



# FY 2025 Corporate Business Plan

Draft Version 1  
Date: 6/13/2024

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# 1.Executive Summary

TheRide's Board of Directors uses written policies to set the overall strategic direction for the agency. In past years, TheRide has engaged the public in developing a 25-year plan known as the Long-Range Plan whose intent is to achieve the Board set Ends policies. In Aug 2022, the Board approved the plan as a blueprint for the evolution of our services.

The FY2025 Corporate Business Plan is comprised of initiatives that occur in the next twenty years with the goal of properly allocating financial resources in the near term (FY2025 Budget) while accounting for long term projects and their implications.

By transparently identifying proposed projects and initiatives, the Business Plan provides an opportunity for the Board, staff, and the public to have a dialogue about *priorities* before the budgeting process adds details. **Everyone is invited to provide feedback on these initial proposals and help build a better Business Plan.** The finalized Business Plan forms the foundation for building the detailed budget that staff recommends to the Board later in the year.

The strategic approach to organizing workplan initiatives is detailed in the appendices but can be summarized as identifying the initiatives that will best achieve our Board's goals, and organizing deadlines, workflow, and staff activities to best achieve those projects.

The CEO is focusing efforts on growing ridership, and is organizing priorities and projects into the three categories:

1. **Attract New Riders & Increase Ridership**
2. **Excellence in Service Delivery & Customer Retention**
3. **Continuous Improvement**

This Business Plan is a DRAFT piece shared with staff, the Board, and the public, availing them an opportunity to review projects, and provide feedback before the projects herein are absorbed into budget. Feedback on any of the initiatives in this document, can be sent to [tellus@theride.org](mailto:tellus@theride.org).

**The Corporate Business Plan provides an opportunity for the Board, staff, and the public to have a dialogue about *priorities* before a budget to fund the projects is developed.**



## 2. Strategic Goals & Alignment

The purpose of the Business Plan is to organize and align the agency's limited resources in order to achieve the Board's goals. As a public document, it allows transparency into the agency's plans and projects. TheRide's goals-setting and strategy development process is outlined in the figure below, with full details in the appendix.



At TheRide our Board of Director sets the direction through written policies. As long as the CEO respects these guidelines (Executive Limitations) and works to achieve the Board Goals (Ends Policies) <sup>1</sup> the CEO is empowered to make almost all operational decisions. This has included creating an annual Corporate Business Plan to guide strategic decision making and the annual budget.

The CEO, having reviewed all Board policies, defines the agency's primary goal as growing fixed-route ridership. This focus helps prioritize the work of the agency and furthers goals such as providing greater access (social equity), having fewer drivers on the road (environmental benefits), and facilitating labor mobility (economic impact). In order to understand the choice of initiatives in this Business Plan let us take a look at the history and the anticipated future of ridership.

### History

Transit ridership peaked in the U.S. during World War II and then declined rapidly as cars, freeways, urban decline, and suburban sprawl became common. National trends began to level off in the early 21<sup>st</sup> century as cities began to regain population. However, the overall American preference for cars and the individual mobility they provide had become deeply rooted.

Subsidies for cars are deeply entrenched (e.g., free parking, low gas taxes, road construction policies, etc.) and have already reshaped American cities. Meanwhile, funding, and public support for transit is relatively modest and far from enough to approach, for example, European levels of transit service.

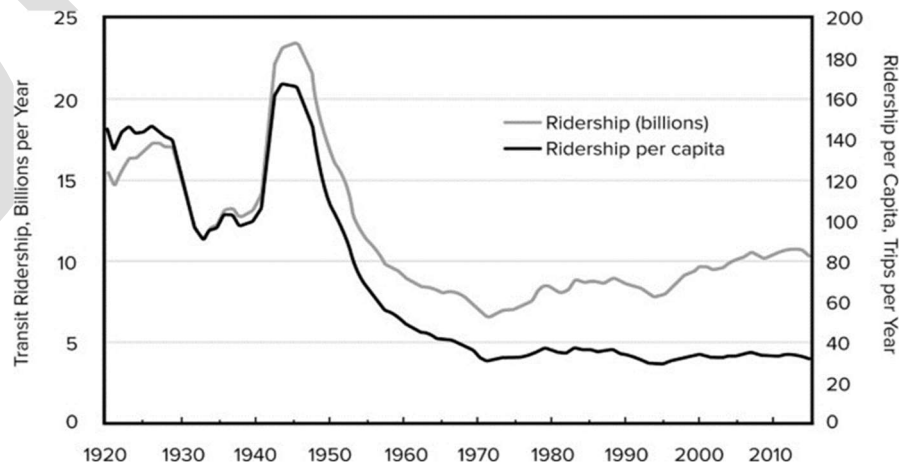


Figure 1: US National Transit Ridership

<sup>1</sup> A list of Ends Policies is provided in Appendix 1.

Ridership trends in the Ann Arbor/Ypsilanti area have mirrored national patterns, albeit with higher ridership that comes from a large built-in somewhat-captive ridership market: university students.

After the implementation of new 5YTIP services there was a bump in ridership. The COVID-19 pandemic caused an unprecedented and massive dip in economic activity and travel of all sorts. Transit ridership and many other markets collapsed are still recovering to pre-pandemic levels. (SEMCOG, 2023 data).

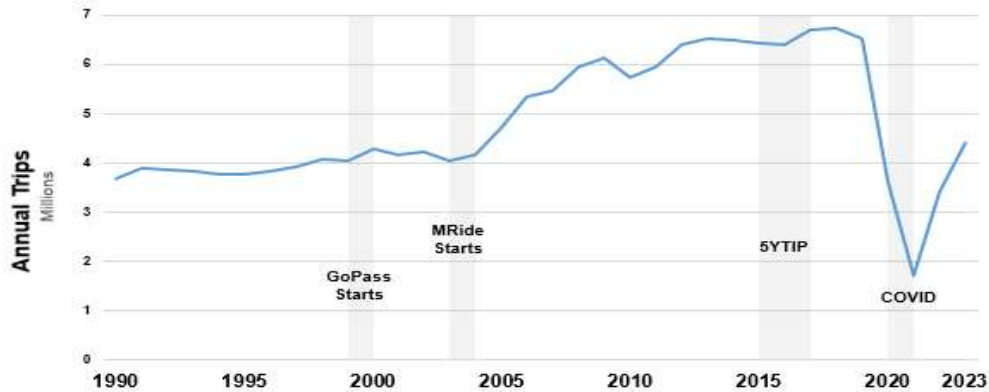


Figure 2: AAATA Ridership since 1990

A recent review of ridership trends in Southeast Michigan indicates that our region has the highest transit ridership and market share (i.e., mode share) following Highland Park and Royal Oak.

Future

Reaching and serving more people (increasing ridership) in the community remains the number one goal of TheRide. The figure below illustrates projected ridership from the Long-Range Plan. Milestones and major initiatives are also illustrated. This forecast is aggressive but also realistic.

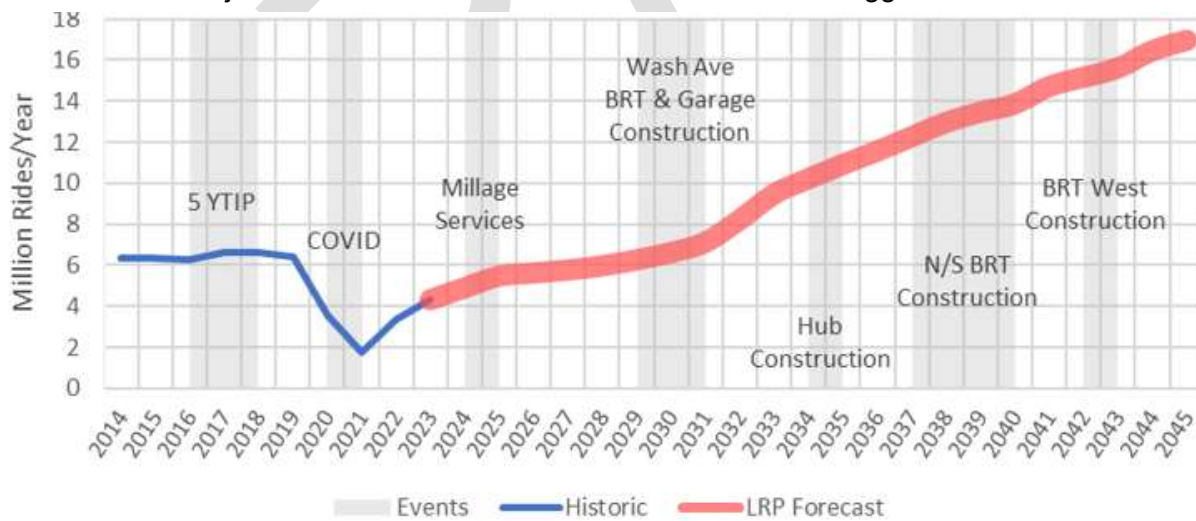


Figure 3: AAATA's Projected Ridership

To grow ridership TheRide has engaged staff, members of the public, the Board and transit users to better understand community needs and design TheRide with these needs in mind.

