

**Capital Area Transportation Authority Bus Rapid Transit  
Project  
Lansing, Michigan  
Small Starts Project Development  
(Rating Assigned November 2016)**

<b>Summary Description</b>	
<b>Proposed Project:</b>	Bus Rapid Transit 8.5 Miles, 27 Stations
<b>Total Capital Cost (\$YOE):</b>	\$141.85 Million
<b>Section 5309 Small Starts Share (\$YOE):</b>	\$97.82 Million (69.0%)
<b>Annual Operating Cost (opening year 2018):</b>	\$7.62 Million
<b>Current Year Ridership Forecast (2016):</b>	10,600 Daily Linked Trips 2,806,300 Annual Linked Trips
<b>Horizon Year Ridership Forecast (2035):</b>	12,400 Daily Linked Trips 3,273,600 Annual Linked Trips
<b>Overall Project Rating:</b>	Medium-Low
<b>Project Justification Rating:</b>	Medium
<b>Local Financial Commitment Rating:</b>	Medium-Low

**Project Description:** The Capital Area Transportation Authority (CATA) proposes to build a bus rapid transit (BRT) line that traverses Michigan Avenue/Grand River Avenue from Marsh Road in Meridian Township, passing through downtown East Lansing, along the northern edge of the Michigan State University (MSU) campus, briefly through Lansing Township, and through the City of Lansing to the Capitol. The project includes approximately 7.2 miles of exclusive bus lanes. Project stations will feature off-board fare payment and level boarding. The project also includes traffic signal priority and the purchase of 15 articulated buses. During the weekday, BRT buses will operate between 5:30 a.m. and 2:30 a.m. when Michigan State University (MSU) is in session, and 5:30 a.m. to 11:30 p.m. when MSU is not in session. Service will operate every six to 10 minutes during weekday daytime hours, every 10 to 20 minutes during weekday evenings, and every six to 15 minutes on weekends.

**Project Purpose:** The project would connect five of the region's major activity centers, including the State Capitol, MSU, the downtowns of Lansing and East Lansing, and Meridian Mall, a large regional mall. The project corridor, which also includes several national and regional educational institutions, major regional employers, medical facilities, and residential neighborhoods, is experiencing increasing congestion that cannot be mitigated by the existing transit network. BRT service would reduce one-way corridor transit travel time from 45 minutes to 37.5 minutes, and provide more frequent service with extended service hours.

**Project Development History, Status and Next Steps:** CATA completed an alternatives analysis in the corridor and selected BRT as the locally preferred alternative in May 2011. The project entered Small Starts Project Development in April 2013. The project was added to the region's fiscally constrained long range transportation plan in July 2015. FTA is working with CATA to identify dates for completion of an Environmental Assessment and receipt of a Finding

of No Significant Impact, receipt of a Small Starts Grant Agreement, and the start of revenue service.

<b>Locally Proposed Financial Plan</b>		
<b><u>Source of Funds</u></b>	<b><u>Total Funds (\$million)</u></b>	<b><u>Percent of Total</u></b>
<b>Federal:</b>		
Section 5309 Small Starts	\$97.82	69.0%
FHWA Funds Administered by the Michigan Department of Transportation	\$4.10	2.9%
Section 5307 Urbanized Area Formula Program	\$3.74	2.6%
FHWA Flexible Funds (Surface Transportation Program)	\$2.74	1.9%
Section 5303 Metropolitan Planning	\$2.00	1.4%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$2.00	1.4%
FHWA Transportation Alternatives Program	\$0.83	0.6%
<b>State:</b>		
Comprehensive Transportation Fund	\$26.65	18.8%
Michigan Transportation Fund	\$0.60	0.4%
<b>Local:</b>		
City of Lansing General Funds	\$1.00	0.7%
CATA General Funds	\$0.37	0.3%
<b>Total:</b>	<b>\$141.85</b>	<b>100.0%</b>

