

DRAFT 11/19/24

INTERcity TRANSIT

2025-2030 STRATEGIC PLAN

INTERCITY TRANSIT AUTHORITY:

Clark Gilman, Chair – City of Olympia, Councilmember
Carolina Mejia, Vice Chair – Thurston County Commissioner
Justin Belk – Community Representative
Carolyn Cox – City of Lacey Councilmember
Brian Hess – City of Yelm Councilmember
Don Melnick – Community Representative
Sue Pierce – Community Representative
Debbie Sullivan – City of Tumwater Mayor
Mark Neuville – Labor Representative

INTERCITY TRANSIT GENERAL MANAGER:

Emily Bergkamp

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2025-2030 STRATEGIC PLAN

The Strategic Plan defines the levels and types of public transportation services offered over the next six years and determines the amount and sources of revenue to finance the services.

PLAN ORGANIZATION

- **Section 1:** Describes Intercity Transit’s Strategic Plan efforts beginning in 2001 and continuing with the development of this plan covering the period of 2025 through 2030.
- **Section 2:** Defines Intercity Transit’s policy positions.
- **Section 3:** Identifies Intercity Transit’s recommended service plan.
- **Sections 4 and 5:** Reflect Intercity Transit’s Capital Improvement Plan, updated annually, and financial plan.

SECTION 1: INTRODUCTION, HISTORY AND BACKGROUND

INTRODUCTION

Intercity Transit is the business name for the Thurston County Public Transportation Benefit Area (PTBA). The service boundary includes the urbanized areas of Lacey, Olympia, Tumwater, and Yelm. All Intercity Transit services must be provided within the PTBA boundary except for Vanpool and Express bus service, which serve commuters who either begin or end their commute in Thurston County.

The purpose of the Strategic Plan is to define levels and types of public transportation services offered over the next six years as well as to determine the amount and sources of revenue to finance the services. The 2025-2030 Strategic Plan represents the continuation of our commitments created from a multi-year transit planning process. The approach for this planning process included a significant public engagement exercise which not only helped formulate the outcomes of the Short – and Long-Range Plan adopted by the Authority in November 2018, but also culminated in the success of Intercity Transit’s Proposition 1 approved by voters on Nov. 6, 2018. Goals and policy positions, capital programs and services are outlined for the six-year period of the Strategic Plan. Intercity Transit’s yearly budget is also reflected in the Strategic Plan.

The Strategic Plan has traditionally addressed funding issues around the ability to support service to our community. During the COVID-19 pandemic we were operating

in an uncertain labor market. This was the primary barrier affecting our ability to deliver service, which resulted in a temporary service reduction. Additionally, since the Washington Paid Family Medical Leave (WAPFML) program went into effect in 2020, there has been a substantial increase in our workforce taking long-term or intermittent protected leaves. This is another dynamic that had to be taken into consideration for sustained staffing levels during and after the pandemic. We are proud to share that in 2024, Intercity Transit broke through challenges to hiring operators from its continued reputation of being an employer of choice, growing an equitable, welcoming, and community minded work culture, and through ongoing innovative recruitment partnerships with community workforce development resources. This momentum has allowed us to nearly accomplish our goal of having 325 FTE budgeted operators, which is the direct cause of being able to return to 102 percent of our pre-pandemic service levels with the September 2024 service change. This transpired ahead of last year's conservative Transit Development Plan forecasts, allowing us to resume our expansion plans outlined in Proposition 1 and our Long-Range Plan, which have been on-hold since March 2020. 2025 marks a milestone of transitioning away from reviving service temporarily suspended during the pandemic to improving and enhancing our services.

HISTORICAL PERSPECTIVE AND BACKGROUND

The struggle to fund transit services requested by the community has been long standing but has been particularly variable over the last 20 plus years. In January 2000, the funds Intercity Transit received from the Motor Vehicle Excise Tax (MVET) were eliminated through the passage of I-695. Intercity Transit received approximately \$8 million per year or 43 percent of its revenues from this source prior to 2000. Intercity Transit acted quickly to respond to this loss of revenue. In March 2000, Intercity Transit reduced the amount of service by over 40 percent and its workforce by the same level. In May 2000, the Washington State Legislature provided a one-time allocation of funding to help transit systems adjust to the loss of MVET funds. Intercity Transit used this funding, approximately \$2.8 million, to reinstate Sunday service and some other services. The net reduction in service after this restoration was 35 percent.

The level of service restored in May 2000 required expenditures above the revenue provided by local sales tax and other sources. The Intercity Transit Authority elected to operate a level of service that could be maintained for three years by drawing from reserve funds. This three-year period would be used to determine if the Legislature would restore some level of funding and to work with the community to determine the appropriate levels of service and funding for Intercity Transit.

Intercity Transit worked with the Thurston Regional Planning Council, the Transportation Policy Board, the Intercity Transit Community Advisory Committee, and the Intercity

Transit Authority to develop a Strategic Plan for Public Transportation service in Thurston County for the 2002–2007-time frame. It addressed the role Intercity Transit should play in the community, the levels and types of services that should be provided and required several bold initiatives including reducing the boundaries of the PTBA and doubling the level of sales tax devoted to public transportation.

The PTBA boundaries were reduced in early 2002 to an area approximating the cities of Lacey, Olympia, Tumwater, and Yelm and their Urban Growth Areas. In September 2002, voters within the new PTBA approved an increase in sales tax from 0.3 percent to 0.6 percent. This allowed the adoption of the service plan that expanded service over a three-year period. The goal of the 2002-2007 Strategic Plan was to define and implement a set of routes and services that would be implemented by 2006, that could be maintained with this new level of sales tax and other revenues. The service improvement and capital programs included in this plan were implemented in three phases with the third phase completed in February 2006.

