

INFORMATION ABOUT THE TRANSIT AUTHORITY OF CALHOUN COUNTY

HISTORY AND BACKGROUND

[The Calhoun County Transit Study](#) was completed in March 2020 and began as an initiative to identify how public transportation can best serve residents throughout Calhoun County. The study, funded by the Michigan Department of Transportation, intended to identify how to meet County residents' transportation needs and enhance job access and economic competitiveness throughout the County.

The Study examined current conditions and provided these initial key takeaways:

- At the time of the study there were 17 transportation providers, including private providers, non-emergency medical transportation providers, and taxis, operating in niche markets across the County
- The majority of services and opportunities are clustered in the areas of Battle Creek (including Springfield), Marshall, and Albion. Residents living outside of these areas need to travel farther distances to have their needs met
- Calhoun County has a high volume of vulnerable populations including low-income, seniors, people with disabilities, and people living in zero- and one-car households.
- There are transportation service gaps across the County; those who are not seniors or people with disabilities do not have regular access to public transportation outside of Marshall and Battle Creek

The guiding principles for the Study were developed by the stakeholder group that included leaders from across Calhoun County, elected officials, major employers, educational institutions, advocacy groups, and existing transportation providers both public and private. These guiding principles were:

- Provide equitable access to all County residents
- Ensure user-friendly, affordable, safe, comfortable, and convenient transit services
- Facilitate and enhance regional travel and intermodal connection
- Establish sustainable, stable, and equitable funding across communities

The study emphasized the need for diverse and inclusive planning that takes into consideration the needs of partners across all sectors including government, human services, education, transportation, healthcare, economic development, and employment. The stakeholder group also emphasized that services should be “planned and designed with other Calhoun County public policy goals in mind, such as contributing to workforce and economic development, increasing environmental sustainability, and improving health and wellness of individuals and communities.”

The Calhoun County Transit Study and its public and private partners envision cost-effective, user-friendly, sustainable, and equitable transit options for all county residents that offer connections to all aspects of community life.

STUDY RECOMMENDATIONS - GOVERNANCE

The Study presented two possible governance options for a countywide transit system. Both options utilize [Michigan Act 196 of 1986](#), which provides for the establishment of a public authority by a political subdivision or a group of two or more subdivisions. Act 196 of 1986 is the most commonly used structure for transit authorities in Michigan. Act 196 provides jurisdictions, or portions of jurisdictions (precincts), to be released from membership in the authority upon majority approval of that jurisdiction's elected officials. Only those jurisdictions which are members of the authority would be represented by the service areas and boundaries of the authority. Jurisdictions that request release from membership may choose to seek contracts for service in lieu of membership in the authority.

Governance Alternative 1 presented in the study suggests the creation of separate public authorities for rural and urbanized services. Under this alternative one authority would be created to administer countywide demand response services and services outside of the urbanized area of Calhoun County. The other authority would be created to administer fixed route, ADA paratransit, and demand responsive services in the Battle Creek urbanized area. Act 196, as written however, does not allow for the creation of two authorities within one county except for those counties with a population of 240,000 to 255,000. Choosing this governance model would require an act of State legislature to amend Michigan Act 196 of 1986 to include Calhoun County's population limits. This alternative would require two millages; one millage rate for countywide services and another millage rate for urbanized services. While resources and management could be shared between the authorities, each authority would maintain its own represented governing body.

Governance Alternative 2 presented in the study suggests creating one authority responsible for the delivery of countywide demand responsive services. The authority would operate its own services or contract with a private provider for service. In this alternative, the existing Battle Creek Transit fixed route service and service area would remain a department and responsibility of the City of Battle Creek. The countywide authority, however, would be responsible for meeting BCT's ADA paratransit obligations. This alternative would require one countywide millage which would not include funding for the urbanized area's fixed-route services. Funding for fixed-route services and levels of service would be determined by the City of Battle Creek and its funding partners.

