



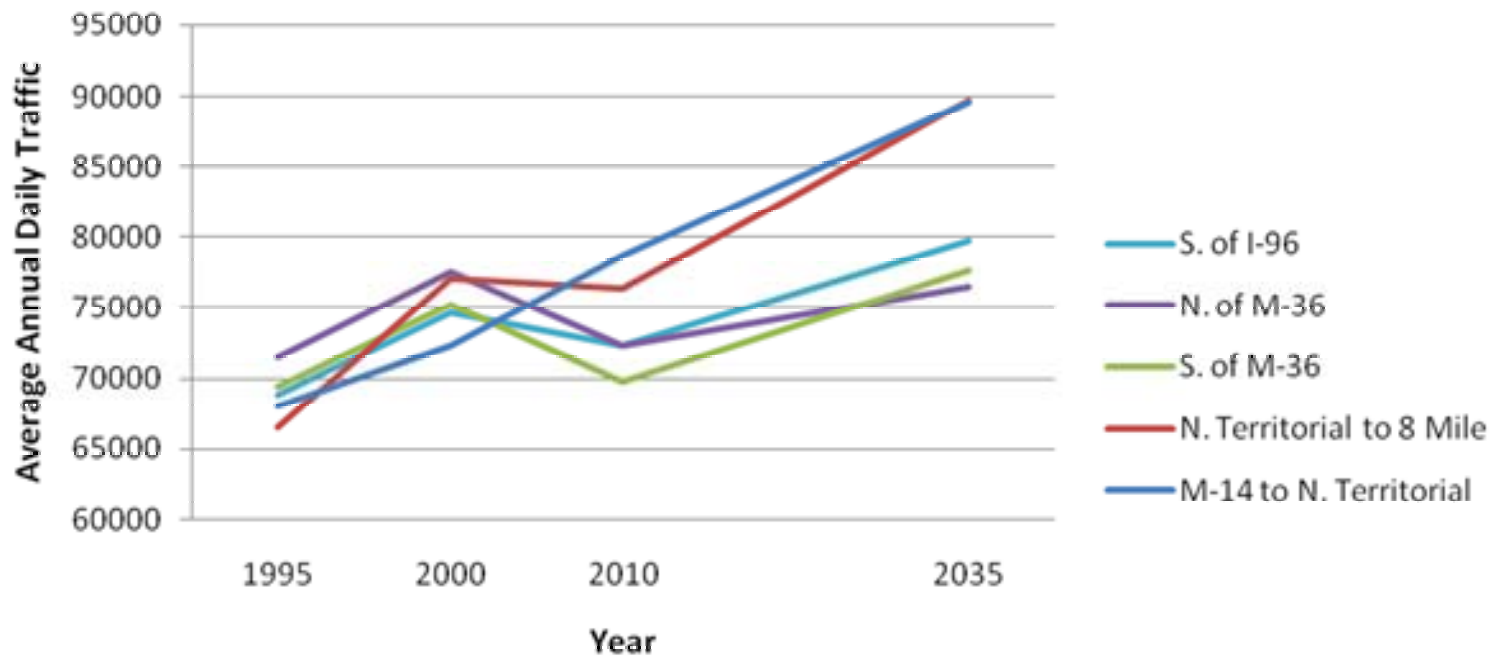
Choices: The Case for WALLY Commuter Rail