The Authority updated the Strategic Plan in 2006 and included additional service improvements of approximately 12 percent in February 2008. Growth in sales tax revenue and ridership and lower than expected expenses from 2003-2008 combined allowed this service expansion. In 2008, there were also sharp increases in fuel prices to over \$4 per gallon. This increased ridership by over 18 percent while also sharply increasing the cost of fuel in terms of our expenditures. The Authority reacted to this cost increase by raising fares 33 percent on Jan. 1, 2009. The Great Recession brought a significant economic downturn in 2009 with sales tax revenue dropping by more than 12 percent in a year. This prompted the Authority to request that voters consider a 0.2 percent increase in the sales tax in August 2010. This increase was approved by 64 percent of voters and allowed Intercity Transit to implement a modest service increase in February 2010 and to continue major capital projects. The need for an additional service change was anticipated in 2010 or 2011; however, it was recognized this would be dependent on the state of the local economy and growth in sales tax revenue.

While the economy and sales tax revenue recovered from The Great Recession, the loss of approximately \$14 million in sales tax revenue between 2008 and 2014 had a long-term impact on our ability to fund programs and capital needs essential to a sustainable future for Intercity Transit. This was a time of not only revenue loss, but severe unpredictability, making planning of future transit service levels uncertain. This reduction in sales tax revenue resulted in Intercity Transit facing a 22 percent reduction in service without an increase in revenue. The Authority considered a sales tax increase as part of the 2009-2014 Strategic Plan but delayed the election until a later date. The issue was considered again as part of the 2010-2015 Strategic Plan, and the Authority elected to place a 0.2 percent sales tax increase on the August 2010 ballot. The measure was

approved by the voters with a 64 percent positive vote. This allowed service at the time to be maintained and a 3 percent service increase in February 2011. Additional service changes occurred in 2011 to address Pierce Transit's elimination of express service to Thurston County, withdrawing some unproductive DASH service between Capitol Campus and downtown Olympia, and on-time performance issues. The net result of these additional service changes was a very small increase in revenue hours.

In July 2012, MAP-21, the federal transportation authorization bill, provided formula allocated funding for Intercity Transit but eliminated discretionary funding for major capital projects and revenue vehicles. Previous Strategic Plans assumed the Pattison Street Maintenance, Operations and Administrative facility renovation and expansion as well as new buses would be primarily funded at 80 percent with federal discretionary funding. MAP-21's elimination of discretionary funding was disruptive to our historical funding model requiring us to dedicate significantly more local dollars to capital expenses.

A major challenge facing Intercity Transit for some time has been the cost to address concerns about aging facilities with limited capacity for staff at our Pattison Street Operations, Maintenance and Administrative headquarters so we could continue to provide service as well as address the growing needs of our community. This rehabilitation and expansion project was delayed twice owing to eliminated funding through the passage of I-695 and the Federal Bus and Bus Facility Program funding under 2012 MAP-21 federal transportation legislation. In December 2015, the federal FAST Act restored a portion of the bus and bus facilities dollars but at a significantly reduced level. Even with limited federal bus and bus facility funding, the Authority directed staff to seek both state and federal funding to pursue the completion of the Pattison Street facility renovation and expansion; a project for which initial planning began in 1998. One of the unfortunate results of the elimination of funding was the need to individually pursue needed rehabilitation work with local dollars. Doing so was necessary, but it was more expensive to pursue projects individually rather than mobilizing one effort. In the 2017 legislative session, Intercity Transit was awarded \$2 million through the Regional Mobility Grant competitive process to complete final design. As part of our four-year grant application, and with the approval of the 2019-2021 state legislature, Intercity Transit received \$3.9 million for the Pattison Renovation and Expansion project. Around this time, the state legislature also approved a one-year grant in the amount of \$375,000 to operate DASH service in 2016 and 2017. The state legislature renewed that funding partnership in the 2017/2018 and 2019/2020 legislative session. Since then, DASH service and funding have been disrupted due to COVID-19.

An approximately \$8 million project to replace old underground storage tanks, which no longer met environmental standards, moving the location of the vanpool fueling station

to enhance site safety and increasing the capacity of the bus yard was completed in 2018. Intercity Transit submitted a \$12 million request for federal bus and bus facility funding in August 2017. This is an extremely competitive grant with \$201 million available nationwide. Intercity Transit was granted \$1.375 million through this process. Intercity Transit submitted another grant in 2018. Two federal competitive grant awards of \$9.7 million in 2018 and \$11.3 million in 2020 were incredibly helpful, however the soaring cost of construction meant more local dollars were required to keep up with inflation. For the first time in its history, Intercity Transit considered bonding for capital construction. While construction is still nearing completion currently, positive sales tax returns are negating the need to bond. The Administration, Operations, Fuel, Wash, Facilities and Youth Education portion of the Pattison Expansion and Rehabilitation Project was completed in November 2022 and became fully operational in April 2023. The award of approximately \$5 million from the Washington State Legislature is helping fund the next phase of construction which primarily involves the rehabilitation and modernization of the maintenance facility, including the ability to accommodate zero emissions technology, which is underway now. Construction at the Olympia Transit Center (OTC) expansion, or OTC2, was completed in early 2020. When the original OTC was constructed, bringing a regional carrier on-site, such as Greyhound, was proposed but was beyond the funding available at the time. The original facility served the community well, but the number of passengers moving through the transit center outstripped its ability to adequately serve our customers' needs. The accumulation of state and federal grants, and the dedication of local funds, allowed additional bus bays to accommodate Greyhound, and additional passenger amenities including covered passenger waiting areas, a new customer service counter, restroom facilities, and space to support staff as part of OTC2 construction. Additionally, in 2022, Flix Bus joined Greyhound in the delivery of service from OTC2.

In the 2018 Washington State Legislative Session, Intercity Transit received authority to request an additional 0.3 percent in sales tax with a vote of the people. After a two-year community conversation to ascertain the desires of the community regarding what they wanted their public transportation system to look like, the Authority authorized the remaining 0.1 percent and the newly acquired 0.3 percent, totaling in a 0.4 percent increase, on the November 2018 ballot. Known as Proposition 1, the measure was approved by 66 percent of the voters. We saw sales tax growth of nearly 30 percent from 2013 to 2018, and just over 40 percent increase in 2019. The significant sales tax increase in 2019 represented the inclusion of six months of income from Proposition 1.

