

MINUTES OF DIRECTORS MEETING
(As corrected June 16, 2004)
LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING/WORK SESSION

MONDAY, MAY 10, 2004

Pursuant to notice given to *The Register-Guard* for publication on May 7, 2004, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special meeting on Monday, May 10, 2004, beginning at 5:30 p.m., in the Lane Transit District Board Room, 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, Vice President, presiding
Susan Ban
David Gant
Pat Hocken, Secretary
Dave Kleger
Virginia Lauritsen, Treasurer
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Minutes transcribed by Kim Young

Absent: Hillary Wylie, President

CALL TO ORDER - Mr. Gaydos called the meeting to order at 5:35 p.m.

ROLL CALL – Mr. Hamm called the roll. Ms. Lauritsen arrived at 5:47 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Gaydos thanked Board members for their willingness to meet. He thought it would be prudent for the Board to discuss staff's assumptions regarding bus rapid transit (BRT) and discuss some of the key questions, such as the correct type of bus. He did not anticipate the Board would take any formal action. Mr. Gaydos thought the Board needed to share its thoughts with the local community and government partners sometime in the near future.

At the request of Mr. Gaydos, Mr. Hamm provided a brief overview of the American Public Transportation Association's (APTA) recent Operations and Paratransit Conference, which gave LTD staff an opportunity to talk with the vehicle manufacturers about some of the outstanding points to be resolved. That discussion went well. LTD was supported by the Cleveland transit authority regarding the appearance of the vehicles, doors on both sides of the vehicle, the hybrid power system, and the bridging mechanism. Mr. Hamm indicated that he would provide the Board with materials from the conference.

Assistant General Manager Mark Pangborn briefly discussed the recent APTA/Transportation Research Board/BRT conference. He commended the quality of the conference, which was well-attended by a wide range of agencies with varying needs and systems, and said that staff would share the presentations from that conference with the Board. Following the conference he met with a group of BRT providers and bus manufacturers to discuss how to focus the manufacturing sector on more innovative approaches.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – There were none.**WORK SESSION**

A. Future Board Meetings – Agenda Development – Mr. Gaydos asked the Board to confirm the proposed assumptions for BRT, mounted on the meeting room wall.

Mr. Gant asked if LTD intended to do an analysis of the fully allocated costs of BRT versus the fixed-route system. He asked if the Board was prepared to answer the question of what BRT really costs, including the federal tax dollars designated for the project, which also were real dollars. Ms. Hocken thought that made sense, but pointed out that there were intangibles that must be factored in as well, such as the time a bus spent in traffic because of congestion. Mr. Gaydos agreed. He noted the lack of comparable information regarding fully allocated costs for the private automobile, which was an issue for him. Mr. Kleger also agreed with Mr. Gant. He believed that LTD needed to consider the costs to the locally controlled budget and fully allocated budget, recognizing that if LTD did not employ the federal money, it would be spent somewhere else and local residents would pay the same amount of taxes. He encouraged that any analysis encompass the life-cycle costs to determine what BRT really would cost LTD on an annual basis. He suggested that once available, the information be published in a fact sheets for riders. Mr. Kleger also suggested that staff determine the costs of not doing BRT in the long term, given the growth of congestion in the community, which would reduce LTD's return on its investment in the fixed-route system.

Mr. Gant believed such fundamental questions should have been asked and answered before LTD reached this point. Mr. Gaydos believed the questions had been addressed and answered during the lengthy TransPlan update process. Mr. Kleger suggested that the Board could employ some of the data gathered through the update process to communicate with the public.

Mr. Gaydos commended the 18-year life cycle cost model used by LTD.

Ms. Ban suggested that the first assumption be reworded to indicate that BRT was the adopted local transit strategy. She noted the interest expressed by the Board in monitoring BRT as a tool in achieving a particular end. She thought that as the tool was implemented, the Board would have a better sense as to whether it was the right tool. Mr. Gant expressed concern that the speed of build out would not allow time for the Board to make such a determination. Mr. Gaydos did not share that concern given the annual budget review. He further pointed out that LTD would be able to halt BRT at any point if the Board determined that there were insufficient federal funds to go forward.

