

**LANE TRANSIT DISTRICT BOARD OF DIRECTORS
STRATEGIC PLANNING WORK SESSION**

**Monday, June 9, 2008
3:00 p.m. to 7:00 p.m.**

**LTD BOARD ROOM
3500 E. 17th Avenue, Eugene**
(off Glenwood Boulevard in Glenwood)

Public testimony will not be heard at this meeting

Work Session Objectives:

1. Establish a range for budget reductions for 2009-10
2. Provide direction on budget reduction options
3. Provide direction on options for new or additional revenue
4. Determine process and schedule for budget reductions, including public involvement

AGENDA

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- | | |
|---|----|
| 1. Welcome | |
| 2. Latest Budget Information (payroll tax receipts, fuel cost, etc.) | |
| 3. Service Reduction Options | |
| ◆ Productivity emphasis (maintain corridor service; service reductions in neighborhood, span of service, possibly Sunday service) | |
| ◆ Coverage emphasis (maintain existing coverage; service reductions in frequency of corridor service and cross-town service) | |
| ◆ Maintain current service emphasis (service reductions spread out among corridors, neighborhoods, and span of service) | |
| 4. Other Possible Cost Savings | |
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| 5. Revenue Options | 16 |
| ◆ Increase fares (and other user fees) | |
| ◆ Planned funding requests | |
| ◆ Possible LTD funding requests | |
| ◆ Possible transit funding requests requiring approval by others | |
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| 7. Long-Range Financial Plan (assuming recommended changes to budget) | 22 |
| 8. Board Discussion/Direction | |

**Lane Transit District
Staff Proposed Materials and Services Budget Reductions
For Board Work Session June 9, 2008**

Departments	FY 09 Approved Budget	Staff Proposed Reductions	Revised Budget
General Administration	184,100		184,100
Governmental Relations	140,100		140,100
Finance	95,400		95,400
Information Technology	532,000		532,000
Human Resources	324,800	51,900	272,900
Service Planning	15,000		15,000
Marketing	402,500	52,900	349,600
Graphics	19,800		19,800
Accessible Services Administration	14,000		14,000
Planning and Development	19,700		19,700
Commuter Solutions Administration	-		-
Facilities Services	957,600	25,000	932,600
Transit Operations	715,700	80,000	635,700
Transit Operations - Training	39,400		39,400
Customer Service Center	29,600		29,600
Maintenance	5,290,900	50,000	5,240,900
Total Materials and Services	<u>8,780,600</u>	<u>259,800</u>	<u>8,520,800</u>
Insurance	<u>1,099,400</u>	<u>100,000</u>	<u>999,400</u>
Total M & S and Insurance	<u><u>9,880,000</u></u>	<u><u>359,800</u></u>	<u><u>9,520,200</u></u>

Human Resources

Remove compensation study -- \$12,000
Reduce recruitment expenditures -- \$39,900

Marketing

Move costs related to Park & Ride Leases to special services contractors -- \$22,500
Reduce printed and miscellaneous program materials -- \$20,400
Reduce media production and placement -- \$10,000

Facilities Services

Reduce cleaning services for Glenwood facilities -- \$5,000
Adjust thermostat set points for utility savings -- \$10,000
Reduce contractual services -- \$10,000

Transit Operations

Reduce contracted security by CSO reimbursement -- \$26,000
Reduce contracted security by one security position -- \$54,000

Maintenance

Adjust thermostat set points for utility savings -- \$20,000
Reduce paper products, tools, and towing line items -- \$20,000
Reduce contractual services line item -- \$10,000

FY 2009-10 Budget Development Process and Schedule

2008

- Jun 9 - Board Strategic Work Session: Board sets budget reduction target and provides direction on budget reductions and revenue options.
- Jun 18 - Board takes action on fare increases (emergency ordinance)
- Jul 1 - Fare Increases take effect
- Jun-Sep - Service planners develop options for service reduction
- Other possible budget reductions investigated
- Jun-Dec - Prepare for 2009 Legislative Session
- Revenue options investigated further
- Oct-Nov - Open houses and other public communication on possible service reductions
- Nov 10 - Public Hearing on service reductions
- Dec 8 - Public Hearing on service reductions
- Dec 17 - Board decision on service reductions

