Recommendations and Implementation

Transportation Demand Management for Grand Rapids' Michigan Street Corridor

DRAFT Working Paper #3

Completed in collaboration with the Michigan Department of Transportation, Michigan Economic Development Corporation and Michigan State Housing Development Authority.

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1 OVERVIEW

Grand Rapids’ Michigan Street corridor has changed rapidly over the past decade. In the last ten years, major health, life-science and educational institutions have invested over $1 billion bringing extensive growth in employment and visitors, patients and students to the corridor (over 1.25 million per year) and bolstering demand for in-town housing.

The ability to adequately accommodate this growth and its associated vehicular travel demands has become an increasing concern for the city, neighbors, and institutions. But the stakeholders of Michigan Street have expressed a desire beyond mere “accommodation.” They have a strong and united commitment to thrive – each independently and the district as a collective. The Michigan Street stakeholders want to set a new high-bar for strategic and sustainable travel management.

Following a series of meetings to document the state of commuting along Michigan Street, the project team compiled a long list of strategies that can help address existing issues and prepare Grand Rapids for a more sustainable future along the corridor. After exploring the national (and continental) state of the practice for transportation demand management (TDM), the stakeholders reviewed alternatives for action in addressing the unique conditions and opportunities of “The Hill” on Michigan Street and its relationship and support to its neighbors, the corridor, the downtown and region. This document records and expands on the TDM priorities discussed by the stakeholder group.

The stakeholders are prepared to act and pursue meaningful and effective transportation demand management. This document provides a broad approach; however specific implementation may require additional work and study, particularly as it relates to individual TDM plans and marketing for the major employers.

In pursuing the recommended strategy, Michigan Street corridor stakeholders should, even must, reassess and reconfirm the following:

- Know where you want to go – identify firm targets and outcomes, establish a baseline for where you are now, and track progress along the way in order to make course corrections and actively learn the most effective strategies for this community.
- Assess your capabilities – Thoroughly and realistically inventory the resources available for this pursuit – including budget, staff time, and leadership attention. These are vital for success. “Right size” early actions to the resources that will ensure that first success in order to propel the program and initiative on to continued and expanded effectiveness later.
- Find the champions – Few of these strategies can be implemented overnight. Many will take months and years to implement. Strong and respected champions will provide the visibility, energy, and persistence necessary to pursue, and accelerate change.
2 STRATEGIES

The possible paths to pursue transportation demand management are virtually limitless, however not all may have the same level of effectiveness for the Michigan Street corridor at this current point in its evolution, while others – such as enhanced pedestrian and bicycle accommodations – are well underway already.

Four strategies are recommended for pursuit at this time in order of their level of anticipated effectiveness. All four strategies can be pursued independently or in tandem together. It is recommended that if energy and resources permit, all four be advanced concurrently by separate, but partner champions. The strategies are:

1. Transportation Management
2. Parking Management
3. Transit Solutions
4. Live Near Work Strategies
3 TRANSPORTATION MANAGEMENT

To optimize transportation demand management on the Michigan Street Corridor, a more coordinated and holistic approach is required beyond the separate and isolated practices currently employed in individual instances. A structure must be put in place in order to implement the goals of the committee and continue work on congestion and transportation demand management issues. A formal Transportation Management Association is the best tool over the long term for the corridor, however may not be the ideal first step. In the very near term, we recommend hiring a TDM coordinator, jointly funded if at all possible, by the several stakeholder beneficiaries. The work of the coordinator will allow time to explore and establish an independent TMA with dedicated funding.

Recommended Actions

One near term strategy and one longer term study are recommended to advance transportation demand management in support of sustainable growth and success in the Michigan Street corridor.

1. Designate a TDM coordinator – Transportation demand management is still a relatively new concept for Michigan Street stakeholders. While a full Transportation Management Association is ultimately recommended for the corridor, the initial designation of a TDM coordinator will allow further education and outreach without the capital outlay required for a TMA.

2. Establish a Transportation Management Association – The Michigan Street corridor is ripe for a TMA, and we anticipate that this will be required for the long term success and sustainability of the corridor. Designating a TDM coordinator is a good first step to lay the groundwork and build support for the establishment of a TMA at a later date.

RECOMMENDED ACTIONS

Designate a TDM Coordinator

A TDM coordinator is most successful if employed full time, though some cities have had success with part-time employment and a strong support network of involved employers and stakeholders. The TDM coordinator would represent the entire coalition of TDM stakeholders in the Michigan Street corridor—employers, universities, the Rapid, and the involved city agencies—and selecting a qualified individual with direct experience or training can greatly increase the likelihood and speed of successful implementation.

Instituting a TDM coordinator and ensuring their effectiveness requires leadership on a number of steps:

1. Define the duties and activities of the TDM coordinator
2. Identify the host entity and funding structure
3. Hire the coordinator

Define the duties

Stakeholders must agree on the designated duties and activities of the TDM coordinator. Typically the TDM coordinator:
Manages day-to-day activities necessary to promote and implement TDM on the corridor including coordinating meetings, performing follow-up duties, and serving as primary point of contact and communicator for TDM efforts along Michigan Street.

Designs and implements TDM strategies under the direction of the stakeholder committee.

Researches, analyzes, and maps population and market trends for Michigan Street corridor.

Plans and facilitates transportation outreach activities and TDM events to meet stakeholder transportation goals.

Represents TDM efforts of the stakeholder committee in the community; meets with citizens, interest groups, schools, and the public to market and gather feedback about TDM programs. Presents educational programs at schools, events, meetings, and conferences.

Plans and implements marketing campaigns for TDM strategies.

Applies for funding and actively researches grant opportunities.

A sample job description for a TDM Coordinator is included in Appendix A.

Identify the host agency

Though the location of a TDM coordinator will likely be influenced by the type of funding available to cover a salary, the designation of a host agency is a critical decision that will affect the scope and impact of TDM implementation in Grand Rapids. Only a handful of organizations are potential hosts:

- **City of Grand Rapids** - The Department of City Planning, Department of Transportation, or another relevant city agency could house a TDM coordinator.
  - Advantages: The Coordinator would have access to all city agencies and be highly connected to other related city efforts.
  - Disadvantages: Funding for the position may be difficult to access, especially in light of recent staff reductions. Additionally, TDM and TMA efforts may be perceived as top-down if the lead staff member is an employee of the City.

- **Downtown Development Authority** - The DDA conducts similar tasks for Downtown Grand Rapids.
  - Advantages: Coordinator would have access to staff who operate similar projects on behalf of area businesses Downtown. The DDA also has more resources and potentially more funding than the City.
  - Disadvantages: The DDA does not currently focus on Michigan Street and may not be amenable to expanding their mission.

