

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, January 17, 1996

Pursuant to notice given to *The Register-Guard* for publication on January 11, 1996, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, January 17, 1996, at 7:30 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Kirk Bailey, Vice President
Rob Bennett
Patricia Hocken, President, presiding
Dave Kleger, Treasurer
Thomas Montgomery, Secretary
Roger Saydack
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: (One vacancy, subdistrict #2)

CALL TO ORDER: The meeting was called to order at 7:35 p.m. by Board President Pat Hocken.

EMPLOYEE OF THE MONTH: Ms. Hocken introduced the February 1996 Employee of the Month, Bus Operator Tim Leberman. Mr. Leberman was hired on April 23, 1991. He was nominated by two customers for the positive way he treated all his customers and for how safe they felt when riding with him. One stated that Mr. Leberman showed that he cared and took pride in doing so, and did not hold back in expressing his concern for others. The other customer described a situation in which Mr. Leberman stopped the bus and used his authority in a positive, professional, and firm way to let a number of youths know that they were not to continue to use foul language on the bus. The customer stated that Mr. Leberman set a very good example for those riders and got them to listen to him, and that she was very appreciative of his actions. When asked what made Mr. Leberman a good employee, Transit Services Administrator Rob Montgomery said that Tim was very conscientious about his job, often taking his ideas and suggestions to the supervisors with the intent to make things better for his customers and the District. Ms. Hocken presented Mr. Leberman with his letter, certificate, and monetary award.

Mr. Leberman thanked the committee for selecting him as Employee of the Month, and said that he was very appreciative because there were a lot of qualified employees. He said he really enjoyed his job and working with the people; he took a lot of pride in his driving and watching out for everyone who may want the bus but may not be at the stop, and being extra-sensitive to people and their needs. He stated that the last three or four years had been very fulfilling; he had seen the District grow in a lot of different ways, with different routes being added and ridership increasing. He thought the District was moving toward good things in the future, with positive input with customers and service in the community. He said he enjoyed going to work every day

and that he worked with a good group of people. He said he couldn't be happier, and he wanted everyone to know that he appreciated the District.

Mr. Bennett said that the Board appreciated the opportunity to recognize employees who were making a strong effort. He wanted to tell Mr. Leberman that his willingness to step up and represent the District with respect to people's conduct on the bus meant quite a bit to him, because he knew that was not easy to do. It seemed that Mr. Leberman did it in such a way that it worked for the benefit of everyone, so Mr. Bennett wanted to express his personal appreciation. Mr. Leberman thanked Mr. Bennett. He said that when bus operators came across this problem, they had to be careful they were not accusing the wrong people, because of the problem of watching people in a little mirror in a 40-foot-long space while driving the bus. By the time he had figured out who was using the foul language, a customer also called it to his attention. He said he pulled over when he could, and he and the offenders had a little chat. Ever since, he said, they had been fine. Mr. Kleger added that he rode with Mr. Leberman quite a bit, and that it was a delight every time. Mr. Leberman said he took a lot of pride in his driving, and being a defensive driver was very important.

Transit Operations Manager Patricia Hansen introduced Mr. Leberman's wife, and informed the Board that Mr. and Mrs. Leberman met and were married on an LTD bus. Mr. Leberman explained that they were married on June 4 on the route they met on, by 5th Street Market. They chartered the bus and decorated it, and his wife entered the bus through the exit and walked up the aisle to the front, past their friends in the seats.

PRESENTATION OF AIA AWARD: Ms. Hocken introduced architect Eric Gunderson of WBGS Architecture and Planning. Mr. Gunderson explained that every two years the Southwest Oregon Chapter of the American Institute of Architects (AIA) held a design awards competition. This year there were 16 entries. One that WBGS entered as architects for the District was the University Station South that was recently completed near Prince Lucien Campbell Hall at the University of Oregon. He said that the award was unique because it acknowledged not just the architect as the designer, but the valuable role that the owner played in excellence in architecture. He stated that he was intensely proud to say that of the three major new projects that WBGS had done for the District, all three had won design awards. He thought that was a tribute to the hard work of the staff and the time that the Board gave to make that extra effort. He had wanted to take just a moment to be sure that the District received the award, which was a merit award to the architect and to Lane Transit District as the owner. He presented the award to Ms. Hocken. She thanked Mr. Gunderson for the award, and Mr. Kleger thanked him for all his good designs.

AUDIENCE PARTICIPATION: Tim Laue of Eugene said he was not testifying in an official capacity, but as a private citizen. He asked to explore a concept with the Board. He said he appreciated the Employee of the Month, because about five years ago he had ridden the bus a lot as the best way to get to the University of Oregon (UO). When he first began riding, the UO was talking about building an 11-story parking garage where the tennis courts were at 16th and Alder, and LTD had worked out a group pass program with the Associated Students of the University of Oregon (ASUO), which had been replicated throughout the community and which had increased the ridership of LTD almost 20 percent. He said he appreciated the service, particularly in the snow.