TheRide2045 or the Long-Range Plan is the result of these conversations and is the Board approved blueprint of how services will be improved, and infrastructure expanded to achieve Board goals. The graphics below indicate what can be expected of TheRide by 2045.

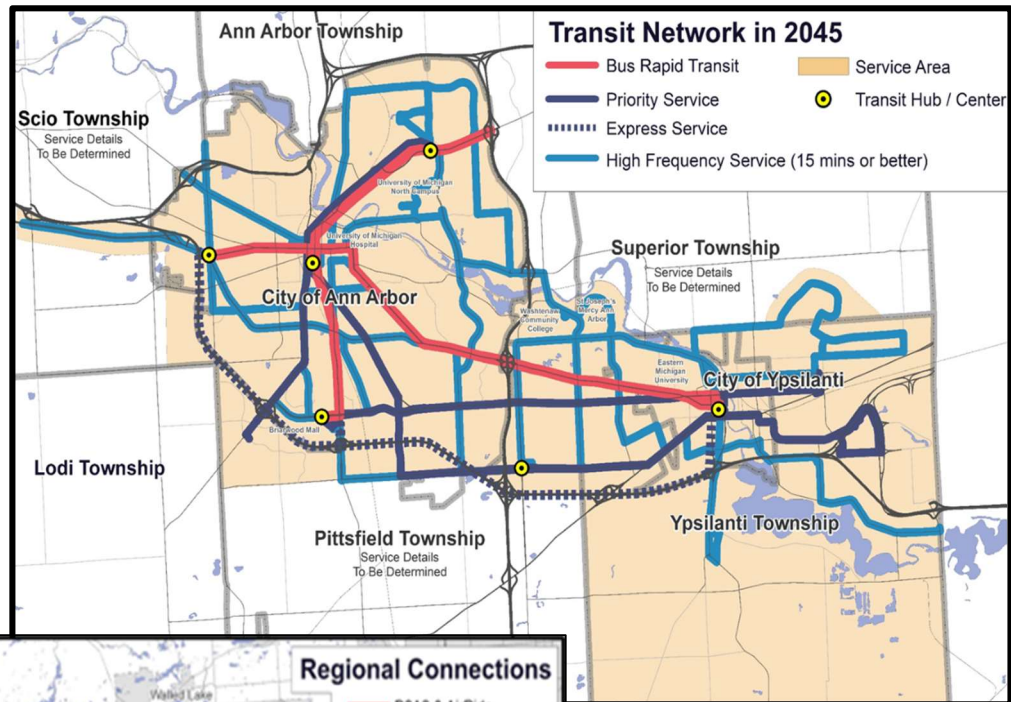


Figure 4: Transit Network 2045

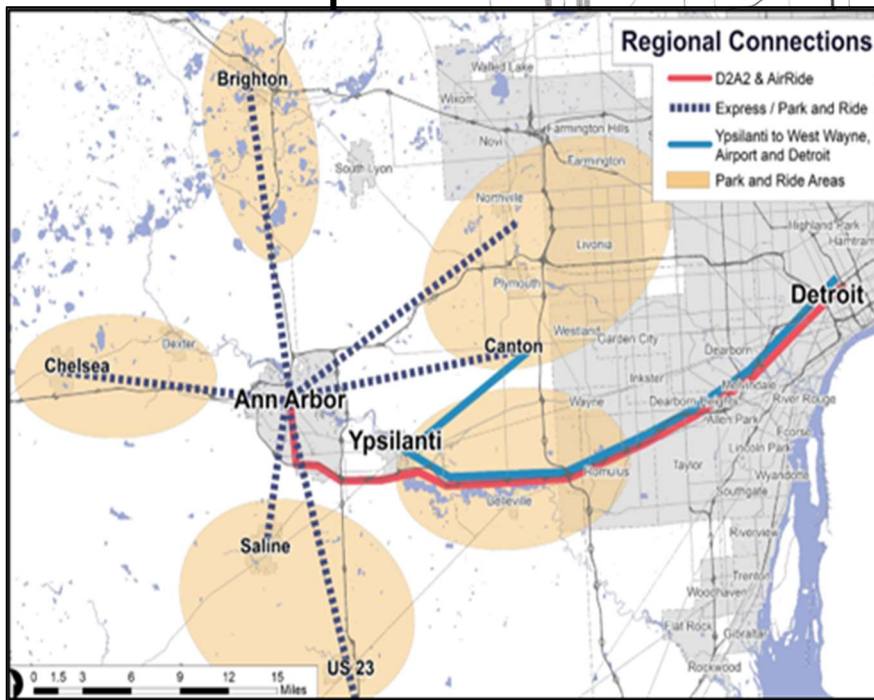


Figure 5: Regional Networks 2045

The CEO is using the following three thematic buckets to prioritize and organize projects. For alignment purposes, board policies that relate with each of the projects will be provided in parenthesis.

## 1. **Attract new riders and increase ridership.**

### A. **Increase Demand for Transit:**

Well-defined customer needs enable focused marketing, advertising and implementation of effective policy influence/advocacy agenda (*Policy 1.2.3*). Effective transit supportive policies may lead to transit options being preferable compared to the use of a personal vehicle (*Policy 1.2.1*).

### B. **Expand infrastructure:**

To support increasing ridership, TheRide will need to expand its infrastructure to accommodate additional passengers and staff (*Policies 2.1., 2.2., & 2.10*)

### C. **Enhance & expand services:**

Starting in 2028, TheRide intends to improve off-peak services (*Policy 1.2.2*) and operate express and priority bus routes convenience in order to facilitate full participation in the society (*Policy 1.1*)

## 2. **Excellence in service delivery & Customer Retention**

### A. **Operational excellence**

In past years, customers have reported being highly satisfied with TheRide's services (*Policy 1.4*). This may be attributed to the agency's commitment to a service of excellence evidenced by continuously assessing and updating operational practices.

### B. **Infrastructure excellence**

Delivering exceptional service includes having fully functional infrastructure. As effective stewards of its resources, TheRide spends a good part of its budget maintaining its facilities, fleet, and equipment in a state of good repair (*Policy 2.7*). Additional projects in this area include improving bus stop accessibility (*Policy 2.1.1*), bus lane planning (*Policy 1.2.3*), and planning for new passenger information systems (*Policy 2.1.3.1*)

### C. **Financial Excellence**

TheRide will need to continuously and successfully source funding in order to maintain existing ridership as well as plan for expansion of services and infrastructure (*Policy 2.4*)

### D. **Sustainability Planning**

Board policies direct that the agency works towards achieving carbon neutrality (*Policy 2.11.2*). TheRide intends to attain this outcome by transitioning to a zero-emissions bus fleet, studying feasible options of transitioning support vehicles and facilities without risking fiscal jeopardy, and updating its procurement policies and decision-making processes to ensure consideration of environmentally sustainable options that are fiscally sound (*Policy 2.5*).



## 3. **Continuous Improvement**

### A. **Team and staff development**

Training and professional development opportunities provide staff with the right knowledge, skills and abilities to continuously perform at their best. (*Policy 2.1:*)

### B. **Internal Efficiencies and Improvement**

As effective stewards of its resources, TheRide seeks opportunities for efficient operations while improving the customer experience. Projects in this area include technological upgrades, review of administrative policies, route scheduling, bus network reviews etc., (*Policy 1.0, 2.2*).



### 3. Projects & Initiatives (Consolidated Work Plan)

The Work Plan lists major initiatives, changes, and activities that will advance the Board's stated goals. These projects have been developed and vetted by staff using their professional judgment and planning tools found in the appendix.

#### **Mission Focus & Project Types**

Since our Board sets the direction of the organization, every initiative should be advancing a Board goal or policy. In addition, there is a certain amount of work required by law, outside regulator or funders, or the realities of maintaining an organization and team healthy enough to continue advancing the agency's mission. Each project below references the Board policies that it helps to advance. The work plan focuses on the largest change initiatives and does emphasize the significant amount of work necessary to maintain existing services. When judging the organization's capacity for work it is important to remember that 90%-95% of all existing resources are already committed to continuing to provide existing services to customers.

Another important distinction is whether an initiative is a **Capital** project or an **Operating** initiative because funding is often limited to one use. **Capital** projects include expenses for fixed equipment, buildings, vehicles, equipment, durable goods etc., as well as the staff time needed to implement those projects. This category includes large projects such as zero-emissions propulsion systems and bus rapid transit services, as well as small items like computer hardware and desks. **Operating** expenses are everything else that is not capital, such as staff time (salaries and benefits), fuel, insurance, training, rentals, contracted services, legal fees, etc. Projects are categorized by their primary expense, although many projects are a mixture of capital and operating costs, for example new buses and service hours.