- **Parking Authority** - The Grand Rapids Parking Authority manages parking facilities and city-wide parking strategies.
  - Advantages: Parking management can have a huge effect on rates of driving alone and is a powerful TDM tool. The Authority has some added flexibility not available to a typical government agency.
  - Disadvantages: TDM is not part of the Parking Authority’s mission at this time.

- **Grand Valley Metropolitan Council** - The Grand Valley Metropolitan Council is the metropolitan planning organization for the Greater Grand Rapids area.
Advantages: TDM is a typical element of many MPOs in other parts of the country and fits with its mission. A position housed at the MPO could be funded through CMAQ funds.

Disadvantages: The MPO’s regional focus may not be ideal for a targeted, implementation-oriented effort, especially in a non-downtown corridor.

- **Grand Valley State University** - GVSU has implemented several TDM measures on campus and has expressed interest in becoming more involved in a corridor-wide effort. *Given the feedback and information gathered to date, GVSU is the recommended host to initiate a TDM coordinator, although it is anticipated that coordinator costs would be shared by many stakeholders.*

  Advantages: The GVSU community has a major impact on traffic in the corridor. GVSU has demonstrated a vested interest in maintaining a pleasant and hospitable Michigan Street in order to continue attracting students and faculty.

  Disadvantages: Without a formal TMA, no mechanism exists to ensure that other area employers stay engaged and involved in TDM efforts.

- **Spectrum Health** - Spectrum Health is the largest employer in Western Michigan and has its main campuses are on Michigan Street.

  Advantages: Spectrum taking a leadership role in TDM would likely influence other employers to be more involved. Large employer-led efforts are common in other cities implementing TDM

  Disadvantages: Without a formal TMA, no mechanism exists to ensure that other area employers stay engaged and involved in TDM efforts.

GVSU has expressed a willingness to take on a leadership role in TDM on the corridor. Beyond this internal momentum, GVSU is well-suited to lead a TDM effort. As a large institution, GVSU has a direct stake in the livability and commuting conditions along Michigan Street. Simultaneously, as a university, GVSU has more flexibility in hiring than governmental agencies, while having a similar mission in its investment in the future of the community. Finally, as a nongovernmental agency, GVSU is in a better position to discuss and negotiate TDM efforts with peer institutions along Michigan Street without risking perceptions of a top-down approach.

**Hire the coordinator**

The TDM coordinator could be explicitly hired personnel or reassigned existing personnel. Because TDM is a unique discipline requiring a unique skill set, it is recommended that the designated staff member be specifically recruited, reviewed and hired based on the skills necessary to meet the expected duties and establish and pursue TDM practices in the Michigan Street corridor. The recommended process is to:

- Create a hiring subcommittee - A core group of stakeholders should manage the hiring process, led by the host agency.

- Create and disseminate job description - The host agency will work closely with the stakeholder subcommittee to draft and distribute a job description tailored to TDM work on Michigan Street. All stakeholders should market the position to their network and assist with informal recruiting of exceptionally qualified candidates.

- Screen and interview candidates - The subcommittee, led by the host agency, will review applications and select candidates to interview. The process will be heavily influenced by
the host agency’s hiring process requirements, but other stakeholders should stay involved and participate in interviews. If the host agency’s hiring process allows, the stakeholder subcommittee should have the final say in rating and selecting the candidate.

- TDM coordinator training - The first few months will be spent training the TDM coordinator. Other stakeholders along the corridor should spend time assisting with training to ensure the coordinator has a strong sense of the overall corridor environment from multiple perspectives, and not only that of the host agency.

Establish a Transportation Management Association

During the first year or two of a TDM coordinator’s work, the stakeholder group should continue to explore and pursue the formation of a TMA. This requires:

1. Determining the structure of the Association
2. Defining the service area and services
3. Developing a funding structure
4. Legislative authorization
5. TMA staffing and initial workplan

Determining the structure

The TMA could continue operating as an ad hoc committee, but for the long term, we recommend the formal establishment of an independent organization. TMAs are typically formed as 501(c) organizations; the group will have to decide what type of 501(c) status to pursue.

Formation of an independent TMA typically requires the negotiation and establishment of Articles of Incorporation and bylaws, assignment of a Board of Directors, definition of duties for Board and roles and responsibilities of board and staff, as well as standard office procedures. TMAs typically have an executive director and at least one additional full-time staff member.

During the formation process, the stakeholder committee should appoint an interim board that will likely become the permanent board of the TMA.

Define the service area and services

The TMA could cover a range of different geographies and as a result provide a broad range of different services. Given the context of the Michigan Street corridor, it is recommended that the TMA be limited in area to either the Medical Mile to the riverfront area or be designed to ultimately include the whole of the “Hill” and the downtown “valley”. It may be possible to initiate the TMA at a smaller geography and expand it to include the larger area once it has matured a bit provided the mechanisms and expectations for expansion are clearly articulated at the onset.

The committee should also review the scope of services the TMA is anticipated to provide. This may be limited to information and outreach, but could also include specialized transportation management plans for individual stakeholders as well as brokerage and/or clearinghouse services for processing transit benefits and passes. If it is anticipated that the TMA would expand to include stakeholders beyond the initial Michigan Street concentration, these stakeholders should be consulted in the initial service planning so as to avoid necessary changes to authority later and to anticipate budgetary needs.
Develop a funding structure

TMAs provide valuable services to their area stakeholders, but these services come at some financial cost and therefore must be funded. The vast majority of places that have established transportation management associations have found that the benefits that accrue to their employers, cities and regions represent a substantial return on investment for the funding provided.

Multiple funding options are discussed in the financing section below.

Legislative authorization

Depending on the organizational and funding structure selected, many TMAs require authorizing legislation to provide them the authority to operate and raise funds for operations.

Staffing and initial workplan

The Board will be responsible for recruiting and hiring staff for the TMA. As with the TDM coordinator, transportation management is a unique discipline. The Board will undoubtedly seek a TMA director familiar with the various tools and techniques. It is possible that the TDM coordinator could assume this role with additional staff to assist with marketing and outreach (additional unique skills!).

The initial workplan must be realistic. The first few years of the Association are likely to be focused on outreach and capacity building, with limited direct services. A firm foundation in the early years will support a stronger organization overall.

IMPLEMENTATION

Implementing TDM involves three major components: hiring a TDM coordinator, executing one or two initial TDM projects, and establishing a TMA over the longer term.