2009

- Jan 5 - Legislative Sessions Starts
- Feb 9 - Public Hearing on fare increase
- Mar 9 - Public Hearing on fare increase
- Mar 18 - Board consider fare increases for FY 2009-10
- Apr 29-30 - Budget Committee Meetings
- Jun 17 - Board adopts FY 2009-10 budget
- Jun 30 - Legislative Session ends
- Sep 20 - Service reductions implemented

Note: The Board will be provided updates on the budget and budget-related work at virtually every Board meeting.

Budget Reduction Options: Capital Expenditures FY 2009 through FY 2011

The Capital Fund is used for items or projects that cost at least \$5,000 and are expected to last at least three years. This includes relatively small items such as computers and other office equipment, and large projects such as LTD's operating base, transit stations, and EmX lines.

The impact of capital expenditures on operations funding is not direct. Capital expenditures are funded primarily with federal grants. Typically, federal funds pay for 80 percent of a capital item, with the remaining 20 percent from LTD. There are limitations on the use of federal funds for operations. In addition, capital items are generally one time expenditures, while operating costs are typically annual expenditures. Thus, funding operations with savings from the reduction or elimination of capital projects must determine how to allocate a one-time savings for an ongoing expenditure.

The Federal Transit Administration (FTA) provides both discretionary funds (Section 5309) and formula funds (Section 5307). Projects funded with discretionary grants are typically determined by Congress and the funding can only be used for the designated project. If a project funded by a discretionary grant is reduced or eliminated, only the reduction in required local match would be available for operations.

Formula funding is allocated annually directly to LTD and currently totals about \$4 million per year. While generally intended for capital, formula funds can be used for certain types of operating expenditures; FTA allows formula funds to be used for fleet maintenance and elderly and disabled transportation. Thus, the full reduced cost resulting from the elimination or reduction of projects funded with Section 5307 formula funds can theoretically be applied directly to these elements of the operating budget. A potential problem with that approach is that dedicating capital grant funding to operations can create a dependency on that funding and make it difficult to restore the funding for capital needs in the future.

The following options result in the elimination, reduction, or delay of a capital expenditure, which in turn, reduces the needed transfer of funds from the General Fund to the Capital Reserve Fund. There is also one option of a sale of a locally-funded asset. The analysis considers capital expenditures within the next three years (through FY 2010-11).

Sale of Asset

LTD owns property near 2nd Avenue and Garfield Street adjacent to the RideSource facility that is vacant and intended for possible future expansion. The property was purchased with local funds and is valued at approximately \$1 million. LTD could sell this asset (there are willing buyers) and transfer the funds to the General Fund.

The primary drawback to this option is the loss of property available for future expansion. Appropriately located, industrially zoned property is becoming increasingly scarce and expensive. Staff do not recommend the sale of this asset.

Recommended Elimination, Reduction, or Delayed Capital Expenditures

1. Fare Management

Current Budget: \$3,000,000 (\$500,000; \$1,500,000; \$1,000,000)
Funding Source: FTA 5307 (formula)
Proposed Budget: \$1,500,000
Local Match Savings: \$300,000

This project is intended to implement a new system-wide fare management system for LTD, including the installation of a self-service fare system on the EmX corridor (both Pioneer Parkway and Franklin). The reduced budget would limit the project to meeting the needs of EmX, but not address improvements to the rest of the system.

There are 34 separate platforms on the combined Franklin-Pioneer Parkway EmX corridor. This budget assumes two fare machines at the Eugene Station, Springfield Station, and Gateway Station, and one at each of the other station platforms, with each machine costing approximately \$40,000. Staff conducted a rudimentary cost-benefit analysis of installing the fare collection system on this extended EmX line. It was determined that added fare revenues would exceed fare collection costs by about \$100,000 per year, even using conservative fare payment estimates.

