since Robin is no longer a Council Member, for the 2011 NLC conference she would not be able to present her report under Council Comments.

The Special Presentations portion of the meeting was the appropriate alternative for Robin's report.

Attachment #4

Ladies/Gentlemen:

Mayor Daniels has expressed the view that we should not spend federal grant funds, merely because they are on hand, and that we have a responsibility to use tax funds wisely, rather than burden future generations with debt.

I concur with her sentiment. A part of that financial burden, however, will be the continually-rising price of gasoline, as soon as the US economy begins to recover and unemployment begins to decline. It was unwise in the extreme, for previous Council members and Planning Board members, to construct a sprawling city that has more miles of roadway and more acres of parking lots, than it has sidewalks.

A city without transportation alternatives will become an isolated city, as gasoline prices resume their upward climb. While urban planners in China, Japan, and European nations design for a mix of transit alternatives...cars and taxis for groups of people, or those who need to transport the tools of their trade to remote locations...buses and rail for those who need only a briefcase or laptop, Troy persists in the belief that its' 100% road-dependent master plan is not obsolete.

Councilman Fleming was recently quoted, that he would favor spending another $8 million in federal funds, if it were available to be squandered on more road malconstruction, but would not favor spending it on mass transit. This, also, is error.

The sheer quantity of money spent, does not equate to the value produced in the spending.

I give you two examples for your guidance:

1. The recent pavement repair on Rochester Road, from Wattles to South Boulevard, was an utter waste of money, because it did nothing to address why the previous pavement crumbled. It is not difficult for an observer living in Troy in autumn, to discern the problem: the subsoil is hardpan clay that does not drain away water. Complicating matters, many businesses use underground lawn sprinklers and leave them on, even during heavy rain.
The result is that the sand base under the pavement on Rochester Road, is waterlogged and muddy, when the first freezing weather arrives, because waterlogged clay below it, will drain away no moisture. Ice forms, lifts concrete, and breaks it. In contrast, West Big Beaver Road, extensively reconstructed when The Somerset Collection was built, has subsurface drainage piping and an integral catchbasin made from crushed concrete and crushed stone. West Big Beaver has held up wonderfully, under heavy traffic, because frozen mud does not accumulate beneath the pavement at the onset of winter. In short, the Rochester reconstruction should not have been done, until enough funds were raised to do it properly.

Response: Rochester Road from Big Beaver to South Blvd. was designed by MDOT with a subsurface drainage system. The concrete was poured on an engineered base consisting of 14 inches of sand and gravel drained by 6 inch diameter perforated drain pipes running under the curb lane on both sides of the road. With this design Rochester is designated as an all weather road, which means it is not subject to weight limitations in the winter other than during the spring when the frost laws are in effect for all roads.

2. The Troy Transit Center suffers the opposite problem that the Rochester reconstruction did. City staff are fixated on the notion of a pedestrian bridge or tunnel linking Troy to Birmingham, in the apparent belief that Birmingham will rejoin the tax increment finance authority that was created to

develop the Transit Center, perhaps sometime after Troy's other TIFA, the Downtown Development Authority, no longer is floating junk bonds.

Response: There was no tax increment finance authority created to develop the Transit Center. The tunnel was necessary because AMTRAK only runs on the west track which is the Birmingham side. CN, owners of the tracks, does not allow at grade crossing of its tracks, in other words it does not allow passengers to cross its track on foot. Nevertheless, the existing Birmingham station does allow for crossing the tracks, but only under rare and unique circumstances that force the AMTRAK train onto the east track. For the new station, CN would not allow an at grade crossing from Troy to the Birmingham side and CN required a fence between the two tracks to prevent any passengers from crossing the tracks.

In their fixation on an $8.5 million spend, to create a shanty that accommodates 250 rail passengers daily, and a pedestrian bridge/bikeway that draws hundreds or thousands of shoppers to the Grand Sakwa commercial property, and perhaps, some sort of park development as well, Troy city staff have lost sight of a very important principle. They obtained funding for a train platform, a parking lot for rail passengers, and cab/bus/dial-a-ride service for those rail passengers who prefer to leave the family car at home.

Response: There is no park nor any funding approved for a park. The approved plan that received funding includes a 2,400 square foot building with restrooms, waiting and ticketing areas and vendor space. Removal of this, or any other element of the approved plan that changes the functionality of the facility would jeopardize all funding. The bridge is necessary for access to the platform. There is no access to the platform from the Birmingham side.

There is absolutely no reason why train passengers could not walk across the tracks, from the Troy side, to the Birmingham side, to board trains westbound to Ann Arbor and Chicago. There is absolutely no reason why train passengers could not get off the eastbound train, returning from Chicago and Ann Arbor, on the Troy side of the tracks.

Response: As previously stated, CN who owns the tracks does not allow passengers crossing the tracks (at grade crossings) at new stations. Since the AMTRAK train only operates on the west track, without a bridge passengers would have to cross the east track on foot to get to the Troy side. CN does not allow that and is requiring that a fence be installed between the two tracks to prohibit passengers from crossing the tracks.

At most, what is needed is a blinking red light and a crossing gate. The Chicago Regional Transit Authority uses such signals and gates at many of their commuter rail stations in Chicago and its' suburbs.

When city staff first were asked, by the previous Mayor and Council, to examine an alternative to the proposed $11 million pedestrian/bike tunnel beneath the CNRY tracks, they concocted a proposal to CNRY, that required trains both to load and to unload only on the Troy side of the tracks, and further required that the existing dual-sided platform be torn out, to make it impossible for a train to unload passengers on the other side of the tracks, as they do at present. Faced with these indefensible, asinine, and ludicrous demands from City staff, the CNRY prepared a proposal to install computer-controlled track switches that would shunt trains to the Troy side of their tracks as demanded, but required of the City that we post a financial guarantee that we would pay for the track switches, even if we stopped using them.

Response: CN does not permit a dual sided platform at new stations. The existing Birmingham station, which does have the ability to load or offload passengers on either track, is not accessible

from Troy and cannot be duplicated at the new station. At the new station, AMTRAK trains must load and unload passengers from the same track, with the platform adjacent to that track. Troy explored the possibility of moving the platform to the Troy side, thereby saving the cost of a bridge and making it easier to access the platform, but CN required expensive track switches and someone other than CN to pay to maintain them for 20 years; to which the city declined.

City staff then reported back to the previous Mayor and Council that it would not be feasible for Troy to pay for the (unnecessary) switches out of the City budget, but that sufficient funds were contained in the federal grant, to construct the (unnecessary) pedestrian overpass.

Response: The approved funding is sufficient to cover the cost of either plan, with or without the switches, but the operation and maintenance cost of the switches for 20 years would have been 100% city cost.

As a frequent business traveler who takes advantage of the convenient Amtrak rail service, as an alternative to the Wayne County/Delta Airlines near-monopoly on transportation out of the region, I find it astonishing that a city like Chicago, long reputed as a corruption Mecca, can provide its' citizens with access to commuter rail, for the bargain-basement price of a few crossing gates with flashing lights. (The very fanciest crossing gates, which come with an electronic device called a "motion sensor", cost around $200,000 when installed. Using a "long-and-short-track-circuit" system, with no motion sensors, the price drops well below $100,000. Much of that price represents liability insurance. Unlike a State agency, a railroad can be sued when it injures someone.)

Response: CN does not allow passengers to cross it's tracks at new stations, with or without crossing gates and flashers.

IF the goal of city staff, is to create a pedestrian walkway/bikeway between Grand Sakwa's retail development, and Birmingham's east end, this goal should have been expressly stated. As matters stand, we are being asked to spend federal money on a bridge to a train platform that is unnecessary for the functioning of a train station. If we do that, and it later is discovered, that Troy, Birmingham, or Grand Sakwa misled the Government as to the true purpose of the bridge, we, the taxpayers of Troy, could be held liable to repay those funds.

Response: The bridge is necessary as CN does not allow passengers to cross it's tracks on foot at new stations.

The City of Birmingham is not blameless in this matter. It destroyed a rail station and 200-car parking lot that was built with federal funds, sold the land for a condominium development, then maintains that it is not liable to repay the Government for the rail passenger facility it destroyed, because it planned jointly to construct a better facility in Troy, with pedestrian access to Birmingham. (And now says it cannot afford to connect sidewalks to
it.)

It is evident by their conduct, that city staff are not disclosing to Council, what Council, and Troy residents, are entitled to know.

Response: Documents addressing the above reference issues are posted on the City's web site under the council agenda archive. Recent items include item N-5, Transit Center Status Report, July 25, Council Meeting; Item I-7, MDOT Contract for Multi-Modal Transit Facility, September 12 Council Meeting. Information is also posted at the Transit Center Link posted on the Troy home page http://www.troymi.gov/TransitCenter/

As Judge Rashid ruled in the matter of Kwame Kilpatrick, several years ago, Mr Kilpatrick's use of the City of Detroit's Law Department to represent him in a personal matter (allegations of assault, battery, and theft that arose from an alleged "wild party" at the Manoogian mansion, and his firing of three policemen over their knowledge of it), made it the taxpayers' business to know the details of the lawsuit and the settlement. (Which, sadly, led to perjury charges that destroyed several careers in public service and the law).

The same principle applies to the dealmaking that is giving Grand Sakwa properties a walkway/bikeway bridge from Birmingham, mislabelled as a necessary feature of a rail station.

I favor replacing the rail depot that the City of Birmingham destroyed.

And I favor doing it with appropriate technology. $100,000 for a signal, a couple of sidewalks parallel to the tracks, and a place for passengers to park, or catch taxis and buses, is eminently sensible. It works in Chicago.
And it cannot be mistaken for a handout to politicians or to a corporation.

Yours sincerely,
Robert W Schubring
2723 Avonhurst Drive
Troy, MI 48084.
Sent on the SprintR Now Network from my BlackBerryR

Attachment #5

CITY COUNCIL REPORT

December 5, 2011

TO: The Honorable Mayor and City Council

FROM: John Szerlag, City Manager
Mark Miller, Director of Economic and Community Development
Steven Vandette, City Engineer
Bill Huotari, Deputy City Engineer

SUBJECT: Council Referral of PowerPoint Document

Current Data & Information

Several recent articles and documents are provided as Attachment 1 – Current Data & Information. Some select highlights are provided below.

Governor Snyder included in his "Special Message to Michiganders" this past October 26, 2011, that "*We need a multi-modal system that will serve the movements of a new, more urban, more tech-savvy and more active generation. His message included that "there is significant federal support and momentum for the development of accelerated passenger rail service today and Michigan has already benefitted from that*". The funding section discusses these items in more detail.

Current 2011 data shows that Transit Ridership is on the increase. Amtrak trains in Michigan specifically have set new ridership records for FY 2011. Over 30 million riders used Amtrak nationwide during 2011. Amtrak pointed to high gasoline prices, continued growth in high-speed rail business travel and effective marketing campaigns as to why it has been successful lately.

Pat Siefers, Principal Officer, Corridor Planning with Amtrak provides the following: "*As to the subsidy argument, all transportation is subsidized; less so in the US than other countries and less so in rail than in air. For instance, 100% of the operating and capital costs for airports and airline operations are subsidized. 96% FAA and 4% State funds. And then there are roads; there is no state in the Union that covers its maintenance costs from the gas tax, let alone the new construction and major rehab costs. Hence the renewed interest in tolling roads, congestion pricing and increased parking fees*".

From the Wall Street Journal, March 14, 2011 – "On the Fast Track to the Future"; provides a discussion on the current high-speed rail success in Europe. The chairman and CEO of Europe's largest high-speed train operator, Guillaume Pepy, states "*When I came into the industry in 1988, except for one or two high-speed lines, it was a declining industry,*" he says. "*Regional traffic was poor, the freight system was disintegrating and the networks were getting older and older. Within two decades we have completely reversed the situation and now there is a widespread feeling that the train is the future of travel within Europe.*" Further on he states "*Europe is completely convinced that high-speed is our future,*" "*I feel reinforced by the fact that China has made exactly the same choice. It had a choice between developing airlines and a high-speed rail system and it has chosen rail.*"

Some basic facts about high-speed/intercity passenger rail are provided by the American Association of State Highway and Transportation Officials, as updated September 7, 2011. These facts include:

- $8 billion in funding from the American Recovery and Reinvestment Act (ARRA)
- $90 million in FY 2009 funding from the Passenger Rail Investment and Improvement Act (PRIIA)
- $2.5 billion in FY 2010 funding from PRIIA
- As of September 7, 2011, FRA has approved $7.4 billion in Federal funding for 92 projects across the country
- Key routes seeing double-digit ridership increases in July 2011 (including the Blue Water line in Michigan which was up 21%, carrying 154,000 passengers)
- Cost Savings
  - $87.2 billion – the amount of money lost in automobile traffic gridlock every year in the US
  - 4.2 billion – total hours wasted in highway traffic gridlock every year
  - $41 billion – the cost of domestic air-traffic delays
- Jobs
  - 150,000 – the number of jobs projected to be created by high-speed rail in four US cities over next 25 years (Orlando, LA, Chicago, Albany)
  - 24,000 – the number of construction and manufacturing jobs per $1 billion capital investment
  - 41,000 – number of operation and maintenance jobs per $1 billion operating investment
  - 600,000 – the number of jobs created by high-speed rail construction in Spain in the last five years
- What other Countries are Doing
  - $15 billion – the amount Spain plans to spend on high-speed rail over the next 10 years
  - $120 billion – the amount China will spend to double its high-speed rail network by 2012

Michigan Projects

Specific questions about what is Michigan and/or other communities in Michigan doing relative to high-speed rail is provided in Attachment 2 – Michigan Project Information.

Federal Funds for Michigan Projects

The State of Michigan has received over $400 million in federal funds over the past two (2) years for high speed rail related projects, including:

- $346.5 million for acquisition and rehabilitation of 135 miles of Norfolk Southern (NS) track between Kalamazoo and Dearborn
- $40.3 million to complete construction of two new stations (Dearborn, Troy) and renovation of one station (Battle Creek)
- $2.8 million for preliminary engineering and environmental clearance for a new Ann Arbor station
- $7.9 million for track improvements at the West Detroit Track Connection
- $3.2 million planning grant to update the corridor investment plan

Of the $400.7 million in direct federal grants to Michigan, $198.6 million represented ARRA funds redistributed in May 2011 after Florida rejected a previously announced ARRA grant.

In addition, a separate $3.8 million grant for a new Grand Rapids rail passenger station and related track relocation was included in the 2009 federal transportation appropriations act.

Federal Funds for Other Corridor Improvements

In addition to grants made directly to Michigan, over $204.4 million in announced ARRA/HSIPR grants to Illinois and Indiana will also improve service along the Detroit-Chicago corridor directly benefitting Michigan.

AMTRAK Awards

AMTRAK was the direct recipient of $32.9 million in ARRA grants for service improvements to the Detroit-Chicago Corridor.

Rail passenger service in Michigan will also benefit from $268.2 million in ARRA funding for a Next Generation Passenger Rail Equipment purchase. This grant will provide for 48 new passenger cars and 7 new locomotives for use in eight Midwest rail corridors, including the Detroit-Chicago corridor.

Federally Funded Transit Centers in Other Michigan Cities

In addition to the proposed multi-modal transit facility in Troy, the following communities have received federal funds to plan, design, renovate or construct new transit facilities:

- Battle Creek – renovation of an existing station
- Dearborn – working on final design
- Grand Rapids – working on final design
- Ann Arbor – preliminary engineering and environmental study
- Jackson – renovation of an existing station

Attachment #5

Attachment 1 – Current Data & Information

Attachment #5

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

October 26, 2011

A Special Message from Governor Rick Snyder:
Reinventing Michigan's Infrastructure: Better Roads Drive Better Jobs

To Michiganders and the Michigan Legislature:

I. Introduction

Over the past ten months, we have taken important steps to turn Michigan's economy around. But as too many in Michigan know we still have a long way to go. Today we take yet another bold step forward to help ensure our economic prosperity, now and in the future.

Reinventing Michigan's Infrastructure: Better Roads Drive Better Jobs

A sound and modern infrastructure is vital to attracting and retaining jobs. The state that put the world on wheels needs to continue to be a transportation leader in order to stay competitive in today's global economy. We need a modern transportation system that moves people and goods safely, reliably, and efficiently in order to increase productivity and our quality of life. We need a multi-modal system that will serve the movements of a new, more urban, more tech-savvy, and more active generation. We need water and sewer systems that support and protect Michigan's rich environment and water resources. We need to integrate our broadband telecommunications network and connect every business and every household to the internet.

The challenge is simple. Michigan's infrastructure is deteriorating from a lack of investment. If we are going to reinvent Michigan's economy, we have to reinvest in Michigan's infrastructure.

For the first time ever transportation revenues are declining. Simply put, better fuel economy and higher gas prices lead to lower road revenues from the fixed fuel tax. All the while, the cost of materials and labor continue to rise, seriously undermining our ability to keep up.

In 2008, a Transportation Funding Task Force recommended doubling Michigan's transportation investment, and warned strongly that doing nothing was unacceptable. At the time, members of the State Legislature made proposals for increased funding for transportation, and found support on all sides of the political spectrum, but nothing happened. And this year, a bipartisan House Transportation Committee workgroup underscored those findings, concluding once again that while doing nothing is a decision, it is the wrong one. The following graph illustrates the deterioration of our system at today's level of investment:

Attachment #5

Regional Transit Authority

Southeast Michigan is the largest metropolitan area in America that does not have a high capacity rapid transit service in place, or under development. Detroit metropolitan leaders have debated the development of a single transit authority to serve the 4.2 million residents of the region for decades, but have failed on every one of 23 documented attempts. Mayor Bing and I have worked with US Department of Transportation to form a task force including federal, state, city of Detroit and the counties of Wayne, Oakland, Macomb and Washtenaw to facilitate communication and achieve agreement to move forward on regional transit.

Continued failure is not an option.

Safe, reliable, and efficient transit can be the mobility backbone that supports the economic revival of Michigan's metropolitan areas by expanding labor markets for business and job opportunities for workers. Just like the highway system spurred economic development near interchanges and exits, transit oriented development will spur growth near stations and stops. Studies by the American Public Transportation Association conclude that every dollar invested in public transportation yields an average of four dollars of economic return.

I propose a new Regional Transit Authority for southeast Michigan, one with the teeth and the commitment to coordinate existing bus services and permanent, dedicated regional funding to invest in rapid transit. My proposal is for a new authority, free of legacy costs, which will establish rolling rapid transit along four critical routes including Gratiot, Woodward, Michigan Avenue and the M-59 corridor.

If three or more counties are willing to work together to form a regional transit authority, I propose that they be permitted to dedicate a portion of the regional registration fee I have proposed to support public transit. The approval should be subject to voter approval. A truly regional transit system will efficiently integrate services under one authority and help to revitalize regional identity and culture.

Finally, as we consider new revenue sources we must protect existing transit service, particularly in rural areas. I ask the Legislature as part of an overall effort to reform and adequately fund transportation to create a separate program within the Comprehensive Transportation Fund for new and expanded public transit services. That change will allow Michigan to see more modern transit systems developed, but not at the expense of existing service in other areas. I also want to encourage the consolidation of transit agencies and require that they achieve best practices similar to those required of road agencies as a condition of new and expanded funding.

Rail

Michigan currently invests about $16 million per year in rail programs, including funds for operation, grade crossing improvements, economic development programs and management of 540 miles of state-owned rail lines. With the completion of Michigan's State Rail Plan, required by federal law, the state is now in position to receive additional federal funds.

Rail investment and enhancement will mean that goods can move faster, cheaper, and more reliably, benefiting business productivity and helping create more jobs. In Michigan, railroads are critical to the success of agricultural production, whether they're hauling inbound fertilizer or outbound grain. Freight rail is not a luxury for the agriculture and agri-business industries – it is a necessity. I am directing the Departments of Transportation and Agriculture & Rural Development to coordinate with the food and agriculture industry to ensure their infrastructure needs are included in economic expansion opportunities.

There are a number of high-value rail freight projects ready and waiting to be implemented. The Detroit Intermodal Freight Terminal project is a public-private partnership that needs additional investment to become reality. The Detroit Railroad Tunnel expansion is a private sector project that is also ready to begin. Both projects will help increase the potential for rail shipping in Michigan, which will help remove

trucks from our freeways and reduce costly highway congestion, degradation, and pollution. These stand-alone projects could go forward at any time, but implementing them in combination with the New International Trade Crossing will accelerate Michigan's development as a center of global trade.

Over the past two decades, Michigan has made more than $100 million in incremental investment to improve grade crossings, signals and rail equipment. That relatively small but relentless positive action has paid off in a big way, laying the groundwork and encouraging additional investment that will pay off in an even bigger way in the future, by encouraging development, attracting businesses, and creating jobs.

In addition, there is significant federal support and momentum for the development of accelerated passenger rail service today, and Michigan has already benefitted from that. Provided additional federal funds continue to be available, Michigan will work to develop and support accelerated passenger rail service from Pontiac and Detroit to Chicago, and to initiate Ann Arbor to Detroit and Ann Arbor to Howell commuter rail service.

Thanks to the swift action of the legislature, Michigan has already successfully garnered $440 million in federal rail funds. This money will be used to improve train stations, acquire trains and accelerate rail speeds from Pontiac and Detroit to Chicago. Some of the money will be used to acquire and improve a deteriorating segment of the corridor between Kalamazoo and Dearborn where speeds have actually had to be decreased because of the poor condition of the infrastructure.

Airports

Aviation provides a truly global transportation network, making it essential for global business and tourism. We need to invest to preserve the safety and efficiency of our airports, particularly those that serve as a gateway for national and international visitors to our state. Airports are important economic generators, with passenger and freight activity reflecting the major economic activity of the community.

Michigan moves 520 million pounds of high-value cargo by air annually, and 36 million passengers pass through Michigan's airports each year. Households, businesses and government spend some $7 billion annually on aviation and aviation-related services. Local airports are strong economic engines for our communities, both as freight ports and as facilitators for entrepreneurs involved in airport businesses, repairs, fixed-base operators that deliver fuel and services, and the general vitality of the community.

Ports

We can make better use of Michigan's ports by ensuring continued investment in those vital transportation systems. The Great Lakes moves about 150 million tons of cargo each year, with more than a third of that – with a value of over $5 billion – handled at Michigan ports. They provide a vital service, particularly for the timber and mining industries in the Upper Peninsula. Michigan's vast water resources are unique, and the Great Lakes shipping corridor provides a significant and easily undervalued transportation option.