Implementation Overview

<table>
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<tr>
<th>Strategy</th>
<th>Step</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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</thead>
<tbody>
<tr>
<td>1 Hire TDM Coordinator</td>
<td>Reach out to stakeholders about hiring coordinator</td>
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<td>Define duties and set goals</td>
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<td>Identify host agency</td>
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<td>Advertise, interview, and hire</td>
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<tr>
<td>2 Initial TDM Coordination</td>
<td>Set goals and outline 1-2 TDM projects</td>
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<td></td>
<td>Implement initial projects</td>
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<td>4 Establish TMA</td>
<td>Begin securing local support for TMA formation</td>
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<td>Work with legislators to pass legislation (if needed)</td>
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<td>Begin collecting dues/assessments</td>
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Years 1 and 2 Tasks and Timeline

In the first year, the committee should focus on hiring a TDM coordinator, training the coordinator, and getting started on one or two TDM projects. The first years will be largely about outreach and information gathering, funding and branding.

It is advised that the committee focus largely on establishing the coordinator, rather than the full Association. However, they may begin to lay the basic foundation of the Association (its structure and geography) during this time. Long-Term Implementation

Implementation: Years 1 & 2

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<tr>
<th>Strategy</th>
<th>Step</th>
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<td>Q1</td>
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<tr>
<td>1 Hire TDM Coordinator</td>
<td>Reach out to stakeholders about hiring coordinator</td>
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<td>Define duties and set goals</td>
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<td>Identify host agency</td>
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<td></td>
<td>Advertise, interview, and hire</td>
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<tr>
<td>2 Initial TDM Coordination (Coordinator Duties)</td>
<td>Public outreach and presentations</td>
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<td></td>
<td>Pursue grant funding</td>
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<td></td>
<td>Research and map market trends</td>
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<td></td>
<td>Design branding and marketing materials</td>
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<tr>
<td>6 Establish TMA</td>
<td>Initiate discussions for TMA</td>
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FUNDING AND COSTS

A full-time TDM coordinator salary would range between $55,000-$70,000. With the addition of benefits (assumed at 30%), the total cost would be $75,000-$90,000 annually. Additional costs include staff time to hire, select, and train the coordinator, as well as marketing materials and basic supplies.

<table>
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<tr>
<th>Strategy</th>
<th>Estimated Cost</th>
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<tr>
<td>TDM Coordinator</td>
<td>$75,000-$90,000</td>
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<tr>
<td>Supplies and marketing</td>
<td>$15,000-$20,000</td>
</tr>
<tr>
<td>Estimated Total for Coordinator</td>
<td>$75,000-$100,000</td>
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<tr>
<td>Transportation Management Association</td>
<td>$100,000 - $500,000</td>
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TMA budgets vary greatly depending on the nature and extent of its activities. A minimum budget of $100,000 covers a staff member salary and benefits, a marketing campaign, and basic materials. Supporting an EcoPass program or shuttle operation expands the budget significantly.
Financing

The TDM coordinator may be funded through a combination of methods including sponsorship by one or more beneficiary institutions, federal funding through the CMAQ program (depending on the host entity), local municipal or state resources, or designated user fees.

TMAs are generally financed through a public-private partnership or with private funding. There are several different financing mechanisms which are often combined to create a fully-sustained TMA.

1. Employer Dues – Typically the level of dues charged depends on the type and level of services offered. Dues may be a flat fee or formula based on number of employees, physical size, level of sales, or other metric. Dues may be tiered to allow members to “opt in” when more expensive services are offered, such as shuttle operations.

2. Development Impact Fees – these fees are generally used when new development is anticipated for an area. Such fees can proactively mitigate the impacts of anticipated development, but may become problematic over time as knowledge of the impacts fades.

3. Business Improvement Districts (BIDs) – BIDs can either serve as the TMA entity or can contribute some designated portion of their assessments to fund TMA activities. Because universities and nonprofits are tax exempt organizations, an assessment or other type of authority millage or tax would not automatically include them. Cities can opt to include these properties, though voluntary donations from the tax exempt properties are far more common. Fifty percent (50%) of BIDs in the US receive funding or in-kind contributions from tax exempt properties in their catchment area, instead of assessments from those properties.¹

4. Other local taxes or fees - Many TMAs supplement income from assessed tax or membership dues by tapping in to local tax sources, such as parking meter revenue, commission on transit passes, or even bridge or road tolls.

5. Development Agreement - Some jurisdictions require TMA funding through the development approval process and include TMA support in the covenants and conditions on the property. Often, developers pass the fees through to tenants through leases.

6. Anchor Employers - Major employers may designate funding to a TMA as a way for the employer to create service for its employees without having to operate services in-house. Many employers have found transportation demand management to be far less expensive than the provision of additional structured parking. While major employers may fund the bulk of the TMA cost, other employers typically can pay in and use the services, as well.

7. Grants and Public Funding - If a TDM coordinator or lead agency is in place, grant funding can help take a TMA to the next step of implementation or support a special project being undertaken by an existing TMA. CMAQ grants or some Federal Transit Administration grants may be available for special transit projects.

8. Fee for services – If permitted in the authorizing legislation, TMAs can charge nonmembers for services, such as a shuttle, or charge reduced fees for member employers instead of offering the service completely free of charge.

4 PARKING MANAGEMENT

At present, parking along the Michigan Street corridor is largely a private resource. There is no publicly managed off street parking in the Michigan Street Corridor. On-street parking is not allowed in the downtown and “Hill” area of Michigan Street, nor on the majority of cross streets in the immediate vicinity. While on-street parking is permitted in segments further to the west, this parking is generally unmetered given the availability of free off-street lots. The Grand Rapids Parking Authority has recently piloted a residential permit parking program to attempt to mitigate “spill over” parking effects occurring in the residential area north of I-196 near the major institutions. This is the first residential parking permit program in the city.

While an abundance of parking exists along the corridor – primarily in structured ramps – there is little to no coordinated parking management. Each institution provides parking relative to their own estimated parking needs and sets pricing according to their own internal policies and practices. While allowed by zoning, the institutions do not generally participate in shared parking arrangements. While some institutions contract for DASH or independent shuttle bus service from lots outside the heart of the corridor, this too is generally done in isolation (see transit section that follows).

There is much common ground however. All institutions concur that building parking is expensive and a cost most would like to avoid to the maximum extent feasible (while remaining accessible, operational and competitive). All institutions acknowledge that land is valuable and demand for its active use (vs. vehicle storage) will continue to grow in the future. Increasing traffic associated with continued growth in vehicular trips (in turn associated with parking provision and management) is a significant concern. Finally, all have a vested interest in and demonstrated commitment to the long term success and sustainability of the Michigan Street corridor – not only with regard to traffic and parking, but also a desire to create a great place that is an attractive, accessible destination.

Recommended Actions

Two near term strategies and one longer term study are recommended to advance parking management in support of sustainable growth and success in the Michigan Street corridor.