#### **Timelines & Perspective**

All the recommended projects are laid out in a multi-year sequence as seen in the Gantt chart on the next page. This multi-year work plan is necessary because 1) TheRide simply does not have the resources to advance every important project at the same time, 2) some work must naturally come before others, and 3) many of our infrastructure projects are complex and will take years to develop and implement. A 10–20-year perspective is helpful in in order to:

- Make sense of and communicate the totality and some details of numerous efforts and multiple projects,
- Maintain focus on long-term goals when initiatives often take years,
- Ensure priorities receive sufficient resources,
- Anticipate and eliminate waste or redoing work through efficient ordering of projects,
- Working within the limits of the resources available,
- Avoid allowing ourselves to become distracted by momentary passions.

Each project identified in the Gantt Chart has an anticipated timeline. Continuous initiatives are not shown in this Gantt Chart since by definition they have no start or end dates. It should be noted that all timelines are tentative and are dependent on funding, staff capacity and in other cases, collaboration with external stakeholders.

#### **Implementation & Budget Implications**

The projects in this business plan provide 20 years of context. However, the business plan presented in September is only a one-year budget (FY25). Below is the consolidated Work Plan.



		Projects	Budget Type	Applicable Policies	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45		
Attract New Riders and Increase Ridership	A. Focusing on Rider Markets	1. Deliver New Millage Services	Operating	1.0., 2.1																								
		2. Finalize and Implement Advocacy Agenda	Operating	1.2.2., 1.2.3				Ongoing advocacy efforts																				
		3. Marketing Strategy	Operating	1.0., 2.1																								
		4. Rider Segmentation Study	Operating	1.0., 2.0, 2.1																								
		5. Fare Strategy Review	Operating	1.1.1., 2.1.4., 2.4.1., 1.4																								
		6. Youth Ridership Exploration	Operating	1.0., 1.1.2																								
		7. Football Shuttle Review	Operating	1.0., 2.0																								
	B. Critical Path for Infrastructure & Ridership Growth	8. Ypsilanti Transit Center	Capital	1.1., 1.4., 1.5., 2.5.2., 2.10		P&D	Constr.																					
		9. Blake Transit Center	Capital	1.1., 1.4., 1.5., 2.5.2., 2.10		P&D	Constr.																					
		10. New Bus Garage	Capital	1.1., 2.4.2., 2.4.3., 2.10		P&D			Constr.																			
		11. Bus Rapid Transit	Capital	1.0-1.5., 2.4., 2.10		Washtenaw (I) BRT: P&D			Constr.			North-South BRT: P&D			Constr.													
		Bus Rapid Transit (cont.)	Capital	1.0-1.5., 2.4., 2.10														Washtenaw (II) BRT: P&D			Constr.							
		12. Transit hubs and priority infrastructure.	Capital	1.0., 2.10				S&E hub P&D	Constr.				J&M hub P&D	Constr.				N&P hub P&D	Constr.									
	C. Other Service Enhancements	13. Regional Park and Ride Services	Capital	1.0.		TBD																						
		14. Express Pilot on North-South Corridor	Operating	1.0-1.5																								
		15. Priority Routes	Operating	1.0-1.5			Main-Nixon/Plymouth				Packard-Eisenhower																	
		Priority Routes (cont.)	Operating	1.0-1.5			Packard/Ellsworth																					
16. Improve Off-Peak Services		Operating	1.0., 1.3., 1.4., 1.5																									
Excellence in Service Delivery	A. Operational Excellence	17. Enhance On-Demand Service, Expand Coverage	Operating	1.0., 1.3., 1.5																								
		20. Safety Program Review	Operating	2.0., 2.1., 2.2, 2.7.5																								
		21. FlexRide Technology Updates	Operating	1.0., 2.1.2																								
		22. Transfer of D2A2 Service to RTA	Operating	1.0., 1.3																								
		23. Update Customer Code of Conduct	Operating	2.1.3																								
	B. Infrastructure Excellence	24. Bus Network Review	Operating	1.1., 1.4., 2.1																								
		26. Bus Stop Accessibility Improvements	Capital	1.1.2, 1.4.																								
		27. Planning for New Passenger Information Systems	Capital	1.1., 2.1.2																								
		28. Bike Tool Stations and Practice Bike Racks	Capital	1.2.1., 1.2.2., 2.1.3.																								
		29. Transit Signal Priority	Capital	1.2.1., 1.4																								
	C. Financial Excellence	30. Bus Lane Planning	Operating	1.0, 1.4, 2.10																								
		31. Grants and Outside Funding Opportunities	Operating	2.0., 2.4.1., 2.4.4.,																								
		D. Sustainability Planning	32. Low and No Emission Bus – Initial Deployment	Capital	2.11., 2.5.7				Bus fleet transition																			
33. Develop Emission Tracking Process	Operating		2.11																									
34. Zero emissions Facility Study	Operating		2.11., 2.4			Next steps TBD																						
35. Zero emissions support Fleet and A-Ride Study	Operating		2.10., 2.11., 2.4			Next steps TBD																						
36. Procurement Process Review	Operating		2.91.5.F, 2.5.2., 2.11,																									
Continuous Improvement	A. Team & Staff Development	37. Waste Process Review	Operating	2.11.3																								
		38. Staff Parking	Capital	2.2.																								
		39. Corporate Training Program Reboot	Operating	2.2			Ongoing training																					
		40. Zing Train Pilot	Operating	2.2																								
		41. Collective Bargaining	Operating	2.2., 2.3.6																								
	B. Internal Effectiveness & Efficiency	42. LAC Reboot	Operating	3.9																								
		43. Implement Whistleblower Procedure	Operating	2.1., 2.2., 2.9.2.3																								
		44. Corporate Compensation Review	Operating	2.3.1-2.3.4																								
		45. IT Systems Review & Implementation	Operating	2.4., 2.7																								
		46. Scheduling Review	Operating	1.1., 1.4., 2.1., 2.2																								
Other Major Events	47. POSA Agreement Review	Operating	1.0., 2.5.6																									
	48. On-Board Advertising Administrative Policy	Operating	2.7.5.2																									
	49. Administrative Policy Review	Operating	2.2.2																									
1. Presidential Election																												
2. RTA Millage Opportunity																												
3. AAATA Millage																												

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**Notes:**

- Timeline is pending funding, staff capacity and collaboration with key stakeholders.
- This Gantt chart shows projects with a defined start and end date and does not include *Continuous initiatives* i.e., #18. Partnering in Community Planning Efforts, #19 Quality Control, and #25 Maintaining a State of Good Repair. However, the details of these initiatives are provided in the Business Plan.

<b>Legend:</b>		New Ongoing Initiatives
		Planning & Design
		Construction

A brief description of the above projects is provided in the respective pages below.

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*Table 1: List of projects and initiatives*

### **3.1 Attract New Riders & Increase Ridership**

The initiatives below are focused on developing new demand for our services, increasing accessibility (increase supply), and improving existing infrastructure and service provisions so that the agency is continuously positioned to attract and accommodate increasing ridership.

#### ***A. Focusing on Rider Markets***

Understanding the needs of current and potential customers will be critical in informing service design. The focus here is to attract more people to the services that already exist, and not to incur new operational costs to fill the seats we already have.

##### **1. Deliver New Millage Services**

Operating. 2024-2025. Goals: 1.0., 2.1

In 2022, voters approved a tax increase for additional transit services. Those new services have been phased in and will continue into FY2025, with the largest new services (express route, longer hours, weekend frequency, overnight services) starting in May and August 2024. Delivering on these promises is a very high priority.

##### **2. Finalize and Implement Advocacy Agenda**

Operating. 2024-2026. Goals: 1.2.2., 1.2.3

Many public policy choices that can increase demand for transit (e.g., land use, parking, taxes, funding, etc.) are made by outside institutions, including municipal councils, legislatures, and congress. With an initial advocacy agenda established in mid-2024, the agency will continue working to advance specific initiatives with federal, state, and local government, and with other stakeholders. One early advocacy project will be a published booklet on best practices in transit-oriented development.

##### **3. Marketing Strategy**

Operating. 2025-2026. Goal: 1.0, 2.1

TheRide will assess how we conduct advertising and marketing with the goal of gaining new customers as well as retaining existing customers. This project will include an assessment of best tools to reach key market segments. One clear target for further market penetration will be the University of Michigan. TheRide's largest historic ridership growth came after the introduction of the MRide agreement. (See figure 2, Page 5). A small percentage increase in ridership from such a large market could have considerable impact. This project will also review the branding strategy.

##### **4. Rider Segmentation Study**

Operating. 2025-2026. Goal: 1.0, 2.0, 2.1

The agency will retain assistance in order to develop an understanding of the number, size and forecasts for various demographics and customer groups. This foundational information will help staff to focus on groups most likely to help increase ridership.

##### **5. Fare Strategy Review**

Operating. 2026-2027. Goal: 1.1.1., 2.1.4., 2.4.1., 1.4

To better attract and retain customers, TheRide will review the fare policy conducted in 2018, in light of post-pandemic trends and immediate market needs to develop pricing, update the fare structure, improve the fare collection systems, expand real-time information and work on integrating with local providers / first and last mile solutions. This work is expected to begin in FY 2026.