Service enhancements began in December 2018 increasing service by 25.3 percent through March 2020. While the economy became more stable, the threat of future economic recessions and fluctuations remained. There was also new concern regarding

legislative action potentially having a negative impact on state multi-modal funding and through Initiative 976. I-976, approved by voters in November 2019, limited motor vehicle taxes and fees providing transportation funding to agencies like the Washington State Department of Transportation (WSDOT). The Washington State Supreme Court struck down I-976 as unconstitutional in October 2020 but the initiative and referendum process continues to play a role in funding ambiguity. While monthly sales tax in 2020 fluctuated, we ended the year 21 percent over our 2019 figure. Sales tax for 2021 grew 16 percent over 2020. Though sales tax growth slowed in 2022, it increased 4 percent over 2021, and in 2023 experienced a 2 percent growth over 2022. Sales tax revenue for 2024 is on track to be near or slightly less than 2023. Since the start of the pandemic in early 2020 to now, uncertainty regarding a potential economic downturn has continued.

In response to the COVID-19 pandemic, Intercity Transit significantly decreased its systemwide fixed-route bus service in 2020; this decreased the number of routes from 22 to 18. By the end of 2022, Intercity Transit had restored roughly 78 percent of pre-pandemic service. The September 2023 service change restored some span and frequency, yielding approximately 88 percent of our pre-COVID level of service. Throughout the pandemic, labor shortages hampered the return of services. But, as we overcame these challenges, the September 2024 service change restored roughly 102 percent of our pre-pandemic service levels. This allows Intercity Transit to return focus to improving and enhancing our service as outlined in our Long-Range plan and Proposition 1.

The Federal Bipartisan Infrastructure Law of 2021 and the State's Move Ahead Washington Program of 2022 have increased funding dedicated to public transportation. These unprecedented opportunities for state and federal funding created optimism for pursuing Authority initiatives. For the 2023-2025 state biennium, Intercity Transit was awarded:

- \$1,479,459 for Thurston/Pierce Regional Connector Operating Funds.
- \$1,211,221 for Rear Door Boarding and Real-Time Passenger Information Deployments.
- \$6,192,557 for the Zero-Emission Hydrogen Demonstration project.
- \$6,857,740 for the Green Hydrogen Fuel-Cell Electric Bus Pilot project.
- \$680,000 for the East Martin Way Round-A-Bout project.
- \$7,596,615 for Special Needs/Dial-A-Lift (DAL) Operating Funds.
- \$9,201,832 for Fixed-Route and Village Vans Operations.
- \$710,208 for the replacement of 20 Vanpools.
- \$111,000 for the Vanpool Marketing project.

In 2023, Intercity Transit was also awarded \$1.8 million through Congresswoman Strickland's Community Project federal appropriations discretionary funding for the Zero Fare Bus Stop Access Improvement Project. Combined, Intercity Transit received just under \$15 million in capital and operating state grant reimbursements and just under \$7.5 million in combined capital and operating federal funding reimbursements in 2023.

Another significant change for Intercity Transit, based on the 2020 Census, is the Olympia-Lacey area is now considered a large Urbanized Area (UZA) (200,000+ in population). This change impacts Intercity Transit because it is the sole provider of public transportation service in the UZA. As of the Federal Fiscal Year 2024 starting Oct. 1, 2023, Intercity Transit became eligible to receive Sections 5307, 5310, 5337, and 5339(a) funds. Washington State Governor Jay Inslee confirmed Intercity Transit as the designated recipient of these funds in a letter to Susan Fletcher, Acting Regional Administrator, Federal Transportation Administration (FTA), dated Oct. 6, 2023. By the end of 2024, Intercity Transit anticipates receiving just under \$5 million in combined capital and operating state grant reimbursements and just under \$24 million in combined capital and operating federal funding reimbursements. Thanks to our Walk N Roll Program's collaboration with the Cascade Bicycle Club, we were also awarded \$347,000 in 2024, to support a new staff member to expand the Earn-A-Bike program, encouraging more people to bike safely.

For the 2025-2027 state biennium, Intercity Transit has applied for grant funding of:

- \$3,097,600 for replacement battery electric coaches.
- \$6,952,448 for local high performance Express service from west Olympia to east Lacey.
- \$6,814,963 for Lacey Express service from Lacey Transit Center to Sounder Station via Hawks Prairie and Joint Base Lewis-McChord.
- A new Route 14 will also serve the Capitol Campus and downtown Olympia starting in January of 2025, taking place of previous DASH service. We plan to pursue a request for 50 percent of estimated Route 14 operating costs over the coming biennium.

For Thurston Regional Planning Council's call for projects scheduled to begin between 2025 and 2030, funded by Federal Highway Administration and local revenues, we applied for and were approved full grant funding of:

- \$1,623,232 for 2027-2030 Walk N Roll Program Operating costs.
- \$1,297,500 for Phase 4 of our Smart Corridors project.
- \$1,065,680 for Dial-A-Lift vehicles and charging equipment.

The community routinely expresses the need to provide fixed-route and Dial-A-Lift services to areas currently unserved within our current service boundary, along with earlier service, ending later and increasing frequency. The need for Express service connecting Thurston, Pierce and King Counties continues to exist as does the need for connecting individuals from Lewis, Mason and Grays Harbor counties to the Puget Sound Region for medical care, education and employment opportunities. The elimination of all Pierce Transit express service in the highly congested I-5 corridor resulted in Intercity Transit adding additional trips starting in 2011. This additional service significantly impacted Intercity Transit's budget. We hoped that Pierce Transit would resume service at some point, and conversations have been revived between our agencies to explore other solutions for possibly adding more Express service connecting Thurston and Pierce counties, but nothing has been formalized yet. Adding more Express service on our own would require a reduction of our local service to make it financially feasible. To avoid this, Intercity Transit continues to seek support from the state to help pay for this vital connection, which requires about 10 percent of our annual fixed-route operating budget.