1. Establish the baseline – more specific information is needed as to precisely how much parking exists on the corridor, how it is managed, and what the demands (with and without parking management) are on the corridor. Establishing this baseline will inform future steps and allow the measurement of progress and effectiveness.

2. Reform pricing and permits – Appropriately pricing parking and strategically managing employee and visitor permits is a good first step to determining the true unmet need for parking after market-based management is applied.

3. Explore creation of a Parking Management District – The high concentration of employment and service/visitor/student activity in the Medical Mile, and the presence of several major stakeholders makes collaborative action a near necessity if the area is going to continue to grow successfully and sustain its competitiveness.
RECOMMENDED ACTIONS

Establish a baseline

In 2002, the City of Grand Rapids commissioned the Michigan Hill Parking Study. At the time, the study concluded that there was a parking shortage for many users, but concurrently concluded that traffic back-ups plagued the area. Roughly ten years later, many still attest to a parking shortage even while highlighting concerns about traffic congestion.

Beginning to unravel the challenge of providing adequate vehicular access while managing traffic at a sustainable level for efficient operations requires establishing a detailed baseline. This baseline should include:

- The supply – what parking resources exist, who controls them, how they are managed, when they are used, their occupancy at various times of day, and other relevant information;
- The demand – who are the users, where they are coming from, what their needs and the factors that most influence their travel decisions; what do the institutions need to operate and be highly competitive;
- The resources – what is the “carrying capacity” of the roadway network, what viable transportation alternatives exist, how reliable are they, what is their capacity, what are barriers to their use, etc.

This baseline not only provides important inputs into subsequent decision-making, but also is vital to tracking success and the effectiveness over time of various strategies. Data tracking has proven to be one of the most effective tools in building support for parking management strategies, especially in emerging economies.

Reform parking pricing and permits

Parking management varies widely in the employment center of Michigan Street. While most institutions have implemented some type of strategy to encourage the use of remote lots and shuttle services, the continued high demand for near-in parking (and parking in general, compared to alternative transportation uses) indicates that parking pricing is still well below demand-management levels. Parking rates for visitors, while a sensitive topic for medical institutions, also appear to be below rates that would encourage the use of alternate locations or modes for those for whom this may be a viable option (visitors, well-patient visits, etc.).

Permit parking should be examined for opportunities for reform. Permits are typically issued on a month, semester, or annual basis with no differentiation in price whether a user utilizes the parking facility often or infrequently. Employers/institutions should contemplate permit structures that allow the user to pay based on frequency of use in order to equalize the opportunity for alternative commute modes. Employee contracts may also make market-based parking reform difficult and should be examined and potentially renegotiated when the opportunity arises.

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While at present employers and facility managers set ramp prices and permit policies independently, a collaborative working group to share data and strategies among the major stakeholders would be a good first step in coordinating parking reform, sharing experiences and successes, and reducing competition between institutions.

**Explore creation of a parking management district**

Parking management districts of the type needed in the Michigan Street corridor are somewhat rare nationally, however given the significant concentration of similar users, the shared vision and objectives for the corridor, and the common concerns regarding high land and financial cost of parking provision for growing institutions, Grand Rapids has an opportunity to be a national leader in demonstrating the effectiveness of collaborative parking management. A Parking Management District (PMD) would holistically organize parking management and optimization in the District, to the benefit of all. By managing not only the off street ramps, but the on-street resources in the immediate vicinity, it can also aid in mitigating the spillover impacts into the adjacent residential communities.

However, the pursuit of a common parking management entity would take time, leadership, and patience to implement and require many steps.

Steps:

1. **Build stakeholder support** – Parking Management Districts are a relatively new practice anywhere in the country, and certainly something new to West Michigan. Time for education, outreach, and confidence building will be necessary.

2. **Negotiate mission, outcomes, funding and organizational structure** – Seeding a parking management authority from individual owners to an overarching entity is complicated and much time must be spent to negotiate a structure that can gain the trust and confidence of all stakeholders.

3. **Define and establish authority** – Unique authorities are necessary for a PMD to be effective. This will likely require some degree of legislative action as well as the careful selection of staff.

4. **Coordinate with broader TDM activities** – Parking management is an element of and integral to transportation demand management. As this report is concurrently recommending the pursuit of a TDM coordinator, the PMD, once established, should formalize/institutionalize and support the broader TDM and mobility efforts.

5. **Develop initial and long term work plan** – As with any new endeavor, it will be tempting to attempt to do everything at once, however a thoughtful and realistic work plan can ensure slow, strategic, and successful growth and effectiveness.

**Developing Stakeholder Support for a PMD**

First and foremost would be gaining the trust and participation needed from the stakeholder institutions to endorse the creation for a Parking Management District. This will require additional study to document the costs and benefits to each of the major institutions and confidence that they will retain ultimate control of their individual assets and future. Definition of a common purpose and need will be important in this initial phase as well as clear articulation of what measures will be used to evaluate the effectiveness of the outcome and make course corrections (or disband) as necessary.
Negotiate mission, outcomes, funding and organizational structure

Negotiating the purpose of the parking management district, the common desired outcomes, the financing structure and oversight and decision-making structure is perhaps the most complicated and difficult step of creating any new district authority, but also the most important. Stakeholders must be active participants, and ultimately active supporters, of the PMD in order for it to succeed and effectively recognize and meet their needs.

Initiating such a dialogue will require a strong and catalytic leader from among the affected institutions or stakeholders. It should be expected that this may take the longest period of time.

Identification and establishment of authority

There are several options for creating an entity to oversee and guide the Parking Management District, each with its own unique advantages and disadvantages.

- **Parking Authority** - The Grand Rapids Parking Authority manages parking facilities and city-wide parking strategies, however it does not presently manage or oversee private assets. As the city’s go-to parking expert, the Parking Authority would be the natural choice to run and establish the Parking Management District, however this may be a challenge for both the Authority and stakeholders as it would require concentrated focus in one particular area, and would enlarge the authority and necessary review/expertise of the agency.

- **Transportation Management Association** – If and when a TMA is established for the Michigan Street Corridor, that entity would likely be the ideal organization to oversee the parking management district. This would allow a geographic focus and tailored strategies, ensure control of the stakeholder entities, and complement parking management with a whole suite of multimodal tools, education, and information. However, at present, there is not a TMA for the Michigan Street study area.

- **Parking Management District Authority** – It is possible to establish a separate and unique parking management district authority through local legislation or possibly under the authority of the Corridor Improvement Authority Act [Act 280 of 2005]. Due to the strength of this legislation, its designed intent and the limited focus of a PMD this is not the preferred route to take.

The Parking Authority is already charged with managing parking in Downtown. To avoid duplication and confusion, at the present time the Parking Authority is in the best position to explore and implement a PMD.