**NOTE:** The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**MI, Lansing, CATA Bus Rapid Transit Project  
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<b>Factor</b>	<b>Rating</b>	<b>Comments</b>
<b>Local Financial Commitment Rating</b>	<b>Medium-Low</b>	
<b>Non-Section 5309 Small Starts Share</b>	<b>n/a</b>	The Small Starts share of the project is 69.0 percent.
<b>Project Financial Plan</b>	<b>Medium-Low</b>	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> <li>• The average age of the bus fleet is 8.5 years, which is older than the industry average.</li> <li>• Capital Area Transit Authority (CATA) does not issue bonds and accordingly has no bond rating.</li> <li>• CATA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 6.7 (FY2015).</li> <li>• There have been no service cutbacks or cash flow shortfalls in recent years.</li> </ul>
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> <li>• Approximately 27.9 percent of the non-Section 5309 Small Starts funds are committed or budgeted, and the rest are considered planned. Sources of funds include FTA Section 5307 Urbanized Area Formula funds, FTA Section 5303 Metropolitan Transportation Planning funds, Congestion Mitigation and Air Quality Improvement funds, Transportation Alternatives Program funds, Surface Transportation Program funds, State of Michigan Comprehensive Transportation Fund (CTF) proceeds, State of Michigan discretionary Transportation Fund proceeds, and local funds from the City of Lansing general fund, and CATA's general fund.</li> <li>• Approximately 70.1 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include FTA Section 5307 Urbanized Area Formula funds, State CTF operating grants, fare revenues and other sources of system-generated operating revenue, and property tax revenues.</li> </ul>
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Low	<ul style="list-style-type: none"> <li>• Growth in capital revenue assumptions is optimistic compared to recent historical experience.</li> <li>• The capital cost estimate is optimistic.</li> <li>• Regarding growth in operating revenue assumptions, farebox collections are</li> </ul>

		<p>optimistic, property tax revenues are very optimistic compared to recent historical experience, and assumptions regarding new, unspecified sources of revenue are very optimistic.</p> <ul style="list-style-type: none"><li>• Operating cost estimates are reasonable compared to recent historical experience</li><li>• No funding is currently available to cover Project cost increases or funding shortfalls. CATA does not have access to funds via additional debt capacity, cash reserves, or other committed funds to cover annual system wide operating expenses in excess of the current forecast.</li></ul>
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***LAND USE RATING: Medium-Low***

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- Population density in all station areas is approximately 4,800 people per square mile, corresponding to a Medium-Low rating. The project would serve approximately 62,000 employees, corresponding to a Medium-Low rating. Parking costs in the Lansing Central Business District (CBD) average \$10 per day, corresponding to a Medium rating. The proportion of LBAR housing units in station areas compared to the county through which the project travels is 2.23, corresponding to a Medium rating.
- The land uses in the corridor are mixed. Land uses in the Lansing CBD and much of the East Lansing sections of the corridor are transit supportive, while auto-oriented lower-density land uses are prevalent in the remainder of the corridor.
- The pedestrian environment in the corridor is generally good and complete with sidewalks and marked crosswalks prevalent in all sections of the corridor.

***ECONOMIC DEVELOPMENT RATING: Medium***

**Transit-Supportive Plans and Policies: Medium**

- *Transit-Supportive Corridor Policies:* Conceptual plans for the corridor, which promote higher density mixed-use developments and improve the streetscapes, have been developed, and conceptual land use guidance is available in comprehensive plans. Corridor communities are making strides to encourage greater development with emerging comprehensive plan updates. Station area plans have not been adopted.
- *Supportive Zoning Regulations Near Transit Stations:* Current zoning in the corridor allows for a mix of densities along the corridor from medium-low to medium-high. The communities in the corridor are embarking on a rezoning initiative to convert the corridor to a form-based code supportive of transit, but this has not been adopted yet.
- *Tools to Implement Land Use Policies:* Outreach to the community was a part of developing the vision and plans for the corridor. The cities in the corridor provide several financial incentive tools, including grants, loans, and tax increment financing, to help encourage development.

**Performance and Impacts of Policies: Medium**

- *Performance of Land Use Policies:* There have been a number of new transit-supportive developments and development proposals in the proposed station areas indicating demand for this kind of development, although a few new developments have not been transit-supportive.
- *Potential Impact of Transit Investment on Regional Land Use:* There are several opportunities for redevelopment that have been identified by the communities in the corridor. While the region is not expected to grow very much over the next twenty years, there is interest in redevelopment in this corridor, which should absorb significantly more growth than the region as a whole.

**Tools to Maintain or Increase Share of Affordable Housing: Medium-Low**

- There are no studies of affordable housing needs specific to the corridor. The regional plan for affordable housing provides several policy recommendations that could improve the supply of affordable housing. There are a couple of adopted financing tools and strategies being used in the region, and some activity by the Greater Lansing Housing Coalition to provide affordable housing in the corridor.



# Michigan/Grand River Avenue Bus Rapid Transit

