



Harbor Transit Expansion Situation Analysis



Prepared for:

City of Grand Haven - Harbor Transit



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Abstract

Harbor Transit is a Department of the City of Grand Haven, Michigan and provides public demand-response transportation services to the City of Grand Haven, the Village of Spring Lake, the City of Ferrysburg, Meijers, Inc., Lloyds Bayou Senior Complex, and Orchard Foods. The City has engaged The Corradino Group, a national transit planning consulting firm, to conduct a planning study. The objectives of this study are: 1) to determine the feasibility of expanding Harbor Transit into Spring Lake and/or Grand Haven Charter Townships and 2) develop a set of recommendations to help improve operation of the system.

Since a similar study was completed about ten years ago, there has been a number of changes in the townships. Most important are the addition of major transit generators¹

Because past studies have considered and recommended similar expansion concepts that have not been realized, this initial report presents consideration of the financial and political issues that could be barriers to expansion and ways they may be resolved if indeed it is determined expansion is in the best interest of Harbor Transit. As background for this report, the consultant met with the Transit Advisory Committee for Harbor Transit as well as representatives of Spring Lake Township, Grand Haven Charter Township, Grand Haven Public Schools, and Spring Lake Public Schools.

Based on these interviews the following barriers to expansion of service to the townships have been identified:

- Issues with the Fair Share Formula and lack of representation (Grand Haven Charter Township);
- Concern in Spring Lake Township about joining an authority and then having their populace not vote in support of it but be forced to pay a millage voted in by the remainder of the area; and,
- The cost of service and the perception by some that the Harbor Transit buses run empty could be a concern of Township Board members when asked to consider participating in the transit program.



Spring Lake High School and the new community recreation center have both been built in the township in the past decade and would be probably destination points for Harbor Transit.



Grand Haven Charter Township has experienced significant growth in the past decade including commercial and industrial development and the opening of Grand Haven Public High School.

¹ A transit “generator” is a location that either produces or attracts transit trips. Examples are apartment buildings, schools, shopping and commercial areas, and medical office complexes.



1 Harbor Transit Operations Overview

Harbor Transit provides dial-a-ride (demand response) public transportation to residents of the City of Grand Haven, Ferrysburg, and the Village of Spring Lake. Service is also provided to Meijers, Inc., Lloyds Bayou Senior Complex, and Orchard Foods through contractual arrangements with Spring Lake Township and Grand Haven Charter Township. About 18,000 people live in the Harbor Transit service area. Same day service is available with the average wait time being about 20 minutes. Trips can also be scheduled days in advance or as recurring trips.

The Harbor Transit fleet costs of 17 medium duty buses and two trolley buses. Currently, the system operates eleven buses in peak service during the winter and eight during the summer reflecting the use by the community of Harbor Transit for transportation of children to school during the winter months. The system operates a trolley in the summer that runs through parts of Grand Haven with a focus on the lakefront area. Harbor Transit provides approximately 150,000 passenger trips per year.



The elderly and school age children represent a significant share of Harbor Transit's ridership.

Scheduling and dispatching at Harbor Transit is predominantly a manual operation with dispatchers taking phone calls and then organizing trips using a file system. Harbor Transit is exploring several technology upgrades including a computerized scheduling system, an automated vehicle locator (AVL) system for the buses, and an updating of its Ferry Street administration/bus garage facility.

Harbor Transit charges fares for its service. Following is the schedule of fares:

Bus Fares:

- 19 - 59 Years \$1.50
- 60 Years - Older \$.75
- 18 Years - Under \$.75
- Disabled \$.75
- Persons with a Medicare Card \$.75
- Four (4) Years - Under FREE with Paying Adult (limit 2)

Trolley Fares:

19 - 59 Years \$1.50
60 Years - Older \$.75
18 Years - Under \$.75
Disabled \$.75
Persons with a Medicare Card \$.75
Babies Under Two (2) Years FREE

Harbor Transit has an annual operating budget of about \$1.5 million. Harbor Transit receives federal operating and capital funds through the Federal Transit Administration (FTA) and operating and capital funds for from the Michigan Department of Transportation (MDOT). The balance of operating funds is provided by the three partner communities through a Local Fair Share Formula which has been in place since 1976. The Formula calculates the Fair Share for each community based on their population, which is weighted at 50%, the geographic area which is 25%, and ridership numbers at 25%.