Coordinate with other TDM initiatives and activities

Parking management is not a function unto itself. Parking management is a tool within a larger transportation demand management program. For this reason it is necessary that the purpose, entity, and activities of the parking management district be closely coordinated with other TDM initiatives and measured alongside these against the baseline.

---

Develop initial and long term workplan

The last step in establishing the parking management district is to determine the initial workplan to ensure success in the fledgling years of the organization, but also to define the long term anticipated pursuits of the entity.

Staffing will also be critical at this time as an initiative of this magnitude would require dedicated staff in order to be successful.

IMPLEMENTATION

The rough schedule below outlines the likely timeline for establishment of a parking management district, should one be pursued for the Michigan Street corridor.

Implementation Overview

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Step</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establish a baseline</td>
<td>Determine if internal or external study will be conducted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conduct study</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Reform pricing and permits</td>
<td>Parking working group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inventory existing practices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negotiate and decide changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Explore creation of PMD</td>
<td>Build stakeholder support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negotiate mission, financing and structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identify and establish authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coordinate PMD activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish workplan and staffing</td>
<td></td>
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</tr>
</tbody>
</table>

Years 1-2 Tasks and Timeline

- **Baseline conditions** - In the two years, the committee should focus on researching the existing baseline conditions either through designated city staff, current contract projects, or future parking and mobility studies for the area. This baseline should be accomplished within 12 to 18 months.

- **Database and reporting protocols** - Concurrent with development of the baseline data, the committee should establish a system for reporting and tracking changes in parking supply, demand, and management. Protocols should be established for regular reporting of parking conditions and standard measures for evaluating the effectiveness or impact of various strategies or projects.
• **Parking working group** – Pricing and permit reform will be a dynamic process that continues on into the future, however a recommended near term step is the convening of a collaborative parking working group to share information on parking pricing, prevailing rates, effective strategies, peak periods, and the like. One of the major employers, the city or the Parking Authority are recommended conveners to initiate and facilitate meetings.

### Implementation: Years 1 & 2

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Step</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establish a baseline</td>
<td>Determine if internal or external study will be conducted</td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Convene working group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Reform pricing and permits</td>
<td>Parking working group</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inventory existing practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Explore creation of PMD</td>
<td>Build stakeholder support</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Negotiate mission, financing and structure</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FUNDING AND COSTS

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish baseline</td>
<td>$70,000 - $100,000</td>
</tr>
<tr>
<td>Convene working group</td>
<td>negligible</td>
</tr>
<tr>
<td>Explore establishing PMD</td>
<td>$200,000 - $400,000</td>
</tr>
<tr>
<td>Estimated Total</td>
<td>$270,000-$500,000</td>
</tr>
</tbody>
</table>

A good estimate for initial costs for a study to establish baseline parking conditions is between $70,000 to $100,000 for an external study. This would examine current supplies, utilization and governing policies, but not include recommendations or strategies. Resources to explore a Parking Management District would include examinations of funding streams, legal requirements, organizational structure, and other enabling actions necessary.

### Funding Recommendation

Funding for the baseline analysis could come from cost sharing among the various institutions, through city planning efforts, or be conducted by the Parking Authority.

Funding for the far more costly exploration of a parking management district would likely have to begin with an infusion of city and/or foundation funds, but could be supplemented by a modest and limited duration surcharge on the parking resources within the area. The proceeds of this would be targeted toward the PMD study purposes.
5 TRANSIT SOLUTIONS

Several stakeholders operate private shuttles and/or contract with The Rapid to provide shuttle services. This is in addition to the existing Rapid and DASH services already provided to and within the Michigan Street corridor area. Additional transit services are planned with the coming Bus Rapid Transit project. These services are provided at substantial expense and with some unnecessary redundancy in coverage and operations.

Even with this richness of transit options, there still appears to be some biases against the bus. In many cases this is because riders, many of whom begin their trip as drivers, feel the bus is a lower class of service, is not frequent or reliable enough to meet their needs, or is complicated for them to figure out and use.

At present, transit is not being optimized for the corridor nor its use maximized. If stakeholder institutions consolidated their investments in transit operations with each other and The Rapid into a branded circulator route, the corridor could see real progress toward its mode shift goals.

**Recommended Actions**

1. Address concerns to ensure the participation of Spectrum Health
2. Consolidate shuttles into a branded “choice-rider” service
3. Implement an eco-pass

**RECOMMENDED ACTIONS**

Address concerns to ensure the participation of Spectrum Health

Spectrum Health currently operates shuttles in-house to transport its workers from outlying park and rides to its main campus. Spectrum consulted with The Rapid before investing in an internal shuttle system. There are advantages to operating a shuttle in-house, including exclusivity of service and maintenance of control over all service-related decisions.

For the Medical Mile circulator to operate most efficiently, Spectrum’s participation is critical given its large number of workers. Discussions with Spectrum about a new Rapid circulator service and discontinuation of its internal shuttle service must be one of the first steps in developing the circulator. Several arguments support consolidation:

- **Spectrum estimates expenditures of $70,000 each month, or $840,000 annually, on its shuttle system.** With a new circulator, Spectrum will pay and estimated $130,000 for passes and TMA contributions for a premium transit service, higher frequencies, and access for all staff to The Rapid’s entire system. This is a smarter deal, dollar for dollar.

- **The Rapid operates transit as its exclusive mission.** Spectrum operates service out of necessity, but transit system planning and operations are at best tangential to its corporate mission. The Rapid has more resources and staff expertise for planning and operations of transit service.

- **Current Spectrum routes are not optimized and operate only partially filled.** Spectrum has not been able to maximize the capacity of its shuttle system and has not yet invested in a study or consultant to help them fix the utilization issue.
Premium circulator service and access to The Rapid's system for free is **a major perk to advertise to potential future employees** during the recruiting process. Young talent is valuing transit more and more and is looking to move to cities that prioritize transit.

**Circulators in most other cities are funded by the business community, and many primarily by the anchor employer.** Businesses use the circulators as advertising and as part of developing their relationship with the community. (See Appendix B for comprehensive data about peer circulators.)

Paramount to convincing Spectrum of consolidating its shuttles and investing instead in The Rapid's circulator is crafting a convenient, premium circulator route and assuring Spectrum that its employees will be receiving an even higher level of service than they currently do.

**Consolidate shuttles into a branded “choice-rider” service**

Often times it takes little more than a uniquely identifiable vehicle and a distinctive marketing campaign to convert bus avoiders to bus admirers. Many choice riders (those that have the financial resources to pay more to drive and park) want to feel special, be treated and accommodated with dignity, and feel like the service is an exclusive mode of travel. While many public transit providers often bristle at this position, others have learned to embrace it and give the riders what they want, and enjoy greater efficiencies, lower traffic volumes, and happier workers as a result.