Mr. Laue said he was there as a private citizen to talk about an issue that had been before the Board--the transit site that LTD wanted to locate on the theater block. He said he had no

problem with that action. He used the marker board to draw a diagram of the streets around the site. He stated that the City of Eugene had a facilities problem that was not minor. In an earthquake of 6.0, he said, all the police cars, police operations, and the 911 center would be squashed, because they operated out of the basement of City Hall. He said that the City of Eugene had been investing in downtown over the last decade; it owned the Sears building and had an option on the Atrium that might be exercised over the next two years. A study of land use development of the west end of the downtown core included the option of programming a library where the Rice and Spice store was. He said that it seemed that the public interest was best served in this circumstance if LTD moved ahead with the transit station as proposed and granted the City air rights over the northwest corner of the station block, because if the current or any future City Council so decided, a civic complex for public use could involve all four corners of the intersection of 10th and Olive relatively easily and inexpensively, by use of sky bridges. He said he would like the Board to consider that seriously. He stated that one of the things he did aside from his public service was to manage investment portfolios. He looked at investments on the basis of cost, anticipated return, and opportunity costs. He defined opportunity costs as what happened if you did not make the investment, and whether you could put your money more effectively someplace else. For his money, and the public good in the City of Eugene, he said, that northwest corner block was one of the best public investments the City could make. He asked if the Board had any questions.

Ms. Hocken asked specifically what he envisioned. He showed sky bridges connecting a civic complex on all four corners that would serve the City of Eugene and others. He said that LTD had a very key transit facility located on the block, and that he knew that with good architectural efforts, if the City had everything 12, 15, or 20 feet and above that corner for public use, they could make it work. A high-rise office building could be one possibility. He said that there was a need for government office space in the center of town, not only for the City of Eugene, but also the State of Oregon, which had a direction from the Governor's office, as well as the school district and others. He said that they needed to concentrate those facilities, and if concentrated, those facilities were more effective in the public dollar. He said that one of the most effective spaces in the Atrium building was a two-person table just outside the door of the planning office, where staff and citizens and others met for five- and six-minute conversations. He said that it had been shown again and again in creative problem-solving, whether in science, in social sciences, or business, face-to-face interaction was better than telephone or computer interactions.

To the extent that commuters would be attracted by bus to a complex of that type, LTD would be fulfilling its mission and he would be reaching his goals.

Ms. Hocken told Mr. Laue that one issue that would enter into the Board's consideration of his proposal was how the construction of such a facility would impact the operation of the transit station. She said the District would not want to agree to something that would seriously disrupt its operations for an extended period of time without looking at ways to mitigate that. She said that this was one of her concerns about having such intense development while trying to get the buses in and out.

Mr. Bennett stated that one of the ideas of the current design of the transit station was to create an open, airy space and avoid a closed-in bus station where people were concerned about their safety. The current design would give exposure to the street and outside activity. He said that this may not be the compelling issue, but it was one the Board had thought about pretty carefully. The issue of more intensively using the site, either above or below, had been under discussion for some time. There had been a lot of pressure from the development department,

with some feeling that the District was not incurring the intensity of development that normally would occur in a site in this location, so the District was trying to weigh its own purpose and how it best presented itself over time. He said that LTD could use some more ridership, and was trying to take action in a way that gave the District the best chance to present itself and show what it had to offer in order to encourage people to ride. One of the things he would look at, he said, was whether it could be done in such a way that would not enclose that corner, maybe with a high enough ceiling. He asked Mr. Laue how important it was to him. Mr. Laue replied that to him, personally, it was very important. The opportunity costs on that site, with five to twelve stories, gave him great pause, he said. Second, it was so important to him that he was willing to compromise, because originally he was talking about the whole block. He said he also did not want to put the Board in a position where it could not take action by February 1, so what he would like was a commitment for a reasonable option and good faith discussions about what might be done. He did not want blanket air rights. A reasonable option could have written into it "design that incorporates the goals and interests of Lane Transit District as well as the interests of any others who may negotiate."

Mr. Bennett asked if Mr. Laue knew how far along the project was. Mr. Laue said he did; that was why he was offering the option. He said that Mr. Bennett knew how option negotiations worked and what was involved in them, and that was why he put emphasis on "reasonable." He said he was not saying the City wouldn't pay for it, even though it owned it on some level.

Mr. Bailey asked how Mr. Laue's idea related to LTD's already-existing plans and discussions around the building on the southwest corner of the station. Mr. Laue said that the southwest corner was quite a compromise to the northwest corner, so it did not relate.

Mr. Bennett said that he made the mistake of thinking that the discussion was around the southwest corner, the area that LTD seriously considered but could not find a user for, in terms of LTD's immediate construction. But Mr. Laue said that was not the vision he had; the intersection at 10th and Olive was very important.

LTD's Planning and Development Manager, Stefano Viggiano, said he spoken with the project architect, Eric Gunderson, about this idea. He spoke briefly about the architect's thoughts about the feasibility of this idea. Before they had heard the idea about the northwest corner, both he and Mr. Gunderson had come to the conclusion that the northwest corner would be the place where an idea like this could work. The reason was that the station design included a plaza that was about 40 feet wide and about 80 feet long. That could form the ground floor of a building, and at about 20 feet up the building could extend across the bus aisle, so it would take most of a quarter block. That would mean that part of the station would be covered, but if the building were high enough, there would be a fair amount of natural light in from the side. He said that the District and the architect had a real concern about a station that would be entirely covered, and what that did to the ambiance. However, he thought that this idea might be workable. The question was that the construction costs got much higher when building without a ground floor. Mr. Bennett said that could be determined later, and that LTD would need most of the ground floor space to continue to operate.

