



# INTERcity TRANSIT

## 2026-2031 STRATEGIC PLAN

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## 2026-2031 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.*

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### PLAN ORGANIZATION

- **Section 1:** Describes Intercity Transit's history, Strategic Planning efforts beginning in 2001 and continuing with the development of this plan covering the period of 2026 through 2031.
- **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.

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### 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 2026-2031 Strategic Plan reflects Intercity Transit's sales taxing authority of 1.2% and assumes sales tax collections will increase by 3% over what was collected in 2024. The plan also represents the continuation of commitments created from a multi-year transit planning process. The approach for this planning process included a significant public engagement exercise called the Intercity Transit Road Trip, 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 increased level of sales tax funding. Proposition 1, approved by voters on November 6, 2018, also outlined nine elements of a transformational transit system the community identified through the outcomes of the Road Trip. 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.

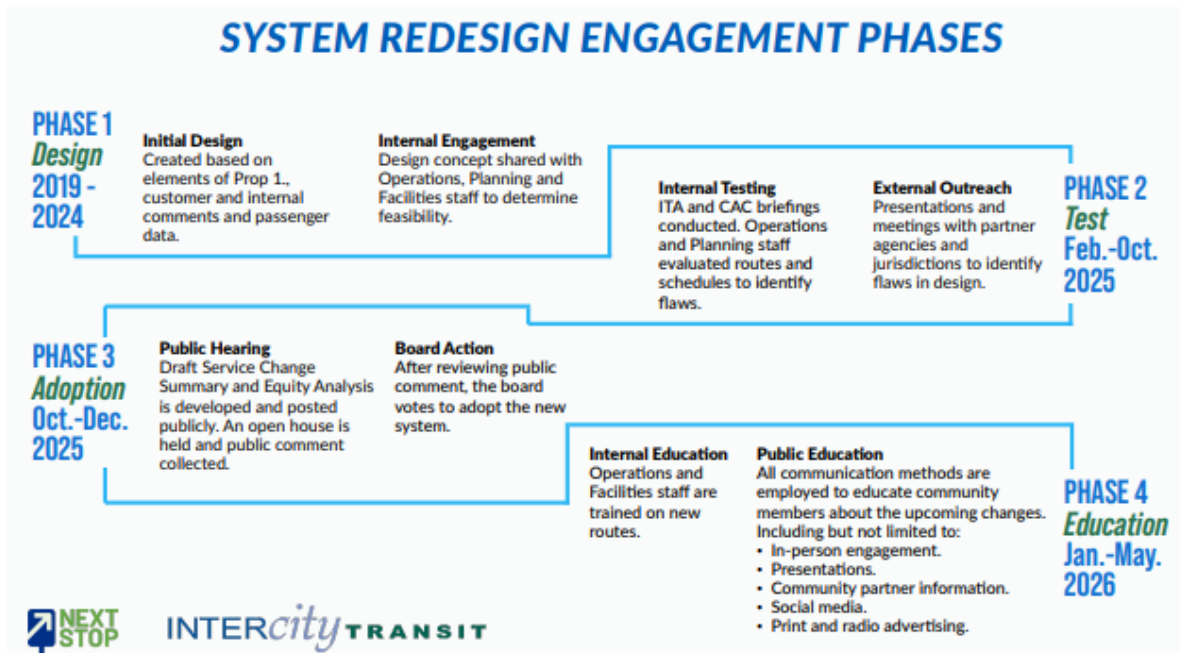
The Strategic Plan has traditionally addressed funding issues impacting Intercity Transit's

ability to support service to the community. However, during the COVID-19 pandemic and immediately after the primary barrier affecting Intercity Transit's ability to deliver service was an uncertain labor market. Additionally, since the Washington Paid Family Medical Leave (WAPFML) program went into effect in 2020, there has been a substantial increase in agency workforce taking long-term or intermittent protected leaves. These dynamics resulted in a temporary service reduction from approximately March 2020 to September 2024 and required changes to the Operator recruitment process and frequency to sustain staffing levels.

In 2024, Intercity Transit broke through challenges in hiring operators from its continued reputation as an employer of choice, growing an equitable, welcoming, and community minded work culture, and through streamlined recruitment processes. This momentum has allowed the agency to continue making progress on its goal of having nearly 345 FTE budgeted operators, and close to 590 total FTE staff, which was the direct cause of returning to pre-pandemic service levels in September 2024. This allowed Intercity Transit to resume expansion plans outlined in Proposition 1 and the Long-Range Plan, which had been on-hold since March 2020.

2025 marked a milestone of transitioning away from reviving service suspended during the pandemic to improving and enhancing services. This included increased span and frequency on several routes, reinstating a restructured route providing service between the Capitol Campus and the Olympia Farmer's Market, reinstating late night service to The Evergreen State College, along with two enhanced commuter service routes to Pierce County.