There are opportunities at the national level that I will continue to pursue to improve Michigan's ports. The national Harbor Maintenance Trust Fund currently has a $5 billion surplus that can be spent for port dredging. I intend to work with Michigan's Congressional delegation to make sure that some of those funds are spent to dredge ports in Michigan to maintain their productivity and their value to shippers. Unless those federal funds are used for their intended purpose, there are several ports in Michigan that may cease to function.

The Soo Locks help make Great Lakes shipping opportunities possible. A new lock has been authorized by Congress, providing redundancy for the existing locks and enhancing the reliability of the whole system. Over the past few years the Army Corps of Engineers has completed work to dredge and deepen the approach to the potential new lock, as well as work to construct two coffer dams, a first step that will allow the old lock to be drained and construction of a new lock to begin. Construction of this new lock is vital to ensure the continued viability of Great Lakes shipping for the 1000' freighters that make up

Attachment #5

VII. Conclusion

To be sure, the steps proposed here demand a new way of thinking. The proposals represent the kinds of innovative changes Michigan voters embraced when I was elected nearly a year ago.

I asked then for each of us to think about how we can help reinvent the state. Reinvention means reinvestment from us, the citizens of Michigan, in the infrastructure that allows us to work, play and live in our beautiful state.

We cannot reinvent our state without first shoring up its foundation. Whether traveling by foot, bicycle, car, truck, plane, train or bus, you deserve safe and unencumbered sidewalks, roads and rails.

The same innovative thinking will be vital as we seek to rebuild our aging sewer systems and ensure safe drinking water to our citizens.

Equally important is our goal to provide broadband Internet access to the vast rural areas in our geographically diverse state.

Each of these are fundamental priorities. We owe this to ourselves and our posterity.

There is no time to waste.

Attachment #5

Transportation Funding Task Force

Transportation Solutions

A Report on Michigan's Transportation Needs and Funding Alternatives

The Report of
The Michigan Transportation Funding Task Force

Prepared for
Governor Jennifer Granholm
and the Michigan Legislature

November 10, 2008
(with technical corrections as of 12/4/08)

Attachment #5

Section D - Intermodal Passenger

In Michigan, transit usage is up significantly for both local transit and intercity services. In early 2008, some local transit and intercity passenger rail services have experienced growth of 20 percent or more. Since bus transit is the backbone of any public transit system, Michigan has an excellent foundation on which to build. However, rail - light rail, commuter rail and intercity rail - are vital to building an effective system in the 21st century. Data gathered from other states shows that a serious investment in modern transit is not an option for Michigan - it is an urgent necessity.

Intermodal passenger ridership is increasing and citizens are demanding more transportation options, while fluctuating gas prices and the aging population accelerate the demand. A major contributor to the growing number in transit ridership is the increasing average price for unleaded gasoline. In 2006, it hit an all-time high of $3.01. Two years later the average price increased by 35 percent to $4.07. As the price of fuel increased, state residents drove less, switched to more fuel efficient vehicles, car pooled, or sought out alternative modes of transportation. A vast majority of riders of Michigan's intercity rail and bus system have another option to use in making the trip, but choose not to because of the convenience provided by the local system and the potential cost savings – in terms of both money and time - of leaving the car at home.

Further contributing to the increase in transit use is the increase in Michigan's senior population. By 2030, it is projected that much of the southern Lower Peninsula will see an increase in this age group of more than 100 percent. By 2035, there will be as many seniors and children in Michigan as there are working people to support them. Michigan's population is expected to increase by slightly less than eight percent by 2030, while the senior population is expected to grow at a rate 10 times the overall population growth. The growing number of seniors in the state that are choosing to continue to work, socialize, and stay active will put a strain on the already struggling infrastructure. When coupled with the projected statewide population increase, this growth will result in more drivers, more cars, more vehicle miles traveled (VMT), and more road congestion, pushing Michigan's residents to find other alternatives to driving.

Infrastructure and Service Provided

Michigan funds a transit system that is a compilation of local public and non-profit service providers. It includes local and county level bus systems, several multi-county bus systems, one fixed guideway system, and targeted services for the elderly and persons with disabilities. All 83 counties have some level of demand response service, 18 counties provide fixed-route service, and 60 counties offer county-wide service, providing 80 percent of our population with access to local transit.

Michiganders took just over 95 million trips on public transit in 2007, gaining access to jobs, medical care, education, shopping, recreation, and other services. Ridership grew 10.8 percent from 2005 to 2007. In 2007, an additional 1,611,734 passengers were transported through the Specialized Services Program, targeted to Michigan's aging senior population - a 7.4 percent increase since 2004.

Public Transportation. Public transit use has been steadily growing across the state. Michigan's public transit systems are categorized as urban and non-urban (rural) based on their service area population. There are 20 urban transit systems, in communities with

50,000 persons or more. All of Michigan's urban areas have a local public transit system. Over 88 million passenger trips were provided by these urban systems in 2007, which represents nearly 93 percent of the state's annual transit ridership.

There are 71 non-urban (rural) transit systems in Michigan, which include 12 systems that also operate in urban areas. These systems provided 7.1 million passenger trips in 2007, representing about seven percent of annual ridership. These systems have a total of 3,077 vehicles in their fleets, with 1,447 operating on fixed routes and 1,630 used for demand-response service.

Other elements of Michigan's public transit system include the MichiVan Commuter Vanpool Program, which used 148 vans carrying a total of 1,130 commuters in 2005. That number has since doubled to 304 vans carrying 2,622 riders as of October 1, 2008. In 2005, the Detroit People Mover carried more than 1.5 million passengers. Also, the two state-supported marine passenger services carried a combined total of approximately 894,000 passengers in 2005.

Intercity Rail and Bus. Intercity passenger services include both intercity bus and passenger rail. The primary carriers are the National Railroad Passenger Corporation (Amtrak), Greyhound Lines, Inc., and Indian Trails, Inc. The Upper Peninsula and most of the northern Lower Peninsula are limited to only intercity passenger bus service, while the southern portions of Michigan are served by both train and bus.

Increased local marketing, community involvement and awareness, and the increasing cost of gasoline have all contributed to ridership increases throughout the state. As a result, ridership for Michigan intercity passenger rail services reached an all-time high in 2008, with a total of 720,647 passengers.

Greyhound Lines and Indian Trails provide daily regular-route intercity bus service to 120 Michigan communities, with some service to rural areas supported by the state. There are 27 intercity bus passenger facilities, of which MDOT owns four. Local governments and local transit agencies own and/or operate 21 transportation facilities; Indian Trails owns and operates two transportation facilities. Also, 18 passenger facilities are categorized as intermodal facilities, serving more than one transportation mode.

Amtrak offers intercity passenger rail services along three major corridors in Michigan: the Pere Marquette (Grand Rapids-Chicago), the Blue Water (Port Huron-Chicago), and the Wolverine (Pontiac-Detroit-Chicago). These three passenger rail corridors serve 22 station communities and consist of 521 route miles in Michigan. The Pere Marquette and Blue Water offer one round trip per day and the Wolverine offers three daily round trips.

The Pontiac-Detroit-Chicago corridor is one of the original federally-designated High-Speed Rail Corridors. The corridor currently includes the only segment of track outside the Northeast Corridor that has the technical ability to handle speeds of 110 mph and currently operates at 95 mph. This segment of track extends over 45 miles of Amtrak ownership and is located west of Kalamazoo.

From 2002 to 2008, the Blue Water transported 766,615 passengers and operated 1.6 million train-miles. For this same period, the Pere Marquette transported 636,224 passengers and operated 898,000 train-miles. On the two state-supported routes, Amtrak transported 1,402,839 passengers and operated 2.5 million train-miles.

Michigan is also involved in the Midwest Regional Rail Initiative (MWRRI), in an effort to ensure Michigan is investing in an intercity passenger rail system that connects to an

equally developed system beyond its borders. This is especially critical in connecting to the Midwest's intercity passenger rail system hub in Chicago. The MWRRI will help address issues outside of Michigan's borders that can improve service within the state, such as finding ways to reduce rail congestion that impedes passenger travel.

Current Funding and Funding History

The Comprehensive Transportation Fund (CTF) has been the primary source of state funding for Michigan's public transportation programs since its creation in the 1970s. Over the past 10 years, appropriations from the CTF have provided an average of $200 million annually to these programs.

The CTF provides funds for:

- Intercity bus operations and capital investment statewide
- Intercity rail operations for two of the state's three intercity rail services, and rail capital improvements, including the high-speed corridor
- Intercity rail and bus terminals
- Bus transit operations and capital investment for 79 transit systems
- Operations and capital support for two publicly-owned marine passenger services
- Public transportation services throughout the state for targeted populations (seniors, persons with disabilities, and transportation to work for low-income individuals)
- Preservation and maintenance of the state-owned rail freight lines
- Rail freight-based economic development
- Oversight of multi-modal programs including transit, intercity passenger, rail freight, and for-hire bus and limo regulation
- Debt service on CTF bonds that support routine capital investment for local transit, intercity bus and rail, and rail freight, as well as special projects for all forms of public transportation, including marine and aviation

The primary revenues to the CTF are sales tax contributions and transfers from the MTF. The annual contributions of MTF and sales tax to the CTF are set in statute. In general, the MTF distribution to the CTF is approximately two-thirds of CTF annual revenue, and the sales tax contribution is the other one-third. Currently, Public Act 51 of 1951, Section 10 (1) distributes 10 percent of funds from the MTF to the CTF, after certain specified deductions. The annual MTF distribution to the CTF equates to about eight percent of the MTF before deductions.

Under the General Sales Tax Act, two-thirds of the six percent sales tax is to be distributed as follows:

- 15 percent to cities, villages and townships
- 60 percent to the state school aid fund
- 25 percent as follows
  - Not less than 27.9 percent of the tax collections from motor vehicle related sales to the CTF
  - Balance to the General Fund

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Historically, the state has provided operating funds to transit systems, but the percentage of operating funds provided by the state has declined steadily for several years, eroding the ability of local transit agencies to maintain - much less improve - service.

Under the current distribution formula, funding is distributed based on operating expenses. This creates a number of problems:

- Discourages expansion: When one transit agency's costs increase because of growth or expansion of service, it diminishes the amount of funding available for all other transit agencies. Growth in urban areas should not have a proportional negative impact on rural systems.
- Discourages cost-cutting efficiency: Transit systems should be rewarded for efficiency, not penalized with less funding.
- Makes funding less predictable: Because the final amount of funding distributed is not certain until all system audits have been submitted in a given fiscal year, it is not unusual for funding adjustments to be made even after the books have been closed. It is very difficult for transit systems to develop multi-year plans for service or facility improvements when they can not accurately forecast revenue.
- Devolves costs from the state to locals: Funds collected at the state level for public transportation have been used for other purposes in recent years, forcing local governments to make up the difference.

Prior to FY 2005, MDOT provided the required 20 percent matching funds for all federally-funded transit capital grounds using CTF revenues, but with increased federal funds coming to Michigan under TEA-21, SAFETEA-LU, and constrained CTF revenues, the CTF has not been able to keep up with federal match obligations. The CTF's match obligations for FY 2008 were $30 million, as compared to the CTF appropriation of $10.3 million. This represents an annual shortfall in the CTF that has been masked with bond proceeds and toll revenue credits. Several regional rapid transit projects that have or are close to receiving FTA approval will not be able to proceed because the CTF cannot provide the match needed to access federal grants.

CTF revenue for investment in intercity bus terminals has also been greatly reduced in the last five years as constrained CTF revenues have been redirected to continue support local transit and intercity operations. For example, the FY 2004 CTF appropriation for intercity terminals was $2.8 million. In FY 2008, the appropriation dropped to $300,000, which is shared by intercity bus and passenger rail programs.

Funding Outlook. For a number of reasons, it is very difficult to project the amount of revenue available for passenger transportation. At the state level, CTF revenues have been redirected to other purposes, and the win-lose nature of the distribution formula exacerbates the problem.

But federal revenue for passenger transportation is also unpredictable. The federal revenues that support local transit include both annual apportionments and Congressional earmarks. Although there has been significant discussion nationally about the merit of federal earmarking, in the area of passenger transportation, earmarked funds are fundamental to the program and can account for as much as 40 percent of federal funds available for transit in Michigan. Congressional earmarks vary widely from year to year and program size varies with them. Federal funding for rail passenger and marine passenger systems is also based on Congressional earmarks and special projects and is equally difficult to predict.

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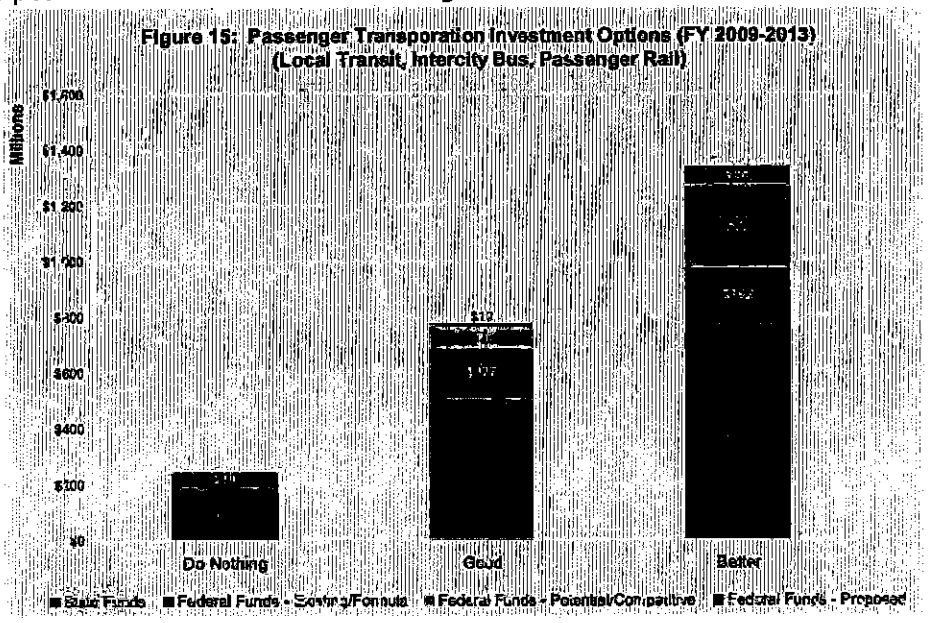
Capital and Maintenance Investment Needs

"Do Nothing" Investment: $241 million annually
Continuation of the current level of investment in passenger transportation will lead to a reduction in local transit services. By 2013, Michigan transit agencies stand to lose up to $112 million annually in federal allocations at a time when demand and ridership are at record highs (Figure 15). Without additional investment in public transportation:

- Rapid and/or regional transit projects in Michigan's urban areas will not be possible.
- All transit systems will be forced to cut services at some point without at least modest growth in operating assistance to keep pace with expenses. The most immediate threat is to rural systems, many of which are barely able to survive at current levels.
- Systems will not be able to invest in new technologies that make operations safer, more convenient, more customer-friendly, and more attractive to potential riders. Procurements for things like on-board camera systems, more advanced fare collection equipment, and real-time bus information will be delayed or cancelled because of a lack of funds for such investment.
- Intercity passenger rail service will be discontinued because of a lack of funds to cover projected cost increases.
- Service will be lost that connects 14 Michigan communities and 232,000 passengers to the national rail network in Chicago.
- Infrastructure improvements to maintain existing intercity and passenger rail systems will be minimal.
- State contracts to support intercity bus service to rural parts of the state will be curtailed.
- Routine replacement of motor coaches will not be possible.
- Preventive maintenance on transit buses will be reduced.
- Transit buses will not be replaced with more fuel efficient and/or lower emission models when they reach the end of their useful lives.
- Passenger facilities will not be upgraded and expanded; only minor maintenance will be possible for some of the 44 existing terminals.



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"Good" Investment: $773 million annually
A "good" level of investment of $508 million in state funds would create or retain more than 35,000 jobs, leverage $265 million in federal aid, and encourage over $4 billion in related economic benefits throughout the state.

Michigan's largest urban areas would be economically competitive with other metropolitan areas through the introduction of rapid, regional transit to the state. Increasing state funds for passenger transportation enough to match federal funds and provide state operating assistance would make it possible to:

- Implement new rapid transit in the Grand Rapids area, an FTA-approved project, bringing economic benefits to the corridor.
- Develop new light rail transit on Woodward Avenue.
- Develop a new commuter rail demonstration project between Ann Arbor and Detroit, scheduled for start-up in 2010 as a first step to accessing $100 million in federal funds allocated to the project under SAFETEA-LU.
- Develop the new commuter rail service between Ann Arbor and Howell now being planned by local and regional officials with MDOT assistance.

Because there is no federal program to expand passenger rail service in Michigan, a "good" level of investment would be needed to maintain existing passenger rail service in the state. Under Amtrak's Strategic Pricing Initiative, the portion of the costs currently borne by Amtrak for intercity passenger rail service in Michigan would be passed on to the state, increasing the state's obligations by at least $20 million per year to maintain existing service levels. If a federal program were established, intercity passenger rail service could be expanded with a "good" level of investment, essentially doubling both capacity and frequency over 10 years - assuming 100 percent state-funded operations and 50 percent state-funded capital.

Local bus transit agencies would be able to maintain and increase service with increased frequency, expanded service areas, and/or increased use of alternative fuel technologies and information technologies to improve customer service. This level of investment would immediately increase the amount of state funding available for operating assistance to the maximums allowed for in P.A. 51, bringing much needed financial relief to cash-strapped local transit agencies.

Programs related to intercity bus services would be preserved at the "good" investment level. Existing state-supported intercity bus services would be preserved and routine replacement of motor coaches would be ensured.

Major intercity terminal improvements would be possible at the "good" investment level, including new stations in Dearborn, Troy, Jackson, Detroit/New Center, and Grand Rapids. This investment could also assist with ADA improvements that may be mandated at rail platforms, since federal funds are not available for intercity rail passenger stations.

Targeted transportation services for Michigan's senior and low-income populations would be expanded. In particular, a "good" investment level would allow for an increase in Transportation to Work services targeted to low-income individuals.

Alternatives to single-car commuting would be expanded through continuation of MichiVan, the state's vanpool program, and a reinstatement of the rideshare program that was cut in FY 2005 due to lost CTF allocations.

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"Better" Investment: $1,336 million annually
A "better" level of investment of $779 million in state funds would create or retain more than 59,000 jobs, leverage $557 million in federal aid, and encourage over $7 billion in related economic benefits throughout the state. In addition to all of the items identified in the "good" investment scenario, this would allow the state to expand, enhance, and develop transit services and facilities as identified in the MI Transportation Plan (MITP).

At the "better" investment level, development of rapid/rail transit in corridors that may not be eligible for federal funds would be possible through the use of exclusive state funds. Experiences in other regions of the country indicate some portion of a regional rapid transit system will need to be constructed without federal funds in order to demonstrate the project's feasibility and make it more competitive for federal funds, or to complete portions of the system that may not meet strict federal criteria.

Michigan's portion of the Midwest Regional Rail Initiative (MWRRI) could be implemented over 10 years with "better" investment, making it possible to travel by train between Detroit and Chicago in under four hours at a maximum speed of 110 mph. The "better" investment level would make it possible to significantly increased frequency of trains, improve feeder bus service, travel at higher speeds, and achieve better on-time performance.

The "better" scenario would provide greater funding stability for transit and spur economic growth. An increase in state investment in transit could lead to unprecedented growth in the system, providing service to meet the growing demand in ridership.

With a "better" level of investment, all existing intercity bus service would be preserved. This investment would provide for one small to moderate terminal project each year. This level of investment would also establish a new program that would provide capital assistance to innovative public-private partnerships for shuttle bus service.

A "better" level of investment could be used to help fund past applications to the New Freedom program and the Transportation to Work program which had to be declined previously for lack of available funds.

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It is interesting to note that Troy is among several cities in Michigan that are developing new Amtrak stations—your peers (that I know of) are Dearborn, East Lansing and Grand Rapids. I have found that sometimes if electeds know that other cities are doing X they are more comfortable. I know that out west, one of the greatest redevelopment and prosperity moves for the Cities of Emeryville and Oakland were their new train stations.

As to the subsidy argument, all transportation is subsidized; less so in the US than other countries and less so in rail than in air....for instance 100% of the operating and capital costs for airports and airline operations are subsidized. 96% FAA and 4% state funds. And then there are roads: there is no state in the Union that covers its maintenance costs from the gas tax, let alone the new construction and major rehab costs. Hence the renewed interest in tolling roads, congestion pricing and increased parking fees.

Pat

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For 40 Years Amtrak *America's Railroad*

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24-Aug-11

TRANSIT RIDERSHIP REPORT
Second Quarter 2011

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Statistician
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ESTIMATED UNITED STATES UNLINKED TRANSIT PASSENGER TRIPS

Period	2011	2010	Percent Change 2010-2011
APRIL	869,693	884,480	-1.67%
MAY	899,220	859,302	4.65%
JUNE	870,503	855,251	1.78%
Second Quarter	2,639,416	2,599,032	1.55%

CALENDAR COMPARISON

	APRIL		MAY		JUNE	
	2011	2010	2011	2010	2011	2010
Weekdays	21	22	21	20	22	22
Saturdays	5	4	4	5	4	4
Sundays	4	4	5	5	4	4
Holidays	0	0	1	1	0	0

ESTIMATED UNLINKED TRANSIT PASSENGER TRIPS *

MODE	CURRENT YEAR (a)(b) APRIL '11 (000's)	MAY '11 (000's)	JUN '11 (000's)	APR '11-JUN '11 (000's)	JAN '11-JUN '11 (000's)	PRECEDING YEAR (a)(b) APRIL '10 (000's)	MAY '10 (000's)	JUN '10 (000's)	APR '10-JUN '10 (000's)	JAN '10-JUN '10 (000's)	% CHANGE (b) Second Quarter (000's)	Year-to-Date (000's)
Heavy Rail	298,343	323,430	312,714	934,487	1,807,897	303,096	299,864	304,641	907,602	1,741,593	2.96%	3.81%
Light Rail	41,034	41,179	40,891	123,104	238,071	39,942	38,597	38,685	117,224	229,560	5.02%	3.71%
Commuter Rail	37,867	39,515	40,122	117,505	227,740	38,663	37,639	39,138	115,440	225,180	1.79%	1.14%
Trolleybus	8,330	8,520	8,263	25,113	49,467	8,742	8,244	8,065	25,051	49,952	0.25%	-0.97%
Bus Population Group												
2,000,000+	307,093	322,059	309,961	939,113	1,827,395	318,861	318,022	311,355	948,238	1,843,155	-0.96%	-0.86%
500,000 to 1,999,999	87,728	85,841	83,106	256,675	510,701	87,481	82,624	81,248	251,354	503,559	2.12%	1.42%
100,000 to 499,999	36,180	31,371	28,784	96,336	203,113	35,232	29,177	27,599	92,007	195,314	4.70%	3.99%
Below 100,000	18,731	11,906	9,705	40,342	96,028	18,099	10,884	9,014	37,996	91,607	6.17%	4.83%
Bus Total	449,732	451,178	431,556	1,332,466	2,637,238	459,673	440,707	429,215	1,329,595	2,633,635	0.22%	0.14%
Demand Response	16,654	16,907	16,890	50,452	98,564	16,507	15,962	16,226	48,695	95,136	3.61%	3.60%
Other (c)	17,733	18,490	20,067	56,290	104,179	17,858	18,289	19,280	55,427	102,410	1.56%	1.73%
United States Total	869,693	899,220	870,503	2,639,416	5,163,156	884,480	859,302	855,251	2,599,032	5,077,465	1.55%	1.69%
Canada (reporting systems)	201,182	204,250	200,992	606,424	1,232,508	193,635	194,926	193,430	581,990	1,197,348	4.20%	2.94%

* Preliminary information based on data from reporting systems.