2. Traveler Information

Current Budget: \$1,200,000 (\$300,000 each FY 2008-FY 2011)
Funding Source: FTA 5307
Option 1: Proposed Budget: \$400,000
Section 5307 Savings: 640,000
Local Match Savings: \$160,000
Option 2: Proposed Budget: \$0 (delay purchase to 2011-12 or beyond)
Section 5307 Savings: \$960,000
Local Match Savings: \$240,000

LTD has developed software to provide real-time passenger information for EmX. The original budget assumed development of the system by others. That more expensive option need not be considered at this point. Option 1 assumes completing the installation on Franklin and Pioneer Parkway (31 platforms at about \$11,000 per platform plus some additional funds for software development)) by purchasing hardware and installing the displays. Option 2 would put the implementation on hold until after FY 2011.

3. Gateway Park & Ride

Current Budget: \$2,000,000 (all in FY 2008-09)
Funding Source: FTA 5309 (discretionary)
Possible Budget: \$0
Local Match Savings: \$400,000

This project, a United Front request for this year, would fund the purchase and construction of a Park & Ride lot somewhere near Gateway and Beltline. While some possible sites have been discussed, no site has been secured and the funding has not been approved. A Park & Ride at this location would be very attractive, and should a viable option arise, we may want to discuss some potential funding options. However, given the uncertainty of both the site and the funding, elimination of this item from the CIP is recommended.

4. CAD/AVL/APC Replacement

Current Budget: \$2,500,000 (1,500,000 in FY 2010; \$1,000,000 in FY 2011)
Funding Source: FTA 5307
Proposed Budget: \$0 (delay purchase to 2011-12 or beyond)
Section 5307 Savings: \$2,000,000
Local Match Savings: \$500,000

Replacement of the AVL/APC system is currently programmed for 2009-10 and 2010-11. This proposal would push that out until 2011-12 or beyond.

Other Possibilities

The CIP includes many smaller items that could be considered for elimination or delay. The following discussion focuses on the major items and provides a rationale as to why they should not be considered for elimination, reduction, or delay.

5. Replacement/Expansion Buses

Current Budget (Debt Service): \$2,400,000
Funding Source: FTA 5307
Section 5307 Savings: \$1,920,000
Local Match Savings: \$480,000

The current CIP assumes the purchase of 30 buses (28 replacement and two expansion) in 2009-10. This purchase replaces buses that will be 16 years old in 2010. This is well beyond their programmed life span of 12 years and even beyond LTD buses' typical life span of 15 years. Please note that this purchase will need to await the reauthorization of SAFETEA-LU, the federal surface transportation bill, which is scheduled for October 1, 2009, but will almost assuredly be significantly later than that. Thus, the planned 2009-10 purchase may be pushed into FY 2010-11 or possible even later.

This purchase is assumed to be debt-financed. Thus, the savings indicated are for the debt issuance costs of \$500,000 and the first annual payment of \$1.9 million.

6. Hybrid Propulsion for buses

Current Budget (Debt Service): \$2,400,000, including \$500,000 upfront costs
Funding Source: FTA 5307
Alternate Budget: \$1,800,000
Section 5307 Savings: \$480,000
Local Match Savings: \$120,000

The current CIP assumes that future buses will have hybrid-electric propulsion. This feature increases the cost of a 40-foot bus by approximately 30 percent, but results in reduced long-term operating costs. The available data suggests that the operational savings offset the initial cost, but that is based on limited operating experience. Staff suggest waiting until Spring 2009 to make the decision as to whether or not to purchase hybrid propulsion.

7. Pioneer Parkway EmX

Current Budget: \$37,000,000
Funding Source: FTA 5309, *ConnectOregon*
Local Match: \$2,000,000

This project is committed. In addition, the local match used for this project is only 5 percent of the total cost.

8. West Eugene EmX

Current Budget: \$2,500,000
Funding Source: FTA 5309
Local Match: \$500,000

This project involves commitments with partner agencies. In addition, Representative DeFazio has helped secure dedicated funding for this project and is a strong proponent for EmX expansion. Discontinuing this effort would be seen by project opponents as their victory, and would also greatly reduce the chance that a third EmX corridor would be constructed within the six-year window of the next federal surface transportation bill.