Looking ahead to 2026, Intercity Transit has a planned service redesign which includes replacement of most existing local routes. The redesign is aimed to redistribute service in a way that provides increased and more frequent service to deliver on the promises of Proposition 1. Because of COVID and the nationwide labor shortage, phase one of the redesign, where the initial design and internal engagement pieces were vetted, lasted longer than expected from 2019 to 2025. This caused phase two of the redesign, internal testing and external outreach, to take place between February and October 2025, leading to phase three, including the public process and board adoption, taking place between October and December 2025. Early 2026 will be focused on phase four of the redesign, which includes robust internal training and public education components to prepare the agency's workforce and community for the enhancements ahead.



The agency is also preparing for the implementation of new Enterprise Resource Planning (ERP) software in 2027. ERP refers to software that can streamline processes and information across an organization, improve financial compliance, and provide real time data, to manage business activities. The ERP system implementation includes four phases, the first of which started late summer of 2025 to create a plan for the work ahead, is currently transitioning to phase two focused on system configurations, followed by testing and training in phase three taking the project through most of 2026, culminating in system implementation early 2027.

The Federal Bipartisan Infrastructure Law of 2021 and the State's Move Ahead Washington Program of 2022 increased funding dedicated to public transportation. These unprecedented opportunities initially created optimism for pursuing Authority initiatives. However, the Washington State budget now faces a multi-billion dollar shortfall and ongoing changes at the Federal level create uncertainty for these funding sources. Each year during legislative session the General Manager and staff meet with State legislators and attends the American Public Transportation Associations (APTA) Legislative Conference with Authority Board members to discuss Intercity Transit's project and funding priorities. Intercity Transit contracts with state and federal advocacy firms to assist with keeping up to date with state and federal activities. Intercity Transit continues to apply for and receive approximately 30% of agency funding through these state and federal resources:

**For the 2025-2027 state biennium, Intercity Transit applied and received grant funding for:**



- \$3,373,944 for local high performance Express service from west Olympia to east Lacey.
- \$3,307,233 for Lacey Express service from Lacey Transit Center to Sounder Station via Hawks Prairie and Joint Base Lewis-McChord.
- \$340,554 for Walk N Roll Program operations (annual Cascade Bicycle Club award).
- \$833,440 Replacement Rideshare vehicles.

**For the 2025-2027 state biennium, Intercity Transit received the following formula grant funds for:**

- \$9,821,140 Intercity Transit's fixed-route public transportation services and Village Vans operations.
- \$6,943,314 Intercity Transit's Dial-A-Lift operations.
- \$321,273 2026 FIFA World Cup Fan Zone formula distribution.

**The 2025-2027 state biennium includes reappropriations for the following Intercity Transit projects:**

- \$10,302,011 Zero Emission Hydrogen Demonstration including hydrogen fueling equipment and operations plus three hydrogen fueled coaches.
- \$6,857,740 Green Hydrogen Fuel Cell Electric Bus Demonstration Project including two hydrogen fueled coaches.
- \$5,046,000 Maintenance Facility Renovation including necessary zero emission vehicle maintenance additions.
- \$1,411,221<sup>1</sup> Real time signage and OTC pedestrian improvements.
- \$680,000<sup>2</sup> East Martin Way Gateway Station Roundabout design phase.
- \$685,000<sup>3</sup> BRT Project Development and Station construction.

**For 2025-2030 Thurston Regional Planning Council's call for projects, funded by Federal Highway Administration and local revenues, Intercity Transit applied and received grant funding for:**

- \$1,623,232 for 2027-2030 Walk N Roll Program Operating costs.
- \$1,297,500 for Smart Corridors project, Phase 4.

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<sup>1</sup> \$594,256 remaining for Real time signage and OTC pedestrian improvements to date.

<sup>2</sup> \$479,971 remaining for East Martin Way Gateway Station Roundabout design phase to date. Grant funding for construction has not been sought.

<sup>3</sup> \$632,352 remaining for BRT Project Development and Station construction.

- \$1,065,680 for Dial-A-Lift vehicles and charging equipment.

**Intercity Transit applied and received United States Department of Transportation (USDOT) SMART and Federal Transit Administration (FTA) grant funding for:**

- \$2 million for AI-Powered Smart Sensors & Integrated Data Management Dashboard.
- \$17,551,815 to replace 16 buses at the end of their useful life with modern hybrid coaches.

**Intercity Transit will utilize anticipated FTA formula funding (Section 5307, 5339, 5310 and 5340) for critical capital projects.**

- For the 2026- 2031 Strategic Plan, these federal formula funds total approximately \$7 million per year and will primarily be used for coach and Dial-a-Lift replacement vehicles.