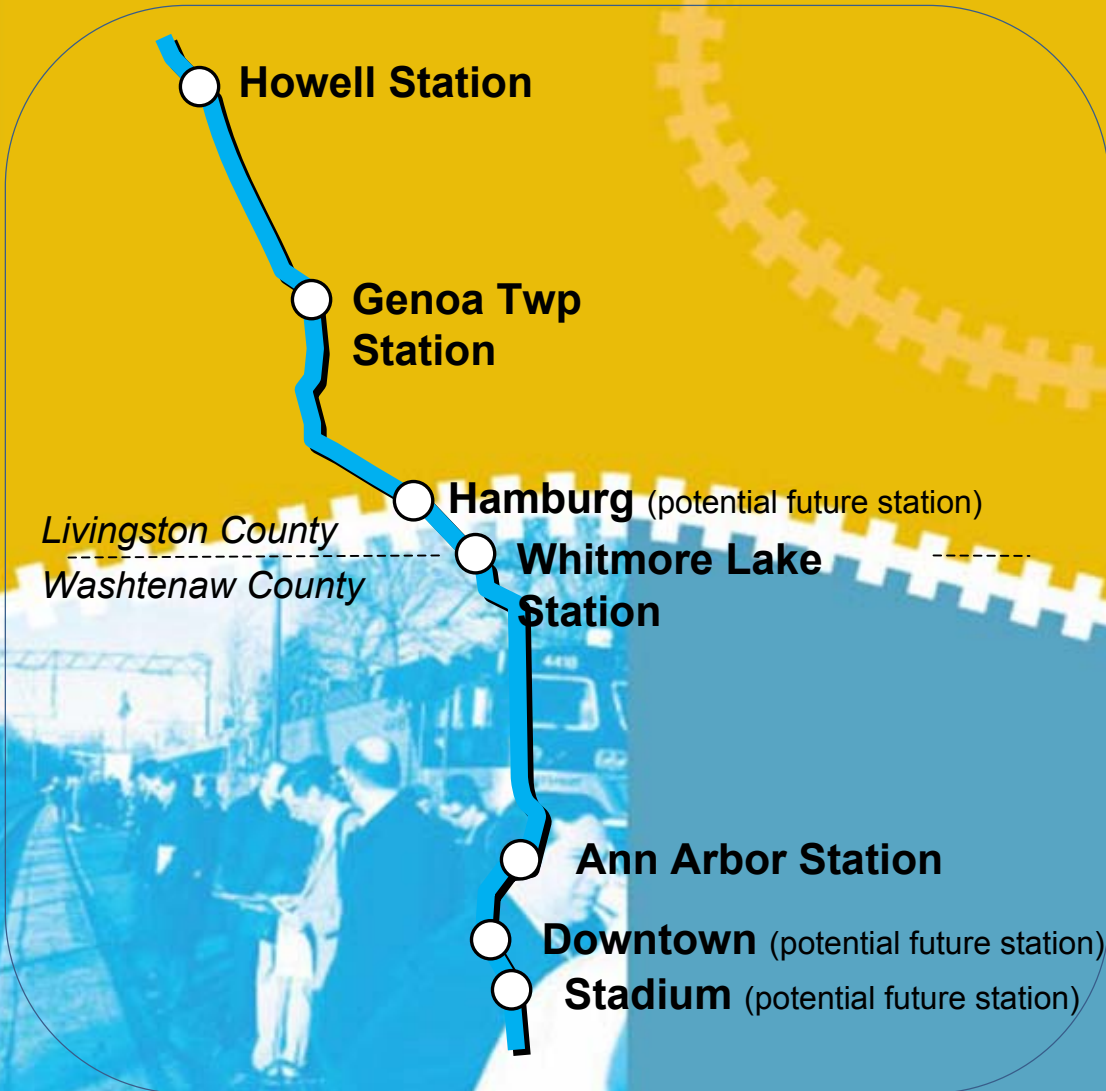
Why WALLY? US 23 Trends...