Mr. Gant was concerned that LTD would not be able to deliver on its promises regarding BRT and wanted the Board to be careful about the language it used and the expectations it created. It would damage LTD's reputation if LTD continually came up short in meeting its commitments. He cited the Franklin corridor and suggested that LTD emphasize the newness of the system and the fact that it had not been tried in a similarly sized community. LTD also should be able to identify what it spent and what was achieved before moving onto the next step. Mr. Gant did not think it was a good strategy to merely plan to go forward with all phases.

Ms. Ban said the planning map for BRT was not "set in stone." Mr. Gant said the materials regarding the proposed routes that he viewed when he first joined the Board were definitive. People expected a fully developed BRT system soon. He did not think BRT was a bad concept but he continued to be concerned about the magnitude of the system and the speed at which build out occurred. Ms. Ban asked Mr. Gant if he was concerned about perception or communication. Mr. Gant said it was both. It was difficult for him to understand why LTD had to move so fast. People seemed to be arguing that the system was needed now or congestion would overtake the community. He did not agree. Until someone could prove to him the system would realize the benefits proposed, he did not understand the need for moving forward so quickly.

Ms. Hocken acknowledged that her perception was different from that of Mr. Gant's; she believed that LTD was very far behind in doing what it said it would do in terms of implementing BRT. Five years ago she had believed the system would be much farther along than it was. She pointed out that as time went on and areas developed and redeveloped, it would be much more difficult and more expensive to implement BRT. She suggested that there was a fundamental disagreement among Board members about the merits and costs of BRT that the Board would not be able to resolve. Mr. Gant concurred.

Ms. Ban acknowledged Mr. Gant's concern about the need to examine how LTD communicated with the public about the BRT system. She said the manner in which the Board discussed its investment and how it monitored that investment as it moved ahead could help to build a public dialogue about whether BRT was the best strategy for the long term. Mr. Gant agreed. He said he would like to know the general public's opinion about BRT. Ms. Hocken questioned whether the general public was thinking about BRT. Mr. Gant suggested that the District conduct a poll. Mr. Viggiano indicated that some polling had been done, and a majority of respondents thought BRT was a good idea. Ms. Lauritsen asked if those surveyed were asked for a check. Mr. Viggiano said no.

Ms. Ban said she traveled down Coburg Road every morning and experienced heavy congestion. She agreed with Mr. Kleger that congestion was the major factor affecting bus travel times. Mr. Gant believed that there would be traffic congestion no matter what LTD did. Ms. Ban suggested that the issue was the degree of congestion.

Mr. Kleger said that some members of the community had expressed their opinions about BRT and those opinions were often highly polarized, which often turned other people off the subject. That ignored the real issue of how to mitigate the impact of growing congestion. He agreed with Ms. Hocken that the project had not progressed to the degree expected. He said it would be more difficult and more costly to implement because the project had not moved forward quickly.

Mr. Gaydos believed it was difficult to compare Eugene to other communities because of its unique elements, such as the university, the Hult Center, and a regional hospital. He suggested to Mr. Gant that people look forward to the future differently. The leadership of the community made it what it was. He believed that there were many things that one could argue against, such as the community's airport. However, he thought those things contributed to the lifestyle of the community, which he defined as including family-wage jobs and the mobility provided by transit.

Mr. Gant said that all the things that one wanted came at a price, and that price was in the form of basic social services and health care, which were needed by the community. BRT seemed to

be driven by those who "wanted something cool looking," but in his opinion BRT did not add enough value for the cost involved. He acknowledged that others might not agree with him.

Mr. Gaydos noted that Deschutes County would like a transit system but lacked one. That county had a difficult time dealing with the congestion that existed in Bend, and spent considerable money building facilities because that community did not look to the future. He noted the interrelationship between land use and transportation planning, and said the State's decision about density required LTD to make decisions about how to serve the resulting development. Mr. Gaydos said the community did not agree on BRT because it was "fancy." He was unconcerned about the appearance of the vehicles. However, he was very concerned about the needed right-of-way, and wanted to "get ahead of that curve." Mr. Gaydos pointed out the community would grow, and said he wished to plan for that in a way that made sense and in a way that served future generations in the manner in which past generations had provided for current residents.