**Intercity Transit applied and received Congressionally Directed Spending for:**

- \$1,825,950 Zero Fare Bus Stop Access Improvements (through Congresswoman Strickland's competitive Community Project Funding, awarded in 2023, project in progress).

## **HISTORICAL PERSPECTIVE AND BACKGROUND**

The struggle to fund transit services requested by the community has been long standing but has been particularly variable since Intercity Transit has been in existence. The historical and background information that follows illustrates the highs and lows of this often-uncertain funding landscape, and the challenge of providing responsive transportation options within financial and staffing limitations.

### **September 1980**

Voters from Olympia, Lacey, Tumwater, and the surrounding urban area, approved the collection of a local sales tax of 0.3% for the PTBA. On January 1, 1981, the PTBA Authority formally assumed control of local transit services previously operated through an intergovernmental agreement between the cities of Lacey, Olympia, and Tumwater.

### **May 1992**

Further expansion of the Intercity Transit service area occurred and Thurston County voters outside of the urbanized area approved the 0.3% sales tax to support the expansion of the PTBA to include all of Thurston County. The expansion included several south county cities and towns as well as the rural areas of unincorporated Thurston



County.

### **1995 – 1999**

Local sales tax revenue slowed, which resulted in the gradual reduction of bus service as a way of balancing operating costs with available revenues. A local ballot measure that proposed a 0.2% increase in the transit sales tax necessary to preserve service as well as a modest expansion failed to pass in March 1999. The result was an 8% reduction in existing bus service. Moreover, the passage of statewide Initiative No. 695 in November 1999 removed Motor Vehicle Excise Tax (MVET) revenue for transit use.

### **2000 – 2002**

The loss of MVET funding resulted in a 40% decrease in revenue and required a 42% service reduction in February 2000. Intercity Transit received approximately \$8 million per year of its revenues from this source prior to 2000, and the agency 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.

In early 2002, a Public Transportation Improvement Conference (PTIC), which included the local jurisdictions in Thurston County, was held and the results included the establishment of the current service boundary, which contains the urbanized areas of Olympia, Lacey, Tumwater, and Yelm. Intercity Transit also 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 implementing the reduced boundaries of the PTBA established by the PTIC and doubling the level of sales tax devoted to public transportation. In September 2002, voters within the new boundary approved a 0.3% increase to the local transit sales tax,

raising the rate to 0.6%. which took effect in January 2003.

### **2003 – 2005**

Incremental service increases began over three phases. Both Phase 1 (February 2003) and Phase 2 (September 2004) included a 15% increase in service hours. A new corporate logo, bus graphics, and uniforms were also introduced in 2004. During 2005, the focus shifted to rebuilding the fleet, updating operational software and systems, improving facilities, improving the accessibility of shelters at bus stops, and completing market research and ridership studies.

### **2006 – 2007**

A three-phase increase in service hours was implemented, exceeding 15% in expansion. A new circulator route called “DASH” began operating between the Capitol Campus and downtown Olympia. A fixed-route Short- and Long-Range Service Plan was completed in 2006, and 26 expansion vanpools were acquired. The installation of a communications system with advanced digital radio, Automatic Vehicle Location (AVL) tracking, automated stop announcements, and Automatic Passenger Counters (APC) was completed in 2007 as well as the implementation of a new multi-year service plan. The Authority also updated the Strategic Plan in 2006 and included additional service improvements to be implemented in 2008. A small increase in service hours was implemented as well as upgrades to the fleet, including 23 new coaches (five were expansion), three paratransit Dial-A-Lift vehicles and 44 vanpools (27 were expansion). Total system boardings in 2007 increased 12% above 2006. Intercity Transit completed a state-funded Trip Reduction program. Intercity Transit staff launched outreach efforts that engaged over 1,000 participants in the annual Bicycle Commuter Contest. Furthermore, a new education program, “Smart Moves,” for middle and high school students, was launched with great success.

### **2008 – 2009**

An 11% increase in service hours brought new local service enhancements and introduced 15-minute service on major corridors. Growth in sales tax revenue and ridership and lower than expected expenses from 2003-2008 combined allowed this service expansion. Expansion of the Martin Way Park & Ride Lot in Lacey began and the installation of on-board security cameras for the fleet was completed. System-wide ridership exceeded a record 5.1 million boardings in 2008 as fuel prices nationwide climbed to an average of \$3.50 per gallon. This increased ridership by over 18 percent while also sharply increasing the cost of fuel in terms of expenditures. The Authority reacted to this cost increase by raising fares 33 percent on Jan. 1, 2009. Intercity Transit received two national awards in 2009: APTA’s “Outstanding Public Transportation System”