While a good paint job and catchy slogan can go a long ways toward convincing and attracting these choice riders, it often takes more than that including sensible service design and alignment,

**Design service and alignment**

We recommend that a Michigan Street circulator service operate at 10-minute headways throughout the day, primarily on weekdays between 6:30 AM and 7:30 PM to accommodate shift workers and visitors to the hospital and many students.

The route should be designed to serve institutions at the core of Medical Mile at the western end of Michigan Street as well as Spectrum parking lots at the eastern end, along Plymouth Street, connecting with the Silver Line BRT at Michigan Street and Bostwick Avenue. This would result in a three mile long one-way route. A loop serving GRCC adds an additional mile. To maintain 10-minute headways, the route requires three vehicles to operate, plus one spare.

An alternative loop could continue to St. Mary's Hospital; this loop would add two additional miles (round trip) to the service. This addition would require an additional vehicle to maintain 10-minute headways, which would cost over $200,000 more in operating expenses.

**Design a unique brand**

Branding is important. The consolidated service should be uniquely branded with a new logo and distinctive (and catchy) name. The DASH is a successful brand and already inhabits a niche of fast, simple, commuter service in the vicinity. If The Rapid prefers to maintain this brand instead of creating another brand layer, the DASH must be decoupled from merely a park and ride service and expand its mission to include circulation and not only connections to parking. Though the new circulator would serve park and rides, its purpose as a circulator service stretches beyond that of the DASH service.

Branding should extend through the whole realm of the service from signage and furnishings, to vehicle paint scheme, to informational materials.
Contemplate unique vehicles

New vehicles offer the opportunity to create a new brand of service, one that reflects a cleaner, greener, more urban corridor or destination(s). Full 40’ transit vehicles are recommended for this service to accommodate the existing demand from Spectrum park and ride lots. These vehicles will further distinguish the service. Smaller vehicles may also be contemplated as they can fit into tighter spaces and drop passengers off closer to entrances in some cases, but these should clearly “read” as vehicles for public use, albeit higher end, and not merely private shuttles.

Hybrid diesel vehicles and 100% electric transit vehicles both offer environmental improvement over the standard diesel and further the branding as a clean quite and desirable, green mode of travel.

Provide Wi-Fi on buses

The Medical Mile Circulator is designed for short, local trips, and travel time will be relatively short. Still, wifi is an important amenity for many workers, and wifi is a relatively inexpensive investment. Such an amenity again raises the standard perception of bus travel and appeals to the younger incoming workforce.

Wireless internet could be funded through sponsorship and increase marketing for local businesses, events or destinations via the log-in screen.

A basic system, installed by The Rapid, could use off-the-shelf routers that use 12V adapters instead of AC, making them easiest to install on buses. Government rates for routers and for service are often available with major carriers; other systems spend just $39 per bus per month. For the circulator, this would amount to about $2,000 per year. The routers and antennae would be a one-time cost of $350 each.

Establish an EcoPass program

U/EcoPass programs are designed so that every member of the institution or employer (i.e. all students, faculty or staff) receives a transit pass. Passes are typically provided free of charge to all members of the institution, or shared between the institution and its members. Some university UPass programs bill students for the pass as part of student fees; national experience suggests most UPass passes cost between $25 and $100 per student per semester.

U/EcoPass programs have been very successful at universities and with large employers, and to a lesser extent in designated areas, such as shopping malls or downtown districts. Transit passes encourage transit ridership, help control parking demand, and are frequently viewed by employees as a valuable benefit. It is worth noting, however, that some programs have had trouble with the program because as demand for service increases, as does costs, making annual program costs unpredictable.

The Rapid’s current pass program is negotiated on a case-by-case basis, though standards such as discounted cost per trip are used across all institutions. We recommend a fully branded EcoPass program accessible by large and small employers and universities alike. This eliminates legwork for both the employers and The Rapid; moreover, a program with a distinct brand such as “EcoPass” can encourage more participation from employers, who may view it as more suited for the universities. We also recommend a much more involved and targeted marketing campaign for the passes. Many institutions along the corridor send information in orientation packets or offer the information to new employees only upon request. Fewer than 300 employees at Spectrum use their passes each month, on average.
The cost of the program is determined according to existing ridership, which is typically measured through a survey, though The Rapid is able to track rides from all current partners that have a pass program. In most cases universities or employers negotiate a discounted trip rate in exchange for purchasing a large volume of service. For instance, The Rapid charges Spectrum only $0.95 per trip, a $0.55 discount from the standard fare.

Assuming, conservatively, that 5% of faculty and staff and 20% of students travel by bus to/from school and work and that the Rapid offers the EcoPass program at a discounted rate of $0.95 per trip, the annual EcoPass costs are roughly estimated at about $1.5 million (see below).

GVSU already pays a significant amount ($2.5 million) to have exclusive shuttles for their students and to give every student a pass.

### UPass Program – Broad Estimate of Potential Revenues

<table>
<thead>
<tr>
<th>Institution</th>
<th>Population</th>
<th>Type</th>
<th>Est. Mode Share</th>
<th>Rides per Year*</th>
<th>Total Trips per Year</th>
<th>Discounted Trip Rate</th>
<th>Total Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRCC</td>
<td>20,000</td>
<td>Students</td>
<td>20%</td>
<td>320</td>
<td>1,280,000</td>
<td>$0.95</td>
<td>$1,216,000</td>
</tr>
<tr>
<td></td>
<td>700</td>
<td>Faculty/Staff</td>
<td>5%</td>
<td>440</td>
<td>15,400</td>
<td>$0.95</td>
<td>$14,630</td>
</tr>
<tr>
<td>Spectrum</td>
<td>6,300</td>
<td>Employees</td>
<td>5%</td>
<td>440</td>
<td>138,600</td>
<td>$0.95</td>
<td>$131,670</td>
</tr>
<tr>
<td>St Mary’s</td>
<td>2,800</td>
<td>Employees</td>
<td>5%</td>
<td>440</td>
<td>61,600</td>
<td>$0.95</td>
<td>$58,520</td>
</tr>
<tr>
<td>MSU</td>
<td>400</td>
<td>Students</td>
<td>20%</td>
<td>320</td>
<td>25,600</td>
<td>$0.95</td>
<td>$24,320</td>
</tr>
<tr>
<td>Van Andel Institute</td>
<td>300</td>
<td>Employees</td>
<td>5%</td>
<td>440</td>
<td>6,600</td>
<td>$0.95</td>
<td>$6,270</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,527,800</strong></td>
<td></td>
<td></td>
<td><strong>1,527,800</strong></td>
<td></td>
<td></td>
<td><strong>$1,451,410</strong></td>
</tr>
</tbody>
</table>

*Two rides per day, 160 school days/year, 220 work days/year.