Mr. Bennett asked if Mr. Viggiano and Mr. Gunderson had talked about how to support the building on the side above the station. Mr. Viggiano said that they had, and it could be done, but it was a question of money. Mr. Bennett also asked if there would be any preparation that would be needed during initial construction of the station. Mr. Viggiano said that it would be cheaper to do it

now, but the building would have to be designed now in order to design the footings. Ms. Hocken added that the City would have to come up with funding now, which was not a reasonable expectation. Mr. Bennett asked if this would hold up LTD's schedule. Mr. Viggiano replied that it would, and Mr. Kleger mentioned that LTD would begin losing funds if the station project backed up too far. Ms. Loobey stated that the purchase agreement had to be signed by February 1. Mr. Montgomery said that if the District built the station and someone else had to do the footing work later, that would not be the District's problem, especially since the Federal Transit Administration (FTA) would not fund that work.

Mr. Bennett asked how long the Board had to make a response. Mr. Laue said that the Eugene City Council would be meeting the following Monday at 5:30 p.m. to make a decision. Speaking as an individual, he said, he would need LTD's response by that time.

Mr. Bennett said he realized this was not a formal meeting between the Board and Council, but he wanted to tell Mr. Laue that when he attended the City Council meeting at noon that day, he heard Jan Bohman say that one way to negotiate with LTD was to include an agreement to keep buses off Willamette. Mr. Laue said he heard that too, but she had forgotten that LTD had the right to condemn the right-of-way and use it whenever it wanted to, so there really wasn't much negotiation to be done. Mr. Bennett said he thought Ms. Bohman's statement was out of line; the Board felt very strongly that while there had been some glitches, the District had been acting in good faith, and so had the City, and the Board would be very discouraged if this became a part of the conversation. Mr. Laue agreed and said he saw no reason to get into a harangue about that.

Ms. Hocken asked, in order to know exactly where Mr. Laue stood, what would be an acceptable answer from the Board. Mr. Laue said that he was willing to be reasonable, but what he wanted to preserve in good faith was the option for the air rights above that quarter block.

Ms. Hocken thanked Mr. Laue and said that the Board would discuss what he had brought to them. Mr. Laue left the meeting.

Ms. Hocken said that later in the meeting the Board would be discussing a letter to the City about financing the purchase of the station from the City, and that would be the appropriate time to discuss Mr. Laue's suggestion.

There was no one else who wished to address the Board.

MOTION **CONSENT CALENDAR:** Mr. Kleger moved that the Consent Calendar for January 17,
VOTE 1996, be approved. Mr. Bennett seconded, and the motion carried by unanimous vote. Items on the Consent Calendar were the minutes of the November 29, 1995, special Board meeting, the November 30, 1996, special Board meeting, the December 13, 1995, special Board meeting, and the December 21, 1995, regular Board meeting.

LTD AMERICANS WITH DISABILITIES ACT (ADA) PARATRANSIT PLAN 1995-96:

Ms. Hocken commented that the 1995-96 update of the ADA Paratransit Plan was only one page this year. Transit Planner Micki Kaplan stated that the ADA required that LTD file a paratransit plan and annual plan update. She said that LTD had done this for about the last five years. She reminded the Board that LTD had been in full compliance with the ADA since September 1993. Despite full compliance, the District had been documenting that compliance with multi-page

documentation. This year, the FTA had reduced the reporting requirements for transit districts in full compliance, so the update was a one-page assurance form that LTD still was in compliance with the ADA. Ms. Kaplan asked the Board to approve the assurance form, which would be forwarded to the Federal Transit Administration.

Public Hearing on LTD Americans with Disabilities Act Paratransit Plan 1995-96

Update: Ms. Hocken opened the public hearing to anyone who would like to testify on the District's compliance with the Americans with Disabilities Act. Diane Deurscheidt, director of Alternative Work Concepts, spoke. She said that Alternative Work Concepts was a small, non-profit vocational agency in Eugene. She also was the vice-chair of the Special Transportation Fund (STF) Advisory Committee. She said she wanted the Board to put a face to a large group of people who worked with Ms. Kaplan and Terry Parker from LCOG to assure that the District is following the ADA regulations. She said the Committee was working very hard, and wanted to thank the Board. She said she heard time and time again, all over the state and the nation, through her work doing technical assistance in hiring people with disabilities, about the town's wonderful reputation for the fixed-route and paratransit services that LTD provided. She said that the District was way ahead of schedule, and she wanted to say thanks for a great job. She offered to answer any questions the Board might have of the STF Committee.

There were no others who wished to testify before the Board, and the public hearing was closed.

MOTION **Board Deliberation and Decision:** Mr. Bennett moved that the Board approve the *LTD ADA Paratransit Plan 1995-96 Update* and forward the plan to the Federal Transit Administration. Mr. Kleger and Mr. Montgomery seconded the motion. Mr. Kleger commented that he regularly attended the STF Committee meetings, and that the commitment level demonstrated by that committee for getting the job done and done right was commendable.