Average Annual Daily Traffic Trends and Projections





WALLY Commuter Rail Service



- Passenger service on an existing freight line
- Stations planned for Howell, Genoa Twp, Hamburg Twp, Whitmore Lake and Ann Arbor
- Initially 4 trains each direction per day
- Connecting buses in Ann Arbor will serve North Campus, Medical Center, and downtown



WALLY Commuter Rail Service



- Commuter coaches pushed-pulled by locomotives
- Comfortable car interiors
- Stations will typically include parking and / or connecting bus service





Benefits for Commuters

Safe and reliable in any weather



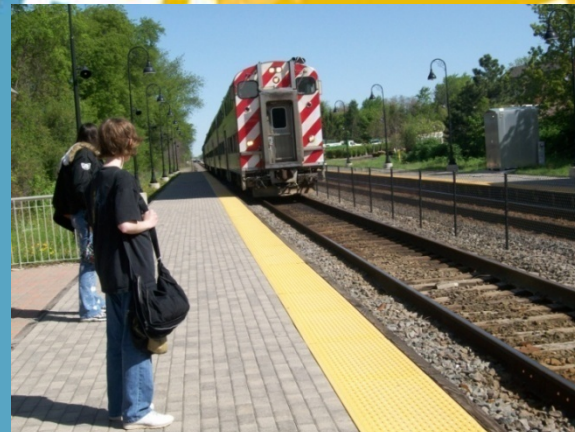
A comfortable, relaxing commute



Avoid parking hassles and costs, and the cost of gasoline



Mobility option for non-drivers





Benefits for the Region

5% - 20% or more



"Public transportation infrastructure is a common variable in corporate site selection decisions a prerequisite for European and Asian business leaders."

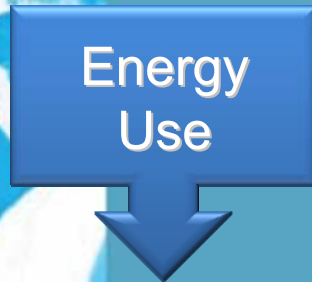
Michael Finney, President and CEO, Ann Arbor SPARK

775 Construction
290 Permanent



Livable residential communities tied to strong urban centers

580,000 gallons of gasoline annually



3000 tons / year of CO²



Efficient Use of Transportation Resources

- Backbone for an area-wide transportation system
- Compares favorably with other proposed projects
 - Capital investment = \$2.09 / trip
(over the twenty-year life of the assets)
 - Net operating expense = 63¢ / passenger-mile
 - Projected fare box recovery ratio = 30%
- Avoid or defer \$500M widening of US-23
- Reduce parking construction costs



Awareness of the WALLY Project

Have you heard of the transportation project called WALLY, the commuter rail service proposed between Howell and Ann Arbor?

Livingston County

Washtenaw County

63
AWARE
%

50
AWARE
%



Support for the WALLY Project

WALLY is a proposed passenger train service that would operate on existing railroad tracks between Howell and Ann Arbor. There would be stations located in Howell, Genoa Township, Hamburg, Whitmore Lake and Ann Arbor. Trains would operate during commute hours.

Please tell me if you Strongly Approve, Approve, Disapprove or Strongly Disapprove of the development of this new service?

Livingston County

Washtenaw County

80

APPROVE

(43% **STRONGLY APPROVE**)

75

APPROVE

(32% **STRONGLY APPROVE**)



Likely to Ride WALLY

Imagine you worked or traveled regularly to Washtenaw County, how likely would you be to consider riding the WALLY service?

Livingston County

71
LIKE
67%
(43% VERY
LIKELY)





Status: Railcar Rehabilitation

- Vendor selection is underway
- 24 Cars
 - Delivery of 2 train sets by November 2010
 - 2 more train sets by April 2011
- New Seats – Fabric, “Pure Michigan” logo
- Windows – Buffed out or replaced
- Logos – WALLY and yet-to-be-designed “system” logo
- Lease of cars – contract includes lease with option to own
- Costs
 - Rehabilitation cost: \$272,500 / car
 - Lease Cab \$4200 / month
 - Lease Coaches \$3400 / month



Status: Other Improvements

- Right of Way Improvements
 - Design / scoping is underway
 - Rail, ballast and tie replacement and rehabilitation
 - Grading crossing protection
 - Signaling
 - Construction planned for Spring 2010
- Stations
 - Final selection for first phase
 - Design for 2010 construction season





