

INTERCITY TRANSIT Proposition 1

Information About the Upcoming Sales and Use Tax Measure

September 2018

Maintain, Improve and Expand Public Transportation Service

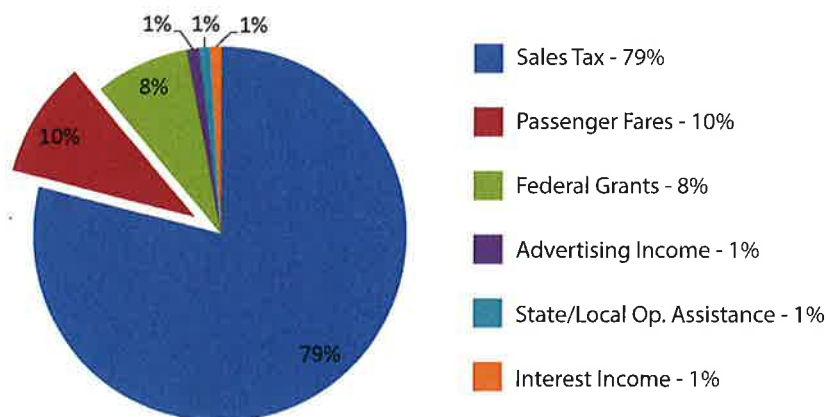
Proposition 1 seeks voter approval on the November 6, 2018 ballot to increase sales and use tax by four-tenths of 1 percent (0.4%), or 4 cents on a \$10 taxable purchase, to maintain, improve and expand public transportation services.

If approved, Intercity Transit (IT) will preserve current services, expand bus routes into new areas, increase the frequency and operating hours of local and commuter bus services, make capital and technology improvements and expand specialized transportation services for seniors and those living with disabilities.

If rejected, IT will need to cut service by 15 percent.

Why is IT asking for new sales tax revenue?

Historically, IT has received 80 percent federal match to purchase buses and fund capital construction. Those discretionary dollars were totally eliminated from the federal budget for four years and only a small portion came back starting in 2016. This changed our entire financial model. The reality of this change is that we cannot afford to replace buses with our current level of local dollars. Without buses, we cannot provide service.



We have reengineered route offerings, extended the service life of our fleet and made other cost-cutting adjustments. However, it is not enough to replace lost federal dollars. IT is projected to experience a budget deficit by 2022. Sales tax is the agency's primary source of funding (roughly 80 percent). We receive no revenue from property, motor vehicle excise or gas tax.



About Intercity Transit

IT serves Lacey, Olympia, Tumwater, Yelm and their surrounding urban growth areas.

IT operates 21 bus routes and Express service to Tacoma, along with paratransit and vanpool programs. Combined, these services provide five million passenger rides a year.

These services are provided with a fleet of 71 buses (including 23 hybrids), 40 Dial-A-Lift (paratransit) vans and 185 vanpools. IT also manages two transit centers, 946 bus stops, 289 bus shelters, three park & ride lots, and the Amtrak train station in Lacey.

Intercity Transit's mission is to provide and promote transportation choices that support an accessible, sustainable, livable, healthy, prosperous community.

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How was Proposition 1 developed?

Intercity Transit launched a planning and public engagement effort in 2016 entitled “IT Road Trip.” Its purpose was to better understand community expectations and priorities for the future of public transportation in Thurston County.

The Road Trip was the most comprehensive engagement effort undertaken by the agency and a great deal was learned. In Phase 1, over 3,500 individuals shared more than 10,000 ideas for the future of transit. In Phase 2, the community prioritized enhancements and identified a preferred future scenario. Nearly 83 percent of survey respondents selected the “transformational scenario” which included nine specific service improvements. Over 67 percent reported that they were already in favor of, or leaning toward, supporting a sales tax increase to maintain and enhance service. Notably, less than 4 percent of respondents said service cuts would be an acceptable outcome.

The survey results were confirmed via a statistically-valid survey, which indicated a high level of community support for enhanced public transit services. As a result of what we learned, the IT Authority authorized a resolution to ask voters for a four-tenths of one percent sales and use tax increase. The purpose is to preserve existing service and make significant improvements to increase access and efficiency.

IT will operate at the level of service the community is willing to support.

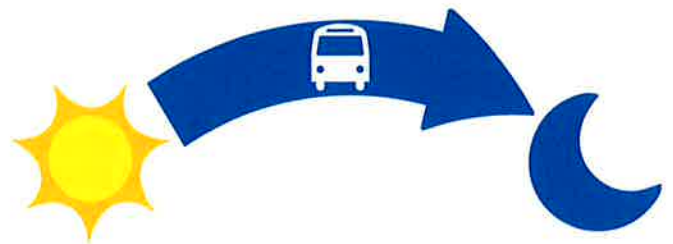
Ultimately, it is up to the taxpayers in the Public Transportation Benefit Area, which includes Lacey, Olympia, Tumwater, Yelm, and their surrounding urban growth areas, to decide.



What improvements are proposed?

The following are the community-defined priorities that would be implemented if Proposition 1 is approved. Each proposed enhancement is summarized below.