## 6. Youth Ridership Exploration

Operating. 2026-2027. Goal: 1.0, 1.1.2

In this internal review, staff will work with youth groups in the community to explore the potential to expand and promote TheRide's fixed-route services. This may be a constructive way to increase ridership during off-peak periods (i.e., outside weekday rush hours) while minimizing costs, and also increasing access to opportunities for youth and families throughout the area, and even increasing the labor pool for local employers. This assessment will inform on next steps.

## 7. Football Shuttle Review

Operating. 2027-2028 Goals: 1.0., 2.0

An internal review of the agency's participation in helping crowds arrive at and leave Michigan Stadium for UM football games. This will be done to confirm regulatory compliance, fairness, and ridership generation potential.

### B. Critical Path for Infrastructure & Ridership Growth



## 8. Ypsilanti Transit Center

Capital. 2024-2027. Goal: 1.1, 1.4, 1.5, 2.5.2, 2.10.

The current facility has outlived its useful life; increased demand for service and planned increase in service levels makes it necessary to develop plans for a new transit center. This project includes planning, development, and construction of a new transit center in the City of Ypsilanti and is expected to begin operations in FY 2027.



Figure 6: YTC Redevelopment Proposal

## 9. Blake Transit Center

Capital. 2022-2028. Goals: 1.0, 1.4, 1.5, 2.5.2, 2.10.

TheRide intends to nearly double its service hours by 2045. The transit centers must be designed to efficiently accommodate increased service. BTC expansion and redesign is expected to be completed by FY 2028.

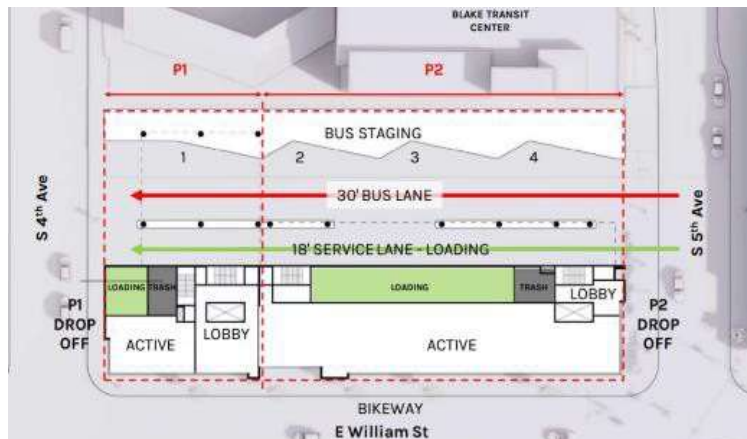


Figure 7: BTC Redevelopment Proposal

## 10. New Bus Garage

Capital. 2024-2031. Goals: 1.0, 2.4.2, 2.4.3, 2.10.

Before TheRide can increase the frequency of bus service, it will need a satellite garage to house and maintain a larger bus fleet. Planning work will clarify the requirements, evaluate locations, and consider conceptual designs. Considerable outside funding will be required for this once-in-50-years investment. The new garage is anticipated to increase fleet capacity by 100 buses. It will also be critical in supporting the transition to zero-emissions vehicles with respect to different charging/refueling and maintenance requirements. The new bus garage is expected to begin operations in FY 2031.

## 11. Bus Rapid Transit

Capital. 2025-2031, 2032-2040, 2036-2043 Goals: 1.0-1.5, 2.4, 2.10.

Bus rapid transit (BRT) is the centerpiece of the long-range plan and spine of the future transit network. Two BRT lines will span the service area. The Washtenaw BRT will run between downtown Ypsilanti and Maple/Jackson in Ann Arbor, spanning the service area from east to west. The north-south BRT will run in Ann Arbor between Plymouth/US-23 and Eisenhower/State, spanning the service area from north to south. The Washtenaw BRT is expected to be completed in FY 2031 and the North South BRT is expected to be completed in FY 2040 and the Washtenaw BRT from BTC to Maple/Jackson is expected to be completed in FY 2043.

## 12. Transit hubs and priority infrastructure.

Capital. 2027-2030, 2032-2035, 2037-2040. Goal: 1.0, 2.10.

Four transit hubs will be developed outside of the downtown cores to facilitate better connectivity between peripheral areas that have high demand, are projected to have significant growth in demand, and are located at logical connection points between numerous routes. The four hubs are located as follow:

- State & Eisenhower area (2027-2030)
- Jackson & Maple area (2032-2035)
- Carpenter & Ellsworth area (2032-2035)
- Nixon & Plymouth area (2037-2040)

### **C. Other Service Enhancements**

## 13. Regional Park and Ride Services

Capital. 2024-TBD. Goals: 1.0

TheRide will continue planning and discussions for the expanded second ring of distant park and ride lots beyond the Ann Arbor freeway ring. Although this has the potential to improve labor mobility, equity, and environmental impacts, it is challenging because it covers geographies well beyond TheRide taxing jurisdiction.

## 14. Express Pilot on North-South Corridor

Operating. 2028. Goal: 1.0-1.5

An express route from Eisenhower/State to the Plymouth Road Park and Ride lot is expected to be introduced in FY 2028 with the intent of building momentum for the north-south BRT.

## 15. Priority Routes

Operating. 2026-2028., 2031-2033. Goal: 1.0-1.5.

Priority routes are intended to provide higher frequency service to higher demand areas and facilitate faster trips for longer travel patterns not well covered by the BRT routes. The priority routes are somewhat enhanced by transit priority features with frequency ranging from 15 to 20 minutes during peak periods. Planning for the Main-Nixon/Plymouth and Packard-Ellsworth Priority routes is expected to begin in FY 2026. The service is expected to begin in FY 2028. Planning for Packard-Eisenhower Priority route is expected to begin in FY 2031. The service is expected to begin in FY 2033

## 16. Improve Off-Peak Services

Operating. 2028. Goal: 1.1, 1.3, 1.4, 1.5.

To make transit is a desirable transportation option, TheRide intends to provide more reliable and attractive services during the entire service period (i.e. all services during the day and night, weekday and weekends will have a reasonable level of service). This work will begin in FY 2028.

## 17. Enhance On-Demand Service, Expand Coverage

Operating. 2029 Goal: 1.1, 1.3, 1.5.

Beginning FY 2029, TheRide will increase On Demand Service resources with the aim of expanding coverage and reducing wait times.

## 18. Partnering in Community Planning Efforts

Operating. 2024-Ongoing. Goals: 1.0. 2.7.5

TheRide is involved in supporting community projects such as the A2 Comprehensive Plan, Downtown Development Authority (DDA) downtown circulation study, Michigan Department of Transportation (MDOT) Us-23 and M-17 studies with a goal of influencing transit friendly land use, policies, and development.

## 3.2 Excellence in Service Delivery & Customer Retention

Retaining customers is essential. We will work to ensure that anyone who uses our services comes away with a satisfying experience, and a willingness to use our services again, and maybe tell a friend. The initiatives in this section are focused on TheRide's quality of service.

### A. Operational Excellence

To retain existing customers, TheRide has to provide and maintain a service of excellence.

#### 19. Quality Control Enhancements

Operating. 2024-Ongoing Goals: 2.0., 2.2., 2.7.3

Since 2024 TheRide has increasingly utilized in-person quality control inspections where senior staff ride buses and inspect facilities. This has led to enhanced cleaning of buses and shelters. These efforts will be ongoing.

#### 20. Safety Program Review

Operating. 2024-2026. Goals: 2.0., 2.1., 2.2., 2.7.5

The safety and security of our staff and customers is a critical aspect of our operations. TheRide is working with the Transportation Security Administration (TSA) surface division to conduct a Baseline Assessment for Security Enhancement (BASE) to evaluate potential security threats at our facilities and recommend improvements.

#### 21. FlexRide Technology Updates

Operating. 2024-2025. Goal: 1.0, 2.1.2

TheRide will power all FlexRide services with new technology in order to improve trip booking, ride sharing, equipment utilization, and service monitoring. The goal is to improve customer experience, reduce denials and increase ridership. FlexRide late night/holiday service will be expanded to cover all of the City of Ypsilanti, and Ypsilanti Township north of Textile Road (matching the fixed-route service area). This improvement will increase equity and labor mobility while improving reliability and reducing wait times.





## 22. Transfer of D2A2 Service to RTA

Operating. 2024-2025 Goals: 1.0, 1.3

The Detroit-to-Ann Arbor (D2A2) service has been a partnership between TheRide and the RTA since its earliest inception, with the RTA paying the bills and handling advertising, and TheRide managing all other aspects of the service such as procurement, contracting, overseeing, etc. The original vision was always that the RTA would eventually take full responsibility for this inter-county service. This would not change any elements of the service, but simply transfer all back-office roles and responsibilities to the RTA. TheRide is also advocating for the RTA to use residual ARPA funds that it controls to continue the D2A2 service. Stable funding has not yet been identified. Full transfer may occur in 2024/2025.

## 23. Update Customer Code of Conduct

Operating. 2024-2025. Goal: 2.1.3

TheRide's existing code of conduct for passengers is prescriptive, not well known, and may have become less effective over the years. This effort will review the code to determine what if any changes should be made.