Mr. Gant said the issue for him was one of prioritized spending, and that the Board had limited resources for its choices. He thought whether BRT was a good idea was not the point. Mr. Gant said that LTD had a great transit system and it would be a great system in the future without BRT. Mr. Kleger disagreed. Ms. Ban also disagreed, and said that her clients and PeaceHealth employees would suffer if LTD failed to get the needed right-of-way for the access. Mr. Gant postulated a situation in which the federal funding for basic services were cut because of a lack of funding. Then the hospital would merely have a faster bus. Ms. Ban pointed out that the federal dollars involved were not the same. Mr. Gant agreed, but stressed the limited nature of the source. Ms. Ban said there were no federal dollars for basic services anymore anyway.

Ms. Hocken said no one disagreed with Mr. Gant about the need for funding for basic services. However, the Board was charged to provide transit services. There were federal dollars made available to LTD for that purpose, and LTD needed to determine the best way to use them. She said that several Board members believed that the best use for those dollars was a system that provided preference to LTD vehicles to allow them to serve the community more effectively. It was not a matter of choosing transit over drug treatment; these were the dollars available to LTD.

Ms. Lauritsen noted her agreement with the remarks of Mr. Gant. She questioned why other Board members were so enamored with the concept of BRT. She said that former Board member Rob Bennett would never have allowed the cost to grow so high. She said that LTD had not made progress but it spent a lot of money. She asked what alternative plans existed. She said the world was moving on, but LTD "was still back in 1994" when the concept was raised. She termed BRT "old, outdated, and passé." Ms. Lauritsen asked where the Board would go from here. She acknowledged the majority position, terming it the "same old, same old." Ms. Lauritsen said those who could ill-afford to pay for LTD were paying for it, including the "massive" staff salaries. She wanted action and new ideas from the Board. She maintained there were new ideas but not from the Board, its staff, or its committees.

Mr. Kleger was unaware of any new ideas and suspected the ones to which Ms. Lauritsen referred were ones that already had been considered and had not penciled out.

Ms. Lauritsen reiterated her complaints about the increased cost of the system. Mr. Kleger asked her what alternative she preferred. Ms. Lauritsen suggested such alternatives should come from the Board's professional staff. Mr. Kleger pointed out that the Board had heard from

come from the Board's professional staff. Mr. Kleger pointed out that the Board had heard from its professional staff. Ms. Lauritsen said she had not. She believed the Board needed some other alternatives. Mr. Kleger asked what alternatives Ms. Lauritsen would like to see. Ms. Lauritsen perceived a "runaway" cash situation and she did not like it. She wanted to see "a lot more" cost control efforts and for LTD to have an engineering staff. She did not think LTD was keeping up with changing technologies. She termed BRT a "swell idea" at the time of its inception, but said LTD had failed to "pull it off on time." Ms. Lauritsen noted the frustration voiced by Mr. Bennett about the time BRT was taking and suggested that the effort would have been done had Mr. Bennett been in charge.

Mr. Kleger recalled Mr. Bennett's frustration when the property owners in the corridors affected by the project had called for the process to slow. The property owners were very adamant, and while Mr. Bennett had been unhappy, he lacked the ability to order them to do what he preferred. He believed that Mr. Bennett would advocate for LTD to keep pushing for BRT.

Ms. Lauritsen did not object to the acquisition of right-of-way but did not think that was where the money was being spent. Mr. Gaydos said that a considerable sum had been dedicated to acquisition. The District had been contemplating different buses, such as the articulated buses, to provide better fixed-route service. He thought BRT would provide economic opportunities for the community that other communities would not have.

The assumptions were as follows:

- BRT is the adopted local transit strategy in TransPlan
- Community looks to LTD as primary source of transportation alternatives
- Congestion will continue to adversely impact LTD operating cost
- Franklin Corridor to proceed
- Pioneer Parkway Corridor to proceed as planned
 - Comprehensive BRT design - \$38 million with vehicles
 - Contingent on federal and local approvals and funding

B. EMX System Development – Mr. Gaydos asked the Board to consider the following questions related to EMX:

1. Vehicle procurement:

- Given the current vehicle marketplace, what does the Board want staff to focus on?
- Is a cost of \$900,000 acceptable?
- Is there an adequate Plan B?