Note: Data may differ from that included in Federal Transit Administration reports due to differences in data calculation procedures and in periods of time covered.

(a) Transit agencies assigned by urbanized areas or urban places of less than 50,000 population outside urbanized areas based on 2000 U.S. Census Population.

(b) Year-to-date ridership adjusted for data received after closing dates of previous issues.

(c) Includes aerial tramway, automated guideway, cable car, ferryboat, inclined plane, monorail, and vanpool.

Attachment #5

NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

SUMMARIZED FY 2011 MICHIGAN RIDERSHIP AND REVENUE RESULTS*

ELEVENTH MONTH OF STATE FISCAL YEAR - PERIOD ENDED JULY 31, 2011

Corridor/Service	Ridership *				Ticket Revenue (In Dollars) *			
	Year-To-Date AUGUST 31,		Increase/(Decrease)		Year-To-Date AUGUST 31,		Increase/(Decrease)	
	2011	2010	Amount	Percentage	2011	2010	Amount	Percentage
Blue Water	173,896	145,546	28,350	19.5%	$5,411,368	$4,406,450	$ 1,004,918	22.8%
Pere Marquette	99,440	94,818	4,622	4.9%	$2,984,864	$2,710,361	274,503	10.1%
Wolverine	472,402	441,701	30,701	7.0%	$17,685,097	$15,624,233	2,060,864	13.2%
Total	745,738	682,065	63,673	9.3%	$26,081,329	$22,741,044	3,340,285	14.7%

** Per August 2011 Ridership and Revenue Report (FY11)*

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High Speed Rail

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PRIIA Section 305 Documents/Specifications
PRIIA Section 305 Next Generation Equipment Committee
PRIIA Section 209: State Supported Corridors
Members Only
Repository

All three Amtrak routes show ridership growth in Michigan

AASHTO > High Speed Rail > All three Amtrak routes show ridership growth in Michigan

FOR IMMEDIATE RELEASE **THURSDAY, OCTOBER 13, 2011**

CONTACT: Janet Foran, MDOT Office of Communications, 517-335-7176

foranj@michigan.gov

All three Amtrak routes show ridership growth in Michigan

FAST FACTS:

- Amtrak trains in Michigan have set new ridership records for FY 2011.
- Despite track work and freight slowdowns, the *Wolverine* service continues to grow.
- *Blue Water* service has impressive passenger growth.

October 13, 2011 – Amtrak trains in Michigan have set new ridership records for the fiscal year that ended Sept. 30 and collected $27.7 million in ticket revenue. Although track work and freight slowdowns between Detroit and Chicago strongly impacted the *Wolverine* service and contributed to slower growth than anticipated, all three Amtrak services experienced increases in ridership and revenue.

In figures for the 2010-2011 fiscal year, 503,290 passengers rode Amtrak *Wolverine* service trains on the Pontiac/Detroit-Chicago corridor, an increase of 4.9 percent from the same period a year ago. Ticket revenue was up by 11 percent to $18,769,770.

The *Blue Water* service on the Port Huron/East Lansing-Chicago route saw an impressive 18.6 percent increase with 187,065 passengers using the Amtrak service in FY2011. Ticket revenue was up by 22.3 percent to $5,797,878.

Ridership on the *Pere Marquette* service on the Grand Rapids-Chicago route experienced a gain of 4.7 percent with 106,662 passengers riding Amtrak, while ticket revenue rose 9.8 percent to $3,197,106.

"This past year marks the highest ridership totals ever on Amtrak services in Michigan," said State Transportation Director Kirk T. Steudle. "All three lines, especially the *Blue Water*, have made great gains, despite the slowdowns on the Pontiac/Detroit-Chicago corridor. We've taken steps to repair the track between Kalamazoo and Ypsilanti, so that will help bring speeds back to what customers expect."

Amtrak operates the *Blue Water* and *Pere Marquette* services under a contract with the Michigan Department of Transportation (MDOT). At this time, Amtrak does not receive any direct

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state support for the *Wolverine* service. Michigan is one of 15 states that provide state-supported service.

For a Station Activity Summary Report that shows individual station statistics for FY 2010 and 2011, go to the MDOT Web site for details.

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MDOT: Working with our partners at airports, bus systems, marine and rail to find innovative solutions for Michigan's transportation systems.

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Attachment #5

A Guide to

Provided by:

The Road Commission for Oakland County

Sept. 27, 2011

Visit RCOC online at *www.rcocweb.org*

Attachment #5

State Road Funds

So, where does the money come from to maintain Michigan's roads? The two largest sources are the state-collected gas tax and the vehicle-registration fee (license plate fee).

Traditionally, the gas tax has been the largest single source of road funding in Michigan, though vehicle-registration fee revenues surpassed the gas tax in 2008, as gas consumption declined statewide. In 2009 and 2010, the gas tax regained its spot as the largest source of road funding, slightly edging out vehicle-registration fees.

Historically, Michigan's gas tax rate has been below the national average, making it a major contributor to the state's poor showing in per capita road-funding comparisons. As noted previously, the state gas tax was last raised 14 years ago in 1997, when it was increased from 15 cents per gallon to 19 cents. Prior to 1997, it had not been increased since 1984, when it was raised from 13 to 15 cents per gallon.

So, where does Michigan's gas tax rank compared to other states? We remain below average. The table below lists the gas and diesel tax rates for the nation, and shows Michigan's rank for each.

State Fuel Tax Rates (2011)

State	Gas	Diesel	State	Gas	Rank	Diesel	Rank
Washington	37.5	37.5	W. Virginia	20.5		20.4	
California	35.3	18	Louisiana	20		20	
N. Carolina	32.5	32.5	Tennessee	20		18	
Rhode Island	32	30	Texas	20		20	
Wisconsin	30.9	30.9	Vermont	19		25	
Oregon	30	30	Illinois	19		21.5	
Maine	29.5	30.7	Michigan	19	Tie - 39	15	42
Ohio	28	28	Arizona	18		18	
Minnesota	27.1	27.5	Indiana	18		16	
Montana	27	27.8	Mississippi	18		18	
Nebraska	26.4	26.4	New Hamp.	18		18	
Connecticut	25	39.6	Virginia	17.5		17.5	
Idaho	25	25	Hawaii	17		17	
Utah	24.5	24.5	Missouri	17		17	
Kansas	24	26	New Mexico	17		21	
Maryland	23.5	24.3	Alabama	16		19	
Delaware	23	22	Oklahoma	16		13	
Nevada	23	27	S. Carolina	16		16	
N.Dakota	23	23	Wyoming	13		13	
Colorado	22	20.5	Pennsylvania	12		12	
S. Dakota	22	22	New Jersey	10.5		13.5	
Arkansas	21.5	22.5	New York	8.1		8	
Kentucky	21.1	18.1	Alaska	8		8	
Iowa	21	22.5	Georgia	7.5		7.5	
Massachusetts	21	21	Florida	4		4	

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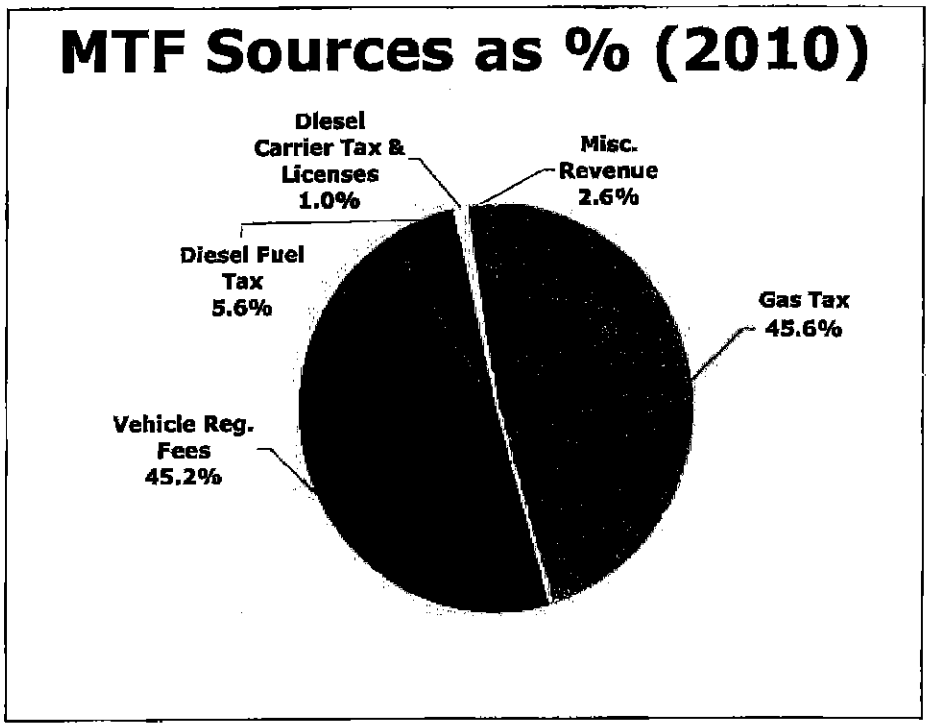
What are the other sources of state road funds?

In addition to the gas tax and vehicle-registration fee, there are several other state-collected revenues that contribute to road funding in Michigan. The pie chart below shows those sources and indicates what percentage of total state road funds each source accounts for.

It is interesting to note that Michigan is also one of only seven states in the nation that applies its full sales tax (6%) to gas and diesel sales. In Michigan, none of the revenue from that sales tax goes to roads.



How are state-collected road funds distributed?

The state Legislature addressed the question of the distribution of state-collected transportation funds through the creation of a road-funding formula that is spelled out in Michigan Public Act 51. The formula divides the funds among the state, county road commissions and cities & villages.

In the act, the Legislature established a single "pot" for state-collected road funds known as the Michigan Transportation Fund (MTF) and then created the MTF distribution formula. According to the formula, money is first taken off the top of the MTF for a number of items including the Bridge Fund and transit. The formula then calls for 39.1 percent of the remaining money to go to MDOT (with jurisdiction over 8 percent of Michigan's roads), 39.1 percent to go to county road commissions (with jurisdiction over 75 percent of Michigan's roads) and 21.8 percent to go to cities and villages (with jurisdiction over 17 percent of Michigan's roads).

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Suburban Mobility Authority for Regional Transportation

Proprietary Funds

Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended June 30		
	2010	2009	
	Enterprise Operating Fund	Enterprise Operating Fund	Internal Service Retiree Health Care
Operating Revenue			
Fares	$ 13,033,388	$ 12,101,330	$ -
Other income	785,777	465,921	-
Total operating revenue	13,819,165	12,567,251	-
Operating Expenses			
Salaries and wages	40,744,274	42,265,832	-
Fringe benefits	30,567,883	27,865,774	3,000,000
Contractual services	3,081,907	3,606,240	-
Materials and supplies	13,382,918	15,396,659	-
Utilities	1,880,437	2,194,220	-
Claims and insurance	4,813,228	1,581,439	-
Purchased transportation (Note 8)	9,386,206	9,965,437	-
Miscellaneous expenses	101,406	410,138	-
Depreciation expense	12,980,575	12,072,882	-
Total operating expenses	116,938,834	115,358,621	3,000,000
Operating Loss	(103,119,669)	(102,791,370)	(3,000,000)
Nonoperating Revenue (Expense)			
Federal operating and preventive maintenance assistance	16,312,166	12,360,068	-
State operating grants	34,136,343	33,034,981	-
Local contributions	50,369,199	52,762,260	-
Interest income	136,210	302,853	-
Interest expense	(1,265,022)	(1,718,344)	-
Loss on retirement of assets	(141,962)	(27,823)	-
Change in Net Assets Before Capital Contributions	(3,572,735)	(6,077,375)	(3,000,000)
Capital Contributions	10,620,933	6,453,273	-
Change in Net Assets	7,048,198	375,898	-
Net Assets - Beginning of year	63,544,373	63,168,475	3,000,000
Net Assets - End of year	**$ 70,592,571**	**$ 63,544,373**	**$ -**

The Notes to Financial Statements are an Integral Part of this Statement.

Attachment #5

Record Amtrak Passengers Hint at Growing Demand for High-Speed Rail

By Jennifer Booton

Published October 14, 2011 | FOXBusiness

300x250

Amtrak said Friday it carried more than 30 million passengers in the latest fiscal year, an all-time record that has helped stir interest in a degraded high-speed rail industry.

Supporters of high-speed rail, who have been struggling for years to initiate its adoption in the U.S., say demand for the either loved - or loathed- sector is now clearly visible.

"This proves that obviously there's a demand. Ridership is soaring out there, and we're barely even investing," said Andy Kunz, CEO of the U.S. High Speed Rail Association.

Amtrak ridership was up more than 5% year-over-year in the fiscal period ended Sept. 30 and ticket revenue climbed more than 8% despite significant weather-related disruptions in the Northeast, Central and Western U.S. More than half of Amtrak services set all-time records this year, including seven Amtrak routes that carried more than one million passengers.

The record results come amid growing discussion over high-speed trains in the U.S. The parties in favor of high speed rail claim the need is obvious and the benefits numerous, while those against it say rail is far too expensive and hard to justify in today's tough economic environment.

At the very least, the increased demand offers another sign travelers are getting fed up with soaring airline fares and fight cancellations, according to Kunz.

Global air travel slowed in August, with passenger traffic falling about 1.5% from July, according to the International Air Transport Association. The U.S. saw the weakest advance in traffic in August at 2.9%, with U.S. domestic travel contracting 1%.

The economic headwinds have started to create problems for major U.S. airlines, including AMR's (AMR) American Airlines, which has been fighting off bankruptcy rumors, as well as other airline majors such as Delta (DAL) and United Continental (UAL) that have considered or already cut capacity. Total industry profits are expected to fall to $4.9 billion in 2012 from $6.9 billion this year, according to the IATA.

Amtrak's results show that people "want and need a third form of transportation," Kunz said.

Supporters of more rails say that it would fill a necessary void for medium-distance travelers, where it may be too inconvenient to drive but too costly to fly. Picture New York to Washington D.C. or San Francisco to Los Angeles.

Amtrak pointed to high gasoline prices, continued growth in high-speed rail business travel and effective marketing campaigns as to why it has been successful lately. With the exception of 2009, the commuter rail service has reported record ridership and revenue every year since 2002, which is about the time airlines started to struggle.

"We were created by Congress to fulfill a vital national transportation need and to connect the nation in ways no other mode of transportation can," said Amtrak chairman Tom Carper.

Of course, government-run Amtrak and its Acela Express still have their problems: low funding, meager profits, speed regulations and sharing tracks with freighters, to name a few. High-speed rail supporters call for a system that is built from the ground up, using rails designated only for high-speed trains and new technologies that whip trains around at speeds faster than 200 miles per hour.

That vision, however, is still young in the U.S. as funding just trickles to the ground-level builders of high-speed train infrastructures and technologies. There also seems to be a fundamental disagreement between supporters and protestors over how its expensive creation will benefit Americans or the broader economy.

Attachment #5

The High Speed Rail Association hopes to address some of these issues at its upcoming conference in New York City this November, where it plans to display the benefits of high speed rail to business owners and exemplify the potential profitability that can emerge from its adoption.

Either way, it seems the U.S. will have to wait some time until it can even dream of catching up to Europe's speedy and expansive Eurostar or China's longest and fastest trains in the world. That's if it ever becomes a priority to the U.S. at all.

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Midwest High-Speed Rail Line Gets $196M from Federal Government

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Updated: Thursday, 06 Oct 2011, 7:53 AM CDT
Published : Thursday, 06 Oct 2011, 7:53 AM CDT

Associated Press

Detroit - The federal government is investing $196 million in high-speed rail in the Midwest. The money will be used for improvements on the train line from Kalamazoo Michigan to suburban Detroit.

Michigan also acquired a 135-mile stretch of track.

The U.S. Department of Transportation announced that it awarded Michigan the funds for signal and track improvements on the rail line between Kalamazoo in western Michigan and Dearborn in suburban Detroit.

Also Wednesday, the state said that it has agreed to buy the tracks between the two cities from Norfolk Southern Railway for $140 million.

The purchase money comes from the U.S. Transportation Department's Federal Railroad Administration, also the funding source for the track improvements.

Officials said the improvements would allow trains to reach 110 mph on the segment. It will shave 30 minutes off travel on Amtrak's Wolverine and Blue Water services between Detroit and Chicago, the U.S. government said.

The line runs through Illinois, Indiana and Michigan and served about 480,000 passengers in the most recent federal fiscal year.

"Investing in rail service will spark economic development in communities along a corridor linking Detroit and Chicago, two vital Midwest cities," Michigan Gov. Rick Snyder said in a statement. "A faster, reliable passenger rail system is a priority for younger generations and vital to Michigan's ability to compete globally as businesses look to locate or expand."

Snyder said the rail improvements will also speed freight transportation, a priority for Ford Motor Co. and other businesses along the rail corridor.

"This is an important investment that will reduce travel time, improve reliability and on-time performance, and attract more passengers," Transportation Secretary Ray LaHood said in a statement. "We are creating jobs in Michigan, building our rails with American-made materials and growing the regional economy."

U.S. Sen. Debbie Stabenow, D-Michigan, said the effort will give residents additional transportation options.

"With gas prices as high as they are it is critically important that travelers have more choices in addition to driving," Stabenow said.

According to the Michigan Department of Transportation, its acquisition of the rail line, combined with Amtrak's ownership of the segment from Porter, Ind., to Kalamazoo, puts about 80 percent of the Detroit-Chicago track under "passenger-friendly ownership."

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Amtrak's passenger service has suffered at various times around the country because the freight carriers that own the tracks often give priority to their own freight trains.

The state agency said it will build a double track on the busiest freight segment of the line east of Ypsilanti "to ensure adequate capacity for both freight and passenger operations."

Online:

Federal Railroad Association: http://www.fra.dot.gov

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WSJ.com

BUSINESS | MARCH 14, 2011

On Fast Track to the Future

High-speed trains will continue to resurrect Europe's rail system, says the chairman of France's state operator

By WILLIAM LYONS

London—Guillaume Pépy has a secret. The chairman and chief executive of Europe's largest high-speed train operator, likes to fly. "It's true," he chuckles. "I'm very fond of aircraft, so you could say I missed my ideal career completely."

Not that Mr. Pépy, who has run France's national state-owned railway company, Société Nationale des Chemins de Fer, or SNCF, for the past three years, gets to fly much these days. One of the last times he went on an airplane was to take a flight from London City airport to Charles de Gaulle in Paris. It was, he says, a fact-finding mission to check the level of service. Shaking his head he smiles: "I wasn't impressed."

It's been 23 years since he joined SNCF as an énarque, a graduate of the prestigious École nationale d'administration, a postgraduate training house for senior civil servants, but few would forgive him a career change now. The past two years have seen a slew of issues cross his desk from complaints about service and overcrowding on regional routes in France, through disputes with the work force over pension reform and a diktat from France's President Nicolas Sarkozy to all major industries in state hands to increase capital expenditure. This amid a period of falling revenue and having to make a very public apology for the role SNCF played in transporting Jews during the Holocaust.

All of this has been played out against a backdrop of one of the most radical changes to European railways in a generation: the opening up of cross-border rail transport to competition, a measure that pits SNCF against Germany's largest rail operator, Deutsche Bahn, for dominance of Europe's high-speed rail traffic.

Reuters

Guillaume Pépy says Europe is 'completely convinced' that high-speed trains are the future. 'I feel reinforced by the fact that China has made exactly the same choice,' he adds.

But ever the optimist, sitting in London where Mr. Pépy is visiting for a series of meetings, he refuses to be downcast. In fact with revenues at SNCF in 2010 up more than 30% to €30.5 billion ($42.4 billion) and growth in the network for high-speed rail, he appears genuinely excited by it all.

"When I came into the industry in 1988, except for one or two high-speed lines, it was a declining industry," he says. "Regional traffic was poor, the freight system was disintegrating and the networks were getting older and older. Within two decades we have completely reversed the situation and now there is a widespread feeling that the train is the future of travel within Europe."

Not only is train travel often faster than plane travel, he argues, but he also puts the case that it is more environmentally friendly. With domestic borders coming down across Europe's railroads, he says there is an opportunity to challenge the Continent's low-cost airlines. Initiatives such

Attachment #5

as Railteam, a joint marketing and ticketing operation with an alliance of train operators including Deutsche Bahn, allow passengers via one website to book high-speed rail tickets on networks across Europe.

"Competition is exciting," he says. "We come from a world of domestic monopolies and for years we spoke about competition but we didn't have it. Now it is here. It is a radical change, I think it's a very good step as it will increase return to the taxpayers who over the years have invested a lot in the infrastructure of the networks and it is good for customers as they will have a wider range of services."

It also means he can grow his flagship service, the Trains à Grande Vitesse (TGV), and realize his dream of high-speed rail running seamlessly across Europe.

Scattered in front of him are a series of maps. This year marks the 30th anniversary of the first high-speed train in France. Since the launch of the first TGV line between Paris and Lyon in 1981, the trains have carried more than 1.5 billion passengers with lines spreading across France. At the end of this year, Mr. Pépy says, the TGV will open a line linking Lyon in central France with Mulhouse near the German border, gateway to the eastward expansion of the European Union. The maps show the present high-speed rail links in Europe and in red the lines under construction. It is these lines, he says, that will challenge the dominance of air carriers on routes such as London to Paris.