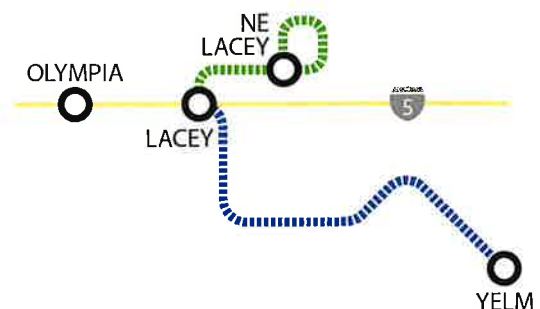
- 1. Extended Span of Service** – Bus service will start earlier and end later on weekdays and weekends. This will better serve those with early or late work shifts, as well as those seeking to use alternative transportation to run errands or participate in other community activities.



- 2. Improved Frequency** – Buses will serve each stop more frequently throughout the day. The busiest routes will go from 30 to 15-minute service, seven days a week. All other routes will receive 30-minute service instead of 60-minute service.



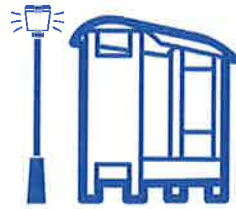
- 3. Service to New Areas** – Bus and Dial-A-Lift service will be extended to new and growing areas of our community, including neighborhoods and employment centers in NE Lacey, Tumwater, Olympia and Yelm. “Innovative Service Zones” would connect riders in less densely populated areas to the broader transit system.



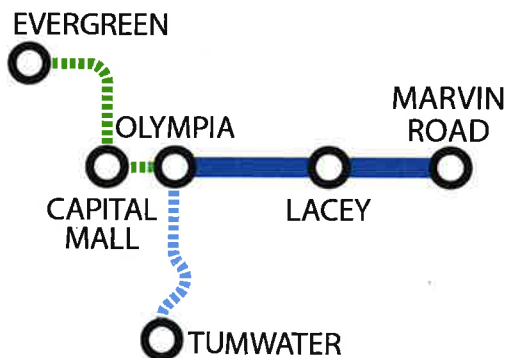
- 4. Maintain On-Time Performance** – IT will set-aside a portion of its annual operating budget to ensure funds are available to put additional buses into service as congestion increases. This will reduce wait times and help preserve transit as a reliable alternative to single-occupancy commutes.



- 5. Enhanced Capital Facilities** – This includes better bus stops, with features like shelters, benches and lighting.



- 6. Bus Rapid Transit** – Bus Rapid Transit, or BRT, is a high-frequency bus-based transit system that delivers fast, direct, comfortable and cost-effective service. IT will dedicate funds to implement a future BRT line on the Martin Way Corridor from Olympia to Marvin Road.



- 7. Night Owl Service** – This is envisioned as a weekend, on-demand, late-night service to and from downtown Olympia. It would include three small buses leaving the Olympia Transit Center hourly, with each bus making stops at different zones up to three miles away from downtown.



- 8. Enhanced Commuter Service** – This would include better Express service between Olympia, Lacey, Lakewood, and Tacoma. Service would be easy to understand, fast and comfortable. Thurston County is projected to have 43,000 out-of-county commuters by 2025.



- 9. Fare-Collection Efficiencies** – IT will explore options for making fare collection easier and faster to reduce delays and simplify access for more riders.



What will happen if Proposition 1 is approved or rejected?

If approved, the proposed implementation schedule to improve and expand service is as follows:

Implementation Year	Improvement
2019	• Improve Span of Service • Keep Buses On Time (Schedule Maintenance)
2020	• Improve Frequency • Service to NE Lacey (post I-5/Marvin Road construction)
2021	• First Innovative Service Zone • Night Owl Services
2022	• Express Service to Yelm (post Yelm By-Pass construction) • Enhance Commuter Services (pending HOV lanes)
2023	• Second Innovative Service Zone
2026	• Third Innovative Service Zone • Bus Rapid Transit

If rejected, 15 percent of our existing service would have to be cut in 2019 to balance the budget. One option is keeping weekday service as it is today and eliminating all Saturday and Sunday service. Another option would be deleting Routes 45, 67 and Dash and reducing service on Route 60 and the Olympia Express during the week; deleting Routes 45, 60, 67, and Olympia Express on Saturday and eliminating Route 60 and Olympia Express on Sunday. Other options, or combination of options, are possible.

How would the sales tax increase affect me?

It is estimated that the sales tax increase would cost the average household between \$2 and \$5 per month, depending on spending habits and other factors. This figure represents the additional 4 cents on a \$10 taxable purchase. The added sales tax would only be applied to taxable purchases made within the Public Transportation Benefit Area.

Additional Resources

For additional information about Intercity Transit, please visit intercitytransit.com. For background on the IT Road Trip project, visit itroadtrip.net.

intercitytransit.com/ITprop1

Intercity Transit ensures no person is excluded from participation in, or denied the benefits of its services on the basis of race, color, or national origin consistent with requirements of Title VI of the Civil Rights Act of 1964 and Federal Transit Administration guidance in Circular 4702.1B. For questions, or to file a complaint, contact Intercity Transit Customer Service at 360-786-1881 or by email to TitleIV@intercitytransit.com.