It remains difficult to forecast future sales tax revenue, which makes long-term planning a challenge as sales tax revenues represent most of our budget. In addition to the variability of sales tax and fuel pricing, limited federal bus and bus facility programs make planning for vehicle replacements, pursuing capital projects and maintaining service levels a challenge. Intercity Transit also began work on a zero-emissions fleet analysis with the Center for Transportation and the Environment (CTE) in late 2021, which studied the feasibility of replacing revenue vehicles at the end of their useful life with zero-emissions vehicles such as hydrogen fuel cell electric buses (HFCEB) and battery electric buses (BEB) along with necessary infrastructure. The feasibility study estimated the cost of ownership of a mixed HFCEB and BEB fleet is approximately \$725 million through 2050. CTE is also preparing a formal zero emissions transition plan to assist with vehicle replacement planning and to assist in our competitiveness for zero emissions federal funding opportunities. Intercity Transit's chief financial officer works with staff to prepare, and requests the board to adopt, a comprehensive fiscally sustainable multi-year Capital Improvement Plan (CIP) annually to ensure effective planning and management of capital assets and projects like future zero emissions needs, including those in our Short- and Long-Range Plan.

The CIP identifies and prioritizes expected needs reflective of our Strategic Plan, establishes project scope and cost, details estimated funding needed from various sources, and provides a clearer view of the associated future operating and maintenance costs required for our programs and services.

The fear of the initiative and referendum process creating challenges for state grant funding became a reality again in 2024. Initiative 2117, on the November ballot, sought to repeal the 2021 Climate Commitment Act (CCA) and eliminate a significant source of revenue for transportation projects around Washington State. The CCA also funds the Move Ahead Washington legislation that allocates \$3 billion for public transit over the next 16 years. If passed, the initiative would have eliminated a projected \$143 million in funding for Intercity Transit over the next 16 years including:

- \$64 million in operating costs for bus and Village Vans transportation services.
- \$24 million for Dial-A-Lift (paratransit) services for the elderly and people with disabilities.
- \$48 million for zero emission transit vehicles and necessary infrastructure.
- \$5 million to provide faster transit service along Martin Way.
- \$2 million for active transportation safety and education.

If state funding for these investments were to have gone away, Intercity Transit would have needed to find replacement funding, either through local dollars or new grant opportunities. Fortunately, Initiative 2117 failed soundly, which is a big win for Intercity Transit and so many others in our transit community. The failing of the initiative allows these investments to move forward, improving mobility for those who need it most, providing real reductions in greenhouse gas emissions, and improving safety in our community.

MISSION STATEMENT

The completion of the 2002 Strategic Plan led the Intercity Transit Authority to review the agency's mission and vision statements that were originally adopted in 1996.

The Authority discussed key ideas that should be included in the mission statement, and in August 2006, adopted a draft statement. The Authority adopted a final statement in September 2006, with revisions in 2010. At the 2024 joint meeting of the Authority and Community Advisory Committee, the group discussed the inclusion of language in these guiding principles that demonstrate Intercity Transit's work on issues of diversity, equity and inclusion (DEI). Intercity Transit began earnestly working on DEI issues in 2023, focusing on internal work with staff to better reflect these values to the community we

serve. Board Chair, Clark Gilman, met with DEI Committee to discuss changes to the mission statement, reflected below. The mission statement is reviewed during the Strategic Plan update.

“To provide and promote transportation choices respectful of the safety, comfort, and diverse needs of all our customers, to support an accessible, sustainable, livable, healthy and prosperous community.”

VISION STATEMENT

“Vision” and “Mission” are often confused and sometimes used interchangeably. However, there are important differences between them. The Mission Statement outlines why an organization exists. The Vision Statement reflects what organizational success looks like and serves as our guide to action. It is consistent with the organization’s values while challenging and inspiring us to achieve our mission.

The Authority, drafted and adopted a new Vision Statement in 2010 with the revised Mission Statement. At the 2024 joint meeting of the Authority and Community Advisory Committee, the group discussed adding language in these guiding principles that demonstrate Intercity Transit’s work on issues of DEI at their annual joint meeting. The vision statement is reviewed during the Strategic Plan update. These additions are reflected below.

“To be a leading transit system in the country, recognized by our peers, community and customers for our well-trained, highly motivated, customer-focused, community-minded employees committed to providing inclusive and exceptional transit services that enhance the quality of life for all in Thurston County.”

GOALS AND ENDS POLICIES

The Intercity Transit Authority adopts a new set of goals each year, unless the goals from the previous year remain unchanged. These goals continue to be clarified, and the list expanded upon.

GOAL 1

Assess the transportation needs of our community throughout the Public Transportation Benefit Area.

End Policy - *Intercity Transit Authority, staff, and the public will have access to clear and comprehensive information related to the diverse transportation needs of our Public*

Transportation Benefit Area.

GOAL 2

Provide outstanding customer service.

End Policy – *Customers, staff and the broader community will report a high level of satisfaction.*

GOAL 3

Maintain a safe and secure operating system.

End Policy – *Focus on the continual improvement for the safety and security of all customers, employees and facilities.*

GOAL 4

Provide responsive transportation options within financial and staffing limitations.

End Policy - *Customers and staff will have access to programs and services that benefit and promote community sustainability, focused on serving the mobility needs and demands of our diverse community.*

GOAL 5

Integrate equity and sustainability into all agency decisions and operations to lower social and environmental impact to enhance our community and support the Thurston County Regional Climate Mitigation Plan.

End Policy - *Resources will be used efficiently to minimize the overall impact on the community and environment, and to the extent possible efforts will be pursued that integrate or otherwise align with broader equity and sustainability goals.*

GOAL 6

Encourage use of our services, reduce barriers to access and increase ridership.