"Europe is completely convinced that high-speed is our future," he says pointing to the high-speed routes on the map. "I feel reinforced by the fact that China has made exactly the same choice. It had a choice between developing airlines and a high-speed rail system and it has chosen rail.

"When you have good long distance high-speed trains you do not need a low cost airline. The chairman of Air France has always stated that in France the low cost airline is the TGV.

"Now look across Europe. Spain is highly dedicated to high-speed rail; France also; within the next three or four years Italy will have almost finished its program. Germany is still working on theirs, I would say between 50 and 60% of the European network is built, but of course there is more to be done."

Those red lines are not as prevalent on the map of the U.K. where there is only one high-speed line between London and the southeast England port city of Dover. Plans to build a second linking London to the West Midlands and later Scotland have been mired in controversy. Last week, 21 high-profile businessmen including Nigel Lawson, a former chancellor of the exchequer, wrote a public letter condemning the project as a waste of money and a "vanity project."

But Mr. Pépy has a great deal of respect for high-speed rail in the U.K., limited as it is. "High Speed 1 [the London -Dover route] is one of the most efficient in Europe," he says. "It is the most reliable and has a high level of punctuality. So it is a very good advert for high-speed rail."

He says he hasn't followed the U.K. debate closely, but argues that any decision has to be made within the wider framework of public infrastructure investment. Whether it is building roads or airports, the long-term costs and benefits have to be compared. How this is financed, he argues, is largely down to culture, but he sees a natural correlation between public ownership and infrastructure.

"High-speed rail is all about the long-term. When you build a high-speed track you build it for 70 years. That is the choice Spain, China and now Russia have made."

Competition has allowed him to expand SNCF internationally. In 2008, SNCF acquired a stake in Nuovo Trasporto Viaggiatori. It will be Europe's first private high-speed train company that will operate a fleet of 25 trains across Italy.

Then there are opportunities for the TGV outside of Europe. SNCF has sold high-speed rail infrastructure and expertise to Korea and Morocco. Mr. Pépy says there are prospects in Russia, Saudi Arabia and California as part of U.S. President Barack Obama's proposed $53 billion high-speed rail plan. He is also looking to grow the freight -forwarding business, moving it more closely into transportation systems for high-value goods.

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This summer a joint British and French intergovernmental commission will make a ruling as which rail operators can operate under the 31.4 mile Channel Tunnel. It is a move that could see trains, manufactured by German rival Siemens, operate in the tunnel.

"At the moment we compete with Deutsche Bahn on Brussels to Cologne and [maybe] tomorrow London to Brussels. Competition in the tunnel is coming, it is enshrined in European law and as shareholders of Eurostar [the high speed train company that operates between the U.K. and Europe] we have been preparing for competition for years, and it will benefit everybody."

Write to William Lyons at william.lyons@wsj.com

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High Speed Rail

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- Reports/Testimony
- AASHTO State Rail Directories
- State and Federal Links
- Grant Awards
- News Room
- State Leaders
- Glossary of Terms
- Basic Facts About High-Speed Rail
- PRIIA Section 305 Documents/Specifications
- PRIIA Section 305 Next Generation Equipment Committee
- PRIIA Section 209: State Supported Corridors
- Members Only
- Repository

Basic Facts About High-Speed and Intercity Passenger Rail

AASHTO > High Speed Rail > Basic Facts About High-Speed Rail

Basic Facts About High-Speed/Intercity Passenger Rail

Updated September 7, 2011

FEDERAL INVESTMENT

Primary Federal Funding Sources:

- $8 billion from the American Recovery and Reinvestment Act
- Under the Passenger Rail Investment and Improvement Act (PRIIA)
  - $90 million in FY 2009 appropriations
  - $2.5 billion in FY 2010 appropriations

Details:

- Of the $8 billion in ARRA funding to "jump start" high-speed/intercity passenger rail in the United States:
  - $2.5 billion - The largest grant awarded to a single state (California)
  - 29 states and the District of Columbia receive passenger rail funding
  - As of September 7, 2011, FRA has approved $7.4 billion in Federal funding for 92 projects across the country

- $2.5 billion - Amount appropriated by Congress for HSIPR for FY 2010;

Ridership climbs:

- 30 million people expected to ride passenger trains in FY 2011 - up almost 6% so far
- Northeast Corridor up 5%
- State-supported and other short distance corridors up 7%

Key routes seeing double-digit ridership increases in July 2011 (from October 2010):

- Washington to Newport News, VA up 21%, carrying 465,000 passengers
- Blue Water Line in Michigan, up 21%, carrying 154,000 passengers
- Piedmont Line in North Carolina, up 50% with 118,000 passengers
- Chicago to Carbondale, up 19%, with 264,000 passengers

BENEFITS

Cost savings

- $87.2 billion - The amount of money lost in automobile traffic gridlock every year in the United States.
- 4.2 billion -Total hours wasted in highway traffic gridlock every year.
- $41 billion - The cost of domestic air-traffic delays.

Energy efficiencies of passenger rail

- 2,709 - The number of British Thermal Units used per passenger mile by train, compared to 3,264 by airline and 3,445 by auto (U.S. Department of Energy, 2005).
- 17 percent - Passenger rail is 17 percent more fuel efficient than airlines on a per passenger mile basis. (U.S. Department of Energy, USDOT Preliminary National Rail Plan)
- 21 percent - Passenger rail is 21 percent more fuel efficient than vehicles on a per passenger basis (U.S. Department of Energy, USDOT Preliminary National Rail Plan).
- 8 million - Number of autos that passenger rail service displaces from the roads each year. (National Association of Rail Passengers)
- 50,000 - The number of fully loaded passenger airplanes that passenger rail displaces each year. (National Association of Rail Passengers)

Speed

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- Speeds defined by Congress:
  - 150 mph - Top speed for High Speed Rail Express Routes, 200-600 miles in length.
  - 110-150 mph - Top speed of High-Speed Rail Regional Routes, 100-500 miles in length.
  - 90-110 mph - Top speed of Emerging High Speed Rail, 100-500 miles in length, with potential to become regional or express service.
  - 79-90 mph - Top speed of Conventional Rail, 100 miles or more.

- 135 mph - Top speed of Amtrak's Acela high-speed train, New York to Washington.
- 81 mph - Average speed of Acela between New York and Washington.
- 130 mph - Cruising speed of Japan's Shinkansen high-speed rail service (Tokyo to Osaka).
- 186 mph - Speed of Spain's AVE service (Madrid to Barcelona).
- 160 mph - Speed of France's TGV service (Paris to Nice).
- 357 mph - World speed record, set by France's TGV in 2007

Environmental benefits

- 71 percent - reduction of carbon dioxide emission by train, per passenger mile, compared to auto.
- 76 percent - reduction of carbon dioxide emission by train, compared to air.

Safety

- .04 - Number of fatalities per 100 million passenger miles experienced by Amtrak over the last 30 years. By comparison, the fatality rate for autos is 1.29 per 100 million passenger miles. (National Safety Council)
- 0 - the number of people who have died in high-speed train accidents in France, Spain or Japan since those countries began service.

Jobs

- 150,000 - The number of jobs projected to be created by high-speed rail in four U.S. cities over next 25 years. (Orlando, L.A., Chicago, Albany).
- 24,000 - The number of construction and manufacturing jobs per $1 billion capital investment. (Economic Development Research Group)
- 41,000 - Number of operation and maintenance jobs per $1 billion operating investment. (Economic Development Research Group)
- 600,000 - The number of jobs created by high-speed rail construction in Spain in the last five years (Government of Spain).

Service/Reliability

- 80 percent - On-time performance of Amtrak's Acela high-speed rail service.
- 2 hours, 45 minutes - Travel time on Amtrak Acela, Washington - New York.
- 98.8 percent - On-time performance of Spain's high-speed rail service.

What Other Countries Are Doing

- $15 billion - The amount Spain plans to spend on high-speed rail over the next 10 years.
- $120 billion - The amount China will spend to double its high-speed rail network by 2012.

Prepared by AASHTO; Updated December 7, 2010

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Attachment #5

DETROIT REGIONAL **Mass Transit**

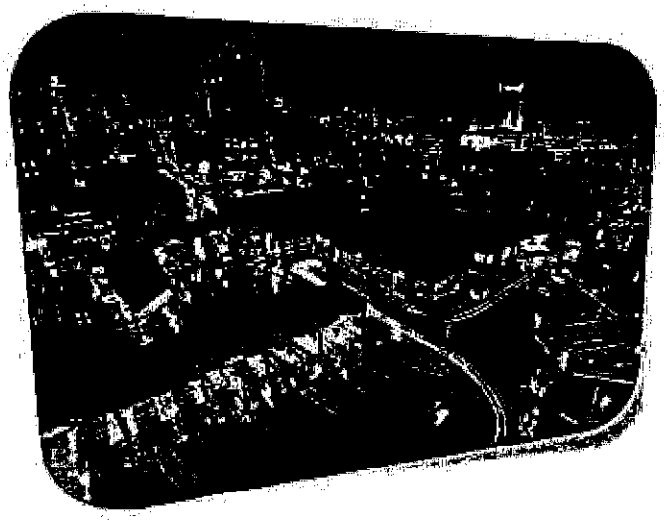
A plan for the optimization of the development and delivery of new and improved public transit that will enhance economic development and maximize public mobility in the tri-county Southeast Michigan region.

Project Objective

- Work with existing transit providers to plan for and coordinate improvement / enhancement of existing transit services and the connectivity with new mass rapid transit systems.
- Plan for and coordinate the development of new rapid mass transit systems in key tri-county region transportation corridors.
- Identify and recommend to the Michigan Legislature, the Governor, the three county leaders, County Commissioners, Mayor of Detroit, Local Elected Officials and Federal Legislature methods of funding (including possible legislation) the development and operation of new and enhanced mass rapid transit in Southeast Michigan

Comprehensive Regional Transit Service Plan
Project Schedule

January 2008	Review Existing Studies; Meet with Transit Agencies and Stakeholders
February-March	Assess Existing Services; Evaluate Corridors and Transit Modes
April	Spring Open Houses
May – August	Develop recommended network; Assess Regional Transit Performance
Sept/Oct	Fall Open House



Next Steps

October	Incorporate Public Comments Identify Network Cost Assess Economic Impact Recommend Funding Strategy
November	Submit Final Report
December	Acceptance of Plan by RTCC Board.

Attachment #5

Major Issues Identified

Southeast Michigan transit is underfunded and its riders underserved

- 11th most populous region, yet 23rd in transit funding
- Only provides $75 per capita while Top 25 average $184 per capita
- Largest of the Top 25 metro regions without rapid transit system in place or in development
- Transit goes to the right places but speed and frequency is insufficient

Current regional service systems lack informational (and sometimes physical) connections which makes transit more difficult to use for regional residents

Efficiency and effectiveness of current operators has been improving in recent years – but there is still room for improvement

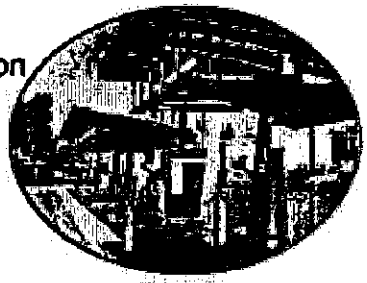
- Some key cost issues hamper ability to perform as well as other transit agencies
- Average passenger miles and vehicle miles are longer than peers due to the lack of regional or commuter rail
- Vehicle maintenance costs are high when compared to peers

Fares cover a lower percent of costs in Southeast Michigan compared to other transit agencies

Attachment #5 Transit Modes

Arterial Rapid Transit (ART)

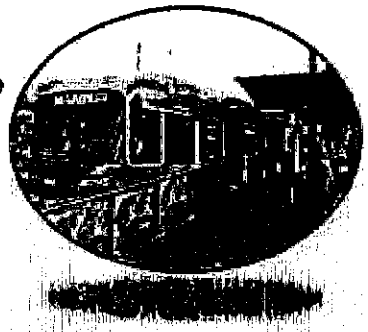
are corridors with: traffic signal priority, attractive, low fuel consumption hybrid low floor buses, specific branding of buses and stops, enhanced stops with shelters that provide more protection and next bus information.



Capital Costs:	$300,000-$450,000 per mile
Vehicle Costs:	$500,000 - $600,000 each
Operating Costs:	$127 per vehicle hour

Bus Rapid Transit (BRT)

a bus operating strategy that uses reserved transitways or lanes, express operations, special vehicles, enhanced passenger facilities, and other means for buses to *emulate the reliability and convenience of rail transit*. The goal of using BRT technology is to combine the flexibility of buses with the speed and reliability of rail transit at a lower cost



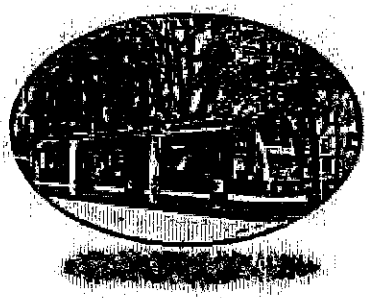
Capital Costs:	$9.1 million - $21 million per mile
Vehicle Costs:	$1 million - $1.2 million each
Operating Costs:	$135 per vehicle hour

Light Rail Transit (LRT)

is an electrically powered rail passenger system used for urban transportation, typically used on shorter routes than those covered by commuter rail. LRT typically operates at-grade. Similar to BRT, LRT in an exclusive right of way can average speed of 30 mph.

Modern Streetcars

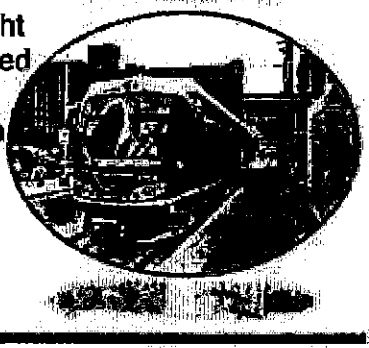
designed to travel in urban cores and are light and maneuverable; used in areas where there are many stations; their fast acceleration minimizes the effect that short station spacing has on travel times.



Capital Costs:	$16 million - $29 million per mile
Vehicle Costs:	$3 - $3.5 million each
Operating Costs:	$173 per vehicle hour

Light Rail Vehicles

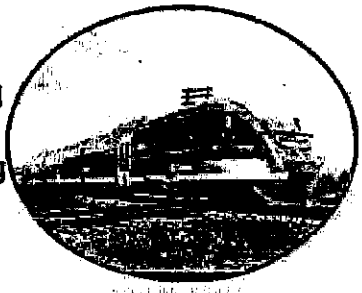
larger trains designed to operate in mixed traffic and on dedicated right of way. They are capable of high speed (55 mph) and being connected to travel in multiple units. Stations for light rail vehicles are generally spaced a minimum of half mile intervals to allow the vehicles to reach higher speeds.



Capital Costs:	$59 million - $69 million per mile
Vehicle Costs:	$4 million - $5 million each
Operating Costs:	$217 per vehicle hour

Commuter Rail

Rail passenger service, operated on tracks shared with freight traffic. Commuter rail is oriented to the peak period and typically serves suburban commuters to downtown employment areas. Commuter rail typically provides at least several inbound and outbound weekday trains, focused on work trips. Regional rail passenger service, serving multiple trip purposes, is normally operated with trips spaced through the day, with service every day.



Capital Costs:	$1.7 million - $3.3 million per mile
* Vehicle Costs:	$2.5 million - $3.5 million (Used), $7 million - $15 million (New)
Operating Costs:	$476 per vehicle hour

**One engine and five passenger cars*

Benefits of Proposed Regional Transit Plan

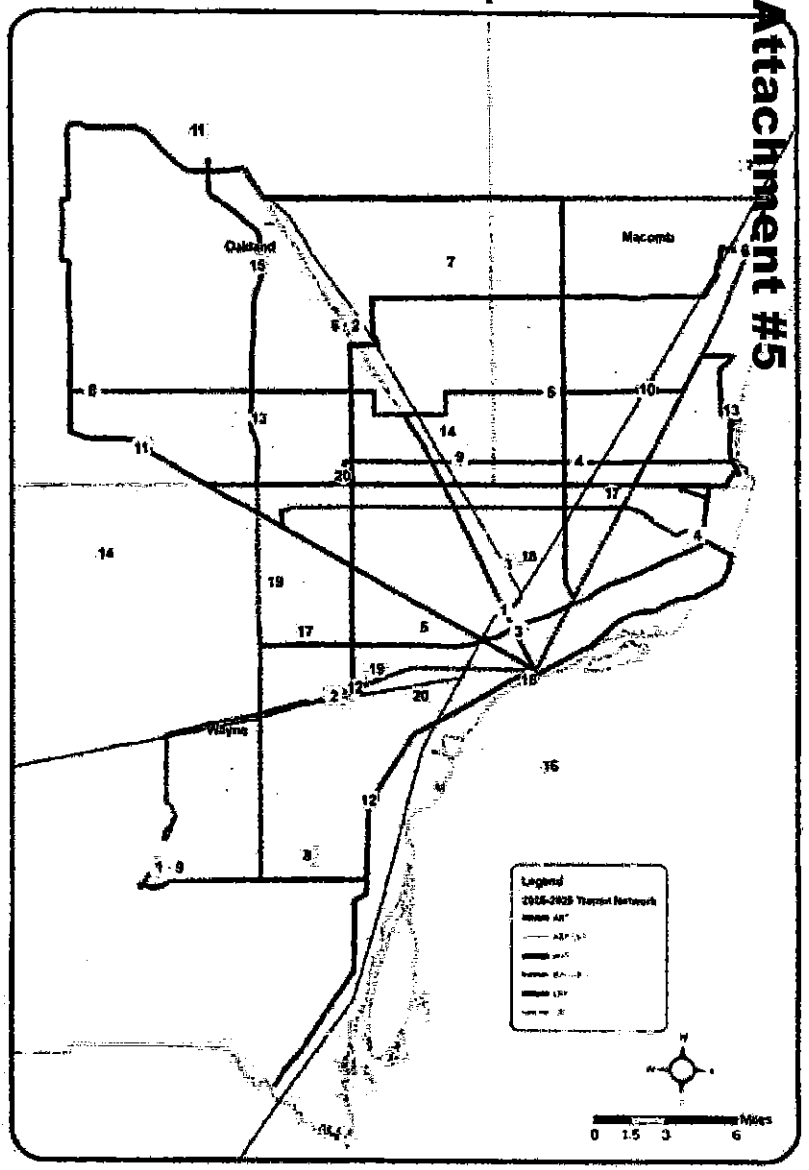
Benefits of an Expanded Regional Transit System

- More and better travel options for residents
- Improved transit travel times
- Transit access to more places

Economic Development Impacts

- Will make Southeast Michigan more competitive for jobs
- Proven to stimulate development in corridors
- Studies show that every $1 invested in transit generates $4-$8 in economic activity

Benefits Map



Attachment #5

The chart below identifies random trips in the region on the map to the right. This illustrates how long a trip takes now, with the Proposed Transit Network in 2015 and in 2035.

Number	Beginning	End	Day, Time of Trip	2009	2015	2035
1	Detroit Metro Airport	[illegible]	Weekdays, Arrive 6am	174	65	30
2	Dearborn	[illegible]	Weekdays, Saturdays Arrive 8am	102	98	38
3	Detroit VA Hospital	[illegible]	Weekdays Arrive 10am	27	19	19
4	St. John Medical Center Mack Mercy (Detroit)	Campbell 9 Mile Rd (Ferndale)	Weekdays Arrive 10PM	64	50	34
5	Farmington Rd (Detroit)	CM Tech Center (Warren)	Weekdays Arrive 8am	65	58	44
6	Mt. Clemens	[illegible]	Saturday, Sunday Leave 2pm	97	79	62
7	Macomb Township	[illegible]	Weekdays Arrive 9am	94	86	62
8	Southfield Middlebelt Rd (Fairlane Rd)	[illegible]	Weekdays, Saturdays Leave 8am	102	102	70
9	Woodward Mile (Ferndale)	Detroit Metro Airport	Weekdays Arrive 11am	127	100	87
10	Gruesbeck/12 Mile (Roseville)	Wayne State U (Warren/Woodward)	Weekdays Arrive 8am	73	56	25
11	Grand River/Farmington (Farmington)	200 S. Telegraph Rd Pontiac (Oakland County) Oldbury	Weekdays Arrive 10am	80	75	45
12	Lincoln Park	Dearborn	All days Arrive 9am	78	38	36
13	St. Clair Shores	Southfield	Weekdays, Saturday Arrive 10am	114	114	85
14	Lincoln 5 Mile (Ferndale)	[illegible] (Ferndale)	Weekdays 10am	N/A	80	60
15	Bloomfield Twp	[illegible] Detroit	Weekdays Arrive 8	82	92	60
16	Inkster	Wooden Dr	Weekdays 9am	82	65	65
17	Evergreen/Tireman (Detroit)	Schoenherr State Fair (Detroit)	Weekdays 11am	92	69	69
18	Conant Cliff (Hamtramck)	Michigan Ave. Fort Wayne Rd (Dearborn) Dearborn	Weekdays Arrive 8am	92	57	57
19	Fort Schaefer (Detroit)	Telegraph Center (Detroit Dunes)	Weekdays Arrive 8am	46	37	32
20	Vernor Lawndale (Downriver Detroit)	Northland Shopping Center	Weekdays Arrive 3PM	25	80	50

Attachment #5

Troy/Birmingham Intermodal Transit Facility
Summary of Costs to April, 2011

Item	Time Period	Amount
Preliminary Site Design. Wendel Dechscherer Assoc.	2007 to 2009	$ 429,442
Cost Sharing Agreement with Birmingham. Engineering and Design Services - Troy Share	2009 to 2011	$ 226,937
Clark Hill - Lobbyist	2008 to 2010	$ 63,750
Total Project Cost		$ 720,129
MDOT Grant - Preliminary Site Design		$ 301,113
Total Project Cost (Less MDOT Grant)		$ 419,016
Federal Rail Administration (FRA) Grant		$ 8,465,212
Federal Transit Administration (FTA) Grant		$ 1,300,000
Total Grant Funding		$ 9,765,212

City of Troy costs $419,016

Attachment #5

AMERICAN
PUBLIC
TRANSPORTATION
ASSOCIATION

Potential Impact of Gasoline Price Increases on U.S. Public Transportation Ridership, 2011 -2012

March 14, 2011

APTA
1666 K St. NW
Washington, DC 20006
202-496-4800

Attachment #5

POTENTIAL IMPACT OF GASOLINE PRICE INCREASES ON U.S. PUBLIC TRANSPORTATION RIDERSHIP, 2011 – 2012

Executive Summary

Experience over the past decade, backed by several notable research studies, shows that price increases in gasoline cause related increases in public transportation ridership. Based on that information, this report provides a model that projects future increases in public transit ridership that will accompany rising gasoline prices.

