



CITY COUNCIL REPORT

October 2, 2008

TO: Mayor and City Council Members

FROM: Phillip L. Nelson, City Manager
Brian P. Murphy, Assistant City Manager/Economic Development Services

SUBJECT: Transit Center Update

City staff and representatives from the City of Birmingham have been working with Wendel Duchscherer over the past six months to develop a series of design plans for the Transit Center. A copy of the most recent design phase concept for the tunnel linking the east and west side together is included with this memo. The most recent option addresses a number of site improvement and safety issues, and provides a plan that minimizes future operating costs.

Initial discussions focused on the construction of the Transit Center, with the tunnel element to follow. However, we discovered during the design phase that the tunnel is a key element for the project to succeed, as the Amtrak line runs on the west track. At grade crossings and overhead bridge crossings, for various reasons, are not available options at this site.

The design phase concept included with this memo does not show the proposed building nor the canopy on the platform. The plan calls for the construction of both elements. They were left off these drawings as they were not a focus of the most recent meeting on the Transit Center site.

The Transit Center building likely is placed at the south end of the east ramp. Programming discussion for the building suggests that the initial building envelop will likely total 3,000 square feet.

Estimates for the Transit Center have been developed by the consulting group for each of the proposed designs. As of this writing, the estimate for the Transit Center is \$6 million. The estimate is driven in large part by the need for the tunnel.

City staff, along with representatives from our key partners (City of Birmingham, SMART, SEMCOG, Troy Chamber of Commerce, and Birmingham Chamber of Commerce), have been meeting with key State and Federal officials in an effort to secure grants and other forms of funding for the Transit Center. In these meetings, it became apparent that there is a lot of work ahead if we wish to secure funds by the 2010 deadline. In many respects, we've learned that there are some finer points to securing funding that require experience and insight beyond what is available at the local level.

As a result, our discussions focused around the possible need for an outside “project manager” to assist in our discussions with Washington DC and Lansing. City staff and staff from the City of Birmingham and Troy Chamber and Birmingham Chamber representatives conducted advance work with firms that provide such services. The result of those meetings supported our initial suspicions, and highlighted the urgency in our timelines.

Birmingham City staff has taken an active part in this project, complementing with our City staff’s work. Attached is a draft two-page project summary developed by Birmingham staff, for use when meeting with key leaders. Also, Birmingham is taking the lead in hiring a firm to provide “project manager” services. It is likely that City staff in Birmingham will recommend that the Birmingham City Commission consider entering in to a contract for consulting services tied to securing funds for the project. Unless otherwise directed, City staff will likely recommend that the City of Troy enter in to a cost sharing agreement with Birmingham for such services.

TROY & BIRMINGHAM TRANSIT CENTER

Public Transit: Transforming Communities, Growing Economies

"A good transit system can attract development, businesses, tourism, and conventions. It helps connect people to jobs, making the region more economically competitive."
 [Source: SEMCOG, SEMscope, Sprint 2008]



Transit provides at least \$60 billion in public benefits annually, compared to just under \$31 billion in public investment

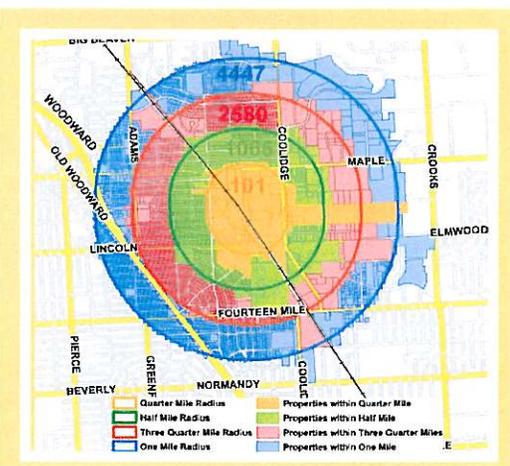
To enhance Michiganders' quality of life, Michigan must increase its investment in public transportation

Investments in transit produce 19% more jobs than equivalent investments in new road and bridge projects