VOTE There was no further discussion, and the motion was approved by unanimous vote.

1996 SECTION 9 GRANT APPLICATION: Ms. Hocken said that the next action item was the Section 9 federal grant application, which the Board had looked at the previous month. However, there were some changes that needed to be incorporated into the application. Mark Pangborn, Assistant General Manager, said that three changes needed to be made to the application. Staff had highlighted the changes on pages 38 and 39 of the agenda packet. Essentially, STP funds were not included in the original grant application for three reasons. First, \$92,000 was what was left over after the District gave the City of Eugene \$242,000 for the parking garage. Initially, the \$242,000 and the \$92,000 had all been programmed for new buses. When he originally put this grant together, that money was still in limbo. After determining that the City would receive \$242,000, Mr. Pangborn had added the \$92,000 back into the grant for new buses.

The second part was under Bus Stops and Terminals, for a drivers' rest room. Mr. Pangborn explained that the City of Eugene originally planned to build a drivers' rest room at the Parkway Station. As the final stages of the approval process were reached, the City said that LTD should put in the rest room because it would be easier for LTD in terms of meeting the regulations. He said that this was part of a larger project, in which the City would be constructing a Park and Ride at the south end of the jogging trail, right where LTD's Parkway Station was. He said it was a nice project because LTD's customers would get there early in the morning to park and ride, and then others would arrive during the day to use the park. He said it would be a nice

in-town Park and Ride facility to serve both Lane Community College (LCC) and downtown Eugene.

Mr. Pangborn said that the third change was to add additional STP money for bike racks and lockers, which he had neglected to add to the grant.

All the projects had been approved by the Metropolitan Policy Committee (MPC) and gone through local review.

Mr. Montgomery asked for clarification on the proposal to build a drivers' rest room. Mr. Pangborn said that the City planned to put in the parking lot and connect the sewer, so LTD had asked the City to build the rest room as well, to be able to put it all in one contract. The City had agreed, but then the funding sources were changed, and the City was going to have to ask the Oregon Department of Transportation (ODOT) to fund this project. Because the ODOT regulations were so cumbersome, the City suggested that it would be faster and easier for LTD to pull its money back out and do this part of the project itself.

Public Hearing on Revised Section 9 Grant Application: Ms. Hocken asked for testimony on the revised grant application. No one present wished to testify, so she closed the public hearing.

MOTION **Board Deliberation and Decision:** Mr. Bailey moved that the Board approve the revised 1996 Section 9 grant application for \$2,676,169 in federal funding and authorize the General Manager to submit this application to the Federal Transit Administration. Mr. Kleger seconded the motion. There was no further discussion, and the motion carried by unanimous vote.

VOTE

SERVICE TO CRESWELL: Creswell City Manager Ron Hansen was present at the meeting. Ms. Hocken commented that there had been some exciting developments pertaining to service to the city of Creswell. Ms. Kaplan made the staff presentation. She said that during the last year there had been considerable discussion between LTD and the Cities of Creswell and Cottage Grove for bus service. In addition, LTD participated in a transportation needs assessment survey with the two Cities, which showed considerable interest in service. The discussion that evening was solely about service to Creswell, not a joint project with Cottage Grove.

As a quick review, Ms. Kaplan said that the concept of a bus service demonstration project was essentially defined as a 12- to 24-month test period during which the jurisdiction--in this case, the City of Creswell--would pay the fully-allocated costs of the service, less fare revenue collected. This meant that the service being provided out of the service area would not cost LTD or LTD's taxpayers. Also, an important element of this concept was that after the demonstration period, the jurisdiction would need to make a decision about whether it wanted to continue bus service. If it did, it would have to go back to LTD and ask to be included in the LTD service area and then would be subject to the payroll tax and the self-employment tax. Despite ten months or so of negotiations with Cottage Grove, the City of Cottage Grove had not taken a position or formal action on a ballot measure or whether to pursue a demonstration project. However, the City of Creswell had. Creswell had been proactive and decided that independent of Cottage Grove, Creswell was interested in letting the voters decide whether they wanted to fund a limited-duration demonstration project with LTD.

Ms. Kaplan said that the staff analysis was to try to determine whether Creswell had sufficient population and travel demand to make productive rural bus service. The staff analysis showed that Creswell had sufficient population, and over 60 percent of the workers already were commuting to Eugene, with some Eugene workers commuting to Creswell. Ms. Kaplan said she believed that even in a 12-month demonstration period, the bus service should meet the District's rural productivity standards, which were different than the urban standards. The rural standards were 20 boardings per trip average, as a minimum. She believed that given time to mature, the Creswell bus service probably would exceed the minimum standard and be comparable to other rural services LTD already provided, such as Junction City and Veneta, which were averaging 22 to 26 boardings per trip.

Ms. Kaplan stated that the population of Creswell was 2,400 or so, very similar to Junction City and Veneta, larger than Coburg. Those were all rural communities to which LTD was already providing successful rural bus service.