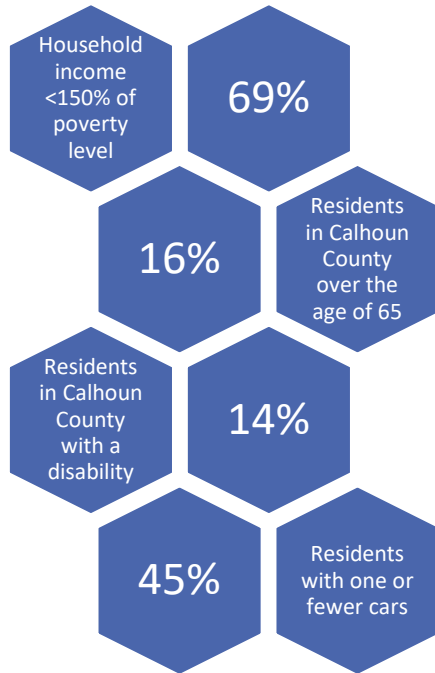
The proposed Transportation Authority of Calhoun County (TACC) is not using either of the governance alternatives provided in the study. Instead, current discussions focus on the creation of one comprehensive transportation authority that includes urbanized fixed-route services, ADA paratransit services, and countywide demand response services.

An authority, under any scenario, requires a governing board. This governing board would be comprised of members that represent the various stakeholders within the county and authority boundaries. Board seats would be filled according to the respective Articles of Incorporation and By Laws of the Authority. Additionally, an authority operating transportation services leveraging State and/or Federal funding would require demonstration of a sustainable funding mechanism, most often achieved through the levy of taxes or a millage. There is no statutory or regulatory "prescription" for funding, however, the source of funding must be sustainable and meet the local match requirements of Federal and State grant funding.

Other multijurisdictional and/or countywide transportation systems formed under Act 196 include the Jackson Area Transportation Authority (Jackson), Macatawa Area Express (Holland), Interurban Transit Partnership (Grand Rapids), Bay Area Transportation Authority (Traverse City), Bay Metropolitan Transportation Authority (Bay City), Harbor Transit Multimodal Transportation System (Grand Haven), and Saginaw Transit Authority Regional Services (Saginaw), among others.

TRANSIT NEEDS ASSESSMENT

Calhoun County is unique in both its demographics and geography. With a population of roughly 135,000, Calhoun County is home to four separate cities located in different areas of the county. Additionally, the County is divided by a combination of suburban and agricultural areas. These factors, combined with unique socioeconomic factors make mobility within the County challenging.



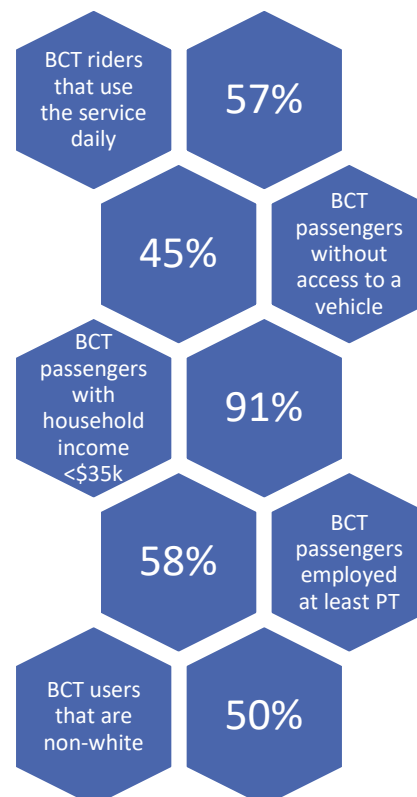
services. These challenges exist for both rural and urban populations, however, barriers that the large rural senior population experience lead to continued fear and isolation.

Looking closely at services within the Battle Creek urbanized area, users and residents rely on existing BCT services primarily for employment, healthcare access, education, and shopping. More than half of BCT riders rely on the service for daily use, and more than 40% do not have access to a private vehicle citing that the cost of vehicle ownership is too expensive. The overwhelming majority of BCT passengers fall into the lowest income brackets, with more than 90% of passengers having a household income of less than \$35,000 annually even though more than 50% are employed at least part time.

At least half of BCT passengers represent minority populations with the majority identifying as African American or Hispanic according to the [Battle Creek Transit Master Plan](#) survey conducted in 2018.

More than 60% of Calhoun County residents have an annual household income of less than 150% of the national poverty level. In comparison, the national average, according to the American Community Survey (ACS) is only 25%, putting Calhoun County residents at a significant disadvantage. Further, Calhoun County has six percent more seniors than the national average and two percent more persons with disabilities.