The analysis reveals if regular gas prices reach $4 a gallon across the nation, as many experts have forecasted, an additional 670 million passenger trips could be expected, resulting in more than 10.8 billion trips per year. If pump prices jump to $5 a gallon, the report predicts an additional 1.5 billion passenger trips can be expected, resulting in more than 11.6 billion trips per year. And if prices were to soar to $6 a gallon, expectations go as high as an additional 2.7 billion passenger trips, resulting in more than 12.9 billion trips per year.

Transit systems across America are working hard to address immediate capacity issues which would result. During the 2007 and 2008 gas price spike, 85 percent of transit agencies reported experiencing capacity constraints on parts of their systems. Over one-half of systems operated service crowded beyond their local service standards. This was despite 48 percent of agencies adding service. Thirty-nine percent reported that overcrowded conditions were such that they were turning away passengers.

With most states, municipalities and transit systems short of funds due to the recent economic recession, the Congress must act to fund public transportation investment needs: First in the FY 2011 final appropriations bills and second by enacting a well-funded, six year, multimodal surface transportation law such as has been proposed by President Obama in his FY 2012 budget.

Attachment #5

POTENTIAL IMPACT OF GASOLINE PRICE INCREASES ON
U.S. PUBLIC TRANSPORTATION RIDERSHIP, 2011 – 2012

Introduction: $4 or Higher Prices at the Pump Predicted for This Year

This paper analyzes the anticipated demand for additional transit service that will coincide with the current rise in gasoline prices. The paper will report to the need for additional transit capacity to address those needs.

An actual increase in retail motor gasoline prices in early 2011 supports recent predictions of large gasoline price increases during 2011 and 2012. A prediction of a large growth in gasoline price was made by John Hofmeister, former president of the Shell Oil Company and current head of Citizens for Affordable Energy. Hofmeister expects a retail price per gallon for gasoline of over $5 by 2012.[1] Oil billionaire T. Boone Pickens also expects an increase in the price of crude oil to result in the retail price of gasoline breaking the $4 per gallon mark this year. Although he did not expect gasoline to exceed $5 per gallon in the next two years, he did find such an increase to be possible.[2] Both of these predictions were made before revolutionary activities in Libya began.

Gasoline prices during the first two months of 2011 have risen quickly. The Energy Information Administration reported the average price per gallon for regular grade gasoline on December 27, 2010 to be $3.052. By March 7, 2011, the per gallon price of regular grade gasoline had risen to $3.520. This is the highest reported price for regular gasoline except during the price spike of 2008 when the cost of regular gasoline reached an all time high of $4.114 per gallon on July 7, 2008. During the price spike of 2008, the per gallon price of regular gasoline exceeded $3.520 for a period of 23 weeks from late-April to late-September.[3]

Does Gasoline Price Change Affect Driving?

Years ago, in the era of low-priced gasoline, the price elasticity of gasoline had been believed to be at or near zero.[4] A change in the price of gasoline was not expected to change the amount of gasoline that a driver would purchase. Recent research has found this not to be the case and has shown that increases in the price of gasoline result in decreased driving.

Researchers at the University of California at Davis found a short range price elasticity of -0.034 to -0.077 for gasoline price to the amount of gasoline purchased for the 2001 to 2006 period. For each 10 percent the price of gasoline increased, the amount of gasoline purchased decreased 0.34 percent to 0.77 percent. This is a decrease in elasticity from earlier periods. For the 1975 to 1980 period the authors found that for each 10 percent rise in the price of gasoline, the amount purchased dropped between 2.1 percent and 3.4 percent.[5]

The Congressional Budget Office studied the effects of gasoline price changes in 2007, which ranged for average regular grade gasoline from a low of $2.165 in January to a high of $3.218 in May. They also found a low price elasticity for gasoline price and vehicle miles of travel. The report stated that: "Recent empirical research suggests that total driving, or vehicle miles traveled (VMT), is not currently very responsive to the price of gasoline. A 10 percent increase in gasoline prices is estimated to reduce VMT by as little as 0.2 percent to 0.3 percent in the short run and by 1.1 percent to 1.5 percent eventually."[6]

Although the elasticities between an increase in gasoline prices and the amount of gasoline purchased and vehicle miles driven appears small, they result in the reduction of large amounts of travel. In 2008 the price of gasoline per gallon increased 38.3 percent, from 3.011 in February to 4.165 in July. According to the research described above, VMT should have decreased between 0.8 percent and 5.7 percent. In 2007, VMT had been 3.03 trillion miles and person miles of travel 4.96 trillion miles.[7]

The elasticities therefore predict that the reduction in VMT for an entire year would be between 23 billion and 174 billion and the reduction in person miles of travel for an entire year would be between 38 billion

and 285 billion. In fact, the actual drop in VMT between 2007 and 2008 was 56 billion or 1.9 percent and the drop in person miles of travel was 91 billion or 1.8 percent.[7,8] Although behavior was generally consistent with the models, many observed what seems to be a "tipping point" as gasoline prices approached and exceeded $4 per gallon. The dynamic relationship was explored further in the Maley and Weinberger research explained below.

Do Gasoline Price Increases Result in Increased Transit Ridership?

As gas prices cause a shift from automobiles to transit, the percentage growth in transit use will be much greater than the percentage decline in VMT. This is because the base of transit trips is much smaller than the base of automobile trips. In other words, a modest decrease in driving translates into a potential travel demand that could represent a significant increase in demand for transit service.

Only 54 percent of American households have transit service, so transit is not an alternative mode for all miles of reduced roadway travel in response to increased gasoline costs.[9] Nevertheless, research since the fuel price spikes of 2005 through 2008 has consistently shown larger elasticities between gas price increases and transit ridership than between gas price and roadway travel.

APTA-member transit systems have first-hand experience in knowing the relationship between rising gas prices and transit use. In 2008, the price of regular grade gasoline per gallon went from $3.053 on December 31, 2007 to a peak of $4.114 on July 7, 2008 and then plummeted to $1.613 on December 27, 2008; the lowest price recorded since the 2008 peak.[10] The price increase from December 31, 2007 to July 7, 2008 was $1.061 or 35 percent. The drop in price in the second half of the year was $2.501 per gallon for regular grade gasoline or 61 percent.

Transit ridership responded to the fluctuations. In the first quarter of 2008, transit ridership increased 3.42 percent compared to the prior year. As motor gasoline prices increased during the second quarter of 2008, transit ridership rose 5.19 percent compared to the prior year. As gasoline prices started to fall in the third quarter, the lag between price change and transit ridership change was apparent as transit ridership increased 6.52 percent, its greatest quarterly increase during the year. Increases were present among all modes of public transportation and in regions of all sizes.[11]

In July of 2008 APTA surveyed its transit agency members to gather data to help understand the changes in ridership. Overall, 86 percent of survey respondents reported that they had experienced ridership increases over the prior year. Among agencies experiencing increases, 62 percent had experienced increased ridership during both the peak and off-peak periods, 20 percent had experienced most of the increase during the peak period, and 18 percent had experienced most of the increase during off-peak periods.[12]

Among agencies that experienced ridership growth, 42 percent of agencies increased the frequency of service on existing routes, 29 percent expanded service into new areas, and 15 percent reallocated service to higher ridership routes.

The correlation between gasoline prices and the use of transit has been further affirmed by independent studies. Currie and Phung calculated elasticities using U.S. transit ridership data and fuel price data from January 1998 through October 2005.[13] They found an aggregate elasticity of 0.12 for all transit modes; ridership increased 1.2% for every 10% increase in gas prices. Light rail had higher than average elasticities of 0.27 to 0.38, the bus elasticity was low at 0.04, and the heavy rail elasticity was 0.17. The authors found their results to be consistent with most international evidence.

Haire and Machemehl compared ridership change and fuel prices for transit systems in five cities from January 1999 through June 2006.[14] Comparisons with statistical significant correlation coefficients showed an elasticity of transit ridership to fuel price change to be 0.2439 for motorbus, 0.0665 for light rail, 0.2653 for heavy rail, 0.2726 for commuter rail, and 0.2379 for all transit modes combined.

Attachment #5

Jeremy Mattson studied the effect of gas prices on ridership in small urban and rural areas. Using a lag model to get cumulative elasticity he found results ranging from 0.081 to 0.164. Using panel data for 11 agencies from 1997 to 2006, he obtained an aggregate value of 0.12. He found that the elasticity varied somewhat by city size: "The longer-run elasticities are 0.12, 0.13, 0.16, and 0.08 for the large, medium-large, medium-small, and small cities, respectively."[15]

Maley and Weinberger examined the relationship of gasoline prices to transit ridership in the Philadelphia area.[16] The data are from Southeastern Pennsylvania Transportation Authority (SEPTA) services with analyses made of Regional Rail Services, which are commuter railroad, and City Transit Division Services, which include bus, heavy rail, and light rail operations. The period covered was January 2001 through June 2008.

They found the relationship between ridership and gasoline prices to be non-linear. From this they projected elasticities for higher than actually recorded gasoline per gallon prices. Their results show an increasing elasticity as gasoline prices increased. For Regional Rail the elasticity in a per gallon gas price range of $3 to $4 was 0.27, from $4 to $5 was 0.33, and from $5 to $6 was 0.38. For City Transit the elasticity in a per gallon gas price range of $3 to $4 was 0.15, from $4 to $5 was 0.19, and from $5 to $6 was 0.23. As shown on Table 1, the gas price elasticities within the $4 to $5 per gallon gas price range are 22 percent or 15 percent more than they are for the $3 to $4 range. If per gallon gasoline prices were to reach the $5 to $6 range, the elasticities would increase an additional 27 percent or 21 percent.

Table 1: Maley and Weinberger: Projected Transit Ridership Elasticities for Increasing Gas Prices

System	Measurement	Projected per Gallon Gas Price Range		
		from $3 to $4	from $4 to $5	from $5 to $6
SEPTA Regional Rail	Transit Ridership Elasticity	0.27	0.33	0.38
	Increase from Lower Range	—	22%	27%
SEPTA City Transit	Transit Ridership Elasticity	0.15	0.19	0.23
	Increase from Lower Range	—	15%	21%

Yanmaz-Tuzel and Ozbay studied ridership on New Jersey Transit from 1998 through 2008 looking at gas price increases in 2005 and 2008. Their results show a several month lag in the response of travelers to gasoline price increases. They find a short-term elasticity of gasoline prices to ridership of 0.12 to 0.22 and a medium-term elasticity of 0.028 to 0.176. The modes included are not specified indicating the data are system totals.[17]

Stover and Bae use regression methods to compare gasoline prices and transit ridership for 11 counties in the state of Washington from 2004 through 2008. Data from all agencies in a panel model resulted in an elasticity of 0.17.[18]

Litman surveyed available literature on transit price elasticities and cross-elasticities in 2011.[19] Based on his research he recommended generic values. For the short-term elasticity between transit ridership and auto operating costs he recommends 0.05 to 0.15 and for the long-term elasticity he recommends 0.2 to 0.4.

The elasticities reported in these studies are listed and reported on Table 2 with an average value calculated from them. They can be used to estimate the amount ridership could increase at specific gas price levels.

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Potential Impact of Gasoline Price Increases on U.S. Public Transportation Ridership, 2011 - 2012
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Table 2: Summary of Transit Ridership to Gas Price Elasticities In Recent Research

Study	Elasticity				
	Commuter Rail	Heavy Rail	Light Rail	Bus	All Modes
Currie and Phung, 2007	---	0.17	0.27 to 0.38	0.04	0.12
Halre and Machemehl, 2007	0.2726	0.2653	0.0665	0.2439	0.2379
Mattson, 2008	---	---	---	0.12	---
Maley and Weinberger, 2009	0.27	0.15	0.15	0.15	---
Yanmaz-Tuzel and Ozbay, 2010	---	---	---	---	0.12 to 0.22
Stover and Bae, 2011	---	---	---	---	0.17
Litman, 2011	---	---	---	---	0.05 to 0.40
Average Value	0.271	0.195	0.181	0.138	0.185

Note that each of these studies is based on the actual ridership change during periods of price change in the past decade. The results are based on elasticities that are constrained, i.e. the amount that ridership could grow in response to actual gasoline price changes was constrained by the amount of transit service available and the excess capacity of that service. Since a large portion of growth in demand was for trips during the peak hour when transit vehicles are most crowded, that excess capacity was not large. Similarly, there was demand for service in areas where there currently no public transportation services are available. Data shows that 46% of Americans do not have the option of public transportation available to them.[20]

Thus, these studies, measure actual experience and fall considerably short of measuring potential demand during times of rising gas prices. There are no available studies that have modeled how to account for unmet demand for transit service. During past gasoline price spikes, capacity constraints at many transit systems resulted in many persons being left at bus stops or on rail station platforms because demand exceeded the capacity of transit vehicles during peak travel periods.

A New Model for Predicting Transit Ridership Increases

So how can we apply the experience of 2008, combined with research over the past decade, to create a model for projecting future increases?

The baseline for our calculation is the annual transit ridership for 2010 reported in APTA's Public Transportation Ridership Report.[21] The annual ridership for 2010 is increased by three scenarios of low, average, and high growth calculated from elasticities reported for all transit service in the studies shown on Table 2. The low scenario elasticity based on those studies is 0.14, the average scenario elasticity is 0.185, and the high scenario elasticity is 0.23. To calculate the ridership growth at a given increase above the gasoline average price for the last report by the Energy Information Administration in 2010, $3.052 on December 27. The estimates for $3.50 and $4.00 are estimated by multiplying the elasticity value by the percentage price change and the "Baseline" ridership. At each price level the "Additional" ridership is the ridership above the "Baseline" level.

For example, the increase in the cost per gallon from $3.052 to $3.50 is $0.448, which is a 14.7 percent increase. The average elasticity for all modes reported on Table 3 is 0.185. Eighteen and one-half percent of the 14.7 percent gasoline price increase is 2.72 percent. The 2010 all transit modes ridership is multiplied by 2.72 percent to obtain an additional ridership in the average scenario of 280 million unlinked trips. Those 280 million unlinked trips are added to the base number of 10,180 million trips to obtain a projected ridership level of 10,460 million unlinked trips at a $3.50 per gallon gasoline price. Based of the research of Maley and Weinberger, the elasticity above $4 and above $5 are increased by the proportions they determined as reported on Table 1. These increased elasticities are based on "shock" levels, round dollar amounts that appear to be plateaus that "shock" consumers into changing travel behavior.

Attachment #5

Potential Impact of Gasoline Price Increases on U.S. Public Transportation Ridership, 2011 - 2012
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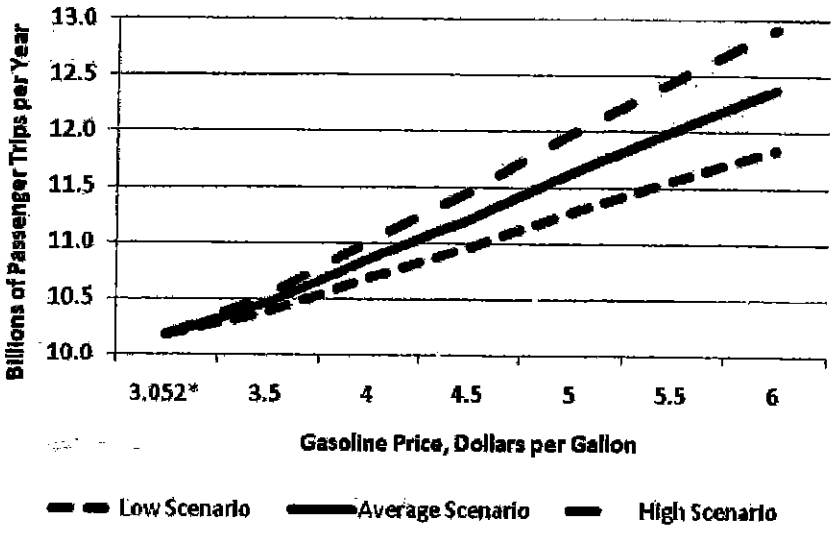
Table 3: Potential Increase in Transit Ridership as Gasoline Prices Rise Based on Published Elasticities

Price of Gasoline per Gallon	Trip Measurement	Calculated Number of Annual Unlinked Trips, Millions		
		Low	Average	High
Baseline $3.052 on Dec. 27, 2010	2010 Total Annual Trips	10,180	10,180	10,180
$3.50 per gallon gasoline price (a 14.7% increase)	Additional Trips	210	280	340
	Total Annual Trips	10,390	10,460	10,520
$4.00 per gallon gasoline price (a 31.1% increase)	Additional Trips	510	670	840
	Total Annual Trips	10,690	10,850	11,020
$4.50 per gallon gasoline price (a 47.4% increase)	Additional Trips	780	1,030	1,280
	Total Annual Trips	10,960	11,210	11,460
$5.00 per gallon gasoline price (a 63.3% increase)	Additional Trips	1,100	1,460	1,810
	Total Annual Trips	11,280	11,640	11,990
$5.50 per gallon gasoline price (an 80.2% increase)	Additional Trips	1,380	1,830	2,280
	Total Annual Trips	11,560	12,010	12,460
$6.00 per gallon gasoline price (a 96.6% increase)	Additional Trips	1,670	2,200	2,740
	Total Annual Trips	11,850	12,380	12,920

The columns on Table 3 are scenarios calculated from the low, average, and high elasticities reported in the studies on Table 2. Figure 1 illustrates that an increase in transit ridership is related to an increase in the price of gasoline. As the per gallon price of gasoline increases, transit ridership is expected to increase within the depicted range based on the experience reported in studies of recent gasoline price increases.

Figure 1: Projected Range of Annualized Transit Ridership as Gasoline Prices Change, Based on Published Elasticities



* Average price of regular grade gasoline as of December 27, 2010.

If gasoline prices reach $4 per gallon, transit ridership is predicted by this model to increase in the average scenario by 680 million annual unlinked trips – over 2 million riders each weekday; if gasoline prices reach $5 per gallon transit, ridership is predicted by this model to increase by 1.46 billion annual unlinked trips – over 4 million riders each weekday, and if gasoline prices reach $6 per gallon, transit ridership would increase by 2.20 billion annual unlinked passenger trips – over 6 million each weekday. In the high scenario, a $6 dollar per gallon gasoline price is expected to result in 2.74 billion more transit trips for an annual total of 12.92 billion trips.

As significant as these numbers are, the limitations of the model lead to numbers that are quite a bit under the expected demand for additional service. Factoring in the additional riders that would ride transit should adequate service be in place to meet demand will need to be the product of future research.

Preparing for the Impending Increase in Travel Demand

Meeting the additional demands for public transportation service in the short term, as well as continuing demands long-term which will inevitably accompany the uncertainty of gasoline prices, will require an availability of public transportation choices, and an investment in new capacity. A comprehensive 2008 Cambridge Systematics report titled "State and National Public Transportation Needs Analysis" concluded that $59.2 billion annually is needed to address future public transportation capital needs.[22] And certain segments of the population will have special needs, as is documented in the report titled "Funding the Public Transportation Needs of an Aging Population" which: a) identifies the range of actions that will be needed to expand mobility options for older people, including accessible public transportation services; b) quantifies the demand for these public transportation services; and c) estimates the funding that will be needed to provide them.[23]

We must also be prepared to address immediate capacity issues. In 2008, 85 percent of transit agencies reported experiencing capacity constraints on parts of their systems. Of those agencies experiencing capacity constraints, 63 percent experienced capacity constraints during peak periods, 49 percent experienced capacity constraints on short segments of high ridership routes, 13 percent experienced capacity constraints on numerous routes, and 8 percent experienced capacity constraints during off-peak hours.[24]

Over one-half of systems operated service crowded beyond their local service standards. This was despite 48 percent of agencies adding service. Thirty-nine percent reported that overcrowded conditions were such that they were turning away passengers.

Congress is set to consider this year a long-term surface transportation authorization bill. The bill needs to recognize the trend that immediate and long-term transportation options are critical, and to provide necessary investments to add immediate capacity and to prepare for an energy-sensitive future.

Attachment #5

Endnotes

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Attachment #5

Potential Impact of Gasoline Price Increases on U.S. Public Transportation Ridership, 2011 - 2012
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Attachment #5

Attachment 2 – Michigan Project Information

Attachment #5

BattleCreekEnquirer.com

November 22, 2011

$150M grant announced for high-speed rail between Detroit, Chicago

The Enquirer

The U.S. Department of Transportation today announced a $150 million award for high-speed rail improvements to Amtrak's line between Detroit and Chicago.

The grant will enable the Michigan Department of Transportation to purchase much of the Chicago-Detroit/Pontiac corridor and pave the way for a track and signal improvement project between Detroit and Kalamazoo next spring, according to http://www.dot.gov/affairs/2011/fra3611.html">the U.S. Transportation Department release.

The improvements will allow for speeds up to 110 mph on 77 percent of Amtrak's Wolverine and Blue Water services, resulting in a 30 minute reduction in travel times between those destinations, the release said.

Under a prior $200 million grant, the line will get new ties, rail, fiber-optic lines and other http://www.chicagobusiness.com/article/20111122/BLOGS02/111129943/u-s-awards-another-150-million-for-chicago-high-speed-rail">work that will support the higher train speeds, according to a story today at chicagobusiness.com.

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The Detroit News www.detnews.com

October 17, 2011 http://detnews.com/article/20111017/METRO05/110170398

LaHood: $46.7M in federal funds coming for DDOT buses, light rail

DAVID SHEPARDSON AND LEONARD N. FLEMING / The Detroit News

Dearborn — Transportation Secretary Ray LaHood, visiting Metro Detroit Monday, announced $46.7 million in funding for 16 Michigan projects — part of federal awards of nearly $930 million for 300 projects nationwide.

The city of Detroit Department of Transportation will receive $6 million to replace buses, $518,291 to rehabilitate a number of buildings at its Coolidge Terminal, and $320,000 to develop an asset management system that will more effectively track the condition of its fleet, facilities and equipment.

Detroit Mayor Dave Bing noted that "these funds will allow the city of Detroit to put new buses on the street and improve maintenance on the rest of our aging fleet."