Ms. Kaplan next discussed a conceptual bus service plan, which had to be developed in order to project the dollar amount for the serial levy for the City of Creswell. It was determined that round-trip bus service between Eugene and Creswell would take about 75 to 80 minutes, and total about 1,900 annual service hours. Charging the fully-allocated cost rate of \$56 per hour, less productive fare revenue of \$8,900, staff believed that the net cost for that service would be \$98,000. If the Board approved the concept, the amount Mr. Hansen would put on the serial levy probably would be \$98,000.

Mr. Bennett asked if Ms. Kaplan were suggesting that if the service were to continue past that point, the service then would be approached on the basis of the rural boarding criteria. Ms. Kaplan said that was correct. Ms. Hocken said the question would be what revenue LTD would receive from payroll taxes at that point. Ms. Kaplan explained that the service later may cost less than the fully-allocated cost rate.

Mr. Bennett said he was interested in how the District would come out at that point. If there was a reasonable level of service pursuant to the boarding criteria for rural routes and the District was amenable to continuing that service if Creswell joined the District, his further question would be what would be the net financial result for LTD. He said that may seem a little unreasonable because that question wasn't asked within the District, but to the extent that the District may be more heavily subsidizing rural routes within the District, he would not want to go into the demonstration project unless he felt that LTD would then continue service if Creswell held up its end of the bargain. He asked what the Creswell tax base might be expected to be, and how that related to LTD's costs. Ms. Loobey said that staff had not done a tremendous amount of research on that issue for either Cottage Grove or Creswell. Staff did have some rough estimates, and the reporter in Cottage Grove had estimated a huge amount of money, over \$500,000, coming from that expanded section of the service area, which would pay far more than the amount of service they would receive. Ms. Loobey said that staff disputed those figures, but had not done a precise study. One known fact was that the largest employer in Cottage Grove was the hospital, with an annual payroll of \$8 million; there was no other employer in Cottage Grove with than number of employees except the school district, which would not pay the payroll tax. Finance Manager Tamara Weaver explained that the reason staff did not have detailed research was that the data was not available. In terms of Creswell, the actual cost would be closer to two-thirds of the fully-allocated cost, because Creswell would be paying for overhead during the demonstration project, since it was not part of the District. Then, in trying to determine whether there would be a deficit

or if the District would break even in providing the service later, Ms. Weaver said there probably would be a small deficit, but fairly close, because the cost would be somewhere around \$60,000, and it was possible that there would be around \$50,000 or so in payroll tax revenues from that area.

Mr. Bennett said he thought this was a serious question, and went along with the reviews LTD was undertaking. He said that on one hand, he was not interested in charging Creswell a rate that exceeded the District's costs, but on the other hand, he wanted to know, if the District was going to take on another rural area with different criteria with respect to productivity that would cost the District more relative to the fare revenue than other types of service, whether this was something the District wanted to do from a policy point of view. He thought this was an important part of the discussion.

Ms. Hocken asked Ms. Weaver to clarify that the farebox recovery ratio was in the order of 20 percent, in general. Ms. Weaver said that if that were taken into account, theoretically the District would break even. She said that the numbers were very soft: it could be as little as \$30,000 in payroll tax revenue, or as much as \$60,000. She asked if another month to gather more information would cause problems for Creswell. Mr. Hansen replied that the City scheduled a public hearing on the levy on February 12, and he needed to file with the elections department by March 21, so the very latest the Council could take action would be at its March meeting.

Mr. Montgomery said that if these numbers were accurate, the 12-month demonstration period would be a break-even situation. He wondered if during those 12 months, the District could examine this further, obtain some relatively hard numbers, and make a decision by the end of the 12-month period. Mr. Bennett thought that people would rely on LTD and then be upset if the District decided against the service after the trial period.

Mr. Saydack wondered if Ms. Weaver could develop better information in the next month. He said that he shared Mr. Bennett's concerns about creating expectations and demand and then finding that the District would be unable to satisfy them because it couldn't justify the subsidy. Ms. Weaver said that staff could come up with better numbers in the next month. She explained that staff had taken a position in the past that the District did not look first and foremost at the money that was generated from an area; as an example, staff were not pursuing Cottage Grove, even though she knew fairly certainly that that service would more than pay for itself. Rather, staff looked more at the issues, as the Board had directed, such as whether the community wanted the service and if it would meet the productivity standards. Then, she said, if it became part of the District, it was not unreasonable to assume that other service might be cut if the new service was much more productive. Staff had tried for a long time to avoid getting into the issue of whether service to one part of the District, such as to Weyerhaeuser, subsidized the service to another area. However, what Mr. Bennett and Mr. Saydack were saying made a lot of sense from a finance perspective, so she thought the Board needed to decide if they wanted staff to begin to look at that issue more from that financial perspective, or whether the District should maintain the overall, global view of productivity standards and service in its entirety.

Mr. Saydack said that he would like to see the additional numbers. He thought it was an important factor to look at any time the District considered expanding the present service.

Mr. Montgomery suggested that the Board not even look at numbers for Cottage Grove, since they had not expressed an interest in service.