for medium-sized systems, and FTA's "Success in Enhancing Transit Ridership." The Martin Way Park & Ride expansion increased parking stalls from 138 to 319 stalls. Major market research and ridership studies were conducted as well. Also, during this time, Intercity Transit staff completed a master site plan for the expansion of the operations base, as well as an updated plan for the Olympia Transit Center (OTC) expansion project. Grants were received to construct a 300-stall park and ride lot at the Thurston County Waste and Recovery Center, soon to be named the Hawks Prairie Park & Ride. Safe Routes to Schools-funded program for bicycling youth was introduced at several local schools. Furthermore, the base bus fare was increased from \$.75 to \$1.00 during this time. The Great Recession brought a significant economic downturn in 2009 with sales tax revenue dropping by more than 12 percent in a year. The Authority considered a sales tax increase as part of the 2009-2014 Strategic Plan but delayed the election until 2010.

### **2010 – 2011**

In 2010, the agency acquired six new hybrid-electric replacement coaches. While the economy and sales tax revenue recovered from The Great Recession, the loss of approximately \$14 million in sales tax revenue had a long-term impact on the agency's 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 issue of asking voters to approve an increase in sales tax was again considered as part of the 2010-2015 Strategic Plan and the Authority elected to place a 0.2% sales tax increase on the August 2010 ballot. Local voters approved this increase, raising the rate to 0.8%. A discounted bus pass pilot program began to help local non-profit and human-service agencies with their clients' transportation needs. Commute Trip Reduction (CTR) law changes significantly increased the number of affected worksites in Thurston County, and Intercity Transit celebrated its 30th anniversary in 2011. The agency was selected by the FTA to receive ISO 14001-certified Environmental and Sustainability Management System (ESMS) training, which resulted in a new ESMS program. ISO 14001 is the internationally recognized standard for environmental management systems. Major capital facility projects for the Olympia Transit Center (OTC), Pattison Operations Base, as well as the Hawks Prairie Park & Ride continued during this time. A Paratransit Dial-a-Lift client survey was completed, and the agency hit a record 5.3 million boardings, including fixed-route ridership of 4.5 million. An online trip planner, as well as a regional application for "next bus" information were implemented.

### **2012**

Intercity Transit became the first transit system in the country to be awarded "Gold Level" APTA Sustainability Commitment status. Innovative programs were continued, including Smart Moves youth outreach and Bike PARTners, a program that supported healthy commutes to schools. The Bicycle Commuter Contest celebrated its 25th anniversary, and adult bus fares increased 25% on fixed-route service and Vanpool fares increased 10%. The discounted pass program, which began in 2010, was approved for future years; however, new federal legislation passed by Congress called Moving Ahead for Progress in the 21st Century Act (MAP-21) removed important discretionary funding for buses and bus facilities. This was problematic because 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.

### **2013**

The 2013-2018 Strategic Plan recommended the Authority consider an increase in sales tax from 0.8% to the maximum allowable sales tax for public transportation 0.9% with an August 2014 election date as a suggested timeframe but did not take place. The new 332-stall Hawks Prairie Park & Ride Lot officially opened in Lacey and received the American Public Works Association "Project of the Year" for Washington State. The agency earned ISO 14001 Certification for Sustainability and Environmental practices. At the time, IT was one of only nine transit systems in the country to have received the award. Two grant-funded demonstration "Express" routes were implemented to offer commuter service between Tumwater and Lakewood as well as limited peak service between Olympia and Seattle that connected to Sound Transit service. Local base bus fares increased from \$1.00 to \$1.25.

### **2014**

With significant reductions in federal funding for bus and bus facilities, the 2014-2019 Strategic Plan update maintained a recommendation that the Authority ask the community to increase sales tax in 2014 or 2015. A new youth outreach program called 'Walk N Roll' along with Bike PARTners continued to grow and the popular programs were adopted at every school district within the service area. Computer servers were relocated to a state agency in Olympia as part of a technology enhancement project, which significantly reduced safety issues and on-site remodeling needs. Intercity Transit received the Thurston County Chamber of Commerce "Green Business of the Year Award," and ridership growth began to stabilize — recording a modest 1% percent annual increase in fixed-route ridership. This became the agency's third highest ridership year.

## **2015**

The 2015-2020 Strategic Plan took a sobering look at Intercity Transit's financial reality of unstable sales tax, reductions in federal funding and low levels of state funding and maintained that the Authority ask the community to increase sales tax if they wished to maintain service levels in the future.

The 'Walk N Roll' program continued to grow. Four bus shelters were installed, and 30 bus stops received accessibility enhancements throughout the PTBA. Intercity Transit Travel Trainers assisted 72 individuals, coaching them to use bus service safely and confidently, and Intercity Transit was awarded the first-ever statewide Grand Champion honor at the annual State Public Transportation Roadeo competition. In December 2015, the federal FAST Act restored a portion of the bus and bus facilities dollars MAP-21 removed but at a significantly reduced level.