Each \$1 America invests in transit yields approximately \$2 in cost savings

The Transit Center demonstrates a collaborative effort by adjoining municipalities, resulting in reduced costs through shared services

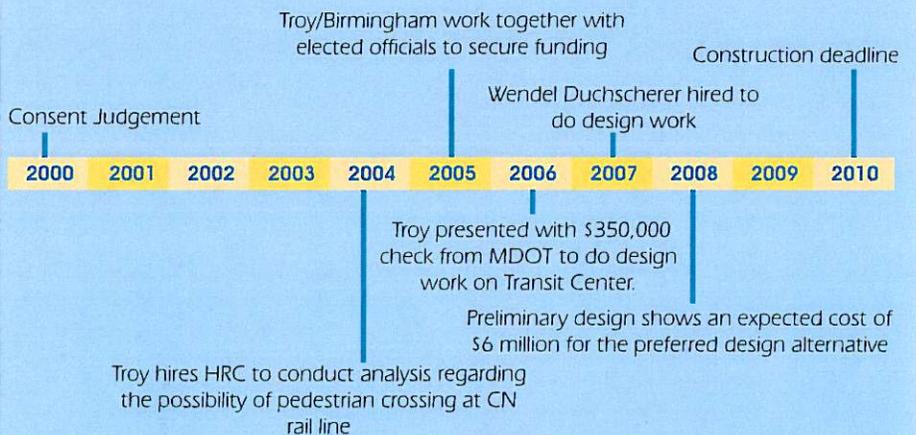
"This is a great example of a public/private partnership that will provide mobility options to local residents. It represents the Governor's commitment to promoting economic growth and improving the quality of life."
 State Transportation Director Kirk Steudle.



Sharing and Coordinating Services

- Coordinates existing services including:
 - Bus (SMART, greyhound)
 - Black Sedan
 - Troy Airport
 - Detroit Metro Airport/Aerotropolis
 - Taxi Service
 - Heavy Rail (AMTRAK)
- Ensures future transportation modes (such as light and commuter rail) could be accommodated when or if they are provided

Timeline

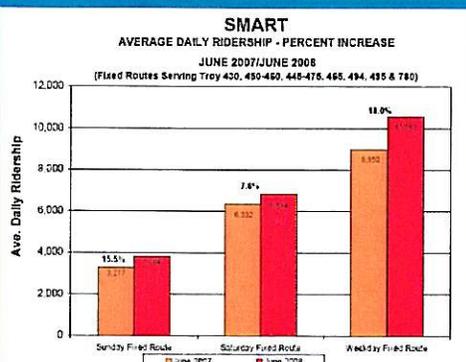
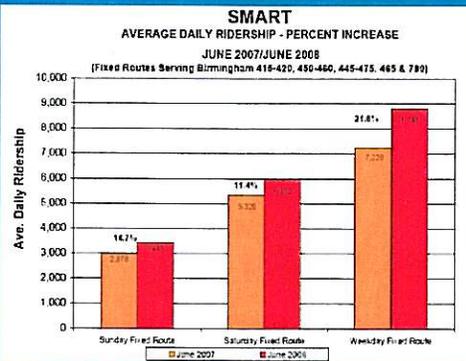
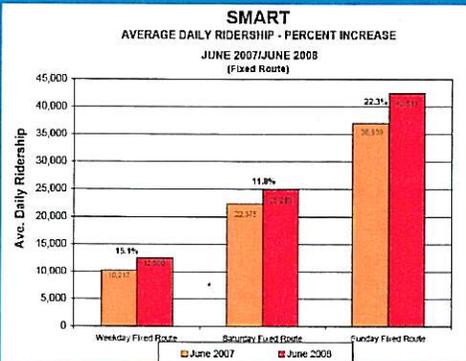