Mr. Bennett said he would like to hear from the Creswell City Manager. Mr. Hansen first thanked the Board for the District's participation in the feasibility study, and thanked Ms. Kaplan and Marketing Representative Angie Sifuentez for presenting information at the public hearings and City Council meetings. He stated that this was the third time that the issue of LTD service had surfaced in Creswell since he had been involved with the City of Creswell. Ms. Loobey and Mr. Pangborn had made a couple of presentations in years past. However, this was the first time that the City Council had been willing to put it before a vote of the people, so he was a little concerned that if it did not get before the people this time, it may be a long time before the Council would be willing to step up and do that again. He said that he understood Mr. Bennett's concerns about providing the demonstration project and making the citizens happy, but not having a cost-effective proposition, so the service would have to be cut and everyone would be disenchanted. He knew from his standpoint and the Council's standpoint, that they understood that there were no guarantees after the demonstration project. He agreed that if the project was in place and it got cut, and the ridership was there, there would be a disappointment. However, he was excited that they were as far as they were. There had been no real negative feedback from the public as far as LTD's service coming to Creswell, other than the business community, and he understood their feelings about a payroll tax as far as supporting the service. By and large, he said, the business community was supportive of LTD, just not the method of financing. He thought the entire community, by and large, was very supportive of the service. Stepping up and funding it for a year was yet to be decided, but the Council was willing to give the citizens an opportunity to do that. He said he could not speak for the Council, but he was sure that the Council would not be willing to put this on the ballot if it was not going to support bringing LTD in after a successful project. He said that it stood to reason that if the Council was willing to put it before a vote of the people and it was successful, he believed the Council would be willing to invite LTD to come in.

Mr. Hansen said that Creswell was probably one of the fastest-growing outlying communities. He said the population was getting closer to 2,800 and averaging about 25 to 40 houses a year for the last three years. Depending upon the economy, Creswell was in a fairly rapid growth rate. It was a bedroom community; most of the population commuted north or south, with the majority commuting north.

To add a historical perspective, Mr. Montgomery said that the District did take on places like the Laurel Hill valley, where there was no subsidy, because people came to the Board and said that they would like to have bus service, and staff thought it was feasible, but there was no cost guarantee. He said it seemed reasonable to him that the District tried the service, and there was no guarantee to the residents. There had been places where the District had put in service and it had not worked, so it had been pulled. In the Creswell case, the District had the opportunity to go into an area at a break-even cost and see if it worked. He said there may be more rides and revenue than expected.

Mr. Kleger expressed his appreciation for the City of Creswell looking hard at this issue. He said he didn't know how many times he had heard from people on the bus that they would like to be able to go south on the bus. He said that he was in favor of going ahead with the trial service and seeing what happened.

Mr. Bailey said he initially had similar concerns as Mr. Bennett and Mr. Saydack, but Mr. Hansen had helped clear up something he was concerned about; what would happen if the District did this demonstration project and then for whatever reason had to pull back the service.

It seemed to him that the community of Creswell was going to be aware of the possibility that the service would not work for LTD or for the community, so they may be prepared for the possibility that the service might be pulled back. He thought the District should go ahead with the demonstration project and use that 12 months to figure out what the tax base would be.

Mr. Bennett argued the other side, saying that he would like very much to make a deal in Creswell and provide LTD's services, but he wanted to do it on the basis that he fully understood the cost of extending service past a 12-month period. He thought that it would be hard to get out of that kind of agreement once it began, and that this had policy implications with respect to other things LTD was trying to do. If Creswell service were treated as another rural area for which the District had to get behind it financially, he did not know what that number was and what the trade-offs would be. He said he did not think it was just a function of whether there was reasonable ridership, because under the Board's existing criteria, which were under review, Creswell may fit perfectly, but whether that was how the Board wanted to expend its resources, he was not at all sure. He said that he would not support the effort here without some additional information.

Mr. Saydack said he was coming out on this in the same way, but not because he was against the notion of the trial period. He appreciated the work that the staff and the City had done on this, but he felt strongly that the Board needed additional information before making a decision. He thought he had heard that if the Board had that information the following month and made the decision then, it would not foreclose the vote on this issue. He said he would feel a lot better about having this information as part of this decision. He understood that this may not be the kind of information the Board had considered in the past, but he thought it was what they needed to have at that point in considering issues for the future. He said that the accountability that people expected the Board to exercise in the way the District was managed required that.

Ms. Hocken clarified that the next Board meeting would be held in time to give a decision to the City of Creswell. She wanted to make sure that by not taking a position that evening, the Board would not be slowing down the process. Ms. Loobey said that staff could get better numbers by the February 21 Board meeting, and Mr. Hansen said that would fit his schedule.

Ms. Loobey wanted to address Ms. Weaver's comments about the issue of productivity versus what revenue the District could gain from a rural area. She said that staff had looked, at various times, at how much payroll tax revenue would be paid by rural communities. The amount of payroll tax that the District received from the Junction City area surpassed the cost of the service they received. She was concerned that there was not a way under the taxing structure that allowed the District to charge taxpayers in one area a lower rate than in another area. If the Board would not let Creswell in the District because it did not pay for its service, she thought that begged the other side of the coin, saying that the District was receiving more payroll tax revenues from Junction City than the amount of service that could be justified at that time. She said she did not know how those kinds of issues were balanced. She used the analogy of people living on a hill in any city, presuming that people who lived on top of the hill had more expensive houses than those living at the bottom of the hill. There were not differential property tax rates for them, so the amount of subsidy for the people at the bottom of the hill for fire service, police service, etc., came from the people who lived on the hill. Ms. Loobey said she thought the District needed to be very careful about how it started making choices about the taxing policy and trying to go past an equity that said all classes of taxpayers are treated the same way. She said it was very helpful to know what payroll tax revenues could be expected from the Creswell and Cottage Grove area, but there already was a differential coming from varying parts of the District.