## **2016-2017**

The 2016-2021 Strategic Plan continued to identify unpredictability in sales tax and changes to federal funding levels make maintaining current service levels a challenge. In partnership with the City of Tumwater, Intercity Transit received a regional grant to improve pedestrian accessibility and safety at the Tumwater Square transfer station. In 2016, the 29th annual Bicycle Commuter Contest, sponsored by Intercity Transit, set a record of over 107,990 miles traveled by 1,853 registrants and 112 teams, reducing an estimated 54 tons of Carbon dioxide (CO<sub>2</sub>). Intercity Transit's sustainability program was recertified and met the ISO 14001 – 2015 Standards, remaining one of a few public transit systems in the country to do so. 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. DASH service and funding was disrupted during the COVID-19 pandemic.

## **2018**

The 2017-2022 and 2018-2023 Strategic Plans continued to identify unpredictability in sales tax and changes to federal funding levels make maintaining current service levels a challenge. A significant public outreach effort, labeled the "Road Trip," was completed, and the results of the outreach were included in the completion of a Short- and Long-Range Plan. Short-range elements of the plan, which included several route restructures and timepoint changes, were implemented in September, while the long-range elements of the plan were adopted by the Authority Board in November. This followed the successful passage of the Proposition 1 voter initiative that increased the local transit sales tax from 0.8% to 1.2% after receiving special authority from the Washington State

Legislature to request an additional 0.3 % in sales tax above the 0.9 % limit defined by RCW Chapter 36.57A with a vote of the people.

## **2019**

The 2019-2024 Strategic Plan is the first where the maximum allowable sales tax for Intercity Transit is 1.2%. In early 2019, Intercity Transit continued efforts to implement the service elements approved as part of Proposition 1, including: "Change the way fares are paid." During the late winter and spring of 2019, Intercity Transit completed a comprehensive technical evaluation of the fare policies and structure. The evaluation reviewed operational, capital, and revenue aspects of Intercity Transit's fare policy and equipment lifecycle, as well as access to other regional transit systems. Intercity Transit also reviewed the fare policy through the Title VI equity lens considering community goals. Following review of the study including additional outreach with key stakeholders, Intercity Transit presented the public with the "zero-fare" demonstration project. As part of the 2019 budget process, Intercity Transit, citing significant community benefits consistent with the approval of Proposition 1, adopted a resolution suspending fare collection for fixed-route and Dial-A-Lift service thereby implementing a five-year zero-fare demonstration project, effective January 1, 2020. Service expansion, consistent with the Long-Range Plan, continued in 2019 with a 13% expansion of fixed-route service that yielded a 7% increase in ridership. In November, Intercity Transit implemented a Bus Rapid Transit (BRT) demonstration route called The One. The "BRT-lite" project operated from the Martin Way Park & Ride in north Lacey, to the Capital Mall station in west Olympia. The route, which features fewer stops and shorter dwell times, took an estimated 30 minutes to complete a one-way trip. This was a fraction of the time it took to operate the same trip using traditional fixed-route bus service. Progress on major capital programs including fleet expansion and replacements (24 new coaches) and construction on a major expansion of the downtown Olympia Transit Center was on schedule for completion toward the end of 2019. In November 2019, voters in Washington State approved I-976 which did several things, including limiting annual motor vehicle license fees to \$30. State revenues would decrease by nearly \$2 billion over the next six years. This placed Intercity Transit at risk of losing over \$12 million in state revenue putting the funding for major capital projects and operating funds at risk. Because transits across the state would suffer similar impacts, The Washington State Transit Association joined other plaintiffs including King County, City of Seattle, and others, in a lawsuit challenging the constitutionality of the initiative.

## **2020**

During the first two months of 2020, Intercity Transit's ridership was up nearly 40% from the same two-month January and February time period a year prior. This was likely due,



in part, to Intercity Transit's elimination of bus fares ("zero-fare" demonstration project) in January 2020. On March 12, however, Intercity Transit began making incremental reductions to bus service due to the COVID-19 pandemic. On April 13, Intercity Transit halted fixed-route bus service completely and instead offered advance reservation service for essential trips only. Examples of essential trips included those passengers needing to get to jobs at area hospitals or trips to grocery stores. The advance reservation service was supplemental to Intercity Transit's Dial-A-Lift paratransit service, which continued to operate. On June 21, Intercity Transit began a gradual resumption of bus service and required riders to wear masks and social distance while riding on buses. As a result of these emergency service changes, Intercity Transit's systemwide bus ridership plummeted 38.7% through the first half of 2020 compared to the same period a year prior. At the end of 2020, Intercity Transit's fixed-route bus service was about 42% of pre-pandemic levels (before March 2020). I-976 was struck down by the Washington State Supreme Court October of 2020 because the initiative violated the single subject rule in the state constitution, which required that a bill's subject be accurately expressed in its title.