It should be noted that the primary cost for the project is for construction and is outside the three-year window of this analysis. That construction cost is assumed to be entirely funded by federal and state grants and would not impact the LTD General Fund.

9. Bus Plus (Progressive Corridor Enhancement)

Current Budget: \$1,890,000
Funding Source: FTA 5309
Local Match: \$378,000

This discretionary funding was approved several years ago and was intended to fund corridor improvements, including some elements of EmX. Some of the funds have been spent on signal priority and an articulated bus. The remaining funds are programmed to continue with signal priority system testing and development, with much of the remaining funding currently uncommitted. However, these funds can be used for additional items that have been added to the Pioneer Parkway EmX corridor, including a sixth vehicle.

Staff Recommendation

The recommended changes to capital projects (items 1 to 4 above) would reduce expenditures during the next three years as follows:

Eliminated Section 5309:	\$1,600,000
Eliminated Section 5307:	\$2,140,000
Eliminated Local Match:	\$ 760,000
Delayed Section 5307:	\$2,000,000
Delayed Local Match:	\$ 500,000

These changes would allow an additional \$1,000,000 per year to be used for operations during the next three years. It is recommended that the long-range plan assume that the use of Section 5307 funds for operations be phased out over the subsequent three years, so that six years from now and beyond all Section 5307 formula funds would be available for capital needs.

Budget Reduction Options: Materials and Services FY 2008-09

The budget for Materials and Services was evaluated for possible budget reduction. The single biggest item in this budget is fuel, which is not discretionary. There are many other items within this category that also are not discretionary or are considered essential to operations. The remaining items were considered on a department-by-department basis. The attached list includes savings recommended by staff. These savings total \$359,800.

It should be noted that a similar budget reduction exercise in 2001 resulted in significant cuts in the Materials and Services budgets. Many of the items reduced in 2001 have not been reinstated.

Staff Recommendation

Staff recommend that the Materials and Services budget be reduced as recommended. These reductions will carry through to subsequent years, with increases limited to inflationary changes. Future additions to the M&S budget will be considered as funding becomes available.

Budget Reduction Options: Administrative Personnel FY 2008-09

One option to address a budget shortfall is to reduce staff. The number of bus operators is determined by the amount of service that is provided. Less directly, mechanics and other service-related employees also are determined by the level of service that is provided. Remaining staff are not directly tied to service, but provide critical support for service and other LTD programs. The District's strategic plan has a performance objective to maintain administrative overhead expenditures at less than 20 percent of the operating budget. Currently, overhead expenses are approximately 17 percent of the General Fund budget.

In 2001 budget problems resulted in the decision to eliminate nine administrative positions. Since that time, new positions to meet specific needs have been added. These positions do not necessarily correspond directly to the positions that had been eliminated. Non-contract staff numbered 81 in July 2001 (prior to the staff reduction). In July 2002 the number of staff had dropped to 72.5. Currently there are 82.45 non-contract staff.

The following positions have been added since the staff reduction occurred in 2001:

Funded by the General Fund

- ◆ 2005: IT Support Technician I (Information Services)
- ◆ 2005: Facilities Maintenance Generalist (Facilities Services)
- ◆ 2006: Training Specialist (Human Resources)
- ◆ 2006: .5 FTE Administrative Secretary (General Administration)
- ◆ 2007: Maintenance Technical Supervisor (Maintenance)
- ◆ 2007: IT Support Technician 2 (Information Services)

Funded with Grants

- ◆ 2004: School Transportation Project Assistant (Commuter Solutions)
- ◆ 2005: Employer Program Specialist (Commuter Solutions)
- ◆ 2006: .5 FTE Accessible Services Coordinator (Accessible Services)
- ◆ 2007: Human Services Transportation Coordinator (Accessible Services)
- ◆ 2008: Software Engineer (Information Services)

In 2006 the position of government relations manager was eliminated, with the duties of that position assigned to the assistant general manager.

