How do these bills ensure local concerns will be voiced and heard?

- First and foremost, the bills are a response to local leaders and citizens expressing dissatisfaction with transit services, and a desire for better coordination and services across the region.

- Board membership comes from local appointments. (SB 909, page 6). The board membership is 1 appointed by the Governor (non-voting); 2 appointed by the Wayne County Executive (one of these appointees must reside in Detroit); 2 appointed by the Oakland County Executive; 2 appointed by the Macomb County Executive; 2 appointed by the Washtenaw County Executive and 1 appointed by the Mayor of Detroit.

- New counties seeking to join the authority must obtain approval from their governing boards and from voters before they become full members (SB 909, page 5 and page 6).

- The board will be subject to the Open Meetings Act, and required to meet at least quarterly. (SB 909, page 10) The board shall also comply with the Freedom of Information Act.

- Supermajority, or unanimous, votes of the board will be necessary for approval of key decisions. No one local unit will be able to dominate others on the most important questions. (SB 909, page 11) These include the decisions to ask for voter approval on a property tax assessment (7/9ths of board necessary), asking voters to approve a local vehicle registration tax (7/9ths), the rate of either the assessment or registration tax (7/9ths), whether the authority will provide any rail passenger service (unanimous) and whether to acquire a public transportation provider (unanimous plus voter approval in each authority county). In addition, a unanimous vote is necessary to ask voters to approve acquiring liability for legacy costs of a transportation provided acquired by the authority. The provisions for voter approval of the vehicle tax is also in SB 911 on page 16.

- The authority will have to meet key deadlines for transparency. Within one year of establishment, the authority must provide to legislative committees on transportation regarding operational and financial details. These reports will be required each March 31st (SB 909, page 14). Within 120 days of the first board meeting, the authority will have to establish a website that shows key budget and policy information, a performance dashboard, an asset management plan and the percentage of costs that will be funded by fares. (SB 909, page 14)

- The authority will have to do a consumer survey of users and the general public once every three years (SB 909, page 15)

- The authority will report to each member jurisdiction with an annual report on all contracts entered into, and the headquarters location for all vendors for the past year. (SB 909, page 16) The authority shall also make annual reports to each jurisdiction on the cost of service and revenue generated for a rolling rapid transit system in that jurisdiction. (SB 909, page 37)

- The authority will be advised by a citizens advisory committee of local residents plus a public transportation provider advisory council of local transit providers. (SB 909, pages 20-22)

- The authority shall ensure that not less than 85% of the money raised through an assessment or vehicle registration tax is expended in the member jurisdiction that contributed the revenue. (SB 909, page 37)

- The authority board, consisting of local appointees, must approve the issuance of bonds, notes or other evidence of indebtedness. (SB 909, page 38). Financial obligations of the authority are not obligations of the state, or any city or county within the authority. (SB 909, page 39)

- The authority must have an operating agreement with local road agencies or MDOT to operate on the roads or streets under their jurisdiction. (SB 909, page 39) This operating license may provide for the use of dedicated lanes for public transit and emergency vehicles. (SB 909, page 39) This provision is also contained in SB 967 on page 3.

HOW WILL THE INTERESTS OF TAXPAYERS BE PROTECTED?

- Most importantly, the new authority will be able to coordinate services and create efficiencies which are not present now. Taxpayers will see much better value for their money.

- The authority must use a 7/9ths vote to ask voters to approve local taxes for the authority. The taxes must then be approved by electors in the region. (SB 909, page 11) When the authority asks voters to approve a local assessment to support transit, the vote must be scheduled for a "regular November" election. (SB 909, page 36) Ballot questions for tax increases must comply with legal requirements to clearly state the assessment rate, the duration of the assessment, the purpose of the assessment and whether it is a renewal or new authorization. (SB 909, page 36-7)

- The authority must use a unanimous vote for major financial decisions such as providing passenger rail service, or to acquire a public transportation provider. (SB 909, page 11) The decision to acquire a provider must also be approved by voters in each member county, and all of the accrued liabilities of that provider must be paid by someone other than the authority.

- Board members will be appointed by local officials, and required to abide by numerous laws and standards to prevent conflicts of interest, and inappropriate behavior. (SB 909, page 7 and following). Board members will serve without compensation except for travel and expenses.