## 24. Bus Network Review

Operations. 2024- 2026. Goals: 1.1., 1.4., 2.1

TheRide is reviewing existing services to address operational issues, improve service reliability, efficiency, and customer satisfaction. Major reviews will happen every five years.

## B. Infrastructure Excellence

### 25. Maintain State-of-Good-Repair

Capital. Ongoing. Goals: 1.4, 2.2.1, 2.4.3, 2.7.3

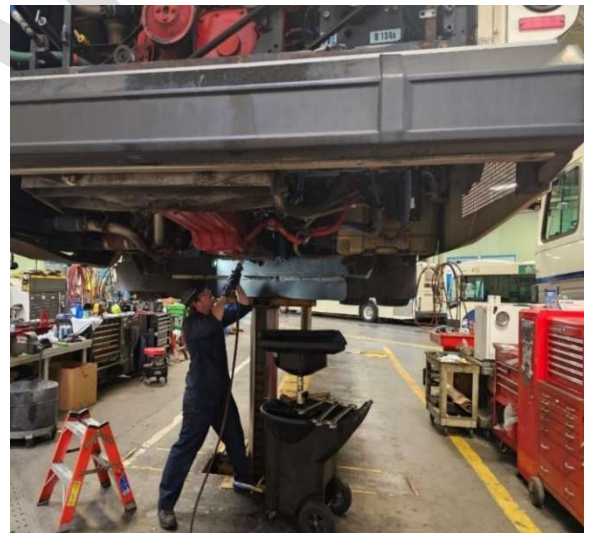
Safe, well-maintained, and cost-effectively managed equipment is essential for a capital-heavy industry like public transit. TheRide's services require 103 buses, 22 auxiliary vehicles, three facilities, a network of communication technology, computer equipment, and many other items. Deferring maintenance on equipment increases long-term costs and may lead to a violation of FTA asset management compliance regulations. Key efforts in 2025 include:

- New Bus Procurement and Contract (2025)
- Interim Bus Replacements (Implement-2025))
- Garage Roof Replacement (2025) – After this budget item was approved in 2024 only one bid was received, leading staff to re-bid the project.

Construction is anticipated in spring/summer 2025

and will create significant disruption to the DGOC at 2700 S. Industrial Hwy.

- Back-Up Generator Replacement (2025): After prolonged electricity interruptions in 2023, a new generator was approved in the 2024 budget to replace the DCOG's original 1984 backup generator. The new natural-gas powered generator will be installed in 2025.
- Preventative maintenance and routine repairs and replacements to existing equipment are addressed in the annual budget (ongoing).
- Staff Area Improvements (2025-2027) – The bus drivers lounge at the DGOC is inadequate in size and fixtures, furnishings and equipment have exceeded their useful lives. Renovations of this area will be completed in 2025. Similarly, the administrative break area in the DGOC will be renovated in 2026.





## 26. Bus Stop Accessibility Improvements

Capital. 2020-2033. Goals: 1.1.2, 1.4.

Focused on improving accessibility for people with disabilities, TheRide is working on improving bus stop infrastructure such as concrete landing pads, safe pedestrian paths, shelters, and other amenities. Pending funding and issuance of permits, TheRide targets to make 30 to 40 bus stops near sidewalks accessible each year. Our goal is to make all bus stops near sidewalks wheelchair accessible by 2033.

## 27. Planning for New Passenger Information Systems

Capital. 2025-2027. Goal: 1.1, 2.1.2

TheRide's current real-time information and vehicle location technologies will reach the end of their natural lifespan in 2026. To incorporate the latest advances and ensure a smooth implementation, planning for the new technology will begin in 2025 and installation is expected in 2027.

## 28. Bike Tool Stations and Practice Bike Racks

Capital. 2026. Goal: 1.2.1., 1.2.2., 2.1.3.

TheRide will install bike tool stations at both terminals and bike racks on buses. The tool stations will allow quick, small-scale maintenance for intermodal passengers or anyone. The practice bike racks will be mounted to exterior walls to allow patrons to practice putting their bikes on and off the racks on the buses. This is anticipated to reduce dwell time.



## 29. Transit Signal Priority

Capital. 2024-2026 Goal: 1.2.1., 1.4

This ongoing project will work to increase automatic, real-time coordination between buses and traffic signals with the goal of allowing buses to pass through green signals more frequently. The primary goal for this project is to improve bus on-time performance. This will make the service more reliable and better able to retain riders.

## 30. Bus Lane Planning

Operating. 2024-2039 Goals: 1.0, 1.4, 2.10

Pending funding and successful collaboration with stakeholders, TheRide intends to create and improve bus lanes in order to make transit more attractive (relative to other modes) and efficient. Fully dedicated bus lanes will require the collaboration of the municipal, County and State partners in changing the streetscape.

In 2024, MDOT's study of Washtenaw Avenue (US-23-EMU) suggested the use of bus lanes along the corridor. TheRide will continue this work with MDOT.

In late 2024 TheRide intends to broach the idea of bus lanes to relieve choke points in the core of the city with the Ann Arbor Transportation Commission. TheRide is already working with UM to identify the best opportunities for bus lanes. Later this idea will hopefully move towards City approval and implementation. TheRide will continue working with stakeholders to add more bus lanes / queue jump lanes at other choke points prior to the full implementation of the high-frequency network in 2039.

## C. Financial Excellence

Successful sourcing of funds will be critical in the implementation of initiatives that lead to exceptional customer service, plan and execute financially sustainable options and improve critical infrastructure. The projects in this section will focus on funding the initiatives in the FY25 Budget.

## 31.Grants and Outside Funding Opportunities

Operating. 2024- Ongoing. Goals. 2.0., 2.4.1., 2.4.4

While TheRide's financial position is stable, execution of the LRP will require additional financial commitments. TheRide's primary resources for funding long-term capital projects are federal and state grants funding through competitive programs. To support projects in the capital plan, the near-term focus will be on pursuing competitive grant opportunities to fund the Ypsilanti Transit Center (YTC) and replacement buses with hydrogen and hybrid propulsion. Longer-term priorities include pursuing competitive grant opportunities for a new bus garage and Bus Rapid Transit (BRT). Other funding sources such as congressionally directed spending, partnerships with other entities, etc., are also options that will be considered if the opportunities align with projects in the capital plan.

### ***D. Sustainability Planning***

As part of our strategic goals, TheRide is working to reduce and eventually eliminate emissions from its operations.

## 32.Low and No Emission Bus – Initial Deployment

Capital. 2024-2028. Goals: 2.11., 2.5.7

In 2024 the agency identified hydrogen fuel cell electric buses are its preferred zero-emission propulsion technology. Funding requests were submitted for two buses and a fueling station, as well as numerous new-generation hybrid diesel-electric buses which can start reducing carbon emissions sooner and serve as a bridging strategy until hydrogen is ready. We expect to learn if these grant submissions were successful by October 2024.

Whenever funds become available, the procurement, delivery, commissioning, introduction, and initial operations of these new technologies will represent a significant level of effort for staff with steep learning curves.

Especially important will be providing adequate training for mechanics and bus operators so that the new technologies are as successful as possible.



## 33.Develop Emissions Tracking Process

Operating. 2025. Goal: 2.11.

To gain clarity of the agency's carbon footprint, TheRide intends to develop a method of tracking carbon emissions produced by regular operations specifically, fleet and facilities.

## 34.Zero emissions facility studies

Operating. 2025-2026. Goal: 2.10, 2.11, 2.4.

Assuming the success of the hydrogen bus deployment and in preparation for future funding requests, staff will be updating initial cost estimates regarding retrofits to the existing bus garage to accommodate a larger hydrogen deployment and identifying and pursuing additional funding sources as warranted. A Zero emissions facility study is scheduled to take place in FY 2026-2027. The studies will inform on next steps for existing facilities.

## 35.Zero emissions support Fleet and A-Ride Study

Operating. 2026-2027. Goal: 2.11, 2.4.

A Zero emissions study for the support fleet and A-Ride vehicles is currently being conducted and will continue into FY25. These studies will inform us of the next steps.

## 36.Procurement Process

Operating. 2027-2028. Goal: 2.91.5.F, 2.5.2.,2.11,

The agency purchases numerous goods and services. This project will work to integrate environmental and carbon neutrality goals into the overall procurement process.

### 37. Waste Process Review

Operating 2026-2027 Goal 2.11.3

The agency will conduct a review of the waste disposal processes in order to identify opportunities for waste reduction. This will primarily cover mechanical fluids and hazardous waste. This work is expected to start in FY 2026 and be completed in FY27.

## **3.3 Continuous Improvement**

Internal improvement projects directly improve the agency's capacity to efficiently provide a service of excellence.

### ***A. Team and Staff Development***

TheRide is an agency and an institution but is also a team. The staff are key to identifying and implementing opportunities for the future. We will continue to invest in our staff through various training opportunities (easier post pandemic), work to engage and inspire staff, and improve cross-department collaboration. An essential pre-condition is the ability to fully fill in key vacant positions.