LaHood met Monday morning at the Henry Ford Museum in Dearborn with Bing, Gov. Rick Snyder, Dearborn Mayor John Reilly and Federal Transit Administrator Peter Rogoff. All touted the benefits of the federal funds.

Regarding the Woodward Avenue light rail project, LaHood said, "our support for this project is unwavering."

"The Woodward Avenue Light Rail project holds enormous promise," he said. "It will become the anchor for a lot of planning and a lot of discussion about the regional approach to transportation. It will create jobs. It will create a new choice of transportation.

"Detroit's on the move. Michigan's on the move. All in the right direction, for the people," LaHood added.

Bing said he hopes to get the city's troubled bus system under control in the "next 30 days or so."

"I don't want to point fingers or lay blame. It's about taking care of our citizens," he said.

In a step toward better regional cooperation, Snyder announced that he and Bing will chair a regional transportation task force that will pave the way for county officials to get together and discuss those needs.

Snyder said he wants a plan "to work fairly quickly and get to action" because often times there's too much planning "and not acting enough."

The light rail project ending just south of Eight Mile is being planned for a 3.4-mile section of the Woodward Avenue corridor. The environmental process for both phases of the project was recently completed. Last year, LaHood announced the Woodward Avenue project was awarded $25 million in stimulus funds.

FTA reviewed 839 project applications representing $4.9 billion in funding requests from transit providers across the country for the Fiscal Year 2011 competitive discretionary grant programs.

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The Michigan projects include:

— The Southeast Michigan Council of Governments will receive $2 million to study transit options in a 5.9-mile section of the Woodward Avenue corridor between Eight Mile and 15 Mile.

— The Blue Water Area Transportation Commission will receive $6.9 million to replace the existing Quay Street Transfer Center with one that is more centrally located in downtown Port Huron.

— The Capital Area Transit Authority in Lansing will receive $4 million to replace buses in its fleet that are beyond their useful lives with hybrid-electric buses and to rehabilitate existing buses to extend their useful lives by five years.

— The Macatawa Area Express Transportation Authority will receive $2 million to replace its aging bus facility with one that will meet the needs of the current fleet while allowing for future expansion. The new facility will include a number of LEED design aspects to allow savings on operating expenses.

— The Thunder Bay Transportation Authority will receive $6 million for phases one and two of a new administration and maintenance facility. This facility will incorporate the newest circulation and ventilation system to reduce the harmful emissions from the diesel fleet. To reduce operational costs, the facility will also include additional LEED and green design techniques to the greatest extent possible.

— The Michigan Department of Transportation will receive $746,770 for public transportation bus equipment projects across the state in rural and small urban areas.

— The Mass Transportation Authority in Flint will receive $5.2 million to purchase hybrid buses to replace city buses in its fleet that are beyond their useful lives, and $3 million to purchase CNG coaches to replace commuter buses in its fleet that are beyond their useful lives.

— The Ann Arbor Transportation Authority will receive $2.6 million to purchase clean diesel buses with hybrid-electric components to increase bus service along the Washtenaw Avenue Corridor. The project is among a number of strategies for transportation and development improvements in the corridor.

— The Ann Arbor Transportation Authority will also receive $1.2 million to study transit alternatives in the 8.5-mile crescent-shaped corridor extending from northeast Ann Arbor through the University of Michigan North and Central Campus, through the U-M South Campus to Briarwood Mall near Interstate 94.

— The City of Grand Haven/Harbor Transit will receive $607,200 to purchase additional vehicles to allow the expansion of service into a nearby township not currently served by transit.

— The Suburban Mobility Authority for Regional Transportation will receive nearly $5 million to replace buses in its fleet that have met their useful lives with hybrid biodiesel/electric buses.

— The Interurban Transit Partnership will receive $600,000 to study the 12-mile Allendale corridor along Lake Michigan Drive/M-45 connecting the Grand Valley State University Allendale campus, the Standale/downtown Walker area, the GVSU Pew Campus, and downtown Grand Rapids.

The grants are to renovate America's transit infrastructure and plan for the future and are from the Federal Transit Administration's 2011 Alternatives Analysis, Bus Livability, and State of Good Repair programs.

"This money will ensure transit services in the city of Detroit and the state of Michigan are reliable and desirable and put hundreds of people to work at the same time," Rogoff said. "As we create jobs and improve current service, we are also looking to the future of Greater Detroit by continuing discussions for a regional approach to transit planning."

dshepardson@detnews.com

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Everything Michigan

Officials break ground on Amtrak station to be named for Vern Ehlers

Published: Friday, October 14, 2011, 4:01 PM Updated: Friday, October 14, 2011, 4:25 PM

By **Troy Reimink | The Grand Rapids Press**

Vern Ehlers says he wishes energy was purple.

Not in the sense of energy conservation being a red-blue (as in bipartisan) issue, though that is a nice thought.

As the former West Michigan congressman explained to a group **gathered to break ground** on the new Amtrak station that eventually will bear his name, he wishes energy had a visible color attached to it, so motorists would know how much of it they're eating up.

Jon M. Brouwer | The Grand Rapids Press

Dignitaries gather and toss dirt for the ground breaking ceremony for the new Amtrak station, including Mayor Hartwell and former congressman Vern Ehlers.

"They would realize how much energy they're wasting driving a car," Ehlers said Friday in a lot near the Rapid Central Station Platform where the new station is scheduled to open in 2013. "Although the automobile is a wonderful invention, it got too good, so people drive them too much."

Ehlers was the ceremony's guest of honor, and he explained his interest in mass transit to a gathering that included local politicians and representatives from the Interurban Transit Partnership (the Rapid), the Grand Rapids Downtown Development Authority, Amtrak and the Michigan Department of Transportation.

The project is funded through a $3.8 million grant from the Federal Railroad Administration. Last year, the DDA approved an $850,000 request to help the Rapid and M-DOT buy the land and leverage the federal earmark.

The new station and platform will be adjacent to the existing Rapid station and is **intended to cut commute times** on Amtrak's Pere Marquette line between Grand Rapids and Chicago.

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Ehlers, who represented Michigan's 3rd District until early this year, said it was "a great honor" to have the station bear his name.

Others who spoke at the ceremony praised Ehlers' efforts to secure funding for the project. (He would later **vote against the 2009 spending bill** that contained it.)

"All along, we've had a vision for a multi-modal transit system in Grand Rapids," Mayor George Heartwell said. "This wouldn't have happened without our champion in Washington."

Amtrak this week **reported ridership gains** for its Michigan routes in the fiscal year that ended Sept. 30.

Email Troy Reimink or follow him on **Twitter**.

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mlive.com
Everything Michigan

Michigan legislature approves spending for high-speed rail line between Detroit and Chicago

Published: Friday, September 30, 2011, 11:39 AM Updated: Friday, September 30, 2011, 2:35 PM

By **Jonathan Oosting | MLive.com**

The Michigan legislature on Wednesday approved **a supplemental spending bill** that will unlock federal funds to fast-track improvements along the planned high-speed rail line between Detroit and Chicago.

File Photo

Gov. Rick Snyder is expected to sign the bill, which uses a combination of $39.2 million in local, private and state transportation funds as a match to finish unlocking $358.9 million in competitive federal grants.

Most significantly, the legislation sets aside money for the state to purchase and rehabilitate a 138 mile segment of tracks between Dearborn and Kalamazoo that currently is owned by Norfolk Southern. If you've taken Amtrak to Chicago in the past few months, you know congestion on this stretch has been causing regular delays, but improvements there, coupled with nearly completed work between Kalamazoo and Porter, Indiana are expected to allow trains to travel up to 110 mph and cut the trip from Detroit to under 4.5 hours.

The bill also authorizes spending on a track connection project in west Detroit, construction of a new station in Grand Rapids and preliminary engineering and environmental work to position the Ann Arbor station for future construction funding.

Michigan won a sizable portion of the federal rail funds -- nearly $200 million -- after Florida's Republican governor rejected stimulus dollars awarded by the Obama administration, but **Snyder has embraced high-speed rail.**

"Accelerated rail service has the ability to enhance our economy, environment and overall quality of life," he

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said back in May when Transportation Secretary Ray LaHood presented state leaders with a giant check.

"An investment of this magnitude can spur economic development in our communities with rail stations, and provide access to a 21st century rail system that will help Michigan citizens compete in a global economy."

While some Michigan Republicans have **expressed skepticism** that high-speed rail is a good investment, both the state House and the Senate approved the appropriations bill -- which also authorized spending for several other programs -- by wide margins.

Kevin Brubaker, deputy director of the Environmental Law & Policy Center, praised the development.

"Lawmakers in Michigan, and Governor Rick Snyder, rightly recognize that passenger rail is critical to restore the economic health of the region, creating jobs now while putting the infrastructure in place to keep Michigan competitive in the future," he said. "Good policy does indeed make good politics and we hope others will look to Michigan as a role model for bipartisan progress."

Editor's note: This post was updated with specific project details provided by the Michigan Department of Transportation.

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MEMORANDUM

HOUSE FISCAL AGENCY

DATE: September 27, 2011

TO: House Committee on Appropriations

FROM: William E. Hamilton

RE: Michigan's High Speed Intercity Passenger Rail Projects

In a September 8, 2011 letter, the State Budget Office requested a $398.1 million increase in FY 2010-11 appropriations for the Michigan Department of Transportation to allow the expenditure of certain federal rail passenger grants, including grants provided under the American Recovery and Reinvestment Act of 2009 (ARRA). This memo provides additional information on the state's intercity passenger rail program and on recent federal high speed rail passenger grants.

Background/History

The National Railroad Passenger Corporation (AMTRAK) provides rail passenger service along three routes in Michigan: *The Wolverine* (Pontiac – Detroit – Chicago), *The Pere Marquette* (Grand Rapids – Chicago), and *The Blue Water* (Port Huron – Chicago). AMTRAK began its *Wolverine* service in 1971, Blue Water in 1974, and *Pere Marquette* in 1984.

The state of Michigan provides operating assistance for the *Blue Water* and *Pere Marquette* service. In effect AMTRAK provides the service at the request of the state of Michigan under terms of an operating contract with the state. Over the last seven years that operating assistance has ranged from $7.1 million to $6.1 million per year using the state restricted Comprehensive Transportation Fund. Historically, AMTRAK has operated the *Wolverine* service as part of its core national service at no cost to the state.

The *Wolverine* service corridor is part of a designated high-speed rail corridor. In 1992, the U.S. Secretary of Transportation selected the Midwest High Speed Rail Corridor, subsequently redesignated as the *Chicago Hub High Speed Rail Corridor,* as one of five in the nation with the potential for high speed rail development; the Detroit - Chicago route is a segment of that corridor.

Since 1996, Michigan has been working with 7 other state departments of transportation (Illinois, Indiana, Iowa, Minnesota, Nebraska, Ohio, and Wisconsin), Amtrak, and the Federal Railroad Administration (FRA) to develop the Midwest Regional Rail Initiative (MWRRI), a plan for an improved and expanded passenger rail system in the Midwest. In addition, Michigan has been working with nine other Midwest states on the development of high speed rail in the region through the Midwest Rail Compact. Member states work to advance common objectives through participation in the Midwest Interstate Passenger Rail Commission (MIPRC).

Michigan formally entered the Midwest Rail Compact in 2006 through enactment of 2006 PA 173 (House Bill 5638 of the 2005-2006 Legislative Session). Michigan is currently represented on the MIPRC by Representative Wayne Schmidt, Senator Mike Kowall, Tim Hoeffner, of the Michigan Department of Transportation, and former Michigan Congressman and State Senator Dr. John "Joe" Schwarz, of Battle Creek, who serves as the private sector member.

Since 1992, the state, federal government, and AMTRAK have dedicated funds to development of high speed rail service on the Detroit-Chicago rail corridor. The stated goal has been to reduced route time from 6 hours to 4 hours through increased train speeds (up to 110 mph) and reduction in bottlenecks. Program goals also included increased trip frequency. Combined state, federal, and AMTRAK capital expenditures for improvements to track, signals, train sets, and safety on the Detroit-Chicago corridor exceed $50 million for the 1992 to 2007 period.

Increased Federal Support for Intercity High Speed Passenger Rail
Michigan Projects

Federal support for the expansion and improvement of high speed rail passenger corridors, including the Detroit-Chicago corridor, increased substantially from 2008 through 2010 with the enactment of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), the American Recovery and Reinvestment Act of 2009 (ARRA), and FY 2009 and 2010 federal appropriations for the U.S. Department of Transportation. Among other things, these acts authorized and provided funding for the federal High-Speed Intercity Passenger Rail Service program (HSIPR). In February 2009, $8.0 billion was authorized for HSIPR capital and planning grants through enactment of ARRA. FY 2009 and FY 2010 federal appropriations provided an additional $2.1 billion for the program.

The HSIPR is a discretionary, competitive grant application program; the Michigan and Midwest corridor's share of these non-formula discretionary programs is dependent on projects being submitted and approved for funding. The funds authorized in the ARRA provided 100% of project cost; there was no non-federal matching requirement. Funds provided under authority of FY 2009 and FY 2010 appropriations did have matching requirements.

A series of three announcements in 2010 and 2011 identified over $400.7 million in direct HSIPR grants to Michigan. Projects include:

- $346.5 million for acquisition and rehabilitation of 135 miles of Norfolk Southern (NS) track between Kalamazoo and Dearborn
- $40.3 million to complete construction of two new stations (Dearborn, Troy-Birmingham) and renovation of one station (Battle Creek)
- $2.8 million for preliminary engineering and environmental clearance for new Ann Arbor station
- $7.9 million for track improvements at the West Detroit Track Connection
- $3.2 million planning grant to update the corridor investment plan

Of the $400.7 million in direct federal grants to Michigan, $198.6 million represented ARRA funds redistributed in May 2011 after Florida rejected a previously announced ARRA grant.

[In addition to these grant announcements, a separate $3.8 million grant for new Grand Rapids rail passenger station and related track relocation was included in the 2009 federal transportation appropriations act. Part of the funding for this project was already appropriated; an additional $412,000 in local funds is included in the September 8, 2011 State Budget Office supplemental request.]

Other Corridor Improvements

In addition to grants made directly to Michigan, over $204.4 million in announced ARRA/HSIPR grants to Illinois and Indiana will also improve service along the Detroit-Chicago corridor. The **Indiana Gateway** (grant award of $71.4 million) represents eight separate projects project intended to reduce conflicts between rail passenger and freight service between Porter Indiana and the Illinois state line. The Illinois **Englewood Flyover** (grant award $133.0 million) is a grade separation project intended to reduce conflicts between rail passenger and rail freight service in the Chicago area.

AMTRAK was also the direct recipient of $32.9 million in ARRA grants to for service improvements to the Detroit-Chicago corridor. Projects include: $166,967 for various AMTRAK facility upgrades; $798,383 to improve station handicap accessibility; $6.9 million to install new fiber optic cable from Kalamazoo to Porter Indiana; $25.0 million to extend Incremental Train Control Systems – required to extend 110 mph train speeds along the entire 97 mile AMTRAK-owned segment from Kalamazoo, Michigan to Porter, Indiana.

Rail passenger service in Michigan will also benefit from $268.2 million in ARRA funding for a **Next Generation Passenger Rail Equipment** purchase. This grant will provide for 48 new passenger cars and 7 new

locomotives for use in eight Midwest rail corridors, including the Detroit-Chicago corridor. Illinois is the lead state for this grant.

A summary list of HSIPR grants is shown as Exhibits A and B at the end of this memo.

Track Ownership of Pontiac-Detroit-Chicago Route
AMTRAK-Owned Track
Of the 304 mile Wolverine line, from Pontiac to Chicago Union Station, 97 miles is on the AMTRAK-owned segment from Kalamazoo, Michigan to Porter, Indiana. This is the largest AMTRAK-owned track segment outside the Northeast corridor of the United States. Since 1992, this segment has been the focus of capital improvements (track improvements, crossing improvements including crossing eliminations, and train control systems), with the aim of increasing trains speeds. AMTRAK currently operates at 95 mph on this track segment, and, once announced system improvements are completed, plans to increase train speeds to 110 mph.

Norfolk Southern Track Acquisition/Rehabilitation
The longest track segment on the *Wolverine* route is the 135.7 mile segment between Kalamazoo and Dearborn owned by Norfolk Southern (NS). NS has indicated to both AMTRAK and the Michigan Department of Transportation that due to a reduction in freight business on the corridor, maintaining the track to 79 mph standards was not warranted. In July 2010 NS issued a *slow order* reducing authorized train speeds from 79 mph to 60 mph on 41.2 miles of the segment. NS has indicated that it anticipates extending the slow order to the entire NS-owned corridor. NS has also indicated that its freight business requires a track standard of only 25 mph. The department has indicated that the gradual downgrading of this line threatens the reliability of rail passenger service on the route and could offset improvements in train speed made to the AMTRAK-owned segment of the route.

The largest single HSIPR-funded project in Michigan would address these issues involving the potential downgrade of NS track. A total of $346.5 million in federal funds has been committed for the acquisition and rehabilitation of the 135.7 mile NS track segment between Kalamazoo and Dearborn.[1] In October 2009, the department and NS signed a memorandum of understanding (MOU) indicating the intention to negotiate an ownership agreement. This MOU was subsequently reaffirmed in August 2010. The department is currently in negotiations with NS. Once the two parties come to an agreement, an ownership agreement would be subject to approval by the Surface Transportation Board, a federal oversight agency.

The department's grant application indicates that the estimated gross cost of the project, $385.3 million, represents estimated acquisition and track rehabilitation costs. The acquisition costs were based on a November 2009 appraisal. The track rehabilitation costs were based on cost estimates developed by NS and AMTRAK as part of a 2010 joint high speed rail improvement study.

The department indicates that planned improvements 135.7 million Kalamazoo-Dearborn track segment have the potential of increasing train speeds on that corridor to 110 mph. Combined with the 97 mile segment from Kalamazoo to Porter, Indiana, over 232 miles – 76% of the Wolverine route – would be at the 110 mph standard.

High Speed Rail Projects in State Appropriations
Of the $400.7 million in federal HSIPR competitive grants awarded to Michigan in 2010 and 2011, only the initial January 28, 2010 award announcement, $40.3 million for three station construction projects, has been *specifically* recognized in state appropriations to date. The $40.3 million was part of a State Budget Office ARRA supplemental request dated March 18, 2010 subsequently authorized in appropriations act 2010 PA 92

[1] As shown in the table on page 5 of this memo, the $346.5 million granted to this project consists of two separate announcements: $150 million announced in October 2010, and $196.5 million announced May 2011. The $196.5 million grant was made available as a result of Florida's rejection of previously announced ARRA grants.

(Senate Bill 928 of the 2009-2010 Legislative Session). Spending authorization for the balance of the federal grant awards, as well as related state, local, and private funding, was requested by the State Budget Office on September 8, 2011.

The total requested for rail passenger programs in the September 8, 2011 State Budget Office letter is different from the HSIPR grant announcement amounts. The differences are due to the fact that some projects will be funded using baseline spending authority from current and prior year's *Rail passenger service* appropriations. In addition, the State Budget Office September 8, 2011 request includes funding for a Grand Rapids track relocation project which was not part of the $400.7 million in competitive grant awards. Spending authority for that project was already included, in part, in the FY 2009-10 transportation budget. As a result, we have provided a crosswalk between grant awards, total project costs, and state appropriations, shown as Exhibit **C** at the end of this memo.