End Policy – *Educate and encourage all community members to explore, appreciate and utilize the benefits of our services and programs while making the system easier to use.*

GOAL 7

Build partnerships to identify and implement innovative solutions that address mobility needs, access and equity as a service provider and as an employer.

End Policy – *Work with government entities, educational institutions, businesses, not-for-profit community partners and customers to facilitate high-quality and inclusive mobility options as well as educational and socio-economic opportunities in our community.*

GOAL 8

Integrate resiliency into all agency decisions to anticipate, plan, and adapt given the

critical functions of transit operations.

End Policy - *Promote community, organizational and individual resiliency.*

INTERCITY TRANSIT'S ROLE IN THURSTON COUNTY

Intercity Transit is the leader, major advocate and prime source of information for public transportation in Thurston County. In this capacity, we are charged with balancing several important functions:

- Providing transportation for people without access to a single occupancy vehicle or the ability to operate a single occupancy vehicle, including those with a physical or mental disability.
- Offering practicable transportation choices for people with multiple options, including those with access to one or more single occupancy vehicle, and the ability to walk or bicycle.
- Facilitating access to employment and stimulating economic growth.
- Serving as a partner in building livable communities.
- Being a resource able to respond to community emergencies.

We do this by providing effective and efficient services maximizing the public benefit from invested resources. This is done by:

- Regularly evaluating the performance of all services and balancing life-line services with the allocation of resources to those that generate the greatest number of riders per unit of invested resources.
- Pursuing new investments in community resources including capital facilities and intelligent transportation systems that will allow better management and use of transportation resources.
- Supporting efforts by local jurisdictions that encourage transit supportive development.
- Striving to expand services to keep pace with the community's growth and to address unmet transportation needs in the community.

INTERCITY TRANSIT'S FOCUS ON PERFORMANCE

Major housing and commercial developments are occurring on the edges of our service area and "infill" development is occurring which increases demand on Intercity Transit. This causes residents of the new neighborhoods and commercial areas to request new bus routes. Those in established neighborhoods want existing services to operate more

frequently and increase the span of service, starting earlier in the morning and ending later at night. Regional commuters increasingly look to Intercity Transit as a way to avoid having to drive on the region's crowded freeways.

Ridership, on the other hand, slowed in 2009, grew again in 2011 as local and national economies continued to decline and set a new annual record in 2012. With a 25 percent increase in fares in 2013 combined with lower fuel costs and lower enrollment at local colleges, ridership declined. By the end of 2016, 2017 and 2018, fixed-route ridership dropped 3.96 percent, 4.6 percent and 4.1 percent, respectively. With the implementation of some new fixed-route service in 2019, ridership rose 7 percent. With the implementation of zero-fare service, ridership rose 19.8 percent in January 2020 over January 2019 and 39.3 percent in February 2020 over February 2019.

In the first quarter of 2020, COVID safety measures including state and federal directives for masking, to limit both travel for essential trips only and the capacity per trip to allow for social distancing, reduced ridership. We ended 2020 with a 52.7 percent reduction from pre-COVID ridership and ended 2021 gaining 15.6 percent back. By the third quarter of 2022, fixed-route consisted of 74 percent service levels and 60 percent of pre-COVID ridership while similarly, Dial-A-Lift ridership had returned to 60 percent. Entering the latter half of 2023, fixed-route ridership was at 88 percent pre-COVID service levels and 79 percent of pre-COVID ridership, while Dial-A-Lift ridership had returned to 68 percent.

Entering the latter half of 2024, fixed-route service was at 102 percent pre-COVID service levels and 98 percent pre-COVID ridership, while Dial-A-Lift ridership had dropped slightly to about 60 percent. Intercity Transit's calculation point for pre-COVID ridership is March 2019 through February of 2020. This timeframe also includes the fact that the agency began its Zero-Fare Demonstration Project in January 2020 seeing a 20 percent increase in ridership that month and almost 40 percent in February 2020. It should also be noted that Dial-A-Lift service hours were not reduced during the pandemic. However, DAL riders, which are individuals and seniors living with disabilities that prevent them from riding our fixed route service, had much lower ridership. Many of these riders live with chronic health conditions causing compromised immune systems, and they continue to take greater precautions in their travels limiting their exposure to possible infections and illnesses, such as COVID-19.

Demands for service are often higher than our ability to provide it, forcing difficult choices for community members and the agency. Intercity Transit focuses on productivity, measured by passengers per revenue hour on a route, as the best way of determining service effectiveness and for allocating available resources. This focus on performance forms the basis for numerous established policies and is continued by this

plan. However, there is recognition by the Authority that this focus on productivity must be balanced with the issue of coverage and life-line services. There are some areas of the PTBA that are difficult to serve, and routes serving these areas may never reach the productivity level of other Intercity Transit services. The Authority must continually determine if certain portions of the PTBA will receive service regardless of productivity of the route serving the area.

DESIGN PRICIPLES FOR THE NEXT SIX YEARS

DESIGN PRINCIPLE #1

Operate a range of services, each designed to meet the needs and capabilities of the neighborhoods it serves.

Intercity Transit traditionally employs a route classification scheme that matches service levels to the characteristics of the neighborhoods being served. In the past, local fixed-route services were divided into five general groups – trunk, primary, secondary, rural, and circulator routes.

DESIGN PRINCIPLE #2

Strengthen service operating along major corridors.

Over two-thirds of Intercity Transit's fixed-route ridership is recorded on the system's trunk routes. This reflects the high concentration of housing, employment and commercial activity along the corridors they serve. Our goal is to provide more frequent service, late night service and expanded weekend service along these key corridors. This is designed to make transit easy and convenient to use, and competitive with automobile usage when traveling in the major corridors.

DESIGN PRINCIPLE #3

Reduce customer travel times.

It is very difficult for public transportation to compete with travel times of single occupancy vehicles. Whether a customer rides local fixed-route service, in a vanpool or an Express bus, they must typically go to a centralized pickup point to wait for a prearranged departure time. Then they are further delayed whenever other riders get on or off. This all affects public transportation's ability to be competitive.