One of Harbor Transit's fleet of 17 medium duty buses.

Although the Fair Share Formula has been in place for decades it is a source of some concern among both the existing partners and at least one of the potential jurisdictions being considered for expansion. One of the issues is the way trips are assigned to communities. Grand Haven is "charged" for any trip within the City but the partners are charged for every trip being generated from or going to the entity. This issue is something that is explored in greater detail in this study.

2 The Fair Share Formula

The Fair Share Formula, briefly described in Section 1, provides the balance of the operating funding for Harbor Transit after federal and state contributions are accounted for. The fair share formula is paid by the participating entities (Spring Lake, and Ferrysburg) under a yearly approved contractual agreement. There are also contractual agreements in place for the limited services into Grand Haven Charter Township. Grand Haven has a contract with Grand Haven Charter Township for \$1.00 and Grand Haven Charter Township collects the direct allocation for the services to Meijers and Timberview. Both the City of Grand Haven and the Village of Spring Lake have voter approved dedicated millages in place that provide the financial support for their share of the transit services. The City of Ferrysburg pays its share of the fair funding formula from the general operating millage.

Based on a meeting with the administrative staff of Grand Haven Charter Township it is unlikely that the township would participate in a situation that involved using the current formula for allocating the local share of Harbor Transit’s operating expenses.

There are two issues with the formula. One is that geographical area is one of the factors with a 25% weight. This was included as a way to represent the amount of service (mileage) needed to provide comparable trips. Because of the far larger size of Grand Haven Charter Township, they would likely have a disproportionate share of costs.



The Village of Spring Lake and Ferrysburg are the current partners with Grand Haven in Harbor Transit.

A second issue is the way trips are allocated to partner entities.

Trips that begin and end in Grand Haven are charged to Grand Haven. Any trip with an origin or destination in one of the partner entities is charged to that entity. This is problematic for several reasons. If a person from the city uses Harbor Transit to come to Meijers or Wal Mart Grand Haven Charter Township is charged for both trips. This is seen as not being fair. An issue in Ferrysburg is that people from outside the City (there is some incorporated area near Ferrysburg walk to Ferrysburg and then take Harbor Transit. Ferrysburg gets charged for those trips even though the riders are not residents of the City.

Intertwined within the fair share formula is the question of the long term local financing of public transit services in the Grand Haven area. In particular, with State Transportation revenues declining, will the local governmental partners be in a position to deal with a reduction in state and or federal transit operating support.

The resolution of the issues associated with the fair share formula may be addressed if the organizational structure that governs Harbor Transit were to change. A new organizational structure with taxing authority may eliminate the need for the fair share formula. This will be examined further in the context of the Organizational Structure

3 Organizational Options

Harbor Transit is currently operated as a municipal department under the City of Grand Haven. As a result Harbor Transit secures its statutory authority to receive state and federal funds from the Michigan Department of Transportation, because it is organized under the Home Rule Act of 279 of 1909 as amended. There are currently seven different Public Acts identified in Public Act 51 of 1951 as amended, under which a transportation entity can be organized in order to be eligible to receive State and Federal Transportation Funds. The Home Rule Act of 279 is one of those Public Acts.

As a department of the City of Grand Haven - Harbor Transit is managed and operated by employees of the City of Grand Haven. The City of Grand Haven provides administrative support services to Harbor Transit such as: accounting, human resources, payroll, janitorial, etc. Harbor Transit pays the City approximately \$116,000 per year for these services based upon a cost allocation plan.