#### 38. Staff Parking

Capital. 2024-2027. Goals: 2.2

Parking for staff at the Dawn Gabay Operations Center (2700 S Industrial Hwy) is limited. The growth in the number of bus drivers over the years has resulted in inadequate parking spaces for staff. An interim alternative will need to be developed until a new garage is ready.

#### 39. Corporate Training Program Reboot

Operating. 2024-2027 Goals: 2.2

A corporate training program based on corporate values, principles and growth opportunities focused on supporting and developing employee knowledge, skills, and abilities in order to provide excellent service to the community.

#### 40. Zing Train Pilot

Operating, 2024 – 2026 Goal: 2.2

TheRide is working with Zingerman's Zing train to explore the potential for utilizing customer service techniques developed for the retail sector in a public transit environment.

#### 41. Collective Bargaining

Operating. 2025-2026. Goals: 2.3.6, 2.2.

TheRide's labor contract with our sole union (TWU 171) expires in early 2026. Preparations will ramp up as negotiations approach.

#### 42. LAC Reboot

Operating. 2024-2025. Goal: 3.9

In 2021 the Board approved a new approach for the LAC, asking them to present to the Board at least once a year as representatives of a group of Moral Owners. The LAC is working with the CEO to reconstitute itself after some recent losses and is preparing to visit the Board as soon as it is prepared to present.

#### 43. Implement Whistleblower Procedure

Operating. 2024-2025. Goals: 2.1, 2.2. 2.9.2.3

In mid-2024 the CEO created a new procedure so staff could anonymously report serious concerns. The procedure is expected to be implemented during the spring/summer months, followed by an educational period for staff.

### ***B. Internal Effectiveness & Efficiency Reviews***

TheRide staff are always reviewing internal processes and procedures to find improvements or efficiencies. Such reviews typically inform later operational changes, decisions, or budget recommendations. Each year a few key subjects receive more formal attention.

#### 44. Corporate Compensation Review.

Operating 2024-2026; 2.3.1-2.3.4.

Work will continue in 2024 and likely continue at a minimum through the FY2026 budget to analyze, identify, and create plans to address any internal pay inequities and ensure alignment with compensation philosophy and market competitiveness in order to ensure that the organization's pay rates are competitive and equitable. This is important if TheRide will have to attract and retain the best talent to support the current and future needs of the organization.

#### 45. IT Systems Review & Implementation

Operating. 2024-2029. Goals: 2.4, 2.7

Information technology touches almost every element of the agency's business. In 2024 staff began the development of our next IT strategy to guide investments in future IT systems. The plan is expected to be finished in 2025 and implemented over several years.

#### 46. Scheduling Review

Operating. 2024-2025. Goals: 1.1., 1.4., 2.1., 2.2

Review of the process of developing vehicle and MCO assignments which is at the heart of TheRide's logistics.



#### 47. POSA Agreement Review

Operating. 2025-2026: Goals: 1.0., 2.5.6

The agency has provided services to jurisdictions outside our taxing area for many decades via Purchase of Service Agreements (POSA) contracts with the municipal governments. Similar to contracted services, these POSAs allow nearby communities to pay for a lower level of transit service and not use the AAATA taxing powers. Presently, the agency has POSAs with Pittsfield Twp, Superior Twp, and Scio Twp. Staff will review all of these contracts in context with each other and assess how these should continue.

#### 48. On-Board Advertising Administrative Policy

Operating. 2025. Goal: 2.7.5.2

TheRide's administrative policy governing permissible advertising is over 10 years old. In this period there have been numerous outside court cases that have affected transit agencies' ability to reject "offensive" advertisements or political material. This effort will work with corporate counsel to see if any updates are prudent.

#### 49. Administrative Policy Review

Operating 2024-2026: Goal: 2.2.2

Ensuring efficient and effective administrative policies helps the organization achieve its goals and reduces organizational risk. To keep up with a growing and maturing organization and be proactive to changes in the business environment, TheRide will be reviewing many of its administrative policies and procedures to ensure improved efficiency, support increased internal customer satisfaction, manage risk, and maintain regulatory compliance.



## **Other Major Events**

The following external events impact TheRide operations in one way or another and their timelines are worth noting in order to

### **1. Regional Transit Authority Millage**

The Regional Transit Authority of Southeast Michigan (RTA) can only go to the voters in November of even-number years. TheRide will need to maintain communication to determine if RTA millages are likely in 2026, 2028, 2030, or future years. In the meantime, TheRide may want to provide input to the RTA's regional transit plans or try to align them with its long-range plan.

### **2. AAATA Millage**

The long-range plan, TheRide2045, outlines how and when TheRide should be seeking new resources. Our current millage begins in 2024 and will expire in 2028. However, TheRide may seek to place an item on the ballot as early as 2027. As these dates approach, staff will return to the Board for additional discussions.

### **3. Federal Election**

The Federal Election happens every 4 years and 2024 is an election year. This is important to the agency as the elected President's priorities may influence future regulations and financial decisions. Transit supportive decisions will make it easier for TheRide to fund Operations and move forward with its Capital projects.

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## 4. Annual Budget Process and Timeline

The Business Plan is the first part of an annual process of **aligning** expenditures to best achieve the Board's goals. The Business Plan allows staff, the public and the Board of Directors to review and discuss the largest component of the upcoming budget in a transparent and conceptual way. Once the CEO feels they have received the advice and feedback they need, staff begin to prepare the detailed recommended budget confident that most major questions have hopefully been asked, answered, and accommodated. Hopefully, this will allow the later discussion and approval of the budget to become a routine confirmation of decisions that have already been discussed.

**The Business Plan allows staff, the public and the Board of Directors to review and discuss the strategic direction of the upcoming budget in a transparent conceptual way. (without all the financial details)**

The Board through policy has outlined its expectations of the budget and strategic planning process which includes:

1. The CEO and staff present a recommended budget. The Board deliberates and approves the final budget (policy 3.2.7).
2. Policy Governance delegates almost all operational decisions to the professional staff intentionally so that the Board can focus its attention on the Outcomes. (policy 4.0)
3. The Board gives instruction with one voice via written policy when describing (in advance) how a budget should be prepared, most of which are described in policy 2.4: Financial Planning and Budgeting. Key expectations from the Board include:
  - a. All budget items must be focused on advancing the Ends or complying with other policies.
  - b. Staff cannot recommend a budget that risks fiscal jeopardy, causes deficit spending, or funds ongoing operations via debt or unclear means. (Policy 2.4., 2.5)
  - c. The staff's recommended budget must include: a strategic multi-year context, projections of revenues and expenses, separation of operation and capital expenses, clear long-term funding needs, and clear assumptions.
  - d. Staff present a high-level budget to help focus on the key strategic decisions. Since Means are already delegated to the CEO (policy 4.3.3), a line-item budget is not presented. *Please let us know if granular details are required.*
  - e. Several other Executive Limitation policies affect the structure and content of the budget, for example by requiring staff be kept safe (2.2), construction projects be clearly defined (2.10), financial activities be correct (2.5), assets maintained (2.7.3), public input (2.7.5.5), and that risks be addressed prudently (2.0) and clearly (2.9.1.5).

When the recommended budget is presented for approval (September) the Board also receives a Monitoring Report for policy 2.4: Financial Planning and Budgeting. Acceptance of the monitoring report suggests compliance with the Board's expectations, after which the Budget is generally approved. However, the Board does have the ability, by vote, to change any element of the recommended budget. The Business Planning process is an attempt to learn of any significant concerns with the emerging budget so that changes can be incorporated early on.

Budget planning will take place in June through August. During this period, a draft budget will be developed, and discussions held at staff and Board level to improve it. The final budget will be ready for Board approval at the last Board meeting of the current fiscal year, which is in September.

TheRide staff generally present a high-level budget to focus discussion on major decisions and strategy. We do not generally present line-item budgets, especially since Means are already delegated to the CEO and staff (policy 4.3.3). If Board members or the public have questions about granular expenditures or specific operational decisions, we hope they will be raised early in the process so they can be addressed early.

## Performance Monitoring

To assess the effectiveness of initiatives in the Corporate Business Plan and their alignment to the needs of our communities through set Board policies, TheRide uses a two-tier method of monitoring progress and operational performance:



**Monitoring Reports** – The Board requires that the CEO report on compliance with every Policy. Monitoring Reports provide detailed interpretations of Board policies and evidence of compliance. These reports are provided at least annually and more frequently at the Board's request.

**Operational Reports** – The CEO and staff provide a variety of detailed reports on specific aspects of TheRide's internal workings. Quarterly financial reports provide information on the financial health of the authority. Quarterly service reports provide specific performance measures on operations. Monthly CEO updates provide information on specific projects at the public Board meetings. These updates most often include status updates of the projects identified in this Business Plan. All of these reports and status updates are available on TheRide.org website.

## Conclusion

As TheRide focuses on implementing the many initiatives and projects to better serve our communities, the annual Business Plan is a tool to help us align our resources to achieve our goals. The CEO encourages and welcomes feedback on the Business Plan to help further focus agency efforts, and to expedite the upcoming annual budgeting process.

Feedback on any of the initiatives in this document, can be sent to [tellus@theride.org](mailto:tellus@theride.org).