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Michigan's High Speed Intercity Passenger Rail Projects
September 28, 2011

Exhibit A

Michigan High Speed Intercity Passenger Rail Grant Awards
2010-2011

	Amount of Federal Award	Project Description	Federal Share	Notes on Funding
First Round ARRA announcements 1/28/2010				
Battle Creek Station	3,620,552	Final design and construction; renovation of building and passenger service facilities at AMTRAK station.	100.00%	
Troy-Birmingham Intermodal	8,485,212	Final design and construction of new platform and passenger service facility at Troy AMTRAK station.	100.00%	In addition to ARRA funding for the station project, a related transit-center project is being developed using $350,000 in state funds, $2.0 million from the cities of Troy and Birmingham, and an in kind contribution of land by private developer.
Dearborn Station	28,204,450	Final design and construction of new AMTRAK station building, platform, and passenger services facility adjacent to Greenfield Village.	100.00%	
Subtotal	$40,310,214			$40,310,300 appropriated in FY 2009-10 ARRA Supplemental, 2010 PA 92 (SB 928)
Second Round announcements 10/28/2010				
"Service Development Plan"	150,000,000	Proposed purchase and incremental restoration of 135 miles of track currently owned by Norfolk Southern between Kalamazoo and Dearborn.	80.00%	This is an 80% federal participating project with non-federal sources to provide $37.5 million of the estimated $187.5 million total cost; NS has indicated it will contribute 10% of cost or 50% of match. The department is currently in negotiation with NS.
Corridor Investment Plan/EIS	3,200,000	Planning grant	80.00%	Michigan is the lead state for this corridor planning grant. Of the $4.0 million total cost; 20% non-federal match provided as follows: Michigan, $200,000; Indiana, $200,000; Illinois, $200,000; NS, $200,000.
West Detroit Track Connection	7,912,773	Replace bridge, .85 mile new track, upgrade to TCS, 5 crossovers.	50.00%	Federal share represents 50% of $15,825,546 project application; 50% to be provided by state funds. Total project cost estimate $18,825,238; additional funds provided by $1,475,893 in Federal Transit Administration grant; $1,023,799 state funds.
Subtotal	$161,112,773			
Florida Funding Reallocation 5/3/2011				
Upgrade/Rehab NS Track	196,503,208	Upgrade to Class 6 = 110 MPH	100.00%	
Ann Arbor Rail Station	2,806,400	PE/EIS	80.00%	Of the $3,508,000 project cost, $701,600 to be provided by city of Ann Arbor.
Subtotal	$199,309,608			
Total HSIPR Grants to Michigan	$400,732,595			

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Michigan's High Speed Intercity Passenger Rail Projects
September 28, 2011

Exhibit B

Michigan High Speed Intercity Passenger Rail Grant Awards
2010-2011
Other Improvements to the Detroit-Chicago Corridor

Indiana Gateway (Indiana)	71,364,980	Eight separate projects to reduce conflicts between rail passenger and rail freight between Porter Indiana and Indiana/Illinois state line.	100.00%	ARRA Funding January, 2010
Englewood Flyover (Illinois)	133,000,000	Grade separation to reduce conflicts between passenger rail and rail freight in Chicago area.	100.00%	ARRA Funding January, 2010
AMTRAK	32,876,791	AMTRAK facility upgrades, station accessibility, new fiber optic cable and Incremental Train Control Systems extended from Kalamazoo to Porter Indiana.	100.00%	ARRA Funding January, 2010
Midwest Equipment Pool	268,201,084	Next Generation Passenger Rail Equipment purchase; will provide for 48 new passenger cars and 7 new locomotives for use in eight Midwest rail corridors, including the Detroit-Chicago corridor.	100.00%	Illinois is the lead state for this project; Florida fund redistribution, May, 2011

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Michigan's High Speed Intercity Passenger Rail Projects
September 28, 2011

Exhibit C

FY 2010-11 Transportation Supplemental Request Dated September 8, 2011
Reconciliation of High Speed Rail Supplemental Request and Project Detail

Line Item / *Project*	*SBO 9/8/2011 Request*	*Previously Authorized*	*Project Total*	
Rail passenger service				
NS track purchase and rehabilitation				
DOT- FRA	150,000,000		150,000,000	
Comprehensive transportation fund	18,750,000		18,750,000	
Private (Norfolk Southern)	18,750,000		18,750,000	
Project Total	187,500,000		187,500,000	
Corridor Investment Plan				
DOT- FRA	200,000	3,000,000	3,200,000	The $3.0 million FRA, and $200,000 CTF represent original FY 2010-11 appropriation.
Comprehensive transportation fund		200,000	200,000	
Private (Norfolk Southern)	200,000		200,000	
Local (Illinois, Indiana)	400,000		400,000	
Project Total	800,000	3,200,000	4,000,000	
West Detroit Connection				
DOT - Federal Transit Administration	1,475,900		1,475,900	The $1.476 million FTA grant had been previously appropriated in FY 2008-09 in Bus Capital line; spending authority lapsed.
DOT- FRA	7,912,800		7,912,800	
CTF		8,422,801	8,422,801	Encumbered from prior fiscal year appropriations
CTF - Bonds		513,771	513,771	Bond proceeds are not appropriated: shown here to balance to project total.
Project Total	9,388,700	8,936,572	18,325,272	
Grand Rapids AMTRAK Station				
DOT- FRA		3,800,000	3,800,000	The $3.8 million FRA (Congressional earmark) and $380,000 Local were part of FY 2009-10 appropriation. See SBO Transfer letter dated February 23, 2010.
Local (Grand Rapids)	412,000	380,000	792,000	
Total project	412,000	4,180,000	4,592,000	
Line Item Total	$198,100,700			
High Speed Intercity passenger rail (ARRA)				
NS track purchase and rehabilitation				
DOT- FRA (ARRA)	196,503,300		196,503,300	Redistributed to Michigan from Florida
Ann Arbor Rail Station				
DOT- FRA (ARRA)	2,806,400		2,806,400	
Local (Ann Arbor)	701,600		701,600	
Project Total	3,508,000	0	3,508,000	
Line Item Total	$200,011,300	0	200,011,300	
Total Supplemental Request	$398,112,000			

Summary of Supplemental Request by Fund Source:	
DOT- FTA	1,475,900
DOT - FRA	158,112,800
DOT - FRA (ARRA)	199,309,700
Local funds (Inc. Indiana and Illinois)	1,513,600
Private funds	18,950,000
Comprehensive transportation fund	18,750,000
Supplemental Request Total	$398,112,000

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Everything Michigan

Nearly $1 million in improvements to Jackson's historic train station expected to start this spring

Published: Wednesday, August 24, 2011, 12:14 PM Updated: Wednesday, August 24, 2011, 12:54 PM

By **Keith Roberts | Jackson Citizen Patriot**

Federal stimulus funds are finally coming to Jackson to help preserve its historic train station.

State officials announced the station would receive $938,000 in American Recovery and Reinvestment funds in April 2009, but Amtrak and the Michigan Department of Transportation have been unable to resolve bureaucratic issues over funding rules.

But Tim Hoeffner, administrator of MDOT's office of High Speed Rail and Innovative Project Advancement, told local officials today he expects the contract for the work to be awarded this week and the work to begin in the spring.

John Guidinger, a member of the Michigan Association of Railroad Passengers and Friends of the Michigan Central Station, Jackson, said the station has not received extensive repairs since the early 1980s.

"After 30 years of hoping, watching and praying, we're very excited to see action," Guidinger said.

Therese Cody, MDOT's rail operating programs manager, said most of the work will be done on the "guts of the building," its foundation, roof and drains, and will not be very visible to the community.

But Cody said the work will stabilize the station, believed to be the longest continually operating train station in the nation, and allow it to be converted into an intermodal transportation center with buses in the future.

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Press and Guide (pressandguide.com)

News

High-speed rail put on fast track

Tuesday, May 10, 2011

By J. Patrick Pepper
Press & Guide Newspapers

DETROIT — The federal government on Monday awarded Michigan roughly $200 million toward a high-speed rail project that within three years is expected to shave 30 minutes off of a trip from Detroit to Chicago.

The grant was part of a 15-state, $2 billion disbursal that ties into President Barack Obama's broader goal of connecting 80 percent of Americans to high-speed rail in 25 years.

The majority of Michigan's funding will go to the development of a 135-mile, high-speed stretch between Dearborn and Kalamazoo, part of the federally designated "high-speed corridor" between Detroit and Chicago. Maximum speeds on the stretch would reach 110 mph.

The balance of the funds will go to development of a new Ann Arbor station.

Federal transportation officials, along with Gov. Rick Snyder and several members of Michigan's congressional delegation, stopped at Detroit's Amtrak station to discuss the grant.

"This funding will help move Michigan and the nation forward by making high-speed rail a part of our economic infrastructure," said Sen. Carl Levin.

"Our economic competitors around the world have long enjoyed the benefits of high-speed rail service between their cities. They have demonstrated that high-speed service can create jobs and promote economic growth, and that it can provide a more energy-efficient alternative."

Sen. Debbie Stabenow echoed her counterpart.

"Construction of new high-speed lines will create jobs and generate more business activity in Michigan," she said.

"This effort will not only boost our economy, it will provide residents with more transportation options. As gas prices rise, it is critically important that travelers have more choices in addition to driving."

The funds announced come from the American Recovery and Reinvestment Act of 2009. The money was previously granted to Florida, but reprogrammed after Florida's governor, Republican Rick Scott, rejected it. Michigan bid for part of that funding. In previous rounds of federal granting, Michigan won more than $161 million for purchasing the tracks between Kalamazoo and Dearborn and $40 million for Amtrak stations in Troy, Battle Creek and Dearborn. At $28 million, Dearborn was the single largest recipient of those station-building funds.

High-speed rail funding has been unpopular with Republican governors, including in Florida, Ohio and Wisconsin,

making Michigan's acceptance of the funds even more noteworthy.

It was a point not lost on the government officials who were in town to announce the grant.

"There are some governors in this country who have decided not to accept this high speed money so I guess that we ought to probably thank Gov. Scott down in Florida for rejecting it," said Levin.

The partnership between the state and federal transportation officials is one the Republican Snyder has been nurturing since before he took office in January. Perhaps the most well known example of the close relationship is the deal he brokered to get Canada to pay for Michigan's share of a new Detroit River bridge, while using that $500 million toward federal highway matching funds.

"People may be surprised today that the governor has stepped up, that be submitted an application, that he came after the money," said U.S. Transportation Secretary Ray LaHood.

"But I'm not surprised by it. Since his first visit, he's been on the phone to me at least once a week talking about infrastructure and transportation."

LaHood added that as the overall high-speed initiative starts to take form, the Detroit-Chicago artery ultimately would lead to a new U.S.-Canada border crossing.

"This then will become a corridor that leads to the Canadian border," said LaHood. "You know we took a lot about bridge crossings in this state, well how about a rail crossing between Michigan and the Canadian border?"

Snyder, who used to commute by train from Detroit to Chicago, said the funding was a means to accomplish his top-agenda item — jobs. But he also looked at it as a harbinger of a political cultural shift in the state.

"I think it's a great illustration of the culture starting to move in our state in a positive way," said Snyder. "Because too often when you talk about opportunities like this, we might not avail ourselves of them or go after them like we did, and have the success we did, because too often we might be fighting with each other."

The $196.5 million for the Kalamazoo-Dearborn rail project will rehabilitate track and signal systems to allow trains to travel at 110 mph for an overall 235-mile stretch, some of which Amtrak already has owned for years. The current obsolete signal system will be replaced with a positive train control system, improving safety. The grant fully funds the state's request.

The Ann Arbor station's $2.8 million will be used to complete a preliminary engineering and environmental study required to design and construct a new high-speed rail station in Ann Arbor. Ann Arbor Station is the busiest Amtrak station in Michigan, but only has single-tracking capacity, forcing intercity trains to block the mainline while serving the station. By constructing a passing track, more than one train will be able to service the station while others can pass unimpeded.

Michigan also will benefit from $268.2 million in funding for the purchase of 48 high-speed passenger rail cars and seven high-speed locomotives for service on eight corridors in Michigan, Illinois, Iowa and Missouri. Michigan joined the other states in applying for the funds.

Looking down the road, the continued inflow of federal rail dollars could help in establishing commuter rail services in Southeast Michigan, Snyder said.

"Longer term is the commuter opportunity, in terms of we have great connections potential for Ann Arbor to Detroit, from

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Pontiac to Detroit and different places around our state," said Snyder. "This starts opening up that longer term world for us."

Similarly, said U.S. Rep. Hansen Clarke (D-Detroit), it should help establish Michigan as a place federal transportation officials look to when awarding future rail road funding.

"It's the synergy. It's going to attract other transit money here," Clarke said. "I've already put in the request to the secretary for the additional $1 billion that has been turned down by the governors of Ohio and Wisconsin. And then, secondly, I'm going to request that the rail cars be manufactured here in Michigan."

J. Patrick Pepper covers public safety and politics in Dearborn and Dearborn Heights as well as Dearborn government affairs. He can be reached at (734) 246-2702 or at jpepper@heritage.com.

URL: http://www.pressandguide.com/articles/2011/05/10/news/doc4dc968e11a19b311410072.prt

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Release Date: May 09, 2011
Last Update: May 10, 2011

Snyder announces nearly $200 million in federal rail grants for Michigan

FOR IMMEDIATE RELEASE
May 9, 2011

Contact: Sara Wurfel
Office: 517-335-6397
Email: wurfels@michigan.gov

DETROIT - Gov. Rick Snyder and U.S. Department of Transportation Secretary Ray LaHood today announced that Michigan will receive nearly $200 million in federal accelerated rail grants for projects to improve the rail corridor between Dearborn and Kalamazoo.

The corridor is part of the Wolverine passenger rail service. The funding includes $196.5 million for a project to improve tracks and ties on this key 135-mile corridor, restore portions to 79 mph service, and make further improvements that will allow train speeds up to 110 mph. A $2.8 million grant will complete preliminary engineering and environmental work for a new intermodal station in Ann Arbor that will serve both Amtrak and local transit passengers.

"Accelerated rail service has the ability to enhance our economy, environment and overall quality of life," Snyder said. "An investment of this magnitude can spur economic development in our communities with rail stations, and provide access to a 21st century rail system that will help Michigan citizens compete in a global economy. Reliable, fast train service is attractive to businesses that want to locate or expand near it. This investment in our rail system is critical to Michigan's recovery."

Michigan also will receive partial funding for locomotives and coaches, as part of a joint application with Illinois, Wisconsin and Missouri. This new train equipment will replace existing equipment and can be used on all three Amtrak lines in the state - the Wolverine, Blue Water and Pere Marquette.

"Investments in transportation infrastructure grow the economy by creating jobs in the short and long term," said Kirk Steudle, Michigan Department of Transportation director. "Improving rail travel between Detroit and Chicago will spur economic development and enhance the quality of life in the communities along the corridor and ease congestion on I-94, one of the nation's busiest truck routes."

Snyder pointed out that ridership along all three lines has risen substantially, surpassing record levels set in 2010. During the first six months in fiscal year 2011, ridership climbed 16.3 percent along the Wolverine line; more than 26 percent along the Blue Water and over 6 percent on the Pere Marquette.

The funding was awarded on a competitive basis among 24 states that applied for accelerated rail funding after Florida returned money that it was allocated. The projects were evaluated on the basis of their ability to reduce energy consumption, improve the efficiency of a region's overall transportation network, and generate sustained economic activity along the corridor.

For more information on the projects, go to the Michigan Department of Transportation website www.michigan.gov/mdot, then Rail & Public Transit.

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Release Date: April 12, 2011
Last Update: November 10, 2011

Applications/Projects for HSIPR Funds

Current Request: Fiscal Year 2010 Federal HSIPR Program Funds ($2.4 billion – Florida Funding)

On March 11, 2011, FRA issued a Notice of Funding Availability to redistribute approximately $2.4 billion in funding. MDOT submitted 4 applications and was included in one joint multi-state application with Illinois (lead). Applications submitted on April 4, 2011 included:

- **Service Development Program**
  MI: Chicago Hub: Kalamazoo-Dearborn2 SDP (Revised posting information. The original attachment was mis-posted.) $196.5 million to fund infrastructure improvements on the NS segment to raise speeds to 110 mph. A Finding of No Significant Impact (FONSI) for the Dearborn to Kalamazoo Corridor Acquisition and Improvements Project was signed by FRA on September 16, 2011. An Environmental Assessment (EA) for Norfolk Southern Railway Section Improvements from Dearborn to Kalamazoo was completed on August 31, 2011.
- **Individual Projects (FD/C)**
  MI: Chicago Hub: Kalamazoo-Dearborn Deferred Maintenance Project (Revised posting information. The original attachment was mis-posted.) $5.2 million for funding a maintenance program on the NS segment for FY 2011 construction season.
  MI: Chicago Hub: West Detroit Connection Track Universal Crossover $2.9 million to add a universal crossover to the project selected for funding in Round 2.
  Midwest Next Generation Train Equipment procurement Illinois lead $366.7 million to fund replacement equipment for all three Michigan services.
- **Individual Projects (PE/NEPA)**
  MI: Chicago Hub: Ann Arbor Station $3.5 million for PE/NEPA work for a new station at Fuller Road in Ann Arbor.

Round 2 - Fiscal Year 2010 Federal HSIPR Program Funds ($2.5 billion)

In the spring of 2010, FRA solicited applications and proposals for remaining FY 2009 Construction funds, FY 2010 Planning funds, and Multi-State planning proposals. The application period closed on May 19, 2010, for these solicitations.

In the summer of 2010, FRA solicited applications and proposals for FY 2010 Individual Projects (i.e., PE/NEPA and FD/Construction) and FY 2010 Service Development Programs. The application period closed on August 6, 2010, for these solicitations.

The results of MDOT's applications were as follows:

- **Fiscal Year 2010 Individual Projects** (up to $245 million) 80/20 Match
  MDOT submitted three grant applications on August 6, 2010 for 3 individual projects totaling $40.1 million. FRA did not select any of the projects for funding.
- **Fiscal Year 2010 Service Development Plan** (Up to $2.125 billion) 80/20 Match
  MDOT submitted a grant application for the Michigan-Chicago Hub-Kalamazoo-Dearborn on August 6, 2010 which was selected for partial funding ($150 million). MDOT is working with FRA to develop a plan that addresses the components of the application including ownership and infrastructure improvements which would allow for passenger speeds up to 110 mph between Kalamazoo and Dearborn.
- **Fiscal Year 2009 Residual Funds** - Construction Projects 50/50 Match - ($65 million)
  MDOT submitted a grant application for the West Detroit Connection Track Project on May 19, 2010. Total project cost is anticipated to be $15,825,546. This project was selected by FRA for

funding. In February 2008, MDOT's Environmental Section completed their environmental study form for the project, including concerns to be addressed for mitigation. In February 2011, FRA issued a Categorical Exclusion with FONSI for the West Detroit Connection Track Project.

- **Fiscal Year 2010 Planning Funds** - 80/20 Match (approximately $50 million)
  MDOT as lead, submitted a multi-state grant application for the Chicago Hub (Chicago-Detroit/Pontiac) High-Speed Rail Corridor Program on May 19, 2010 which was selected for funding by FRA through a Grant Cooperative Agreement in August 2011. Total project cost is $4,000,000. Project will provide the necessary funding to produce a Corridor Investment Plan which includes an updated service development plan and corridor-wide environmental document (Tier 1 EIS).

Round 1 - Fiscal Year 2009 Federal Recovery Funds ($8 billion)

The Passenger Rail Improvement and Investment Act (PRIIA), passed in October 2008 and established three new competitive grant programs for high-speed and intercity passenger rail capital improvements. In February 2009, President Obama signed the American Recovery and Reinvestment Act into law, appropriating $8 billion for these new high-speed and intercity passenger rail grant programs. FRA solicited first pre-applications and then final application for their first round of funding.

The results of MDOT's applications were as follows:

- **Track 1**
  MDOT submitted nine applications on August 24, 2009 for FRA's High-Speed Intercity Passenger Rail (HSIPR) Program funding for the Chicago Hub (Chicago-Detroit/Pontiac) High-Speed Rail Corridor. Projects submitted totaled $833.4 million (2010 dollars) and pertained to Michigan's segment of the corridor. FRA selected three station application projects for $40.3 million: Troy/Birmingham, Dearborn, and Battle Creek (FRA Categorical Exclusion Worksheet). Other projects selected on this corridor were Indiana DOT being selected to receive $71 million for the Indiana Gateway infrastructure improvements (CE Documentation and SHPO Coordination) and Illinois DOT being selected to receive $133 million for the Englewood Flyover infrastructure improvement project.
- **Track 2**
  MDOT submitted one application on October 2, 2009 for funding under Track 2 - Corridor Programs. This application consisted of a coordinated and comprehensive grouping of projects intended to provide significant improvements to the Chicago Hub (Chicago-Detroit/Pontiac) High-Speed Rail Corridor. Projects submitted totaled $993.6 million. Many of these projects were previously submitted as Track 1 projects. This application was not selected for funding by FRA.
- **Pre-Applications**
  MDOT submitted seven pre-applications on July 10, 2009 for station and infrastructure work by segments of ownership totaling $563 million to the FRA's High-Speed Intercity Passenger Rail Program (HSIPR) for the Chicago Hub (Chicago-Detroit/Pontiac) High-Speed Rail Corridor. The pre-applications were required to be considered an eligible applicant.

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Press and Guide (pressandguide.com)

News

Groups pushing for better rail service in metro area

Friday, September 17, 2010

By Sean Delaney, Press & Guide Newspapers

DEARBORN — Mayor Jack O'Reilly and other city officials took part in a public forum on Michigan's passenger rail transportation future Wednesday on the University of Michigan-Dearborn campus.

"I've been in and out of issues with transit since 1980 when I was working with the Senate Transportation Committee," O'Reilly said. "We've had a lot of false starts, but no real progress in any kinds of mass transit and there's got to be a starting point. If we can get the momentum going, we can begin to explore this."

Recent federal support has put Michigan in a great position to build a modern rail transit system that is clean, fast and convenient, according to John Langdon of the Michigan Association of Railroad Passengers.

"We want residents to shape that vision and discuss how best to meet big challenges like funding for such a rail network," Langdon said.

Wednesday's forum was part of a series of 16 taking place throughout the state to engage citizens on a vision for the future and forward the ideas to state and federal policymakers.

"The Michigan Department of Transportation is required to perform a state rail plan and submit it to the federal railroad administration in order to receive federal money in the future for the rail system," said Tim Fischer, deputy policy director of the Michigan Environmental Council. " They're in the process of taking input from Michigan citizens."

Each forum includes an overview of the existing rail system, an interactive rail mapping session, discussion of financing options and a big picture vision for a modern Michigan high-speed rail system.

"This is really a way to begin the discussion of what we want to see in Michigan's passenger and to some extent the freight rail system," Fischer said.

According to Landon, similar forums have drawn hundreds of residents and civic leaders in venues including Royal Oak, East Lansing, Battle Creek, Traverse City, New Buffalo, St. Joseph and Jackson.

Others are planned for cities including Grand Rapids, Holland, Muskegon, Detroit, Kalamazoo, Flint, Monroe, and Ann Arbor.

"This is really something we're way behind in, and if we miss this opportunity it may have a terrible impact because the reality is the demand for petroleum based products worldwide is going to continue to expand," O'Reilly said. "It's a limited resource. If we don't really explore alternatives to that, then there may be a time when we're going to find we're going to lose the opportunity to move forward economically."

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Officials have said rail transit would help reduce congestion in Southeast Michigan, improve road quality and the daily commute for constituents, and assist communities with economic development, employer recruitment and livability.

But just how Michigan will be able to afford expanded rail service is still a mystery. Paul Tait, executive director of the Southeast Michigan Council of Governments, said in June the state would likely have to raise taxes.

A modest increase in the gas and vehicle registration tax, SEMCOG argues, could raise more than $1 billion annually for road and transit projects in Michigan, and $100 million of that could go to projects like the Ann Arbor-to-Detroit rail line.

The line includes a stop in Dearborn — where plans to build a new intermodal rail station continue to move forward. The new station will be about 20,000 square feet and located at Michigan Avenue and Elm (east of Brady, west of the Southfield Freeway), placing it within walking distance of Greenfield Village and the University of Michigan-Dearborn campus.

"This site was selected for the new station because it's the nexus point for being able to get off the train, cross a bridge and end up on the Henry Ford campus or walk to our West Downtown district," said Barry Murray, director of Dearborn Economic and Community Development Department.

"We're also looking at building a bridge across Michigan Avenue as part of this project, which would give us a direct link to about 27,000 students on our two campuses. People don't usually think of Dearborn as a college town, but when you put it in that context we have as many if not more students than traditional college towns in the area. A lot of our students are commuters, but UM-D is looking at adding student housing as part of their growth plan."

Mayor O'Reilly said he believes investing in state-of-the-art passenger rail is essential to the future of Dearborn, Metro Detroit and Michigan.

"The thing I think should be most compelling to us is the one community that lagged behind Detroit for years was the Los Angeles area," he said. "I was out there this summer and I rode their rail. They are ahead of us now in terms of transit development, which is quite shocking if you think of the history of Los Angeles.

"What's really extraordinary is they're driving it downtown. Los Angeles didn't really have a downtown before, but now they have a more vital downtown in this economy than they've ever had in their past. They're driving energy and investment into their downtown with transit."

Murray said he thinks Dearborn could do the same with its intermodal rail station.