The budget passed by the Budget Committee this past April included two new positions. One position (the Software Engineer listed above) is funded by the new *RideSource* Call Center and has limited impact on the General Fund. The other position is a new Risk Manager in the Human Resources Department. As a result of the projected budget deficit, the Human Resources Department has found a way to reassign staff responsibilities and remain at their current staffing level (though a vacant position will be replaced by the higher grade Risk Manager position).

Further reductions in administrative staff are not proposed. Staff workloads are such that a reduction in staffing can only be accommodated by a reduction in work. In fact, new federal regulations regarding Title VI (civil rights) and Drug and Alcohol testing have created additional work, which may require the elimination of some existing projects or work tasks even without a reduction in the workforce.

Staff also considered staff furloughs, a required reduction in work hours (and pay), and salary freezes. The first two items result in a loss of staff resources and would create workload issues and possible morale problems. Freezing salaries also has a potential morale problem, has a fairness issue (since contract employees wages would not be frozen), and could create some long-term issues in keeping salaries competitive in the marketplace.

Staff Recommendation

Staff recommend that the personnel budgets be left as is, with the exception that only one of the two vacant positions in the Human Resources be filled (as described above).

Revenue Options

One way to address an operating budget shortfall is to increase revenues. The revenue options discussed in this document have been split into four categories: (1) Fare increases (and other user fees); (2) Planned funding requests; (3) LTD funding options; and (4) Transit funding options requiring approval by others.

This document provides a cursory overview of some options for increasing revenues. This is not an exhaustive list, nor have these options been fully investigated. The Board is asked to provide staff with direction that can guide further research and investigation.

1. Fare Increases (and other user fees)

At the Board meeting on May 21, 2008, the Board directed staff to pursue several changes to fares, including an increase in monthly pass prices, an elimination of tokens and three-month passes, and an increase in the effective age for the senior reduced fare--from 62 to 65 years of age. The Board will hold a public hearing and consider approval of these items on June 18, 2008. These fare changes would be in addition to the increase in cash fares and increase in the group pass rate that the Board had approved earlier. All the changes would take effect July 1, 2008, with the exception of the group pass rate change, which would take effect on January 1, 2009. The new fare increases to be considered on June 18 are expected to generate approximately \$200,000 in revenue.

There are limited opportunities for increases in other user fees. An option that could be considered is to charge for the Rider's Digest (currently issued at no charge). The District also could pursue additional opportunities to sell advertising. This could include advertising on the inside and/or outside of the EmX buses and advertising on bus shelters and stations.

ORS 267.320 limits user charges, fees, and tolls to those "who are served by or use the transit system and other facilities and services of the District."

2. Planned Funding Requests

Under the leadership of the Oregon Transit Association, LTD and other transit systems in the state are pursuing a request to the 2009 State Legislature for increased funding for transportation services for the elderly and people with disabilities (E&D). An increase in state funding for E&D transportation services would reduce the required transfer from the LTD General Fund to the Accessible Services Fund, making those funds available for fixed-route service. The amount to be requested is being determined by a statewide process that includes a steering committee, a small team of graduate students working under a lead researcher at Portland State University, and a working group of transit providers and users. A draft report will be available for public comment by mid-summer, with the final report due to the Legislature by September.

LTD also is working with the American Public Transportation Association to discuss a possible federal role in funding E&D transportation. This option would seem to be less

probable than the State funding. Another idea being considered at the federal level are a carbon cap and trade system that could provide funding for transit.

Capital funding requests, which are made annually as part of the appropriation process and every six years as part of the reauthorization of the federal surface transportation bill, can help the operational budget. Discretionary funds that offset planned use of formula funds provide the opportunity to use the formula funds for allowable operational expenses.

3. LTD Funding Options

The authority of LTD to finance its system is generally articulated in ORS 267.300 to 267.430, except that there are further limitations found in the motor vehicle code.