## **2021**

Intercity Transit continued to operate reduced levels of service due to the ongoing COVID-19 pandemic. Increased employee retirements and resignations, combined with unprecedented Operator absenteeism, forced Intercity Transit to continue to provide reduced levels of service. A robust focus on recruitment and hiring new classes of Operators was initiated; however, low staffing levels continued into 2022. Gains were made compared to 2020, but fixed-route service hours remained less than 79% of pre-pandemic levels. Most reductions in service were in late night span by eliminating Nightline service (targeted late night service between OTC and Evergreen State College), as well as reduced frequency on secondary routes serving local neighborhoods and, on the Olympia, Express (inter-county) service. The Dash route and Nightline service remained suspended indefinitely and service on The One (BRT demonstration route) was provided intermittently as labor resources were available. An extension of the five year "Zero-Fare" demonstration project, which began on January 1, 2020, was authorized and the revised end date was moved to either January 1, 2028, or a date three years following the full return of pre-pandemic fixed-route service (271,000 annual revenue service hours), whichever comes first. Strategic Plans covering the period of approximately 2021 to 2025 were largely status quo owing to ongoing efforts of recovery from the impacts of the pandemic, specifically reduced service hours because of the nationwide labor shortage and the resulting reduced ridership levels.

## **2022**



As with 2021, fixed-route service in 2022 remained reduced when compared to service levels prior to the onset of the COVID-19 pandemic. Aggressive efforts to recruit, hire and train multiple classes of Operators allowed for a modest restoration of pre-pandemic service. Intercity Transit ended the year having delivered approximately 15,000 more hours of fixed-route service when compared to 2021, a net increase of 7.8%. Dial-A-Lift service by comparison delivered 78,956 hours of revenue service in 2022, an amount nearly identical to the 78,734 hours provided in 2021. Fixed-route ridership in 2022 began to indicate a positive return as average weekday boardings grew 23% compared to 2021 and boardings per revenue service hour increased nearly 15% when compared to 2021. Despite the gains, total fixed-route ridership remained near 60% of pre-pandemic levels. Dial-A-Lift ridership in 2022 was 12.8% higher than 2021. Intercity Transit's Vanpool service implemented a flat fare policy as part of a 5-year pilot intended to simplify fares. Beyond service, in late 2022 Intercity Transit celebrated the long-awaited completion of the new Pattison Base Administration and Operations Facility. The Pattison site remained in a transformative state as construction progressed to the southern parcel, a focused project intended to remodel the Maintenance building for continued use into the future with a particular readiness for anticipated shifts toward alternatively fueled vehicles and related fuel delivery systems.

### **2023**

Service restoration progress continued with the goal of restoring pre-pandemic service hours. Successful hiring and retention efforts allowed for restoring 16,945 fixed-route service hours in 2023, or an increase of 8.3%. At year end, fixed-route revenue hours totaled nearly 240,000, reflective of a 92% restoration of pre-pandemic volumes. Ridership on fixed-route service improved 20% compared to 2022 annual boardings and approximately 85% of pre-pandemic ridership activity. Dial-A-Lift implemented a new scheduling software program, Via, intending to improve operating efficiencies of the shared ride service.

### **2024**

The most significant change in 2023-2024 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 as FTA requirements for transit agencies serving large UZAs are more stringent. As of the Federal Fiscal Year 2024 starting Oct. 1, 2023, Intercity Transit became eligible to receive Sections 5307, 5310, 5337, and 5339(a) formula funds because of the new designation. Intercity Transit also had its required FY2024 FTA Triennial Review. The review looked at 22 specific areas to verify that Intercity Transit is following all FTA requirements and includes a two day in person visit. The review was completed and went very smoothly. The next Triennial

Review will be in 2027. All-door boarding returned in February 2024. During the COVID-19 pandemic, IT asked passengers to board using the rear doors unless there were accessibility needs. Passengers were allowed to board through the front door again to reduce congestion when boarding and disembarking. The Martin Way Park & Ride “flyer” stop was opened, speeding up boarding and travel times on commuter Route 620. Onboard announcements were improved based on sight impaired community feedback, making announcements easier to understand. Olympia Transit Center improvements that enhanced pedestrian safety and accessibility, and improved boarding accessibility were completed. Intercity Transit’s Title VI plan was updated with first-time definitions of a major service change (required due to new UZA designation), as well as policies for measuring and determining racial disparities. In April 2024 Intercity Transit was awarded the first-ever International Grand Champion honor at the annual American Public Transportation Association Rodeo competition, and in August 2024, Intercity Transit’s Annex was adopted by the Authority Board and added to the 4<sup>th</sup> Edition of the Hazards Mitigation Plan for the Thurston Region. The Emergency Management Council of Thurston County, working with the Thurston Regional Planning Council has led the region’s hazard mitigation planning since the first edition was adopted in 2003.