"What we see spinning off from this is transit oriented development (the idea that people want to be around transit stations and actually want to base their life in that area) so you see an increased demand for housing, commercial development and institutional development," he said.

The proposed intermodal station is being paid for through a $40 million grant from the $8 billion in high-speed rail money that was made available through the Obama administration.

"We hope to receive our grant by the end of the year and we have 24 months from the day the federal railroad administration gives that grant to MDOT to finish the project," Murray said.

For more on this story, see future editions of the Press & Guide.

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Contact Staff Writer Sean Delaney at (734) 246-2702 or sdelaney@heritage.com.

URL: http://www.pressandguide.com/articles/2010/09/17/news/doc4c93b382e2b88528261664.prt

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Release Date: September 02, 2010
Last Update: September 02, 2010

Contact: Janet Foran, MDOT Office of Communications,
foranj@michigan.gov
517-335-7176
Agency: Transportation

Multi-million dollar renovations to Battle Creek passenger rail station can begin soon

September 2, 2010 -- The Battle Creek passenger train station will receive Michigan's first federal grant for high-speed rail improvements, with work expected to begin early next year on station renovations. A $3.6 million grant recently approved by the Federal Railroad Administration is part of a nationwide $8 billion economic stimulus program to support high-speed rail projects around the country.

"The renovation of this building will provide a much needed facelift, making it more attractive and user friendly to the public," said Tim Hoeffner, administrator, Michigan Department of Transportation. "Battle Creek is the mid-point of the rail corridor between Detroit and Chicago and an important hub on Michigan's high-speed rail corridor. One of our goals is to upgrade rail facilities along this corridor to safely accommodate current and increased high-speed passenger rail services."

The Battle Creek station serves as a hub for intercity bus, rail connection and Amtrak Bus Connection. Battle Creek also is the crew base for Amtrak's onboard employees and facilitates the transfer of engineers and conductors to accommodate the efficient scheduling of trains.

Station improvements will include renovations to the 2,500-square-foot passenger lobby, new furnishings, and upgraded technology and security. Mechanical and plumbing systems also will be upgraded. The restroom will be updated according to Americans with Disabilities Act requirements and a family restroom added. The exterior of the building will be refaced and designed with a more contemporary look, and lighting and landscaping updated. Improvements to the facility will promote energy efficiency and incorporate green technologies.

The award-winning station was built in 1982 and served more than 51,000 passengers in 2009.

"The location of this facility makes it accessible to pedestrians, cyclists, and both intercity and local transit passengers. A great transportation facility can be a catalyst for community development and that's exactly what we hope will happen for Battle Creek," said Hoeffner.

MDOT: Working with our partners at airports, bus systems, marine and rail to find innovative solutions for Michigan's transportation systems.

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Release Date: February 17, 2010
Last Update: February 17, 2010

Contact: Bill Shreck, Director of Communications, 517-335-3084
Agency: Transportation

MDOT announces $55 million in TIGER grants awarded for Woodward Avenue light rail and Port Huron bridge

February 17, 2010 -- State Transportation Director Kirk T. Steudle today announced that Michigan is the recipient of $55 million in two federal grants from the U.S. Department of Transportation (US DOT). The Michigan projects were awarded funding under a $1.5 billion nationwide discretionary competitive grant program called "TIGER," or Transportation Investment Generating Economic Recovery. U.S. Secretary of Transportation Ray LaHood announced the TIGER grant awards today (more details are available at www.dot.gov/affairs/2010/dot3010a.htm).

Proposed light rail service along M-1 (Woodward Avenue) in Detroit will receive a $25 million boost. The project will help transform transportation in Michigan's largest urban area with a proposed 3.4-mile light rail system connecting downtown Detroit to the New Center district along the region's main traffic artery, Woodward Avenue. The TIGER-funded portion of the project will help complete needed roadway reconstruction, community enhancements in conjunction with the construction of the rail line and vehicle acquisition. Twelve stations are planned along the route. The next stage of the project is to obtain environmental clearance and complete design work.

The I-94 Black River Bridge replacement in Port Huron will receive $30 million. This project is the first phase of the Blue Water Bridge plaza expansion, a project to modernize and improve capacity at the nation's second-busiest U.S.-Canadian truck border crossing, and the fourth-busiest traffic crossing between the U.S. and Canada. Annually, over $38 billion in goods cross the Blue Water Bridge and the adjacent I-94/I-69 freeway corridor by truck. The project will completely reconstruct the existing Black River Bridge and add a non motorized path across the river that will connect Port Huron Township with the city of Port Huron.

"The funding announced today by the US DOT is a great shot in the arm for the Black River bridge project," said Steudle. "This is an important part of the Blue Water Bridge plaza overhaul and the first step to getting this major gateway modernized. The project will improve local mobility and safety across the Black River Bridge by separating local Port Huron traffic from international traffic, and will create job opportunities associated with construction on the first phase of the Blue Water Bridge plaza project."

"We're also very pleased that the Woodward Avenue light rail project has received a TIGER grant, which will help leverage $120 million in local and private money investments. The first phase of the project from the Detroit River to New Center looks promising. We look forward to working with our public and private sector partners to advance this project," said Steudle.

Feb. 17 marks the one-year anniversary of the American Recovery and Reinvestment Act (ARRA), also known as the Recovery Act, of which TIGER funds are a part. Recovery Act funding put $48 billion to work nationwide to save or create jobs, rebuild highway and bridges, improve and restore transit systems and put rail projects on a new track. In Michigan, the Michigan Department of Transportation was able to get 331 highway projects and 57 transit project under way in 2009, representing $912 million in Recovery funds.

MDOT says: Remember - in Ice and Snow, Take it Slow!

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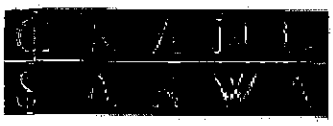

December 2, 2011

Hon. Janice Daniels
Mayor, City of Troy
500 W. Big Beaver Road
Troy, Michigan 48084

Re: Proposed City of Troy Inter-Modal Transit Center

Dear Mayor Daniels:

I understand that the City is still evaluating whether to go forward with the proposed transit center project on land adjacent to the Midtown Square Shopping Center owned by our company, Grand/Sakwa Properties, at the southwest corner of Coolidge and Maple Roads. Of course, I recognize that we have been in litigation with the City regarding a right of reversion contained in the deed to the property on which the transit center is proposed to be constructed and that the City might view these comments with skepticism. I would only ask that the City consider these comments and at least attempt to verify the accuracy of what we observe regarding the ongoing costs of operating and maintaining the facility. Grand/Sakwa's concerns about the project have always gone well beyond simply being an issue over who owns the property under the agreement reached between Grand/Sakwa and Troy over 10 years ago. We hope that the City can appreciate that we have a significant economic investment and interest as the adjacent property owner and as a significant taxpayer in the City with respect to the cost and impact of this project on one of the most successful shopping centers in Michigan.

We have been concerned from the beginning about the scope of the project and the impact on traffic and security issues. The designs were incompatible with the shopping center and it was never clear and remains unclear today whether this is a 24-hour operation and how security would be maintained. We were skeptical of the budgets and financing, which always seemed to conveniently change as the amount of money available changed. Troy's partner in the project has pulled out of the development and the entire burden of the parking, traffic and on-going maintenance costs will be on Troy's shoulders. I will not repeat here all of the issues we raised, but will refer you to an early letter we sent to Mark Miller dated May 13, 2010 (a copy is attached for your convenience), as a summary of some of those concerns.

The purpose of this letter is primarily to comment on the budget for ongoing maintenance costs. One thing our companies are particularly familiar with is the cost of managing business properties. We reviewed the annual budget for ongoing operations and maintenance costs contained in the estimated Project Cost memo dated November 22, 2011. We were shocked that

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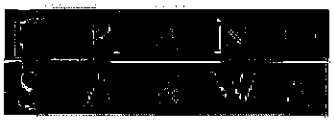

the projections were so incomplete and suggest that the costs are likely to be triple the amounts as set forth in the Memorandum. Some specific observations include:

- There is no provision for security. This type of facility, particularly in its isolated location, will attract people from outside the community and will pose security risks not only for the transit center but for the shopping center as well. There is no question that it will require a considerable amount of security as well as police and fire protection, even more so if it is operated on a 24-hour basis. The projection is for this intermodal facility is to have long term parked vehicles along with repeated cabs, bus and pedestrian traffic.

- Our understanding is that the only planned security is mounted cameras. If so, they will need to be routinely monitored, repaired and replaced. If the facility is not open for 24 hours, will there be an alarm system that needs to be monitored?

- No costs are included for sewer and water charges. We assume there will be restrooms and drinking fountains. Restrooms in transit stations also pose a particular security concern. Will the landscaping be sprinkled? If so, there will be costs to maintain and repair the sprinklers, including winterization and spring start-up costs.

- No costs are included for trash removal or parking lot cleaning, sweeping or repairs. Any owner of a commercial business understands that these are ongoing costs.

- No costs are allocated for parking lot and building light bulb replacement.

- While the City includes mowing costs, there is no budget for fertilizing, landscape supplies, and maintenance and replacement of the plantings.

- It is hard to believe that this facility could operate at 24 hours or even close to that without having a day porter at least 4 hours each day to keep the facility and bathrooms clean and supplied. We pay our day porters on average $13/hr. This would result in a cost at least $19,000/year.

- The costs that are shown appear unreasonably light in our experience. For example, the estimate shows $480 a year for custodial supplies. In the real world, we would spend that amount on toilet paper alone for a single month.

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- There will also be a substantial City obligation under the Consent Judgment for the shared cost of maintaining and operating the main drive (on our property) to access Coolidge and Maple Roads. This includes snow removal, maintenance and repairs. At no time has the City asked us how much we spend for these activities.

- Finally, the lump cost of $7,368 for building maintenance and custodial would be woefully inadequate to cover ordinary cleaning and maintenance, let alone building repairs, painting, window washing, etc. Without proper maintenance it would not take long for a transit facility to become an eyesore.

As you have probably read, the City of Detroit built a beautiful transit center in downtown Detroit that, because of the public facilities, has now become "the" attraction for the homeless. The City is forced on a regular basis to close the facility because it lacks the necessary funds to operate it properly. While we are not suggesting that Troy is in the same position as the City of Detroit, we believe the City should proceed with its eyes open regarding the real costs and issues associated with operating this facility. In fact, several states have recently rejected tens of millions of awarded federal rail grants because they are concerned about the ability to maintain and operate the projects once constructed.

Again, I recognize that our relationship is probably strained as a result of the litigation, but regardless as to what happens to the ownership of the property, I still care about what will take place on the land adjacent to our development. We are proud of the shopping center and devote a substantial amount of resources each year to make sure that it maintains its reputation as one of the finest retail centers in the State. Should the City reject the transit center we would pledge to work with you and the Council to find a more suitable community use for the property. I appreciate your consideration of these comments and I would welcome the opportunity to meet in person to further discuss this matter.

Sincerely,

Gary Sakwa

cc: John Szerlag, Troy City Manager

Attachment #6

May 13, 2010

Mark F. Miller
500 W. Big Beaver
Troy, Michigan 48084

VIA FEDERAL EXPRESS

RE: Proposed Transit Center – Troy, Michigan

Dear Mr. Miller:

We are in receipt of your letter dated May 5, 2010, in which you advise us of the status of the City of Troy's plans for the potential construction and operation of a Transit Center on the +/- 2.71 acre parcel (the "Transit Parcel") located along the railroad tracks and behind Midtown Square Shopping Center (the "Shopping Center") in the City of Troy. As you know, Grand/Sakwa New Holland LLC ("Grand/Sakwa") has a multi-million dollar investment in the Shopping Center. Consequently, we have a vested interest in the development, construction, use and operation of the proposed Transit Center and its related facilities, as well as the resulting impacts upon the operation and value of the Shopping Center.

Your letter references three "funding sources" for the project. Please confirm that the City of Troy has in fact received all funds referenced in your letter, and that such funds are immediately available for the Transit Center project. Alternatively, if the City has not received all such funds, please indicate when the City will receive the funds; any and all conditions that must be satisfied before such funds will be transferred to the City; and whether the funds have been or will be paid solely to the City of Troy.

At the time the parties entered into the Consent Judgment, and at all times since then, the City has represented that the Transit Center would serve as a port for commuter trains running between Detroit and the suburbs. Such a use would have a relatively limited impact on the Shopping Center, both in traffic volume and time of day. Specifically, it was expected that the majority of users would be boarding trains between 7am and 9am, Monday thru Friday (before the Shopping Center opened), and then again between 4pm and 6pm. By contrast, the City is now indicating that it intends to operate the Transit Center on a much broader scale. Indeed, your letter describes the proposed Transit Center as "a hub in the Detroit Regional Mass Transit Plan [that] will serve as a catalyst for coordinated regional mass transit in Metro Detroit" and "provide for intermodal transit connections to all Birmingham and Troy bus routes, intercity rails service, taxi, airport and black sedan services." Obviously, such expanded scope of operations will have a far greater impact on the Shopping Center, as well as the public roadways and

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intersections in the vicinity of the Shopping Center. Moreover, the limited acreage of the Transit Center, after construction of the building and related amenities, yields a minimal area of parking that will only be capable of supporting nominal utilization of the Transit Center.

We have reviewed the Preliminarily Site Plan and related drawings prepared by Hubbel, Roth and Clark, Inc. and Carlise/Wortman Associates, Inc., dated August 2009 (last updated October 14, 2009), and having HRC Job Number 20090078 (the "Preliminary Site Plan"). Due to existing Tenant Leases and Operating Agreements, under no circumstances will Grand/Sakwa authorize or consent to any structures, facilities, improvements or operations relating to the Transit Center encroaching onto the Shopping Center property. Accordingly, the Preliminary Site Plan must be revised to eliminate all such physical and operational encroachments.

We also require that the construction and operation of the Transit Center strictly comply with all federal, state, county and city regulations and standards applicable thereto, including, without limitation, all City of Troy Zoning Ordinances.

Our initial analysis of the Preliminary Site Plan indicates that the development, construction, use and operation of the proposed Transit Center presents the following issues/conflicts that must be addressed and resolved to the satisfaction of Grand/Sakwa, and reflected in an operating agreement between the City and Grand/Sakwa prior to submittal of the Preliminary Site Plan for approval.

1. General Project Description. Please describe:

- Days/hours of operations.
- Types of transportation services.
  - Train
  - Bus
  - Cab/Sedan
  - Shuttles
  - Trolleys
  - Other
- Projected schedules of operation for each type of service.
- Projections of hourly/daily utilization volumes for each type of service.
- Projections of parking volumes generated from the corresponding hourly/daily utilization volumes.
- Routes of ingress and egress for all forms of transportation servicing, visiting and/or utilizing the Transit Center.

Attachment #6

2. Construction Activities. Please describe:

- Projected duration of construction activities.
- Projected schedule of construction activities.
- Haul routes.
- Dust control plan.
- Location of staging area.
- Contractor Insurance/Indemnity. Grand/Sakwa will require commercially appropriate minimum levels of insurance from each contractor and subcontractor providing labor, services and/or materials in connection with the construction of the Transit Center, which policies shall include Grand/Sakwa, its property manager, its lender and other designees as additional insureds.

3. Preliminary Site Plan.

- As noted above, both the physical footprint of the improvements, as well as the operating footprint of the Transit Center, extend beyond the property line of the Transit Parcel. The Preliminary Site Plan must be revised so that all the buildings, structures and improvements, as well as the operating areas of the Transit Center (e.g. pickup areas, drop off areas, waiting areas and pedestrian path-ways connecting amenities of the Transit Center), are contained entirely within the boundaries of the Transit Parcel.
- Please provide a Utility Plan.
- Based on our initial review of this Preliminary Site Plan, the following issues need to be addressed and/or modified.
    - The traffic flows/patterns of vehicles contemplated by the Preliminary Site Plan will materially conflict and interfere with the operations of the Shopping Center. For example, vehicles entering and/or exiting the handicap spaces located at the southeast corner of the Transit Center will interfere with delivery trucks and vehicles traversing and/or parking in the rear service alley of the Shopping Center. Similarly, vehicles exiting the Transit Center from the "taxi que & passenger drop-off" drive will interfere with trucks and vehicles traversing and/or parked in the rear delivery alley of the Shopping Center.
    - The proposed saw cut of the existing pavement and corresponding drive depicted on the east side of the Transit Center parking lot must be eliminated. Such proposed improvement would result in a reduction in the parking spaces, and provide for improvements beyond the boundary of the Transit Parcel.
    - Similarly, the proposed curb installation, six foot wide concrete sidewalk and corresponding green belt proposed along the east boundary of the Transit Center parking lot extends beyond the Transit Parcel, and must be eliminated. The same is true for the curb cut and the associated green belt area depicted along the northern property line of the Transit Parcel.
    - The turn radius from westbound Doyle Drive to northbound Doyle Drive is not adequate to accommodate busses, large shuttles, trolleys or similar

vehicles. This is especially true for busses that would be qued in the parking lane illustrated on the north side of westbound Doyle Drive.

- Describe the entire length of all easements of ingress and egress through the Shopping Center, and provide appropriate engineering and traffic analysis confirming that existing road classifications, weight limits, radiuses, etc., are appropriate for all types of vehicles utilizing the Transit Center, including, without limitation, busses, cabs/sedans, shuttles, trolleys and other vehicles. Alternatively, if any changes or upgrades are necessary, please specify such changes and/or upgrades.

4. Traffic

- Provide current traffic study.
  - Evaluate current background levels.
  - Evaluate maximum utilization of train, bus, car/sedan, shuttle, trolley and other modes of transportation serving the Transit Center at all levels of operation.
  - Evaluate additional traffic volumes resulting from potential future expansion of the levels of such services.
  - Evaluate intersections and traffic lights at Maple/Coolidge, Maple/Eaton, Maple/Doyle and the Shopping Center Entrance/Coolidge.
  - Evaluate service routes of buses, car/sedans, shuttles, trolleys and other modes of transportation, and the level of conflicts with, or increase burden upon, the existing traffic to and from the Shopping Center.
  - Evaluate potential conflicts with commercial vehicles servicing the Shopping Center (e.g. truck deliveries).
  - Evaluate waiting times.
  - Assess LOS for Coolidge, Maple, Eaton and Doyle [current background traffic against the Transit Center traffic projections].
  - The analysis must include an assessment of the impacts (and associated solutions to the impacts) the traffic requirements of the Transit Center will have on the Shopping Center and condominiums.
  - The study must also include an analysis of the impact of planned or potential future developments in the area.

- Provide Traffic control plan for the Transit Center.
  - Signs on the Shopping Center directing traffic to/from the Transit Center.
  - "No parking/standing/stopping" signs and their locations.
  - "No commercial vehicles" signs and their locations.

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5. Parking.

- Provide current parking study.
  - Based on maximum utilization of trains, buses, cars/sedans, shuttles, trolleys and other modes of transportation servicing the Transit Center.
  - Evaluate additional parking demands resulting from the future potential expansion of the level of such services.
  - Calculate the maximum number of parking spaces necessary to accommodate maximum utilization of the Transit Center.
  - Confirm that the Preliminary Site Plan reflects a total number of parking spaces in excess of the maximum necessary to accommodate maximum utilization of the Transit Center.
  - The study must include an assessment of impacts (and associated solution to such impacts) the parking requirements of the Transit Center will have on the Shopping Center.
- No customers of the Transit Center shall be permitted to park on the Shopping Center. The City shall be responsible for providing the appropriate directional signage as well as the no parking signs. Grand/Sakwa shall have the right to tow vehicles owned by customers of the Transit Center that are parked within the Shopping Center at the cost and expense of the City. The City shall have the option of seeking reimbursement from the owners of such vehicles.

6. Maintenance.

- Provide comprehensive maintenance plan.
  - Snow removal and salting of the Transit Center, pedestrian walk-ways, parking lots, drives and easement areas.
  - Standards and protocols for the periodic inspection, maintenance and repairs of buildings, improvements, pedestrian walk-ways, parking lots, drives and easement areas.
  - Trash collection and disposal.
  - Sweeping and cleaning.

7. Allocation of Expenses.

- The parties must develop and agree upon a formula for the equitable allocation of all costs and expenses associated with the City's use of and/or impact upon various common areas of the Shopping Center, including, without limitation:
  - Maintenance (including, without limitation, snow removal; salting; trash pickup and disposal; and road/parking/driveway maintenance, repair and replacement. All increases in such cost and expenses that are principally attributable to the Transit Center shall be the sole responsibility of the City.
  - Insurance
  - Taxes
  - Security

- Utilities

8. Insurance/Indemnification.

- The City and its property manager, operator, suppliers, vendors, licensees, contractors and subcontractors shall each maintain commercially appropriate minimum levels of insurance, which policies shall include Grand/Sakwa New Holland LLC, Grand/Sakwa Properties LLC, Grand/Sakwa Management LLC, its lender and other designees as additional insureds.

9. Security.

- Please describe the scope and extent of security planned for the use and operation of the Transit Center.
  - Video cameras
  - Alarms
  - Guards
- Increased security expenses with respect to the Shopping Center that are principally attributable to the operation of the Transit Center shall be the sole responsibility of the City.

10. Easements.

- The parties must agree upon mutually acceptable easement agreements.
  - Temporary construction easements.
  - Ingress/egress drives
  - Utilities
  - Easements in favor of Grand/Sakwa for ingress, egress and utilization of the parking lot on the Transit Parcel.
  - Self-help easements in favor of Grand/Sakwa.

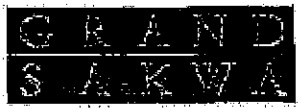
11. Environmental.

- Please provide a current environmental Phase I Report (and Phase II if appropriate) of the Transit Parcel (together with a Due Care Plan if appropriate).
- All activities on the Transit Center, including, without limitation, development, construction, use and operation shall strictly comply with all governing environmental laws.

12. No Future Modifications or Expansion of Facilities, Operations or Level of Services.

- The City's development, construction, use and operation of the Transit Center, together with the easements and agreements contemplated herein, will be conditioned upon the specific use and current projected levels of activity of the Transit Center and the corresponding impact on the Shopping Center.

Attachment #6



13. Remedies; Self Help.

- The easement and operating agreement between the City and Grand/Sakwa must include an appropriate default provision, and grant Grand/Sakwa specific remedies, including, without limitation, the right to cure defaults and charge the City for costs and expenses incurred in connection therewith.

Sincerely,

Christopher O. Corden
General Counsel

COC/mml

cc: Gary Sakwa
Gary Cooper
Bill Eisenberg
Hedley Williams