Assistant General Manager Mark Pangborn anticipated that in most respects, LTD would get what it wanted in the New Flyer vehicle, although at this time staff were not clear about the rail-like appearance and the guidance system, and the doors would not be as wide as desired. The rail-like appearance would be determined through the design process. Responding to a question from Ms. Lauritsen, Mr. Pangborn said there were three alternatives to the guidance system that could be retrofitted. He described the three alternatives, and Board members asked questions clarifying how each worked.

Board members discussed the questions. Ms. Hocken wanted LTD to get a contract signed for the vehicles to maintain the \$900,000 price. Mr. Kleger concurred, although he wished the price were lower. He thought that vehicle appearance made a difference by attracting new customers.

Mr. Gant acknowledged that he had a fundamental disagreement with other Board members about BRT and expressed doubt that he would be able to offer meaningful input. However, he thought it essential to get a vehicle on the road soon.

In regard to Plan B, Ms. Lauritsen expressed concern about the amount of money that LTD would be paying for research and development. Ms. Hocken asked about the cost of a hybrid vehicle, such as that sold to Seattle. Mr. Vobora believed the cost was approximately \$650,000. Mr. Pangborn indicated that he would come back to the Board with a more precise cost breakdown.

Mr. Pangborn reviewed the elements of Plan B, to be implemented in the event negotiations with New Flyer failed, the New Flyer vehicle failed, or a major crisis required a BRT route to be temporarily detoured.

Board members asked questions clarifying the details of the three scenarios.

Mr. Hamm reported that all vehicles were required to go through a national testing process in Altoona, Pennsylvania. The testing placed a lifetime of wear and tear on the vehicles. While that did not guarantee that nothing would go wrong, it significantly reduced the chances of failure.

Mr. Gaydos said that it appeared the development of Plan B was still in progress. He asked Board members to be prepared to offer suggestions for other scenarios at a future meeting.

2. Corridor Design Process: To what degree should the project be design driven or budget driven? Is a combination of the two approaches best?

Mr. Gaydos solicited comments, noting that the issue involved was whether budget or design was the more dominant factor in the project. He said that the budget was slightly more important to him than the design.

Mr. Kleger that said to the degree the project would increase bus times through traffic, he would adjust nearly any other element of the project. He would accept a transitional plan if LTD was not precluded from overcoming traffic delays. He wanted the system to work.

Ms. Lauritsen indicated that the budget was her major concern. She wanted to get the project done with the budget that had been established.

Mr. Gant noted the many budgetary unknowns related to the project and questioned what it meant to say design would drive the system when the Board did not know what the elements of the planned corridors were.

Ms. Hocken said that from a practical standpoint, she did not think that strictly building to design was a possibility. She thought that any design implemented had to be constrained by the resources available. She asked how LTD would address cost overruns; would it reprioritize existing dollars or would it cut back on the project. Ms. Hocken recalled the construction of the

Eugene Station, which required the committee to reevaluate the project to cut costs. She anticipated a similar process for BRT. Mr. Kleger agreed. He said the station design and construction process was inherently dynamic, and adjustments were made continually through the course of construction to bring the project in on budget.

Mr. Kleger pointed out that long-term cost projections were not budgets, and in some cases represented very shaky numbers.

Responding to a question from Ms. Lauritsen, Mr. Pangborn said that staff had received estimates for the Franklin corridor from two contractors that exceeded the costs projected in the capital budget by at least \$1 million. Staff hoped that the actual bids would be lower. If the bids were as high as the estimates, LTD would have to reconsider elements of the design.

Ms. Ban said that the Board had a list of criteria against which to weigh the elements of the system if there were some that must be eliminated; for instance, it was more important to have a dedicated lane than a certain type of bus stop. In some cases she thought the design would drive the project. She reminded the Board of the desired outcome, to move more people through the corridor faster. She thought that if the criteria contributed to that, it might be worth paying more.

Mr. Gant emphasized the difficulty of evaluating the issues with all of the unknowns involved. He said he would be acting outside his comfort zone to attempt to do so.