Since Harbor Transit is a City Department the day to day operating decisions and the budget is the responsibility of the city. A transit advisory committee made up of representatives from Village of Spring Lake, Ferrysburg and Grand Haven Charter Township has been formed to provide input into the operations of the transit service. The key point is that the recommendations / suggestions from the advisory committee are in the end advisory with the final decision resting with the City of Grand Haven and Harbor Transit. In addition to the input received from the Advisory Committee each local governmental entity (Spring Lake, Ferrysburg), have the ability to discuss and address issues during their yearly service contract /agreement renewal process.

While the current organizational structure for providing transit services is functional, there is a desire by some of the local governmental partners for more equitable participation in the decision making and approval process involving the operation and budget of Harbor Transit. The broader Grand Haven Community has shown an ability to jointly work together in an equitable partnership on a number of projects such as the Grand Haven Spring Lake Sewer Authority. In the initial project meetings, officials from the City of Grand Haven expressed an openness to exploring the establishment of an organizational structure that would share the responsibility for the transit operations with the existing governmental partners and if appropriate also expanding the new organizational structure to include new governmental partners.

While all of the local governmental partners are receptive to looking at a new organizational structure, there is concern that any new funding mechanism established under the new organizational structure not be forced upon a member if the voters in that particular governmental entity do not approve the funding mechanism. It was pointed out that Special Assessment Districts have been used successfully in the communities to finance projects. Special Assessment Districts will be examined in the context of the allowable organizational structure identified in Public Act 51 of 1951 as amended.

Working with in the limits Public Act 51 of 1951 as amended, and the seven state statutes under which an agency or eligible authority must be established in order to receive state transit funding, emphasis will be placed on identifying an organizational structure that builds on the existing strong governmental relationship that exist in the Grand Haven area by focusing on an organizational structure that provides: equitable representation for all members governmental entities in the decision making process, a compatible funding mechanism for the services received by each local governmental partner and a flexible geographic limits that meet the existing and future service needs.

4 Conclusion

The purpose of this initial white paper is to assess and validate what the consultant team has learned during the initial project kick-off meeting and to set the course for future endeavors.

Findings

1. Harbor Transit provides a high level of service (20 minute wait time, with same day service available, which is almost unheard of in the demand response operating environment).
2. Harbor Transit has not taken advantage to modern technology to make their operations more efficient.
3. Grand Haven has no established operating performance measures in place for Harbor Transit.
4. There are opportunities/needs to expand services (school – medical – Spring Lake Community Recreation Center).
5. Population growth has slowed and no major developments are planned in the area.
6. The local governmental partners work well together and have jointly undertaken projects for the benefit of the community.
7. Special Assessment Districts appear to be acceptable to the community
8. The allocation of cost associated with ridership under the fair share funding formula is a concern to the local governmental partners.
9. Under the existing organizational structure the local governmental partners only have an advisory voice into the operation of Harbor Transit
10. All of the local governmental partners are open to exploring an organizational structure that will provide each partner a role (real voice) in the decision making process.

Next Steps

1. Review each of the City operated transit services in the State to determine if they are providing service outside of their geographic boundaries and how they are financing those services.

2. Identify alternative ways to count ridership in the fair share funding formula
3. Identify alternative factors besides ridership that can be used in the fair share funding formula.
4. Review and analyze each of the seven Organizational Statute and determine which might best serve as the framework for a new organizational structure for Grand Haven, Ferrysburg, Spring Lake and Grand Haven Charter Township.
5. Identify the funding options available under the seven Organizational Statutes and how the funding mechanism could work in the Grand Haven area.
6. Provide a recommended organization / financing structure.

Closing Comment

As noted in the Abstract, the purpose of this paper is to present an assessment of the current capacity of Harbor Transit to engage in some form of expansion into the adjacent townships. Based on the input received, the possibility of expansion is certainly feasible. Following discussion of these findings with the Harbor Transit Advisory Committee, the consultant will propose having discussions with the boards of each township at appropriate times in the near future.