Project Financials

- **\$32.4M Capital Investment for Start-Up**
 - Right-of-way improvements (track, signals, grade crossings)
 - Railcar rehabilitation
 - Stations, platforms and parking
 - Connector buses
 - Funding Sources
 - “Plan A” - TIGER grant application submitted 9-15-09
 - “Plan B” - MDOT capital assistance (reduced scope); Local station funding
- **\$7.0M Annual Operating Costs**
 - Railroad operations, connecting bus service
 - Funding Sources
 - Fares (underwritten by U of M, USEPA, others) - \$2.1 M
 - Michigan Comprehensive Transportation Fund – \$1.4 M
 - Congestion Mitigation and Air Quality - \$0.7 M
 - Local - \$2.8 M





Opening Day

- Mainly dependent on funding
 - Stations
 - Ongoing operations
- Assuming away funding constraints...
 - Start of service in 4Q, 2010 or 1Q, 2011 is feasible





Learn More About WALLY

- Brochures
- Frequently Asked Questions
- Web site: <http://www.wallyrail.org>





Get involved with WALLY

- Twitter: <http://twitter.com/WALLYRail>
- Facebook: <http://www.facebook.com/WALLYRail>
- Email: WALLY@TheRide.org
- THIS presentation – the “WALLY Road Show”
- Traveling display
- Leadership solicitation survey
- Or call: 734-973-6500



Supplemental Slides





Job Creation

- Construction

- 775 jobs
- Car rehabilitation, ROW Improvements, Station & Parking Construction
- A&E firms
- Construction firms
- Suppliers



- Permanent

- 290 jobs
- Rail operations
- Rail maintenance
- Suppliers



- GLCRR - Buy Michigan





Impact on Property Values

20%

- A study of “gentrification” in Chicago, which looked at the value of residential property served by either CTA (Heavy Rail) or Metra (commuter rail), states that “evidence is found that properties closest to transit stations increased in value much more than those farther away, especially in the period 1985-1991. Properties adjacent to transit stations had a 20% higher increase in value compared to those located a half-mile away . . .”⁴⁶

\$3,200

- A look at the impact of San Francisco’s BART Heavy Rail system on residential property values found that “the average Alameda County home is worth about \$3,700 less for each mile distant from a BART station. The average Contra Coast County home is worth about \$3,200 less for each mile distant from a BART station.”⁴⁷

10.6%

- “A 1993 study of the Eastside Metropolitan Area Express (MAX) light rail transit line reviewed the impacts of rail transit to property values in suburban Portland . . . Portland’s experience is generally consistent with the results of the studies in other areas. Within the 2 years after the 1986 beginning of the operation of the rail line, residential properties in the East Burnside area within 500 meters of the transit were, on average, 10.6% greater in value than homes outside 500 meters.”⁴⁸

65%

- A study of properties served by Dallas’s new DART Light Rail system found that “The largest increase in residential property values was seen at the VA Hospital station, where values rose 65 percent.”⁴⁹

Doubled

- In Massachusetts, “An analysis of the data shows that the median price of single-family homes nearly doubled in 19 communities after they gained MBTA [commuter rail] service. Brockton, for example, which got three commuter rail stops, had one of the biggest increases in median family-home price: from \$71,503 in 1995 to \$194,000 in 2002 – up 171 percent.”⁵⁰

5% - 10%

- According to the Los Angeles Times, “In less than a decade, ‘you could see 5% to 10% premiums,’ said Larry Kosmont, a Los Angeles-based real estate consultant. ‘If you have access to transportation, it is considered a benefit.’”⁵¹