Income tax

The District may impose an income tax (ORS267.370) on individuals and/or on business income. However, the statute limits that tax rate to 1% and requires that if such a tax is levied, the District must credit the amount of the employer's payroll tax paid to the District.

Property taxes

While the District could enact a property tax, the total amount of taxes individual properties are required to pay is constitutionally limited. As a result, some taxable areas may be in compression. That is, if all taxing districts total more than the allowable amount, each district's rate would be reduced proportionately to its share of the total. This could mean that by enacting a property tax, LTD might affect the total tax revenues to some other political subdivision within its boundaries. If the Board chooses to pursue a property tax, an analysis of compression and other possible barriers would be required.

Revenue sources not identified in ORS 267.300

The list of revenue sources in the statute has historically been considered limiting. That is, LTD would not be authorized to collect revenue from a source not listed, other than an appropriate user fee, as explained below. However, the District has general powers to "do such other acts or things as may be necessary for the proper exercise of the powers granted to a district by ORS 267.010 50 267.390" (ORS 267.200[11]). If the District determined that ORS 267.300 was a general, not finite, list, it could attempt to impose some other tax or revenue source and wait to see if it were challenged. The safer course would be to determine what revenue source was to be explored, and as in the case of vehicle registration fees, LTD could seek a legislative act to amend or expand the list.

ORS 267.320 limits user charges, fees, and tolls to those "who are served by or use the transit system and other facilities and services of the district."

4. Transit Funding Options Requiring Approval by Others

There are options for new transit revenue that would require action by the State, the County, a city, or the voters.

State Options

Increase in the maximum payroll tax rate

The State Legislature sets the maximum payroll tax rate for Tri-Met and LTD. In 2003, the Legislature increased the maximum rate from .006 (0.6%) to .007 (0.7%), with the increase to be phased in over a ten-year period. LTD is currently implementing that increase. The Legislature could increase the maximum rate further. Every 0.1% of payroll tax generates approximately \$4 million annually. The Legislature could also decide to allow LTD and Tri-Met to increase the payroll tax rate to the maximum allowable rate immediately, rather than phasing the increase over a ten year period.

Expand the payroll tax

Lane Transit District is not authorized to collect the employer payroll tax from local governments, but TriMet has included local governments (except schools) in its employer base since 1989. LTD could seek a legislative bill to give it the same authority. Because the City of Eugene and Lane County are among the largest employers in the area, this would add significantly to the current payroll tax revenue.

Vehicle registration fees

TriMet is the only transit district authorized to impose vehicle registration fees. That power is articulated in ORS 801.237, which defines "district" as: "a mass transit district or transportation district of over 400,000 persons established under ORS 267 and a metropolitan service district of over 400,000 persons established under ORS 268."

Vehicle registration fees are limited to the amount of the state's fees, which currently is \$27/year for passenger cars. The Driver and Motor Vehicles Services branch of ODOT reports that there were 301,915 passenger vehicles registered in Lane County in 2007 (multiplied by \$27 equals \$8,151,705). Voter approval is required in order for TriMet to impose a vehicle registration fee.

LTD could seek a legislative act to amend that statute, but such an amendment would probably include Salem Keizer Mass Transportation District, which may or may not help its passage. Because this provision is part of the motor vehicle code, the District would need agreement from ODOT to be successful.

Lane County Options

Parking Space Fee

This would be a fee on every off-street parking space in the LTD area, with the fee collected by the County and dedicated for transit. This could also be implemented by Eugene or Springfield, though then different portions of the LTD service area would be

treated differently, which could possibly run afoul of the uniformity clause of the constitution that states that taxpayers have to be comparably treated.

Congestion Fee

It is not clear how this fee would be assessed and collected. There is new technology emerging that could allow for fees to be charged based on vehicle miles traveled. There are also congestion pricing demonstration projects that are being tested in some cities.

City Options

Systems Development Charge (SDC) for Transit

SDCs are charges on development imposed by general purpose governments. Eugene and Springfield charge SDCs, with the funds used to provide capacity-increasing infrastructure required by development. Transit is an eligible use of SDC funds, though the funds could only be used for capital expenditures. If LTD had SDC funding, that could be used as the local match for federal funds, which would reduce the need to transfer General Fund dollars to the Capital Fund.