Strategies to reduce travel time include:

- Express services.
- More frequent service.

- Signal priority treatments for transit vehicles.
- More direct services linking major points of origin and destination.
- Fare policies that speed boarding times.

DESIGN PRINCIPLE #4

Keep pace with development.

New development is taking place outside Intercity Transit's core of urban services. Developments in the Northeast Lacey, Hawks Prairie, south Tumwater, Briggs Nursery, and Kaiser Road areas hold special challenges for Intercity Transit because bus travel times tend to be long and service levels are low. If Intercity Transit does not effectively serve these major developments, the number of residents who can realistically use public transportation will be less. Intercity Transit should continue to support quality infill projects, and the strengthening of current business and employment areas that take advantage of existing public transportation services. At the same time, system plans should include new services that extend to major new developments outside our traditional service area. To date, lack of equipment and operating funds have limited our ability to provide service. With the passage of Proposition 1, diligent work to restore pre-COVID service levels and new creative hiring strategies to address labor supply challenges, Intercity Transit can begin to explore effective and innovative ways to deliver service.

DESIGN PRINCIPLE #5

Expand regional express routes.

Thurston County is becoming more closely linked to the central Puget Sound region and Intercity Transit recognizes the need to improve inter-county travel opportunities. Our community has suggested commuter rail service be established between Tacoma and Thurston County, or that Thurston County join Sound Transit. A recent study of High-Capacity Transportation (HCT) between Thurston and Pierce counties by the Thurston Regional Planning Council showed there is not enough density for the foreseeable future to support light rail. Future household and employment densities solidly support bus transit and vanpools but are marginal for commuter rail service.

Any HCT expansion will require additional transportation revenue and more collaboration between agencies in Pierce and Thurston counties and partners like WSDOT. For now, the HCT need is most appropriately addressed through expanded express bus, vanpool and ridesharing services, as funding allows, plus work with WSDOT to extend HOV lanes to Thurston County for all modes of commuter service. The Lakewood Center Park and Ride facility, the Martin Way Park and Ride lot and the Hawks Prairie facility provide ample available parking for these services.

DESIGN PRINCIPLE #6

Support a range of transportation choices.

Fixed-route transit services receive the most attention in agency plans due to the fact that this segment of our overall operation consumes the largest portion of Intercity Transit's budget. At the same time, fixed-route service represents only one part of Intercity Transit's overall services. Greater opportunities to use transportation options like walking and bicycling helps Intercity Transit provide better public transportation services by offering more means for customers to reach routes and facilities. Increased use of transportation options also serves two of the major purposes of public transportation, reducing traffic congestion and air pollution.

Initiatives include:

- Intercity Transit will continue to support and expand its Vanpool and ridesharing programs. Together, these services support significant reductions in travel by single occupancy vehicles at a modest public cost per passenger trip.
- Intercity Transit will continue to promote bicycling, walking, ridesharing, vanpooling, and remote work as better options to driving alone. These modes complement public transportation use and can help Intercity Transit pursue its mission and fulfill community goals.
- Intercity Transit will continue to support public and private sector initiatives that encourage the use of multiple modes. Intercity Transit will continue to review and comment on community plans and proposed developments, highlighting ways they can better support all transportation modes, instead of solely single occupancy vehicles.
- We'll also support ongoing Commute Trip Reduction and Transportation Demand Management efforts being pursued by the state and local jurisdictions. Additionally, Intercity Transit will demonstrate its commitment to these efforts by advocating the importance of commute trip reduction to our own employees.
- Intercity Transit will monitor potential benefits and risks associated with transportation network company programs, autonomous vehicles and other changing technology that could impact ridership or provide new opportunities for implementing first and last-mile strategies.
- Intercity Transit will work diligently to remove barriers to transit access and encourage use. This includes offering faster service in high-density corridors, increasing frequency on high-use routes, adding service to growing neighborhoods and employment centers, eliminating fares for fixed-route and Dial-A-Lift, and other

measures as appropriate.

DESIGN PRINCIPLE #7

Provide fixed facilities and equipment that support the region's public transit infrastructure.

Effective public transportation demands an investment in capital facilities that promote customer comfort, speed travel and increase safety. To succeed, Express services need adequate park and ride capacity, equipment and technology that allow integration with regional transit systems. Local services also need ADA compliant stops, shelters and customer information. The entire system needs reliable, safe and efficient equipment. The capital improvements that are identified in Section 5 attempt to fulfill these needs.

SECTION 2: INTERCITY TRANSIT POLICY POSITIONS

Intercity Transit staff work with the Intercity Transit Authority to identify policy issues facing the agency for the duration of the Strategic Plan.

These issues fall into five general categories:

1. Fixed-route service and service design.
2. Capital investments.
3. Financial.
4. Other Intercity Transit services.
5. General policy issues.

The issues and list of actions are presented below.

1. Should Intercity Transit maintain service levels in 2025 or consider new or expanded local transit services needed to serve the growing population?

- Proceed with the implementation of the elements in Proposition 1 and the Long-Range Plan recognizing that COVID-19, and impacts to the labor market, temporarily delayed our forward momentum.

2. What is Intercity Transit's role in providing regional mobility?

- Continue to seek grant funds to deliver service between Thurston and Pierce counties.
- If grant funds, or a partnership with Pierce Transit, are not available to support this service, the Authority should consider whether to pay for continued service between Thurston and Pierce County.