Mr. Bennett said that he had a different view. He said that the District was treating everyone who was already in the District the same with respect to the tax structure. There may be a dis-allocation, but everyone was treated the same. He said that if Junction City had a lot of commuters, those people were using a lot of city services and not paying taxes for them, but he did not want to get into that kind of discussion. A question of expanding the District was a different kind of question entirely, including whether the District would incur additional cost in order to expand the area it operated in. He thought that was the kind of policy discussion that LTD would be having in the next couple of months, and he thought the Board did not have enough information for that discussion. He said that was a different issue from whether the District treated everyone equally who was already in the service district and the District already served.

Mr. Bailey said he was concerned about what the possible decision would be once that information was received. If Ms. Weaver came back to the Board and said it would not work because the payroll tax and self-employment tax revenues would not be there later on, then the Board was faced with making the possible decision that in the long run this would not be a productive enough line, so the Board would not do it. What he saw happening in that situation was that the District was essentially telling the community of Creswell, after they had put a lot of time, effort, and energy in a very positive fashion in trying to deal with some of the transportation problems that were present in the region, that that was not good enough. He said that was not necessarily what the Board was saying, but he thought that would be part of the effect of the decision. He thought there were two decision points. The first one was whether or not the District would do a demonstration project for which there was enough information about how much it would cost and what it would mean. There also was a reasonable assurance from the City of Creswell that they understood that there would be another decision point later on, where the Board would decide whether or not to actually bring Creswell into the LTD service district. Mr. Bailey said that as one Board member, he believed he had enough information to decide on the demonstration project now, and he was willing to find out what the other details were over the course of the next year, for the second decision.

Mr. Saydack said that he was interested in having the information to be used in making the decision; he was not presuming how the decision would go, based upon the information. He reiterated that it was information that he thought the Board needed in order to make an informed decision. The subsidy question was a very complicated one, and it did not just involve people outside the District or inside who were being more heavily subsidized than others. He said he believed this was information that the Board needed when making decisions about expanding the District and expanding services. He said that the way in which the Board would use the information did not concern him, but the consequences of the decision did concern him.

Ms. Hocken said that after hearing this conversation, she would support moving ahead with the demonstration project at that point, for a couple of reasons. First, she said, the Board did give direction to the staff, and the staff had been acting as if the demonstration project was a strong possibility. She did not think that the Board should take back the direction it gave to staff a couple of months ago, which led them to believe that this would be an acceptable proposal to the Board. Second, she did not want the Board's delay to be interpreted incorrectly by the City of Creswell. She did not want Creswell to think that the Board was not interested in the effort that they had put forth. She agreed with Mr. Bailey that there were indeed two decision points. She thought the Board had adequate information to make a decision on the demonstration project. She said she would be very interested in getting the information that Mr. Bennett and Mr. Bailey had asked for,

and she thought that would be very important when the Board came to its second decision point a year from now. In addition to the information about ridership, the Board also would have information about the other revenue that would be generated.

MOTION Mr. Kleger moved that the Board approve the concept of contracting with the City of Creswell for a twelve-month demonstration of bus service and request the staff to provide as good information as they could on potential tax revenues should Creswell be included in the District. Mr. Bailey seconded the motion. There was no further discussion.

VOTE The motion carried 4 to 2, with Mr. Saydack and Mr. Bennett opposed and Ms. Hocken, Mr. Bailey, Mr. Kleger, and Mr. Montgomery in favor.

Mr. Hansen thanked the Board, and said he hoped it would be a successful demonstration project.

MOTION **ELECTION OF BOARD OFFICERS:** Mr. Saydack nominated the current officers for re-election to two-year terms, beginning immediately, if they were willing to continue in those positions. Mr. Montgomery seconded, and the officers were re-elected by unanimous vote: President, Pat Hocken; Vice President, Kirk Bailey; Secretary, Thom Montgomery; and Treasurer, Dave Kleger.

VOTE

EUGENE STATION: Attorney Greg Skillman, of District Counsel, was present for this discussion. Staff distributed a draft letter from the Board President to the Eugene Mayor and City Council regarding the Eugene Station site purchase agreement. Ms. Hocken said that the letter contained basically the provisions that the Board had discussed the previous week, and asked if there were any comments or changes. She asked the Board to consider whether what the letter said about air rights developments was anywhere close to doing what Mr. Laue would like, if the Board was interested in changing its position.