## Appendix – Alignment Tools

These appendices provide more information about staff's process for identifying and proposing initiatives and projects that are best suited to advancing the Board's goals and also addresses any questions that may have come up during the Corporate Business Planning process.

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# 1. Board's Vision/Goals (Ends Policies)

Below are the Boards Ends Policies:

These policies define the purpose of the Ann Arbor Area Transportation Authority, what results are to be achieved, for whom, and at what cost. Although sections and subsections are numbered, the numbering is not intended to indicate the importance or weight of the underlying section, unless otherwise stated.

The Board establishes its Ends policies within its Vision for public transportation:

A robust public transportation system that adapts to the area's evolving needs, environment, and quality of life.

1. AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental, and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

1.1. Residents in the area have equitable access to public transportation services that enable full participation in society.

1.1.1. People with economic challenges have affordable public transportation options.

1.1.2. People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.

1.2. Public transportation positively impacts our environment.

1.2.1. Public transportation options are increasingly chosen over use of a personal car.

1.2.2. Public transportation options produce conditions favorable to more compact and walkable land development.

1.2.3. Relevant public policy is transit supportive.

1.3. Public transportation positively impacts the economic prosperity of the area.

1.3.1. Public transportation facilitates labor mobility.

1.3.2. Students can access education opportunities without need of a personal vehicle.

1.3.3. Visitors use public transportation in the area.

1.3.4. Public transportation connects the area to the Metro Detroit region.

1.4. Passengers are highly satisfied with public transportation services.

1.5. Residents of the area recognize the positive contributions of public transportation to the area's quality of life.

In addition to advancing the Board's goals, the CEO and staff must comply with the Board expectations regarding administrative and operational decisions (i.e., Executive Limitations policies). These policies ensure transparency, reporting, and fiduciary oversight by the Board. Examples of key Executive Limitations policies include:

- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that TheRide is an attractive employer.
- Ensure that the Board, riders, and the public have opportunities to shape the future direction of the agency.
- Ensure transparency and accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.
- Maintain assets of the organization in good condition.
- Compliance with all applicable laws. (Numerous other local, state, and federal laws also enable and constrain what TheRide can do.)

Within these expectations, staff are to use their professional judgment to recommend the best ways to achieve the Board's strategic goals.

## 2. Strategic Alignment Tools

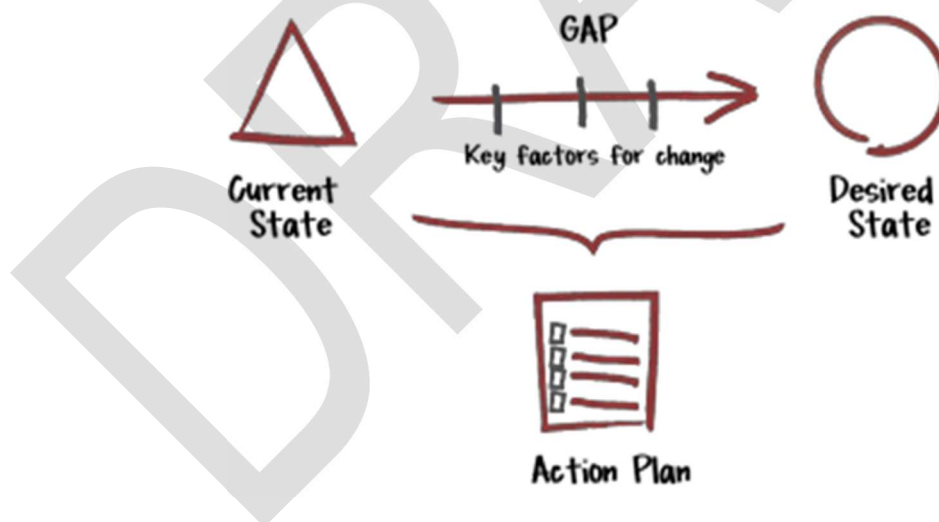
Strategic planning has three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for how to get from the current state to the desired future state. The Long-Range Plan has done extensive work to define these three states. Let us look at each piece separately.

**Envisioning a Future State:** TheRide's future state is defined in the Board's End policies, feedback from the Communities we serve and staff insight. Having consensus on a clear, defined future state gives TheRide a target toward which it can align its efforts, judge options, and measure progress. The full Ends Policies are provided below.

**Understanding Current Status:** A shared understanding of the current situation and context allows TheRide to take steady aim at the targeted future. The current state of the organization is organized into strengths, weaknesses, opportunities and threats/challenges and that information detailed in the SWOT analysis table on the next page. To determine the position of the agency in relation to the external environment i.e., political, economic, social, technological, legal, and environmental (PESTLE) aspects, a PESTLE analysis was conducted, and the details documented in this section of the appendix. The results in these two analyses are updated annually during each Business Planning process to reveal areas that the agency is performing well, and where new capabilities and capacities need to be acquired.

**Filling in the gap:** A gap analysis identifies opportunities and gaps between the current state and the desired future. It informs on the key drivers for change and the order of prioritizing agency initiatives.

Based on that insight, a strategic action plan is developed to bridge the gap between the current and the desired state. The work done during the Long-Range Planning process has been instrumental in addressing major gaps.



## A. SWOT Analysis

TheRide's position has improved markedly in the last several years and it no longer faces immediate financial challenges. The success of the 2022 Millage resolved long-standing financial challenges while also increasing services, the Long-Range Plan provides strategic focus, and the Capital Reserve has enough funds to allow meaningful pursuit of large grant applications. The two main internal teams (Board and Staff) continue to become more effective as individuals and groups. Roles are respected and both groups work together well.

As earlier challenges are overcome, new headwinds emerge. Inflation and labor shortages require updated financial projections to ensure solid footing, federal regulation is increasing, and finding new team members can be challenging. Renewed focus on developing political relationships, advocacy and marketing is beginning to address earlier areas of weakness.

Ridership has regained much of its pre-pandemic levels, but work-from-home trends have reduced the size of the commuter market, perhaps for a long time. This Business Plan illustrates the renewed focus on rebuilding ridership and pursuing new markets. Still, as a low-growth region, large transit ridership growth cannot come from the small amount of in-migration. Instead, it will need to come from increasing our share of the travel market vis a vis the personal automobile – a daunting task given the many social and economic advantages given to the automobile.

The greatest risks remain maintaining internal focus through generations of board members and staff to deliver major projects, and the potential for destabilizing outside politics. The figure below illustrates an assessment of TheRide's Strengths, Weaknesses, Opportunities, and Threats/Challenges (SWOT).

**SWOT Table**

Table 2: SWOT Analysis Table

	<b>Helpful</b> To advancing our goals	<b>Harmful</b> To advancing our goals
<b>Internal</b> (Attributes of the Organization)	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Clear Long-Range Plan provides focus.</li> <li>• Strong Board/Staff relationship</li> <li>• High credibility &amp; support in the communities we serve.</li> <li>• High rider satisfaction.</li> <li>• Finances are in strong shape. Funded Capital Reserve</li> <li>• Assets are well maintained.</li> <li>• Engaged Board and staff.</li> <li>• A tradition of excellence in service delivery, partnerships, business decisions.</li> <li>• Respected in region and state.</li> <li>• Strong team / committed staff.</li> <li>• Growing retail focus on rider attraction/retention</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Garage full. Cannot increase fleet or frequency.</li> <li>• Insufficient local funds for all large capital projects</li> <li>• Funding outlook uncertain (3+ years out)</li> <li>• Need closer political relationships with locals, state, and federal leaders.</li> <li>• Need stronger advocacy voice.</li> <li>• Need to actively promote ridership (marketing)</li> <li>• Historic tendency to lose focus or over-commit.</li> <li>• Technology adoption mixed results</li> </ul>
<b>External</b> (Attributes of the Environment)	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• The population is growing (slowly)</li> <li>• Untapped commuter market (Ann Arbor is job center)</li> <li>• New political support for more dense infill land development</li> <li>• New levels of political support and funding from State and Federal governments.</li> <li>• Strong community/voter support</li> <li>• May be able to diversify passenger markets.</li> <li>• Opportunity to advocate for favorable outside decisions.</li> <li>• Federal and state grants for capital projects</li> <li>• UM Master Plan</li> <li>• RTA may receive funding</li> </ul>	<p><b><u>Threats/Challenges</u></b></p> <ul style="list-style-type: none"> <li>• Car culture/suburbs still dominant</li> <li>• Prioritization of transit with available road space</li> <li>• Work-from-home trends reduce commuter market.</li> <li>• Low growth area (market share for growth)</li> <li>• Numerous societal priorities (environment, equity, housing, safety, etc.) demand attention</li> <li>• Costs: inflation, increased regulation, labor shortages</li> <li>• Revenue: limited to property taxes, lost fares, limited flexibility</li> <li>• Reliant on volatile political climate</li> <li>• Growing traffic congestion</li> <li>• Outside distractions/political priorities</li> <li>• RTA may jeopardize autonomy</li> </ul>



## B. PESTLE analysis

Awareness of external factors and their impact on the agency allows realistic planning. These factors include Political, Economic, Social, Technological, Legal/Governance and Environmental (PESTLE) and all directly or indirectly affect the operations of TheRide. Inflation, for example, has led to increased costs of operations and forced some fleet suppliers out of the market. Ongoing global conflicts may further exacerbate supply chains and resource availability. With more remote and hybrid options ridership is still not at pre-pandemic levels and this further reduces operational revenue. On the upside, the current federal government is pro-transit and is willing to fund environmentally friendly projects. With an election later in November 2024, priorities of the newly voted president may impact how financial decisions are made and more specifically impact transit and transit-oriented development.