Stimulus for Economic Development

Building Summary

Building	Use	Gross Area
a.	Gas Station	4,318
A. 1st Story	Retail	10,000
A. 2nd Story	Office	10,000
Total		24,318
B. 1st Story	Retail	14,318
B. 2nd Story	Office	14,318
Total		28,636
C. 1st Story	Rest. / Retail	8,000
C. 2nd Story	Office	8,000
Total		16,000
D.	Restaurant	6,000
E. 4 Story	Hotel	60,000 / 98 Units
F. 1st Story	Bank	6,000
F. 2nd Story	Office	12,049
Total		18,049
G. 1st Story	Retail	5,000
G. 2nd Story	Office	5,000
Total		10,000
H. 4 Story	Residential	77 Units
I. 4 Story	Residential	88 Units
J. 1st Story	Retail	12,000
J. 2nd Story	Office	12,000
Total		24,000
K.	Retail	12,000
L.	Retail	7,400
M.	Train Depot	1,200
Commercial Total		147,603 Sq.ft
Hotel		60,000 Sq.ft / 98 Units
Residential Total		165 Units



CONCEPT PLAN



How do we measure cost-effectiveness for Wally?

Expense Type	Amount	# of "Riders"	Cost per Rider
Capital Investment	\$ 32,400,000	1300	\$24,923
Net Operating	\$ 4,100,000	1300	\$3.154

All costs should be expressed on a "per-trip" basis....

Expense Type	Amount	# of Annual "Trips"	Cost per Trip
Capital Investment	\$ 32,400,000	650,000	\$49.85
Net Operating	\$ 4,100,000	650,000	\$6.31

Capital costs must consider the trips made over the life of the asset....

Expense Type	Amount	# of "Trips" over Life of Asset (20)	Cost per Trip
Capital Investment	\$ 32,400,000	15,496,363	\$2.09



WALLY Planning Organization

Roles and Responsibilities

WALLY Executive Committee

- Governance Planning
- Financial Planning
- Government Relations
- Issue Resolution

WALLY Coalition

- Guides and informs creation of the WALLY Business Plan
- Mobilizes public support

WALLY Coalition Steering Committee

- Guides activities of the Coalition Subcommittees
- Organizes Coalition Meetings
- Co-chairs and AATA are official 'spokespersons'

Stations & Community Development Subcommittee

- Station design standards
- Station site evaluation
- Station operating agreements
- Transit Oriented Development

Marketing & PR Subcommittee

- Reviews marketing and PR materials and programs
- Public education events and presentation

Infrastructure & Operations Subcommittee

- Determine ROW improvement needs
- Schedules
- Fare Collection
- Rolling stock

Additional ad hoc subcommittees to be created as needed

Ann Arbor Transportation Authority

- Facilitates Coalition activities
- Working with MDOT staff, provides technical support and tools to the Coalition, its Steering Committee and its Subcommittees, and to the Executive Committee
- Creates and executes the WALLY Business Plan, in cooperation w/ MDOT and local communities.
- Supports funding efforts and governance initiatives as directed by the Executive Committee