Mr. Bennett had three initial issues or questions on the draft letter. In paragraph 5, it said, "LTD agrees to make a serious effort to increase the intensity of development at the site at the time of a major station renovation. In the interim, LTD will consider proposals . . ." He wondered if that meant public proposals, for public use. Mr. Skillman said that the next line referred to statutory limitations. One thing the Board had discussed in terms of proposals to add new structures that the Board could consider would be intergovernmental agreements. Mr. Bennett said he heard someone say, maybe Mr. Viggiano, that there was some rationale to the quarter block that Mr. Laue was talking about, but maybe not all of it or not someplace else. He wanted to be careful that the District was saying in the letter what it was willing to discuss. He wondered if it should be called a quarter-block in the letter, because that was Mr. Laue's compromise position. Mr. Saydack wondered about adding "of the northwest quarter block" after "possible air rights development," or maybe even further limit it by saying it would be for public purposes. Mr. Skillman said that the public purposes language could be inserted by saying, "In the interim LTD will consider proposals to add new public facilities to the site, including possible air rights development of the northwest . . ." Mr. Bennett asked if the District wanted to allow for more intensive public development on any other part of the site, were something to happen on the northwest corner. Mr. Viggiano suggested limiting it to the northwest corner, because that seemed to be what Mr. Laue was interested in and what made the most sense, given what staff and the architect could tell from the design. He said he would not call it the "northwest quarter of the block," because what staff and Mr. Gunderson envisioned was less than a quarter.

Mr. Bennett also asked why LTD would give the City first right of refusal on the site, including the portions not currently owned by the Urban Renewal Agency, should the station not be built. Mr. Pangborn explained that the City had expressed some interest in this, because a three-quarter-block property would be more marketable for intense development than the current property consisting of two kitty-corner parking lots. There was some discussion about first right of refusal and what that actually meant. Mr. Bennett said that if something were to happen to the project, the time, energy, and money already put into the project would never be recovered, but the District might be able to gain another benefit from the land. Mr. Kleger said that if the District ended up with that land, he thought LTD would put a transit station of some kind on it. He didn't think the District would sell the land. Mr. Saydack explained that first right of refusal meant that if someone came to LTD offering to buy the property, the District would have to find out if the City wanted to buy the land on the same terms before it could sell to a third party, and would have to keep going back to the City with the terms of each possible sale. This would slow down the sale. On the other hand, LTD could give the City an option to buy the land for a certain price for a certain period of time. It was decided that this language would be left out of the letter. Mr. Bennett stated that the Board had made the extra effort, and if the purchase agreement was not signed and the deadline of February 1 was approaching, the Board would need to meet with the Council for a face-to-face discussion.

Mr. Saydack and Mr. Skillman suggested some language that would meet the needs of the District and respond to Mr. Laue's request: "LTD will agree to consider in good faith proposals by the City for development of the air rights over the northwest corner of the site, taking into consideration the District's needs and the purpose for the site, and the City's interest in civic development in the adjacent area."

Mr. Bennett asked how tall the first level would have to be in order to have a transit station below. Mr. Viggiano said he had visited a couple covered stations, and thought they had been in the 18- or 19-foot range, so 20 feet would be a good ballpark figure.

MOTION

A few other changes were made to the draft letter. Mr. Kleger moved that the Board authorize the General Manager to sign an agreement with the City of Eugene for the purchase of the urban renewal property at the McDonald Site that is consistent with the letter to the Eugene Mayor and City Council as revised by the Board. Mr. Bailey seconded the motion. There was no further discussion, and the motion carried by unanimous vote.

VOTE

Local Area Lobbying Trip to Washington, D.C.: Ms. Loobey said that there was a strong possibility that representatives of the local units of government would be making the annual trip to Washington, D.C., to speak with the local area's congressional delegation. The District has left \$1.3 million on the table for the Eugene Station project, and funds were still expected to be earmarked for special projects. Senator Hatfield would be representing Oregon for another year. A Board member attended with Ms. Loobey the last several years, and she asked Board members to consider whether they would like to participate this year and let her know as soon as possible. Ms. Hocken said she could not attend.

Ms. Hocken left the meeting at 9:40 p.m. Mr. Bailey chaired the rest of the meeting.


High-Speed Rail Conference: Ms. Loobey said that the Cascadia group discussing high-speed rail in the Willamette Valley corridor would hold a high-speed rail conference in Salem on

February 8. Mr. Bailey, who was on the local high-speed rail task force, said he would plan to attend. Ms. Loobey and Ms. Hocken also planned to attend.

Bus Rapid Transit: Mr. Bailey stated that the selection of a Bus Rapid Transit (BRT) route had been delayed from March to April, to give more time for public input. Ms. Loobey added that Ms. Hocken had expressed concern about the time line to staff.

Service to Cottage Grove and Creswell: Finance Manager Tamara Weaver asked the Board members if they would like her to research payroll and self-employment tax information for Cottage Grove as well as Creswell. Mr. Montgomery stated his preference that no research be done for Cottage Grove unless that city asked for service. Mr. Pangborn said that an initiative petition by Cottage Grove citizens would force a ballot measure. It would be on the May ballot, the same time as Creswell's ballot measure, and would require Cottage Grove to fund a one- or two-year demonstration project.

ADJOURNMENT: There was no further discussion, and the meeting was unanimously adjourned at 9:45 p.m.


Board Secretary

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