The September 2024 service change marked the final step in a series of 17 incremental adjustments that began in June 2020, to restore service levels to those before the COVID-19 pandemic. That change exceeded pre-pandemic service levels, reaching 102% of the service provided prior to the pandemic. Several routes had frequency increases in 2024, including Routes 21, 45, 47, 60 and 620. Weekday and weekend late night service was added back to several routes including Routes 12, 13, 41, 62A, 62B, 65, and 66. The Evergreen State College “Nightline” Route 41 service returned while school was in session. Annual fixed-route boardings increased by about 19% over 2023.

## **2025**

Notable happenings at Intercity Transit in 2025 include the highest ridership in over a decade with rides exceeding 4.3 million shortly before year end.

In June 2025, Intercity Transit also joined the King County versus Turner lawsuit challenging USDOT’s FTA’s unlawful action that imposes new conditions on previously awarded grants without congressional approval. The plaintiffs in the case were granted a restraining order effectively pausing the conditions while the case makes its way through the legal system, but staff also had reasonable concern that participation in the lawsuit could negatively impact Intercity Transit’s ability to secure new federal grant funding moving forward.

Intercity Transit also implemented a Transit Ambassador Program. The program was created to assist coach operators and the public while out in the bus system. Ambassadors, who

are currently all previous operators, can assist passengers who have questions about the transit system, where transfers need to be made, and answer any other questions passengers have.

The ambassadors' presence on routes enhances safety and security, while assisting coach operators as well. With ambassadors on buses, operators can focus on driving, and driving safely, while the ambassador assists passengers. Ambassadors will play an important role in the May 2026 service redesign, to help passengers navigate the changes smoothly.

The 2026 – 2031 Strategic Plan marks a milestone of transitioning away from reviving service suspended during the pandemic to improving and enhancing services. This included increased span and frequency on several routes, reinstating a restructured route providing service between the Capitol Campus and the Olympia Farmer's Market, reinstating late night service to The Evergreen State College, along with two enhanced commuter service routes to Pierce County.

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## 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."***

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## 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."***

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## 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.*

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## 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.

Providing effective and efficient services Intercity Transit maximizes the public benefit from invested resources 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.

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## **INTERCITY TRANSIT'S FOCUS ON PERFORMANCE**

Major housing and commercial developments are occurring on the edges of Intercity Transit's service area and "infill" development is occurring which increases demand on the agency. 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 to avoid having to drive on the region's crowded freeways.

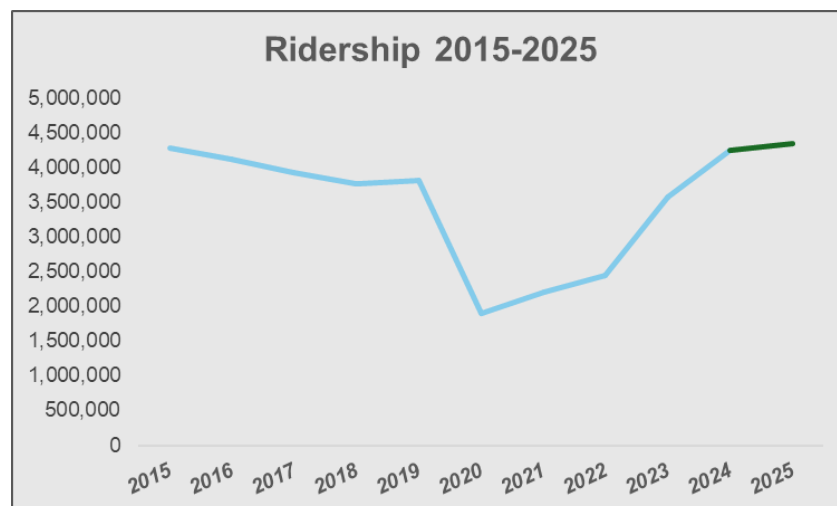
Ridership, on the other hand, slowed in 2009, grew again in 2011 as local and national economies continued to decline and set a new annual record in 2012. With a 25 percent increase in fares in 2013 combined with lower fuel costs and lower enrollment at local colleges, ridership declined. By the end 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.

By the end of 2024, fixed-route service was restored to pre-COVID service levels 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, Dial-A-Lift riders, which are individuals and seniors living with disabilities that prevent them from riding 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.