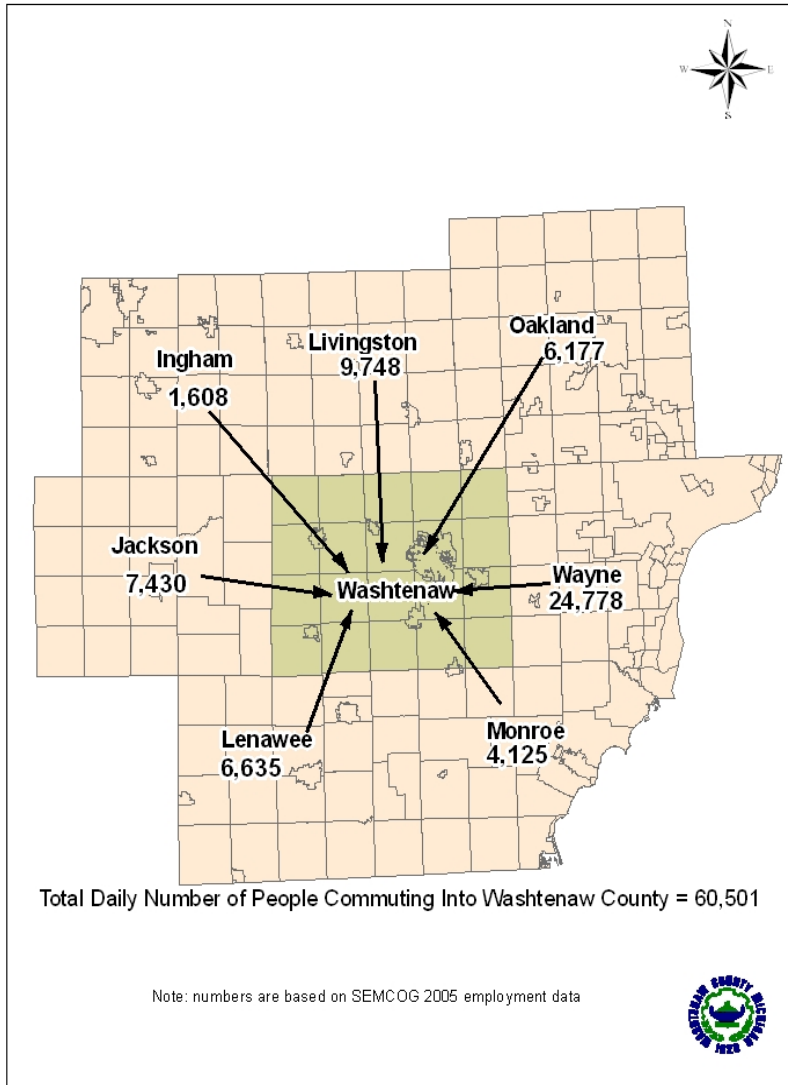


How does Wally ridership compare to existing commuter rail operations?

Commuter Rail Agencies Ranked by Passenger Trips and Passenger Miles - 2007					
Transit Agency	Urbanized Area	Unlinked Passenger Trips (000's)	Rank	Passenger Miles (000's)	Rank
MTA Long Island Rail Road (MTA LIRR)	New York, NY	102,144	1	2,257,940	2
New Jersey Transit Corporation (NJ TRANSIT)	New York, NY	80,297	2	2,280,895	1
Metro-North Commuter Railroad Company, (MTA-MNCR)	New York, NY	79,720	3	2,127,148	3
Northeast Illinois Reg. Commuter Railroad Corp. (Metra)	Chicago, IL	74,551	4	1,719,332	4
Massachusetts Bay Transportation Authority (MBTA)	Boston, MA	38,816	5	790,801	5
Southeastern Pennsylvania Transp. Authority (SEPTA)	Philadelphia, PA	33,496	6	478,772	6
Southern California Regional Rail Authority (Metrolink)	Los Angeles, CA	12,019	7	414,113	7
Peninsula Corridor Joint Powers Board (PCJPB)	San Francisco, CA	10,264	8	280,046	8
Maryland Transit Administration (MTA)	Baltimore, MD	7,505	9	228,384	9
Northern Indiana Commuter Transp. District (NICTD)	Chicago, IL	4,246	10	119,310	10
South Florida Regional Transportation Authority (TRI-Rail)	Miami, FL	3,409	11	107,981	11
Virginia Railway Express (VRE)	Washington, DC	3,387	12	103,230	12
Central Puget Sound Regional Transit Authority (ST)	Seattle, WA	2,157	13	52,987	12
North County Transit District (NCTD)	San Diego, CA	1,561	14	43,148	14
Dallas Area Rapid Transit (DART)	Dallas, TX	1,476	15	16,531	19
Fort Worth Transportation Authority (The T)	Dallas, TX	999	16	16,750	18
Altamont Commuter Express (ACE)	Stockton, CA	707	17	33,613	15
Proposed WALLY Service	Ann Arbor, MI	650		11,100	
Connecticut Department of Transportation (CDOT)	Hartford, CT	466	18	9,087	20
Pennsylvania Department of Transportation (PENNDOT)	Philadelphia, PA	376	19	27,599	16
Northern New England Passenger Rail Auth. (NNEPRA)	Portland, ME	341	20	27,225	17
Alaska Railroad Corporation (ARRC)	Anchorage, AK	130	21	2,404	21
Regional Transportation Authority (RTA)	Nashville, TN	108	22	1,933	22