With the introduction of Artificial Intelligence (AI) and increased technological advancement, ridership needs are changing as hybrid options and teleservices reduce the need to move. This also creates opportunities to learn how we can leverage technology to effectively market and advertise our services.

Below is a list of other external factors that affect TheRide's operations which were considered during this Business Planning process.

Table 3: PESTLE Analysis:

<b>Political</b>	<ul style="list-style-type: none"> <li>• Current federal decisions have led to transit favorable actions. The 2024 election results may change how decisions are made at the federal level.</li> <li>• Federal regulations and FTA reviews promote safe, non-discriminatory, and financially responsible operations.</li> <li>• RTA prioritization has TheRide competing for resources with other agencies.</li> </ul>
<b>Economical</b>	<ul style="list-style-type: none"> <li>• Increased inflation has led to increased costs.</li> <li>• Federal funding for environmentally friendly transit projects has enabled TheRide to plan on transitioning to a zero-emissions fleet.</li> <li>• Ongoing global conflicts could impact supply chains, resource availability and influence overall economic stability.</li> <li>• The approved 2022 Millage provides funding for TheRide’s operations.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• AAATA has a positive public image.</li> <li>• Presence of pro and anti- development cultures in our communities.</li> <li>• There’s disparity in demographics and income in Ypsilanti vs. Ann Arbor.</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• The rise of AI and increased technological advancement may lead to increased online and hybrid options which may negatively impact ridership.</li> <li>• There are opportunities to advance customer experience and operational efficiency via technology platforms.</li> <li>• Remote and hybrid working requires increased and sustained cyber- security measures.</li> </ul>
<b>Legal / Governance</b>	<ul style="list-style-type: none"> <li>• AAATA complies with ADA and Title VI equitable accessibility requirements.</li> <li>• The Board sets governing policies that serve the interest of our Communities and compliance to these policies is monitored periodically.</li> <li>• AAATA is currently compliant with laws and regulations governing the transit industry.</li> <li>• Compliance requirements for federal funding are increasing and may increase administrative costs</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• The federal, state, and local communities are supportive of clean energy transit options. This makes it easier for TheRide to plan and implement environmentally sustainable projects.</li> <li>• Green energy technology and markets are not fully developed.</li> <li>• Green energy regulations, guideline and best practices are not yet fully developed.</li> </ul>

### C. GAP analysis Update

Comparing TheRide's current (SWOT analysis) and the desired end states (Ends policies) informs on gaps that exists. Actively seeking funding, implementing of the Long-Range Plan, effective marketing and advertising are some of the key mitigation steps that will be necessary in filling existing gaps.

Table 4: GAP Analysis Table

<b>Desired End Policy</b>	<b>Current State</b>	<b>Gap</b>	<b>Mitigation</b>
<b>Increase Ridership</b> <i>(Policy 1.0)</i>  <b>Increase service frequency and connectivity</b> <i>(Policy 1.3)</i>	-Ridership is steadily increasing but fleet size limits how far ridership can grow.	-The garage is full and cannot accommodate additional fleet. -Untapped rider markets -Current bus frequency makes transit less favorable -Increase ridership by reaching regional markets	-Expand infrastructure (garage and terminals) -Increase transit frequency - Targeted marketing and advertising -Influence transit supportive developments and policies -Review regional park and ride options.
<b>Equitable accessibility</b> <i>(Policy 1.1)</i>	TheRide complies with all FTA equitable accessibility requirements, but desires to do better.	-Not all bus stops near sidewalks are accessible <i>(This was the main point that needed to be addressed per the Ends policy Monitoring Report)</i>	-Secure funding -Secure permits -Make bus stops near sidewalks accessible
<b>Positively impact the environment</b> <i>(Policy 1.2)</i>	-TheRide has a Fleet Transition Plan that will begin with a pilot project of two hydrogen buses.	-Under-developed green energy technology -Under-developed energy markets -Funding of the transition plan	-Beginning with a pilot project allows TheRide to understand it capacities and challenges as well as allow time for technology and markets to mature -Actively seek funding options
<b>Increased customer satisfaction</b> <i>(Policy 1.4)</i>	High Customer Satisfaction 92%	Although customer satisfaction is high, TheRide can continuously seek ways to improve.	-Quality checks and controls in all operational areas with the goal of continuous improvement.
<b>Support and credibility in the Community</b> <i>(Policy 1.5)</i>	TheRide enjoys support from our communities. Aug millage 2022 Passed.	N/A	N/A

#### D. Evaluating Potential Initiatives: Key Criteria

The Board's policies outline desired outcomes/goals and operational expectations. It is up to the CEO and staff to recommend initiatives, projects, and expenditures that will make progress in achieving the goals identified by the Board. Staff seek public and stakeholder input, as well as advice from the Board, as they develop these recommendations. To be effective stewards of resources, TheRide evaluates initiatives by considering questions such as:

1. **Goal Alignment:** Does the initiative help to advance the Board's desired outcomes (e.g., ridership growth; social, environmental, economic sustainability; customer satisfaction, etc.)? Is it in line with our values and business principles? Does it mesh with what we do, for whom and at what cost? Are we proactively advancing our own goals, or just reacting to outside demands/agenda? Is the idea more appropriate for another organization?
2. **Benefits & Viability:** What benefit does the proposal create and for whom? Has success been clearly defined, or will it be hard to determine? Is the proposal likely to reach its stated goals? Can it economically reach the scale our agency would need? How have similar ideas fared in the past?
3. **Cost-Effectiveness & Tradeoffs:** Are *realistic* assessments of lifecycle costs available? Is the benefit potentially worth the investment of limited resources? How important is this compared with our other needs? Can we afford it? Would approval create additional future precedents or costs?
4. **Risks:** Have risks such as financial, safety, liability, organization capacity, etc. been clearly and realistically identified? What risks does the initiative pose now or in the future? Are the risks acceptable? Could it create problematic precedents? Could it over-extend our limited resources? Are any risks being over or undervalued to influence the decision? Conversely, what is the risk of *not* pursuing?
5. **Alternatives:** Are there other ways of achieving similar results with lower costs or risks? If options are too limited, can the assumptions be revisited to change the parameters?
6. **Capacity:** Does TheRide have the expertise or resources to pursue the initiative now or in the future? Are we over-extending our staff or financial resources?
7. **Sequence and Readiness:** How ready is the initiative to proceed? Do other steps logically need to come first? Is there a risk of proceeding too soon? What are the impacts of deferral?



# Business Plan Questions & Answers

This section will be used to address questions asked in the Business Planning Process for ease of accessibility and transparency.

## **Q1. How does TheRide account for work happening in the community that has the potential to affect ridership?**

TheRide exists to serve the community. TheRide works with community agencies to meet people where they are in order to simplify the use of services. Currently, there are 33 community agencies within the larger Ann-Arbor -Ypsilanti area and they have in the past facilitated the issuance of 46% of the Fare Deal cards. These local agencies include local clinics and hospitals, senior housing agencies, correction agencies, shelters, Department of Health and Human Services among others.

TheRide is also interested in partnering in the planning of **future** community developments. As noted in Projects 2, 18 and 30 of this Business Plan, TheRide is working on developing an advocacy agenda from which advocacy efforts will be clear moving forward. These agenda will be used to influence transit land use policies and development. TheRide is also participating and supporting ongoing community projects such as the A2 Comprehensive Plan, Downtown Development Authority (DDA) downtown circulation study, Michigan Department of Transportation (MDOT) Us-23 and M-17 studies.

Benchmarking with other agencies allows TheRide to identify potential opportunities for partnering with the communities to increase ridership. Project 6: Youth Ridership Exploration is a result of such work, and it includes staff working with local youth markets to identify opportunities where TheRide can support by providing transportation options or expanding on current provisions.

## **Q2. How do you compare your metrics to other agencies (for context)?**

Every agency has different population densities, demographics, budgets, service types (rural vs. urban), land planning and developments etc., And therefore, it is not possible to have an apples-to-apples comparison of transit agencies. However, the Transit Cooperative Research Program, established by the Federal Transit Administration has developed a likeliness score that groups transit agencies based on the characteristics mentioned above and more for effective benchmarking purposes. Every year, TheRide compares its ridership, ridership per capita and its cost per rider with a national peer average which is made up of agencies nationwide that are most likely to have the same characteristics as TheRide. This information is updated annually in the National Transit Database, and a comparison of TheRide's performance and that of the national peer average calculated and provided to the Board every year. (Ends Report Monitoring).