Transportation Utility Fee

An option under consideration by both cities is to use a Transportation Utility Fee to pay for road maintenance. The fee, generally allocated per household and possibly included on utility bills, could be increased to provide some funding for transit operations.

Voter Options

General obligation bonds

The District could seek voter approval of general obligation bonds, to be repaid by property taxes. A vote of the District electorate would be required. Such bonds can be used for operating as well as capital, and can be repaid over a relatively long period, up to 30 years.

The total of all general obligation bonds can not exceed 2.5% of the real market value of the taxable property of the District. Such bonds would fall outside the limits on general property taxes.

Staff Recommendation

Staff recommend:

1. That the increases in fares as recommended at the May 21, 2008, Board meeting be implemented.
2. That LTD actively work with the Oregon Transit Association and other state transit systems to encourage the 2009 State Legislature to approve additional funding for elderly and disabled transportation. Although we have hopes that this effort will be successful, it is recommended that additional funding not be assumed in the Long-Range Financial Plan.

3. That LTD, through various staff and Board efforts, including the participation of Greg Evans on the APTA Authorization Task Force, seek to have operational funding provided as part of the next federal surface transportation bill.
4. That the Board select two or three of the most promising potential revenue options and direct staff to investigate those options further.

Lane Transit District

Ideas for Vision

The LTD Vision – A Proposal

Regional Context – In 20 to 30 Years:

Lane County is an integrated region made up of both the Eugene/Springfield metropolitan area and the surrounding smaller cities. The region shares an economic structure based on diverse employment centers primarily in the metropolitan area, with many people choosing to live in the surrounding communities while commuting into the metro area for employment.

Eugene/Springfield is the major shopping and service center for the region with the surrounding communities lacking major stores. Retail businesses and professional services in the surrounding communities are primarily focused on day-to-day needs.

People are linked to the various major activities of life by effective and attractive transportation modes. The community's long-term investment in the Student Transit Pass Program has contributed to a strong use of transit by adults in the region. Transit plays a strong role in carrying trips, with a significant increase in ridership as a percentage of all trips as compared with current ridership levels.

Vision

1. We move people. Lane Transit District is a nimble organization that is adept at providing a range of high-quality transportation services on a daily basis and is able to respond quickly to opportunities and problems when they arise.
2. Lane Transit, as the one unit of local government that binds the region together, has taken a strong leadership role in creating an effective and publicly supported transportation plan and strategy.
3. Lane Transit has taken an increasingly strong leadership role in public policy issues concerning sustainable public finance and economic development.
4. Transit service has expanded to meet the needs and expectations of an increasingly transit-demanding population.
5. Revenues have increased to support expansions of the transit system through legislatively approved increases in the payroll tax; through major increases in taxable payroll; through new funding sources, including innovative application and expansion of the group pass concept, and local and state sources for operations; and through increased state and federal funding for major capital investments.

Lane Transit District

Ideas for Vision

6. EmX is a major framework of the urban fabric, carrying significant passenger loads among all major attractors. It is a primary home-to-work mode of transportation for all major employers.
7. With a majority of the system in place, EmX routes have stimulated new higher-density, mixed-use development near stations, which in turn, have increased ridership.
8. Lane Transit's service continues to reflect the community's values in serving the needs of the elderly, disabled, and low-income populations. This is accomplished by balancing those needs in a manner that sustains and increases the transportation independence of those populations.
9. Lane Transit provides an effective and efficient structure to foster and support ridesharing throughout the region. Ridesharing has increased as a percentage of all trips.

A Forecast – Summary of Vision Survey Responses

Values

Eugene will continue on a path of setting public policy based on sustainable values, including stressing energy conservation, improving air quality, and being carbon-neutral.

The other communities in the region will not be as strong on these sustainable issues when expressed as public policy, but will follow the lead of their citizens whose opinions will trend toward a more sustainable ethic.