SOURCE: APTA 2009 PUBLIC TRANSPORTATION FACT BOOK; 60th Edition; April, 2009

Daily Number of People Commuting Into Washtenaw County

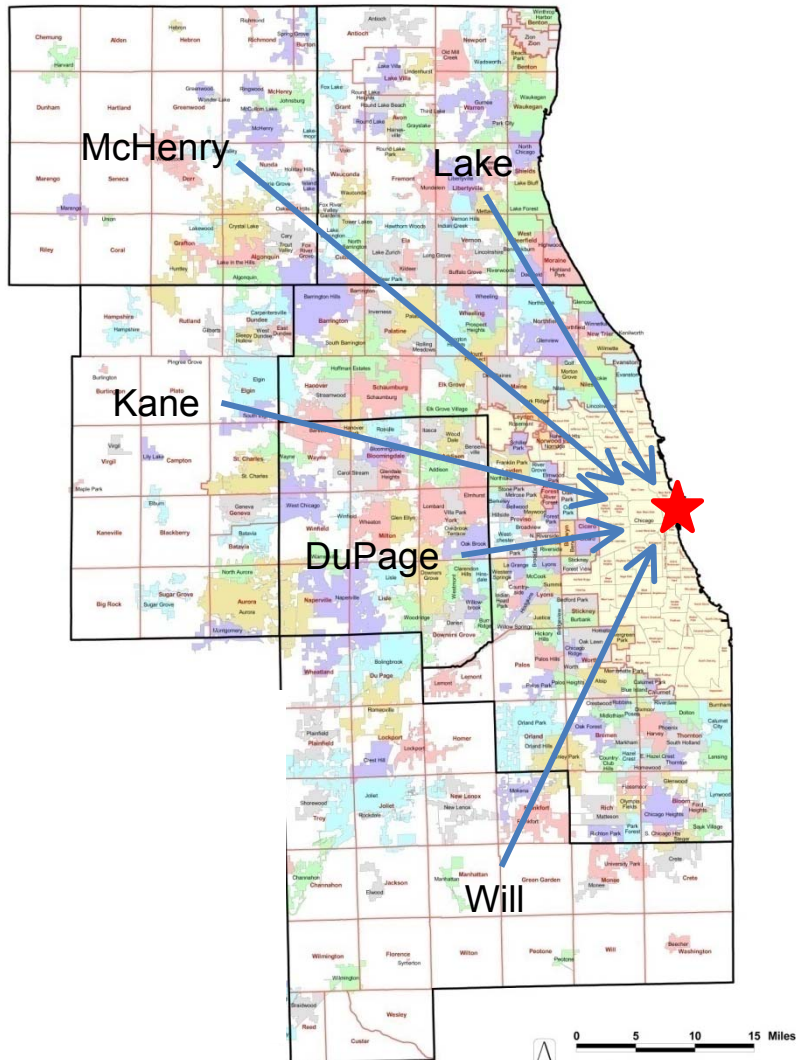


Predicted WALLY ridership is 1300 / day, mainly from Livingston County.

Is it realistic to expect 13% of these trips to use WALLY?



Outlying NE Illinois Counties Rail Work Trips to Downtown Chicago



County	% of Work Trips by Commuter
McHenry	66%
Lake	60%
Kane	61%
DuPage	69%
Will	55%