Economic Stimulus

- Southeast Michigan is falling behind other cities throughout the country, decreasing the States' ability to attract and retain business
- 77% of new economy companies rate access to transit as an extremely important factor in selecting corporate locations
- Businesses realize a gain in sales in an amount 3 times as much as the public sector invests in transit (\$6 million investment = \$18 million gain in sales)
- Typical state or local government could realize 4-16% gain in revenues due to the increase in income and employment generated by investment in transit
- Every \$10 million invested in transit = \$15 million saved in transportation costs to both highway and transit uses (decreased operating costs, decreased fuel costs, decreased congestion etc.)
- Studies estimate every \$1 invested in public transit returns \$4-\$9 dollars in economic benefit
- Potential to later link the area to other modes of transit which would spur additional development in the area
- Office occupancy rate in Birmingham is 89% and in less dense suburban areas is closer to 74%
- Proximity to transit centers can increase property values 20-25%
- Increase in residential and commercial property values would enhance tax revenues

A Region Ready for Transit

- A need, to change the way that the region invests in transportation
- Detroit is echoing the trends that are occurring across the nation
- SMART is posting highest ridership since its formation in 1967 with routes along Gratiot and Woodward requiring expanded service to accommodate standing loads
- Resurgence of demand for urban living and the transportation options that accompany this lifestyle
- Demand comes from millennials, creative class, seniors, and empty nesters
- Driven by traffic congestion, skyrocketing gasoline prices, and the increasing desire for green, sustainable lifestyle



For more information contact :
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Transit Center Proponents

- City of Troy, including Planning Commission
- City of Birmingham, including Planning Board
- Birmingham Principal Shopping District
- Oakland County Business Roundtable on Transit
- Public Policy & Economic Development Sub-Group - Birmingham, Bloomfield Township, Bloomfield Hills, Beverly Hills and Bingham Farms Chamber of Commerce
- Economic Development Committee Troy Chamber of Commerce
- Southeast Michigan Council of Governments

The Greater Good: Transit Benefits Regions

- Environmental Protection
- Energy Conservation
- Economic Savings
- Reduced Congestion
- Increased Property Values
- Social Equity
- Land-use Impacts
- Public Health

Energy Security

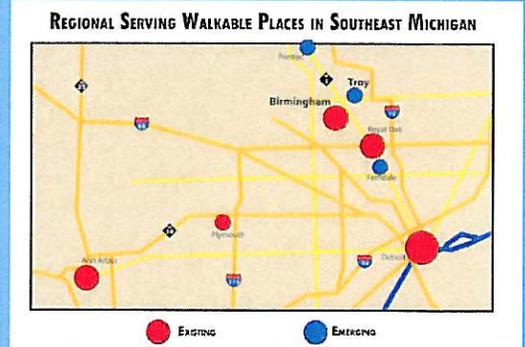
- Public transportation saves 1.4 billion gallons of gasoline per year
- A report from Southern Florida University states that:
 - A bus with as few as seven passengers is more fuel efficient than the average automobile used for commuting
 - The fuel efficiency of a fully-occupied bus is six times greater than that of the average commuter's automobile, while the fuel efficiency of a fully-occupied rail car is fifteen times greater than that of the average commuter's automobile

Sustainability

- Public transit and car pooling that would be accommodated at the Transit Center would reduce congestion and pollution
- 2007 Forbes study indicates that one of the major factors that the world's cleanest cities have in common is an extensive public transportation system
- A car occupied by one person produces on average 2.06 grams/passenger-mile (g/pm) of nitrogen oxides for work trips. A fully occupied transit bus, on the other hand, would produce 1.54 g/pm, while a fully occupied rail transit system would produce only .47 g/pm for the same distance

Quality of Life

- Reduction in congestion would improve commuting times, thereby improving quality of life
- Encourage more walkable communities/neighborhoods
- Transit Center is characteristic of the types of investment in our communities that is called for in the State's Cool Cities initiative
- Transit Center would allow for creation of a new node of activity



Recent studies demonstrated that conservative estimates suggest there is potential demand for between 18-22 more regional-serving walkable places throughout Southeast Michigan and that the Transit Center would be a natural location for such an area.