- Consider streamlining service to, but not within, Pierce County. This would eliminate duplicative regionally provided trips and eliminate Intercity Transit operating zero-fare service within Pierce County.
 - Focus on priority movement for transit which promotes “passenger” or “people” through-put as opposed to “car” through-put.
 - Continue to participate in regional transportation planning efforts.
- 3. What role should Intercity Transit have in serving the core areas of Olympia, Lacey and Tumwater?**
- Proceed with the implementation of the Long-Range Plan recognizing COVID-19, specifically impacts to the labor market, temporarily delayed forward momentum.
 - Promote strategies to remove barriers to utilize our services.
 - Recognize that while more than 90 percent of those that ride the bus do so within the three urban cities; this does not preclude the provision of enhanced services to Yelm.
- 4. Is there a role for local Express service in the current service area?**
- Pursue project planning and funding for bus rapid/high performance style transit and all associated projects.
- 5. Should transit priority measures – signal priority, queue bypasses and bus lanes – be considered?**
- Take an active role in land use planning efforts to advocate development which supports transit and other active transportation choices.
 - Partner with local jurisdictions to implement signal priority to enhance the safety, speed and reliability of bus movement.
 - Partner with Thurston Regional Planning Council and local jurisdictions to develop high-density corridors into “smart corridors.”
 - Explore improvements to corridor travel to improve access to transit stops.
 - Focus on coordinated emergency management response.
- 6. Should Intercity Transit pursue efforts to coordinate service with local school districts?**
- Continue the youth education program within the guidelines of public health and school district directives.
 - Expand our creativity and coordination with school districts, youth and our community to teach skills for safe walking, biking and transit use.

- Partner with school districts to identify all potential coordination opportunities.
- Continue to focus on our programmed activities in areas within our PTBA.

7. What level of passenger amenities (bus shelter, benches, lighted stops, passenger information, etc.) is appropriate?

- Recognize the experience of riding the bus begins before passengers' board the bus.
- Prioritize bus stop improvements by analyzing ridership data that includes passenger activity.
- Emphasize stops located on major corridors as well as stops located near facilities serving elderly people and those with special transportation needs.

8. What additional investments in technology should be made?

- Monitor and focus on improvements to the website, GovDelivery and other customer communication tools.
- Continue to evaluate our Information Systems functions.
- Pursue enhancements to our fleet and systems management software to enhance efficiency and operations.
- Actively explore new and emerging technologies proven to increase efficiency, effectiveness, safety, cost-savings, enhance customer experience, and follow a pathway to better environmental outcomes.
- Focus on emergency management response and continuity of operations.

9. Should the Vanpool Program continue to expand to keep up with demand?

- Focus on outreach and education.
- Build partnerships to support business and enhanced employment opportunities.
- Pursue grants as appropriate.
- Continue to promote strategies to remove barriers and increase ridership.
- Monitor the results of the Vanpool Five-Year Flat-Rate Fare Demonstration Project the Authority adopted in September 2021 and implemented January 1, 2022.

10. Are there capital purchases or other projects that are needed to allow future growth? What is the appropriate timeline for these projects?

- Continue to finalize design, pursue permitting and construct the Pattison Street Facility Rehabilitation and Expansion Project.
- Continue to pursue grant funding to support our capital and operational needs.

- Explore, define and pursue funding for capital facilities necessary to facilitate the delivery of service in accordance with Proposition 1 and the Long-Range Plan.
- Maintain our long-term capital funding plan.

11. Should Intercity Transit pursue additional park-and-ride facilities?

- Continue to partner with local jurisdictions and WSDOT regarding potential locations for park and ride facilities.
- Pursue joint use agreements as necessary to secure park and ride space to support ridesharing, Express bus and local transit services.
- While additional park and ride locations are likely needed in the region, this plan urges caution in dedicating capital funds for additional park and ride facilities at this time.
- Encourage the creation of HOV lanes and use of shoulder running. Seek funding to support direct highway access from park and rides and other alternatives to support ridesharing, Express bus and local transit services.

12. How do Village Vans, Community Vans, Surplus Van Grant, and Discounted Bus Pass programs fit into Intercity Transit's future? Are there other similar programs that should be considered?

- Continue support for Village Vans, Surplus Van Grant and Community Van programs.
- In conjunction with the zero-fare demonstration project, discontinue the Discounted Bus Pass Program.
- Seek replacement funding for the continuation of the Village Vans Program.

13. Are our services – Dial-A-Lift, Travel Training and accessible fixed-route buses – adequate to serve persons with disabilities?

- Continue to focus on the Travel Training and Bus Buddy programs.
- Explore alternative service delivery methods to enhance productivity and reduce program costs.
- Pursue improvements in software and use of technology to improve productivity and service.
- Maintain consistent ADA eligibility best practices to manage Dial-A-Lift growth so non-eligible demand doesn't impact our ability to deliver services.
- Focus on obtaining grant funds to ensure adequate resources to serve this growing population.
- Continue the effort to make all bus stops accessible and to provide shelters and other amenities at stops serving people with disabilities.

- Apply the principles of Universal Design to all capital purchases and projects, and explicitly consider accessibility and usability for the widest range of individuals when evaluating equipment and technology.

14. Is the current fare policy appropriate?

- Continue implementing the Zero-Fare Demonstration Project.
- Defer capital investment for new fare collection systems to replace old, obsolete systems pending assessment of the Zero-Fare Demonstration Project.
- Use the Zero-Fare Demonstration Project to promote our mission of supporting an accessible, sustainable, livable, healthy, and prosperous community.
- Track internal and external results associated with the Zero-Fare Demonstration Project.
- Continue to focus on removing barriers to accessing Intercity Transit services to increase ridership (when appropriate), improve speed and reliability of service, lessen increasing congestion, improve the environment, enhance community health, improve equity and access, retain and recruit business, and enhance educational opportunities.
- Enhance community resiliency by reducing personal transportation expenses to address other needs.
- Monitor regional fare collection system replacement (ORCA) during the Zero-Fare Demonstration Project.
- Evaluate and promote system viability and user safety.

15. Should Intercity Transit's planning for the next six years be financially constrained?

- Yes. Monitor and evaluate economic outcomes and how that might impact our finances.
- Implement service consistent with Proposition 1 and the Long-Range Plan, continuing to closely monitor revenue collections, operational costs and capital programs.