2025 is on track for showing the highest ridership in over a decade based on data from 11 months of the year with over 4.3 million rides given.



Demands for service are often higher than Intercity Transit's 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.

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## 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 like the Zero-Fare Demonstration Project.

#### 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 is back on track implementing 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 because 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.
- Intercity Transit will 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.

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## 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 2026 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 from 2018 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, Tumwater and Yelm?**

- Proceed with the implementation of the elements in Proposition 1 the Long-Range Plan from 2018 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 currently.
- 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 through the extended pilot timeframe of January 1, 2028, subject to annual review.
- 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.
- 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 congestion, improve the environment, enhance community health, improve equity and access, retain and recruit business, and enhance educational opportunities.
- Enhance community equity 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, 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.

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## 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 Intercity Transit to temporarily pause the agency's expansion plans. Intercity Transit responded to the best of its ability during the public health crisis keeping restoration of service and the continuation of the Long-Range Plan as its focus.

The labor market no longer impacts Intercity Transit's ability to return to pre-COVID levels of service. In 2025, Intercity Transit successfully moved from restoration of service to a state of growth and expansion. This included increased span and frequency on several routes, reinstating a restructured route providing service between the Capitol Campus and the Olympia Farmer's Market, reinstating late night service to The Evergreen State College, along with two enhanced commuter service routes to Pierce County.

Looking ahead to 2026, Intercity Transit has a planned May 2026 service redesign including a new crosstown high frequency corridor and replacement of most existing local routes. A change of this magnitude includes plans for elements like public education and outreach, internal training, bus stop construction and changes to existing stops and zones.

The Olympia/Lacey/Tumwater region has also been designated as a 2026 FIFA World Cup Fan Zone. WSDOT is distributing state formula funding to twelve transit agencies across the state for enhanced transit services supporting World Cup events between June 1, 2026, and July 30, 2026. Intercity Transit received a \$321,273 distribution for increased Express service during this timeframe to support regional travel on the I-5 corridor and service for local fan zone events planned at The Port of Olympia by the Thurston County Chamber.

Planned operating changes for 2027-2030 timeframe primarily focus on schedule maintenance of the system redesign. Feasibility of late-night on-demand and microtransit services should also be researched.

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## 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 2026 budget. The new 2026-2030 CIP identifies \$348.24 million in capital projects estimated to take place over the duration of the 2026-2031 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.
- 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 the 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.

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## SECTION 5: FINANCIAL PLAN

### FINANCING THE STRATEGIC PLAN

Intercity Transit faces several significant financial challenges as it moves forward with its 2026–2031 Strategic Plan. While Proposition 1 provided a critical boost in local sales tax revenue, enabling service, fleet and facility improvements, the long-term financial sustainability of expanded services remains uncertain, and the agency must strive to keep operational costs within forecasted sales tax revenues, which fluctuate.

For example, if pre-pandemic growth rates in Dial-A-Lift demand resume, the cost of maintaining both fixed-route and paratransit services could exceed available resources. Fleet replacement also poses a recurring financial burden. Between 2018 and 2023, a large portion of the fleet was replaced, including expansion vehicles to support service growth. While this improved operational capacity, it also concentrated vehicle replacement costs

into a short timeframe. These vehicles will soon reach the end of their lifecycle, creating another wave of high-cost replacements. The upcoming replacement of the agency's Enterprise Resource Planning (ERP) system represents a major capital expense. This follows the completion of other costly technology upgrades, including dispatch and vehicle tracking systems, which have already consumed substantial resources. The ERP upgrade will require significant investment, both in terms of upfront costs, staff resources, and ongoing maintenance. Finally, the renovation and expansion of Pattison Street facilities will require substantial capital investment and ongoing maintenance. These upgrades are essential to support future service demands and emergency operations, but they represent some of the most financially intensive projects in recent agency history.

The agency should maintain its cautious and conservative approach to yearly budgeting with the goal to save for future capital investments when possible, given the risk of reduced or modified state and federal funding levels for these types of projects over time. Strategic financial planning will be critical to balance infrastructure needs with ongoing service commitments, which is why the creation of a new long-term financial planning tool is underway. The existing tool, developed in 2004, relies on static financial models that require manual updates to inputs such as service hours, fleet size, and staffing levels, which no longer meets the needs of the agency. This approach does not adequately reflect historical trends or growth, resulting in reduced accuracy. The updated tool will support agency-wide financial planning, service sustainability, expansion, and operational efficiency. It will integrate historical financial and operational data, including capital and operating costs, revenues, funding sources, ridership, and service levels, and enable detailed projections for future services, costs, revenues, and funding. The tool will also support scenario planning and sensitivity testing, for example, changes in labor costs or service levels, to estimate impacts on annual budgets and financial plans.