Livability will drive many public policy decisions, with management of congestion and traffic safety seen as major elements of a livable community.

Freedom of movement and availability of transportation choices will continue as important citizen values.

A large number of residents of the region will make housing choices based on traditional aspirations, which will lead to a continuing strong market for lower-density housing.

Outside Influences

The volatility of the fuel supply will continue to increase, and fuel prices will continue to rise and will become permanently set at levels four to five times higher than in the 1980s (adjusted for inflation).

Effects of global warming and climate change will be more obvious and understood. As a result, these issues will be more fully integrated into public policy at all levels of government.

As a result of energy supply and climate change issues, alternative fuel and propulsion system technologies will make critical breakthroughs in non-petroleum- or minimal-petroleum-based systems, which will lead to new, practical propulsion systems. Conversion to fleets using new propulsion systems will be very expensive transitions and will require major infusions of one-time funding.

Air quality regulations will become more stringent.

Community

Eugene will continue as the largest city in terms of population, employment, and major shopping opportunities. The University of Oregon and Lane Community College each will grow at its current location and be a major trip destination.

Lane Transit District

Ideas for Vision

The region will grow at a population growth rate comparable to the State as a whole. Its livability, diverse economy, and environmental ethic will allow the region to compete successfully for both major employers and new population.

The region will continue to diversify its economic base and continue to add many other sectors to its timber-based economy. Timber-based industry will plateau at a level significantly lower than during the middle of the last century. High-technology, research, diversified heavy manufacturing, education, and the service industry sectors will all grow as the regional leadership stresses attracting and retaining a diverse economic base.

The demographic profile of the region will trend toward an aging population and a much more ethnically diverse population. The region will continue to be seen as a great place to raise families and will attract young families for both job opportunities and quality of life.

The regional will continue to be relatively affluent compared with the state average.

Patterns of Growth

Eugene will fill its existing urban growth boundary and then turn its attention to more infill of older neighborhoods. More dense housing will be developed near and within downtown and along major transportation corridors

Springfield will grow generally with conventional neighborhood development and will expand into lands to the southeast.

A significant shift in residency patterns will be seen with the communities surrounding the Eugene/Springfield metropolitan area gaining population faster than the central cities, and with most of these residents still working within Eugene or Springfield. This residency shift is due to a much greater availability of traditional neighborhood housing in the outlying communities. These cities will become more bedroom communities with population growth, but without commensurate growth in commercial, business, or industrial land uses. These communities will have small downtowns and neighborhood commercial centers serving primarily day-to-day shopping needs. Major purchases will usually be made at larger stores in the metropolitan area.

The Eugene/Springfield metropolitan area will continue as the predominant employment center, but the surrounding communities will capture a number of new larger employers that choose to be out of the metropolitan area for either economic or livability reasons.

Transportation

The automobile will remain the predominant mode of transportation. Technology may mitigate many air quality and energy consumption issues, but significant congestion will occur on major streets--especially during peak hours.

Lane Transit District

Ideas for Vision

Efforts to encourage ridesharing will be successful in increasing the percentage of ridesharing trips as a percentage of all trips.

EmX service will be expanded to link all major neighborhood, employment, and shopping areas and will generally follow the alignment of major streets.

EmX will have a high ridership level, but it will not eliminate peak-hour congestion on major streets.

Transit links will be strengthened between the surrounding communities and the Eugene/Springfield metropolitan area. EmX-style service will be in place along the major intercity commuting corridors. Ridership levels will be high--especially for commuter trips.

The District

The current revenue system, consisting of payroll tax, farebox revenue, and federal grant funding, will continue relatively unchanged.

Riding on a wave of support for sustainable initiatives, the legislature will have approved some increases in the payroll tax rate.

Fares will be increased to help cover increased operating costs, but will decrease as a percentage of all revenue as the District strives to keep transit extremely affordable. The difference will be made up by subsidies from various sources.

Federal funding will increase for capital expenditures as federal policy shifts toward funding more transit projects as a percentage of all transportation spending.

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