If St. Mary’s does not receive direct service from the circulator, the hospital may not want to participate in the EcoPass program. However, the pass would be good on all services, and since the hospital is getting BRT service, this agreement may be a good investment for them.

The benefit to employees more than justifies the investment for most institutions; however, institutions must keep in mind that as the EcoPass program grows in popularity and employee participation rises, their annual costs will rise.

### Existing Pass Agreements

<table>
<thead>
<tr>
<th>Partner</th>
<th>Annual Amount</th>
<th>Annual Ridership</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVSU</td>
<td>$2,500,000</td>
<td>3,010,000 (~10,000 on non-GVSU routes)</td>
</tr>
<tr>
<td>GRCC</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>MSU</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Spectrum Health</td>
<td>$38,000</td>
<td>40,400</td>
</tr>
<tr>
<td>St. Mary’s Hospital</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,538,000</td>
<td>3,050,000</td>
</tr>
</tbody>
</table>

Finally, revenues generated by an EcoPass program are not necessarily new revenue for The Rapid, since some employees, faculty/staff, or students may be paying for passes already. The Rapid must weigh the costs of potential lost revenue versus the revenue generated through the EcoPass.
program in order to structure a contract that is beneficial to both The Rapid and the participating institutions.

**IMPLEMENTATION**

The head agency for these transit efforts is The Rapid. As the city’s transit agency, and one that has proven its flexibility and capacity for innovation, no other organization can accomplish transit enhancements or changes without working through The Rapid.

To implement these transit strategies, the first year should be spent developing a plan and parameters for the pass program and potential new circulator. Considerable time spent with stakeholders is necessary to ensure the success of either project. The EcoPass program can be executed within two years or less; the circulator will take more planning and development and is not likely to be operational until the fourth or fifth year.

**Implementation Overview**

<table>
<thead>
<tr>
<th>Task</th>
<th>Step</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Consolidate Private Shuttles into Single, Branded Route</td>
<td>Address concerns with Spectrum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish subcommittee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal circulator analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meet with institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Apply for funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Launch marketing campaign</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Install new, branded signage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Begin operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 EcoPass</td>
<td>Meet with institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calculate formula</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create brand, fare cards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Evaluate program</td>
<td></td>
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</tr>
</tbody>
</table>

**Implementation: Years 1 & 2**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Step</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Consolidate Private Shuttles into Single, Branded Route</td>
<td>Establish subcommittee</td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Internal circulator analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meet with institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identify, apply for funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 EcoPass</td>
<td>Meet with institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calculate formula</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal marketing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FUNDING AND COSTS

Operating Costs

According to the National Transit Database, The Rapid’s cost per operating hour is $78.08. Assuming three vehicles operating for 13 hours each day, 250 weekdays per year, annual operating costs for the Medical Mile Circulator are estimated to be about $760,000. WiFi service will cost an addition $2,000.

The primary capital costs for service are the four new vehicles required to operate the circulator (three for operation and one spare). Depending on the type of alternative fuel vehicle, the cost ranges from $2.5 million to $4.6 million. Vehicle wraps for branding carry an additional cost, but can typically be sold as advertising to an area employer or business.

Capital costs

The approximate cost of four vehicles is $2.5 million for the hybrid diesels or $4.6 million for 100% electric. Transit vehicles typically have a useful life of about 12 years, therefore, although the vehicles cost $610,000 and $1,000,000 (respectively) to purchase, the annual costs of the investment is about $310,000 for hybrid electric vehicle to $550,000 for 100% electric vehicles.

<table>
<thead>
<tr>
<th>Transit Vehicle Options</th>
<th>Unit Cost</th>
<th>Quantity</th>
<th>Net Cost</th>
<th>Straight Line Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Diesel 40’ Transit Vehicle (for comparison)</td>
<td>$425,000</td>
<td>4</td>
<td>$1,700,000</td>
<td>$212,500</td>
</tr>
<tr>
<td>Hybrid Diesel 40’ Transit Vehicle</td>
<td>$610,000</td>
<td>4</td>
<td>$2,460,000</td>
<td>$310,000</td>
</tr>
<tr>
<td>Proterra 100% Electric 35’ Transit Vehicle</td>
<td>$1,000,000</td>
<td>4</td>
<td>$4,000,000</td>
<td>$550,000</td>
</tr>
<tr>
<td>Charging Stations</td>
<td>$600,000</td>
<td>1</td>
<td>$600,000</td>
<td></td>
</tr>
</tbody>
</table>

Funding sources

Funding for the proposed Medical Mile Circulator is expected to be raised through a combination of federal and state transit funding and private contributions through either the TMA or EcoPass program. These potential funding sources include:

- Federal and State Transit Funding: Most funding that supports transit in Grand Rapids is provided by transit programs funded under the transportation bill, Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU). On October 1, 2012, a new federal surface transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21) took effect. MAP-21 was funded for 27 months and allocates resources to transit operations and capital costs. MAP-21 includes changes to existing funding programs, including the consolidation of job access and reverse commute (JARC) programs into the general funding

5 Assumes a 12-year useful life per FTA standard.
program for transit services (known as Section 5307 funds). As a result, dedicated funding for JARC services is no longer available; however, using 5307 funds to support JARC oriented services is still encouraged.

- **EcoPass proceeds** – The EcoPass program has the potential to generate about $1.5 million in operating revenue for The Rapid, some of which could be earmarked to support the Medical Mile Circulator exclusively.

- **TMA funding** – A circulator has a strong case for accessing TMA funding, and in fact many TMAs directly operate or significantly support transit service. The Rapid would need to work closely with stakeholders and the TMA to ensure fair cost-sharing, if both an EcoPass program and the TMA were funded by corridor institutions who may only want to pay once for premium transit.

- **Fare Revenue** - With a majority of ridership generated from the EcoPass program, fare revenue is expected to be minimal. The service is not recommended to be a fare-free service, however. This may lead to perceptions of unequal treatment if institutions along the corridor did not buy-in to the EcoPass program but its employees were still able to take advantage of a free transit trip.
6  LIVE NEAR WORK

There are multiple benefits to living near work. It can not only strengthen and revitalize urban neighborhoods, but also improve worker satisfaction and productivity, improve relations between major institutions and the community and provide a competitive advantage to employers who provide such benefits.

In years past, many live near work programs have emphasized the demand side of the equation – providing enticements to lure workers back to city centers. Today however, with the ever increasing attraction of urban living, more emphasis is needed on the supply side – how to increase the quantity of urban housing units and residential opportunities. Indeed, several properties and providers in downtown Grand Rapids have reported high demand for their residential units and sizable wait lists for downtown housing units.