- The business of the board must be conducted according to numerous laws and practices. These include the Open Meetings Act (SB 909, page 10), the Freedom of Information Act (SB 909, page 12), the Uniform Budgeting and Accounting Act (SB 909, page 13). The Uniform Budgeting and Accounting Act also requires annual audits of funds. Investments of the board must be according to a plan that conforms to Public Act No. 20 of 1943. When the authority applies for federal funds, it must also comply with the Federal Transit Act, or PL 88-365. Borrowing by the

authority must follow the provisions of the Municipal Finance Act, Public Act No. 34 of 2001. (SB 909, page 38)

- Within 90 days, the authority board must adopt a budget, and establish policies regarding the provision of services and supplies using "competitive procurement methods to secure the best value for the authority". (SB 909, page 16) The procurement policy must comply with state and federal law. The board must also provide policies governing contracts and how their performance will be measured.

- The authority will be required to make regular and ongoing reports of its activities. (SB 909, page 14) These will go to transportation committees of the legislature, MDOT, and the general public through an accountability website and dashboard. A specific report to the legislature is also required if the authority provides rolling rapid transit services. (SB 909, page 37)

- The authority would have to establish an asset management plan for all revenue vehicles and facilities, all major facility components and major pieces of equipment. The plan must be updated annually to ensure capital investments are carefully managed. (SB 909, page 37)

- Financial obligations of the authority are not obligations of the city or counties which make up the authority. (SB 909, page 39)

- The authority shall have limits on the use of cost plus contracts and shall use "competitive solicitation" for all purchases above $25,000 except for specifically designated emergency situations or arrangements. (SB 909, pages 15-19)

- The authority will have the ability to reduce inefficiencies and ineffectiveness that currently plagues the region. It will do so by adopting a public transit plan for the region (SB 909, page 26), and integrate these into a single regional master plan. It will also coordinate the operating and capital transit plans of the agencies and authorities within the region. The authority will also submit a unified application for federal funds on behalf of providers within the region. Providers within the region would submit annual reports on their efforts to coordinate routes, schedules, fares and points of transfer with other providers. (SB 909, page 33-4). The authority could also issue coordination directives to providers in the region, and could withhold a portion of state funding for failure to comply. (SB 909, page 34)

WHAT PROTECTIONS ARE IN PLACE AGAINST ABUSES OF THE CONDEMNATION POWERS?

- The package of bills would allow the Regional Transit Authority to acquire property by a variety of means including purchase, lease, exchange, manage or the exercise of condemnation powers. SB 909 states on page 35: "An authority shall comply with the laws of this state for the purpose of condemnation proceedings".

- Two essential limits are that the property acquired must be for a public transportation purpose, and the condemnation powers are limited to property within the RTA region. (SB 909, page 35)

- Michigan has strong constitutional protection for property owners. Article X, Section 2 of the Constitution of 1963 states in part: "Private property shall not be taken for public use without just compensation being first made or secured in a manner prescribed by law…In a condemnation action, the burden of proof is on the condemning authority to demonstrate, by a preponderance of the evidence, that the taking of a private property is for a public use…"

- Michigan's legal protections for landowners are nationally recognized. The Castle Coalition, a private group of "citizens fighting eminent domain abuse", says that Michigan is one of 23 states with "substantive eminent domain reforms" since the controversial *Kelo* court decision on condemnation. The Castle Coalition rates Michigan with an "A-" for its standards. Michigan voters approved amendments to the Constitution in 2006 which strengthened previous protections.

- It's important to note that the current property used by transit systems, such as bus stops or terminals, are already provided. The condemnation powers for the RTA would apply to new property that is needed for a public purpose. Article X, Section 2 also says "'Public use' does not include the taking of private property for transfer to a private entity for the purpose of economic development or enhancement of tax revenues." The property must serve the public purpose of transit.

- The bills provide the RTA with the same eminent domain power that every other transit authority in Michigan has; no special powers are granted. Eminent domain is rarely used by such authorities. For example, SMART has the power, but has never exercised it since it began serving citizens in 1967. The power of eminent domain is very common to transit agencies across America including Denver, Cleveland and Portland. These successful authorities are what the proposed RTA for southeast Michigan is modeled upon.

- Most importantly, these powers would be exercised—when needed—by a board consisting of local members. They will be accountable to the appointing authorities at the county or city level.