Based on population trends in Calhoun County, the number of older adults will outnumber the population that is 18 years old or younger in the coming decade by year 2027, eight years before the same change will occur among the US population overall. When asked about daily barriers, 25% of seniors responded that existing public transportation options did not meet their needs, they could not afford transportation, there was a general lack of ridesharing or senior transportation options or that they just did not know of available



FREQUENTLY ASKED QUESTIONS

HOW MUCH IS THIS GOING TO COST?

A final budget for service won't be known until the boundaries of the authority have been established and the authority board has developed and approved levels of service and fare structures. Federal and State grant formulas would then be applied to the operating expenses of the authority and the remaining operating expenses would need to be funded through some other mechanism, including the possibility of a millage. This millage would be presented to voters within the authority boundaries for approval.

A proposed service scenario has been developed utilizing ridership, revenue, and expense assumptions from the existing transportation services, including Battle Creek Transit, and has been used as an example to compare service levels to corresponding budget. These figures are only examples and represent a full countywide system collecting a full countywide millage with full membership in the authority.

WHAT DOES IT MEAN TO "OPT-IN"?

The formation of the authority does not, in itself, impose a tax. A jurisdiction's participation in (or "opt-in" to) the authority means that jurisdiction, or portion of the jurisdiction, will be included in the authority boundaries and service area and the ballot measure will be presented to that jurisdiction's voters. Voters would have the opportunity to approve or defeat a millage for public transportation services at a later date and upon renewals.

WHAT HAPPENS IF A JURISDICTION DECIDES TO WITHDRAW OR OPT-OUT?

A jurisdiction, or portion of a jurisdiction, that withdraws from participation in the authority would be excluded from the service boundaries of the authority. Transportation services would not be available to businesses or residents of that jurisdiction (both origin and destination would be restricted). Additionally, the ballot measure would not be presented to voters in these jurisdictions.

A jurisdiction wishing to "opt-in" to the authority after the authority's formation may do so by passing a resolution from their elected officials and by 2/3 vote of the authority board approving the amendment of the authority's articles of incorporation to include the jurisdiction. A jurisdiction wishing to withdraw from the authority after the authority's formation may do so at the expiration of an approved tax.

A jurisdiction, or portion of a jurisdiction, that is not a participant in the authority may choose to purchase transportation services from the authority (contract for services) at a mutually agreed price. The jurisdiction would determine the local financing mechanism for the contract for service and the term of the contract.

WHAT ARE THE BOUNDARIES OF THE AUTHORITY?

The boundaries of the authority are based on the jurisdictions or political subdivisions that choose to participate in the authority. The boundaries, and therefore service area, may change over time as jurisdictions or portions of jurisdictions decide to participate or withdraw from the authority. The boundaries of the authority also form the boundaries of service for the transportation system.

WHAT HAPPENS TO THE FARES THAT PEOPLE PAY TO RIDE THE SYSTEM?

Farebox revenues comprise less than 10% of system revenues as a national average. A fare, for example, that completely offset the cost of a trip, would have to be \$40 or more depending on the needs of the individual and the length of the trip. State and Federal government have prioritized funding for public transportation over the past several decades for this reason, to keep public transportation accessible and affordable.

WHAT IS THE BENEFIT OF HAVING A COUNTYWIDE AUTHORITY INSTEAD OF A CITY-RUN DEPARTMENT?

A countywide transportation authority allows for the creation of one comprehensive system that provides uninterrupted connections to residents and their communities. The operation of a single system allows the authority to take advantage of existing assets within the county and existing staff and expertise as well as coordinate and centralize efforts that may currently be duplicated across providers. The efficiencies gained through the creation of a single provider will enhance the public's return on investment in public transportation.

HOW MANY PEOPLE CURRENTLY USE THE PUBLIC TRANSIT SYSTEM?

Ridership data for the public transportation systems that currently operate in Calhoun County shows more than 70,000 rides per year (y=2019) provided outside of the Battle Creek urbanized area. These providers include Community Action, Marshall Dial-A-Ride, and the Albion Marshall Connector. The study, using transit ridership estimation tools available from the National Center for Transit Research, estimates an unmet transportation need of more than 26,000 trips per year. This estimate is supported by data collected through the Calhoun County Coordinated Mobility Pilot that launched in 2021.

Within the Battle Creek urbanized area more than 380,000 trips were taken on fixed route bus service provided by Battle Creek Transit and more than 23,000 trips were provided on BCT's demand-response Tele-Transit service. These trip totals do not include trips currently provided by specialized service providers such as Marian Burch Adult Day Center, Community Inclusive Recreation, or BCGo.

