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|------------------------|------------|----------------------|------------------------------|--|
| <b>File #:</b>         | 12-1399    | <b>Version:</b> 1    | <b>Name:</b>                 | 11/19/12 Act 196<br>Authority Res to<br>Withdraw |
| <b>Type:</b>           | Resolution | <b>Status:</b>       | Introduced from Council      |  |
| <b>File created:</b>   | 11/19/2012 | <b>In control:</b>   | <a href="#">City Council</a> |  |
| <b>On agenda:</b>      | 11/19/2012 | <b>Final action:</b> |                              |  |
| <b>Enactment date:</b> |            | <b>Enactment #:</b>  |                              |  |

**Title:** Resolution to Withdraw from New Act 196 Public Transportation Authority in and for Washtenaw County and Terminate the Public Transportation Agreement between the City, AATA, Washtenaw County and the City of Ypsilanti

**Sponsors:** [Stephen Kunselman](#), [Jane Lumm](#)

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### **Title**

Resolution to Withdraw from New Act 196 Public Transportation Authority in and for Washtenaw County and Terminate the Public Transportation Agreement between the City, AATA, Washtenaw County and the City of Ypsilanti

### **Memorandum**

The Public Transportation Authority Act (Act 196 of 1986, as amended) provides for withdrawal from a public authority under the Act. Specifically, Section 8 of the Act provides a political subdivision that is part of an authority under the Act to withdraw from the public authority until the expiration of the thirtieth day following the date the public authority is incorporated or until the expiration of the thirtieth day after receiving notification from the newly formed public authority, whichever is later.

Washtenaw County filed the Articles of Incorporation for the new public authority known as the Washtenaw Ride on October 3, 2012. Every city, village and township within Washtenaw County become members of the new public authority unless they exercise their rights to withdraw from the authority under Section 8 of the Act.

Several communities, named in the Resolution, have elected to withdraw from Washtenaw Ride within the thirty-day period after incorporation (Oct 4-Nov 2) but the right to elect to withdraw did not close on the thirtieth day after incorporation. Under the Act, the withdraw period continues to run until thirtieth days after receipt of notification from the Washtenaw Ride, or Washtenaw County as the incorporator and sole member of the Washtenaw Ride, of notice of the right to withdraw from the authority. The City has not yet received such notice.

The incorporation of the Washtenaw Ride did not create an operational countywide authority.

Washtenaw Ride has no assets, funding or staff. The transit plans for the Washtenaw Ride envisioned a multi-jurisdictional transit system with a regional approach to planning and services but the number and geographic location of the municipalities that have opted-out to-date make this goal unrealistic.

The City's withdrawal from the Washtenaw Ride allows the City to terminate the four-party Public Transportation Agreement. Section 12(b) reads in part:

"In the event the City of Ann Arbor exercises [its right to withdraw under MCL 124.458], the City of Ann Arbor may immediately terminate this agreement upon written notice to the other parties."

Withdrawing from the Washtenaw Ride and terminating the Public Transportation Agreement does not jeopardize existing Ann Arbor transit services. The Agreement between AATA and the City designating AATA as the operating agency to provide mass transportation services for the City to the public remains in place.

By withdrawing from the Washtenaw Ride and exercising the City's right to terminate the Public Transportation Agreement, the City allows for greater public input in the future of regional transportation while maintain the status of existing transit services to City residents.

#### **Staff**

Sponsors: Councilmembers Kunselman and Lumm

#### **Body**

Whereas, Pursuant to Washtenaw County Resolution No. 12-0117, adopted August 1, 2012, the Washtenaw County (the "County") made its approval of the Public Transportation Agreement between County, Ann Arbor Transportation Authority (the "AATA") and the Cities of Ann Arbor and Ypsilanti and its authorization of the filing of the Articles of Incorporation for a new Act 196 Authority (the "Washtenaw Ride") contingent on AATA prior to such filing publishing details of service and funding in newspapers of general circulation in Washtenaw County and letter notification being sent to each city, village and township elected official in Washtenaw County alerting them to the County's intention to file said Articles of Incorporation; which contingencies were completed to the satisfaction of the County;

Whereas, The City of Ann Arbor City Clerk received the letter notification required under Washtenaw County Resolution No. 12-0117 on October 3, 2012, a copy of which is maintained in the City's public records;

Whereas, On October 3, 2012, the County filed Article of Incorporation pursuant to and in accordance with Act 196 of the Public Acts of 1986, as amended (the "Act"), forming the Washtenaw Ride, a public transportation authority in and for Washtenaw County;

Whereas, Section 8(7) of the Act requires an authority formed under the Act to notify all political subdivisions included in the authority of their right to withdraw from the authority and that the notified political subdivision has thirty (30) days after receiving the notification to withdraw from the authority pursuant to Section 8(5) of the Act;

Whereas, Section 8(5) of the Act allows a political subdivision that is part of an authority under the Act to withdraw from the public authority until the expiration of the thirtieth day following the date the public authority is incorporated or until the expiration of the thirtieth day after receiving notification under Section 8(7), whichever is later;

Whereas, Pursuant to and in accordance with the Act and the filed Articles, the Washtenaw Ride became operative and the Articles effective on the thirtieth day after filing with a membership consisting of its incorporating political subdivision, Washtenaw County until the expiration of the statutory withdrawal period;

Whereas, City of Ann Arbor has the statutory right to elect to act to withdraw from the Washtenaw Ride based on either time period established by Section 8(5), specifically on or before the thirtieth day following incorporation (being on or before November 2, 2012), or to postpone such action until receipt of notification from the Washtenaw Ride, or Washtenaw County, as incorporator and sole member of the Washtenaw Ride, on its behalf, of the City's statutory right to withdraw;

Whereas, Pursuant to Section 12(b) of the Public Transportation Agreement, approved and executed by the City, the City reserved its right to exercise its statutory right to withdraw from the Washtenaw Ride;

Whereas, The City will continue to receive public transportation services from AATA and AATA remains the contracting agency for use of the 2.5 mills tax levy pursuant to and in accordance with the Agreement executed by and between the parties for such services entered into September 30, 1974;

Whereas, All of the following municipalities have withdrawn from the Washtenaw Ride: Ann Arbor Township, Augusta Township, Bridgewater Township, Chelsea, Dexter Township, Freedom Township, Lima Township, Lyndon Township, Manchester, Manchester Township, Northfield Township, Pittsfield Township, Salem Township, Saline Township, Scio Township, Sharon Township, Superior Township, Sylvan Township, Webster Township, York Township and Milan; and

Whereas, The number and dispersed geographic locations of the municipalities which have elected to withdraw from the Washtenaw Ride make one integrated, cohesive transportation system for Washtenaw County an impossibility at this time;

Resolved, That the City of Ann Arbor, by adoption of this resolution by City Council, hereby withdraws from the Washtenaw Ride effective immediately;

Resolved, That pursuant to and in accordance with Section 12(b) of the Public Transportation Agreement, the City of Ann Arbor, by adoption of this resolution by City Council, hereby exercises its right to immediately terminate the Public Transportation Agreement; and

Resolved, That the City Clerk is directed to provide notice of said withdrawn together with a certified copy of this resolution to Washtenaw County, as the sole member of the Washtenaw Ride, and the Ann Arbor Transportation Authority and notice of the City's termination of the Public Transportation Agreement to each of the parties to the Agreement pursuant to Section 13(a) of the Agreement.