Mr. Gaydos believed that while the process might be uncomfortable, the Board had asked its professional staff to make the best estimates possible, and the Board would make the best judgment it could of the estimates. If the estimates were not realized, the Board would have to make adjustments, as was typical.

Mr. Gant said it was difficult to compare BRT to, for example, the construction of a building because they were so different and he considered the risk of BRT to be significantly higher.

Ms. Hocken pointed out that the projections were based on actual costs. Mr. Gant noted the increase in the project cost from the original amount. Mr. Gaydos pointed out that the scope of the project had changed over time, sometimes at the behest of the Board and sometimes at the behest of the elected officials of Eugene, Springfield, and Lane County.

Mr. Kleger said that the Board had a certain amount of money to work with and a list of priorities it wished to achieve. He thought the project could be adjusted as necessary. He said in one sense, the project was budget driven since the Board had limited resources to work with and no other source of funding.

Responding to a question from Ms. Lauritsen, Mr. Gaydos said he was not suggesting that the project should be driven by design. He concurred with Mr. Kleger: LTD developed the perfect design and, if that design could not be realized, LTD would redesign the project until it could afford it. If the shortfall involved was small, he likely would turn to the reserves to fund it.

Ms. Hocken said that if the cost estimates for Pioneer Parkway exceeded the budget, the Board either could ask staff to redesign the project to reduce the cost or it might determine that the elements of the design involved were so important it would make other budget reductions to

support it. Mr. Kleger concurred. He said the Board would weigh and balance the issues involved to reach a decision, similar to the way it reached other decisions.

Mr. Gaydos pointed out that the Board had an annual budget process. He did not want to make a decision that stated that the project would be budget driven at this point. The current Board could not bind future Boards in that regard. He said the budget process represented a constant reprioritizing of the resources LTD had available to accomplish the mission of the organization.

Ms. Lauritsen wanted to know what specific tradeoffs the Board would need to make when it was asked in the future to reprioritize the budget to support BRT. She wanted Board members to have to vote on those tradeoffs. Mr. Gaydos agreed, adding that he thought the Board already did a good job of that, citing the Board's work on the Capital Improvement Program as an example.

3. EmX Implementation: Should LTD consider an incremental development approach for future corridors?
4. Third EmX Corridor: How should LTD proceed with the planning for the third EmX corridor? Should LTD be preparing for a funding request as part of the transportation bill reauthorization in 2009?

Mr. Gaydos tied the two questions together, and suggested that Question 4 be revised to refer to "future" EmX corridors as opposed to the third corridor.

Mr. Hamm explained Question 3 as touching on the issue of whether LTD would pursue two or three corridors with elements of the system, such as signal priorities or lane queues, before embarking on a full range of corridor improvements. It also touched on the question of acquisition of right-of-way.

At the request of Ms. Ban, Mr. Hamm reviewed the anticipated federal transportation reauthorization dates.

Ms. Ban suggested that the Board consult with its community partners before it gave staff much direction on the question, and test their reaction to "BRT Lite."

Mr. Hamm suggested the planned joint meeting with the Springfield City Council as a good place to raise the issue.

Mr. Kleger said he did not want to lose sight of the overall project and its long-term goals. He supported acquisition of right-of-way even if not immediately needed, but he was not enthusiastic about the potential of a fragmented system. Speaking about the Pioneer Parkway, Mr. Kleger did not object to building an expedited service line that went partway through the corridor and then dropped to conventional as long as the vehicle was not identified as an EmX vehicle. He did not want to oversell what LTD was able to deliver. He agreed with Mr. Gant about the danger of over-committing to what LTD could actually do. An incremental approach did not bother him as long as LTD's partners agreed there eventually would be a separate right-of-way throughout the corridor.

Ms. Lauritsen said that LTD should acquire what land it could because even if the right-of-way was not used, it likely could be sold at a profit.

Ms. Hocken acknowledged that the incremental approach was slightly different than the approach taken in the past. Mr. Kleger suggested that the shift was more related to the implementation of the system than the overall approach to the project.

Mr. Hamm noted the distribution of an agenda planning calendar and asked Board members to let staff know what other types of information they would like to see in future work sessions.

ADJOURNMENT – The meeting adjourned at 7:50 p.m.


Board Secretary

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