Employers can participate on both sides of the housing equation. Live near work benefits are extremely cost effective and competitive benefits that reduce transportation impacts and increase their attraction to the workforce, and especially the younger worker cohort so essential to organizational innovation and growth. Housing assistance programs can also preserve housing affordability for entry level workers or lower wage earners essential to many institutions.

On the supply side, institutions and employers can participate as strategic investors and a secure “buyer” that can help developers write down development costs and loans.

**Recommended Actions**

1. Explore “supply side” investment opportunities and strategies
2. Expand and encourage employee housing support

**RECOMMENDED ACTIONS**

Grand Rapids has several residential areas near the Michigan Street Corridor that are prime areas for a Live-Near-Work program. Speculation is an issue in some of these neighborhoods, and some of the housing stock is not in an ideal state of repair as a result. To spur not only homeownership to revitalize these neighborhoods but also the development of new housing opportunities, the two-pronged demand- and supply-side approaches can be undertaken. Most live near work programs focus on the demand side – creating incentives for employees to live near their employment site. Far fewer focus on the supply side, though several have found success with a dual focus on supply-side and demand-side approaches.

**Explore supply-side investment opportunities and strategies**

A supply-side program has a longer lag time to create and is more complex, involving more entities and more far-reaching policies. The first step for both types of programs is to assess the housing market and conduct a needs assessment in order to establish a narrative and convey the need to decision-makers and funders.

Supply-side programs are less common and more involved, but can have a more substantial impact on neighborhood revitalization than demand-side only programs. Funding or other types of assistance on the supply side is provided to real estate developers or affordable housing developers to construct new housing units or reconstruct existing units. Many cities create a large development fund that is used similarly to an affordable housing development fund. Critical to this process is
earning the buy-in from the development community and maintaining strong working relationships with these development partners.

Supply-side programs are high impact and thus are considerably more expensive than demand-side programs. However, there are more funding streams available to supply-side programs if development is focused on creating more affordable housing units.

We recommend the Department of Planning and/or Economic Development leadership convene a working group representing anchor employers in the Michigan Street corridor, local developers and financial institutions to explore opportunities and obstacles to investment in housing development. Employers should ideally represent the needs of current or potential employees, but may also find a beneficial financial return from housing development investments. These proceeds, if realized, could be reinvested in further TDM strategies or services.

To assist such investment, city budget and financial experts, together with financial and development lending institutions, should explore viable incentives such as tax credits or abatements, or other benefits that could accrue to investing employers.

**Expand and encourage employee housing support**

Large employers can be leaders in influencing other institutions to participate. Demand-side Live-Near-Work programs provide a financial incentive to the home buyer to influence the location of a purchased residence. Rental assistance should be explored in addition to traditional home buyer support.

Assistance may include mortgage down-payments or closing cost coverage. Assistance typically ranges from as little as $2,500 to $10,000 and may take the form of a grant or loan (low cost or forgivable).

**Pilot Project(s)**

Pilot projects can provide an opportunity for Grand Rapids to test either (or both!) a supply or demand side Live-Near-Work program before launching a full-scale program. The pilot should be constructed with one or two participating employers. The designated working group should be tasked to lay out the program parameters and work closely with the participating employers to monitor the process. Equally important will be supply yield and/or employee utilization as well as measurable changes in the community and employer/employee productivity and benefits.

**IMPLEMENTATION**

**Long-Term Timeline**

After the first two years, more targeted work can be accomplished. Likely, the demand-side pilot project will be ready for implementation, followed by evaluation of its success, whereas the supply-side project may still be in development.

As both programs become more established and the subcommittee solidifies, formalizing the programs through local or state Live-Near-Work legislation, such as that in Connecticut and Illinois, can be explored (See Illinois legislation in Appendix D).
**Implementation: Overview**

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<thead>
<tr>
<th>Strategy</th>
<th>Step</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
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<tbody>
<tr>
<td>1 Live-Near Work Committee</td>
<td>Form committee</td>
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<td>2 Demand-side pilot project</td>
<td>Identify employer</td>
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<td>Establish parameters for participation</td>
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<td>Identify funding source</td>
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<td>Begin taking applications</td>
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<td>Provide down payment assistance for pilot participants</td>
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<td>Evaluate pilot and expand if successful</td>
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<td>3 Develop supply-side program</td>
<td>Begin outreach to development community</td>
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<td></td>
<td>Work w/ state on aff. housing funding sources</td>
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<td></td>
<td>Conduct market assessment</td>
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<td>Develop program parameters</td>
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<td>Memorandum of understanding</td>
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<td>Build housing fund</td>
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<td>Identify properties</td>
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<td>Finalize financing</td>
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<td>Begin development</td>
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<tr>
<td>4 Pursue Live-Near-Work legislation</td>
<td>Explore city policy/program</td>
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<td>Explore state legislation</td>
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**Years 1-2 Timeline**

The first two years should be used to form a subcommittee for Live-Near-Work initiatives and to develop a pilot program to field-test supply side and/or demand side programs.

One of the most important tasks in the first two years is establishing the eligible neighborhoods, the amounts available to each (if different), and income restrictions or other parameters necessary to implement the program.

Finally, members of the subcommittee can begin reaching out to the development community to begin building the network necessary for implementing a supply-side program.

**Implementation: Years 1 & 2**

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<td>Q1</td>
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<tr>
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<td>Formalize committee w/ legislation or est. nonprofit</td>
<td>Q3</td>
<td>Q4</td>
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### FUNDING AND COSTS

Funding levels for Live-Near-Work programs vary widely. Demand-side programs are typically lower cost and more scalable, while supply-side programs have higher capital demands and require more patient capital. Tax credits and other incentives are likely required. The first work of the working group or committee should be to establish funding requirements and available resources.
7 MEASUREMENT AND EVALUATION

The four broad approaches and near and longer term strategies outlined above are recommended based on the unique goals, objectives and context of the Michigan Street corridor. Beyond advancing these strategies toward implementation, we strongly recommend that Grand Rapids, and the Michigan Street stakeholders, establish a means and methods for tracking effectiveness and impact of the strategies.

Target objectives and associated performance measurement are critically important to garnering continued support and confidence in the programs, as well as vital data in effective measurement of the return on investment and measure of effectiveness.

Tracking and reporting requires:

- Established baseline conditions and practices
- Currently forecasted or anticipated impacts
- Consistent measurement units, collection protocols, and other metadata
- Regularly scheduled measurement timelines
- Central repository for collected data

Data is among the most precious and effective resource in promoting further transportation demand management and establishment of measures and measurement protocols is an important initial step to pursue.