16. What role should Intercity Transit play in local transportation projects, Commute Trip Reduction, youth education programs, and the Bicycle Community Challenge?

- Work with the Thurston Regional Planning Council, the State of Washington and affected local jurisdictions to improve the Commute Trip Reduction Program.
- Pursue relationships with private employers to educate about the benefits of transit and other active transportation options to better serve their needs and the needs

of their employees.

- Pursue grants to assist in implementing youth and senior programming.
- Continue to support cycling safety, bicycle maintenance, the Bicycle Community Challenge, and find additional sources for bike donations.
- Continue to find ways to benefit the community through our outreach programs.
- Market active transportation to youth and seniors.

17. Should Intercity Transit's current marketing approach and level of effort be continued?

- Focus on strategic community outreach, engagement, messaging, and use of available channels to educate and develop our markets.
- Improve the website to better serve various constituents and a relevant business and communication tool for the agency.
- Intercity Transit should continue to pursue customer information technology to enhance the customer experience and support service.

18. What steps should Intercity Transit take to reduce emissions and the negative environmental impact of our operations?

- Promote strategies to increase ridership.
- Take an active role in land use planning efforts to advocate development that supports transit and other active transportation choices.
- Deliver robust and connected service in support of the Long-Range Plan.
- Replace older, less efficient equipment and facilities when feasible.
- Continue to research and pursue equipment, facilities, and process improvements while considering their social, economic and environmental impacts as much as possible.
- Utilize environmentally friendly materials and chemicals, and require vendors and contractors to do the same, to the maximum extent possible.
- Seek to reduce waste production as well as energy and water usage.
- Continue to partner with Thurston Green Business and Puget Sound Energy's Green Power Program.
- Pursue zero emissions technologies and develop a transition plan.
- Participate in planning activities as appropriate and embrace regional efforts to develop and implement climate mitigation actions.

19. What is Intercity Transit's policy related to the expansion of the Public Transportation Benefit Area (PTBA)?

- Maintain the current policy of not expanding the PTBA.
- Focus on delivering enhanced service within the existing boundaries first, followed by serving areas within the existing PTBA that aren't currently served.
- Consider annexation of new areas only if it doesn't negatively impact existing and promised services and only if representatives of these new areas can demonstrate a majority of support in the area to be annexed. Those representatives may then request the Authority take steps to hold an annexation election.

SECTION 3: RECOMMENDED SERVICE PLAN

SERVICE RECOMMENDATIONS

In November 2018, the Authority approved a Short- and Long-Range Plan identifying service principles and priorities for the future. COVID-19 required the agency to temporarily pause our expansion plans. Intercity Transit responded to the best of our ability during the public health crisis and kept our eye on restoration and the continuation of our Long-Range Plans.

The labor market no longer impacts our ability to return to pre-COVID levels of service. With the September 2024 service change, we were able to restore 102 percent of pre-COVID service levels. Beginning in 2025, Intercity Transit projects a transition from restoration of service to a state of growth and expansion.

SECTION 4: CAPITAL PLAN AND OTHER PLAN ELEMENTS

Intercity Transit will continue to pursue the rehabilitation and expansion of the Pattison Street Facility, enhancements at bus stops, transit centers, park and rides, and the technical advancements identified in this plan and the 2025 budget. The new 2025-2029 CIP identifies \$166.6 million in capital projects estimated to take place over the duration of the 2025-2030 Strategic Plan. This includes specific projects such as:

- Preventive maintenance of vehicles in Intercity Transit's fleet.
- Purchase of replacement Vanpool vans.
- Continuing progress on bus stop enhancements and accessibility program.
- Continuing youth education program(s) that foster skills and provide education on using transit, bicycling and walking as transportation choices.
- Acquisition of heavy-duty coaches to replace models that are at or beyond their expected useful life.

- Purchase of replacement Dial-A-Lift vans to meet the needs of our region’s eligible clients.
- Planning, design and capital improvements to provide high performance or corridor service consistent with the adopted Long-Range Plan.
- Planning, design, facility, and site improvements for alternative fuel infrastructure systems.
- Planning, design, and construction of the northeast Lacey Operational Support Terminal Facility which is also known as the East Martin Way Gateway Station Roundabout Project.
- Real-time and digital signage project.

SECTION 5: FINANCIAL PLAN

FINANCING THE STRATEGIC PLAN

The goal of the 2025-2030 Strategic Plan is to implement capital improvements and a level of service that can be sustained for the foreseeable future. While Proposition 1 allowed for substantial growth in fixed-route service, if the growth rate experienced in Dial-A-Lift pre-COVID were to return, it will eventually challenge our ability to deliver both services. Studying our existing circumstances and monitoring our Long-Range Dial-A-Lift Plan is essential.

Another significant expense is the impending procurement of a replacement Enterprise Resource Planning software system. Now that the agency-wide, resource intensive replacement of our computer automated dispatch, vehicle location, automated passenger counters, on-board annunciation systems and new back-up radio system has been completed, this project has taken priority status.

The approval of Proposition 1, to increase local sales tax revenue in support of public transportation within the PTBA, allowed us to improve the agency’s overall state of good repair related to both facilities and fleet vehicles. A large portion of the agency fleet that was beyond their useful life were replaced between 2018 and 2023. Additionally, expansion vehicles were secured to deliver, and support expanded fixed-route and Dial-A-Lift services promised to the community. The associated challenge was supporting the significant cost of a large number of vehicle purchases in a short period of time. The agency will face this challenge again when these new vehicles meet their replacement lifecycles. Our 2021 Dial-A-Lift order was postponed by the manufacturer pending significant supply chain disruptions and price increases due to the pandemic. However, the Dial-A-Lift build was successfully delivered mid-2024.

Another challenge for Intercity Transit is the expense associated with the renovation, expansion and replacement of the original Pattison Street operations, maintenance and administration facilities. Ensuring they are built to meet the needs of our growing community, as well as supporting the county-wide emergency response and continuity of operations plans is an expensive but necessary venture.