In total, using peer agency productivity rates, academic modeling tools, and existing data, it is estimated that more than 136,400 demand-response trips would be provided per year. These estimates use current demand and assumptions and have not taken into consideration any major economic development or community growth.

HOW MUCH DOES THE CITY CURRENTLY PAY FOR TRANSPORTATION?

The City of Battle Creek's transit system currently has an operating budget of \$5.6M. This budget includes operating and maintenance expenses for BCT's fixed route, demand-response, and federally required ADA paratransit services. The system currently budgets for more than 38,000 hours of service. Roughly 80% of operating funds come from State or Federal sources (Section 5307, Section 5310, Act 51, CTF, etc). In FY24 it is estimated the City will contribute at least \$1M from the general fund to Battle Creek Transit operations. The Battle Creek Transit system does not currently charge for services provided to other jurisdictions such as the Charter Township of Emmett, City of Springfield, Bedford Charter Township, or Pennfield Township.

WHAT TYPE OF TRANSPORTATION SERVICES WOULD BE AVAILABLE?

Service scenarios created for the planning process have focused on developing a robust rural demand-response service and maintaining the existing fixed route services that exist within the Battle Creek urbanized area. This includes the expansion of services like BCGo and utilizes technology to prioritize efficiency and promote ridesharing. Current estimates and service scenarios do not include the expansion of fixed route boundaries or the provision of fixed route services outside of the existing urbanized area. The authority board will have the final determination of service types, boundaries, vehicles, etc.

WHAT ABOUT COMPANIES LIKE UBER OR LYFT?

Transportation Network Companies (TNCs) like Uber and Lyft are private corporations that have no limitations on areas of operation. Because drivers for TNCs are paid based on volume, these drivers choose to provide service in areas that are densely populated with frequent, short distance trips. There are no limitations or provisions keeping drivers from providing service through a TNC in Calhoun County. It should be noted, however, that service through a TNC may not be feasible for passengers requiring extra assistance, traveling with mobility aids or devices, or those with lower incomes, as fares on these services fluctuate based on demand, peak hours, and vehicle types. The average (national) cost for an Uber ride in 2022 was \$24.

WHO IS BENEFITTING FROM THE CREATION OF A COUNTYWIDE TRANSPORTATION AUTHORITY?

Investing in public transportation provides benefits to more than one group or individual. A reliable, well-maintained public transit system has become a top requirement for many businesses scouting for new locations. Detroit, for example, lost the bid for Amazon's new headquarters as a result of their lack of investment in regional transportation. Public transportation not only provides employees to businesses, it also provides access for customers. A 2019 study by the American Public Transportation Association found that for every \$1 invested in public transportation \$4 is invested back into the economy.

In addition to economic development, public transportation plays a major role in access to affordable housing. According to AAA, the annual cost of car ownership in the United States (in 2022) was just under \$11,000, making private car ownership the second most expensive household expense, second only to the mortgage or rent. For many Calhoun County residents single car ownership is out of reach and more than 40% of households in Calhoun County have one vehicle or less (8% zero-car households).

The second highest trip priority for residents, after employment, is access to healthcare. More than 40% of trips on existing transit services is to access healthcare, either for preventive care or for life sustaining treatments like chemotherapy or dialysis. Research shows that ensuring access to preventive care such as vaccinations and screenings, as well as treatment for chronic conditions such as asthma, diabetes, and heart disease, carries not only health benefits for the individual but also has broader economic benefits for taxpayers. In short, the cost of providing transportation to medical appointments is less than the cost of treating patients with poorly managed diseases.

HOW WILL THIS AFFECT MY HOME OR PROPERTY VALUE?

According to the National Association of Realtors (NAR), public transit can increase the development potential of real estate near transit lines and stations and thereby increase property values. This "transit premium" can range from as little as a few percent increase to more than 150 percent and depends largely on the regional connections available and the local regulatory framework. The American Public Transit Association's 2019 statistics show that property values near high-frequency public transportation perform 42% better than in other areas and applies to both residential and commercial property values. The NAR goes on to say, *"Even buyers who are not interested in public transportation themselves should look at nearby access. The reason is that this can increase the value of a home by anywhere from 4 to 24%"*