

A RESOLUTION OF THE PUBLIC TRANSPORTATION IMPROVEMENT CONFERENCE FOR THURSTON COUNTY

A RESOLUTION pursuant to RCW 36.57A.020-.040, changing the boundaries of the Thurston County Public Transportation Benefit Area (Intercity Transit).

After holding a public hearing on March 28, 2002 and after considering all testimony and all written submissions, the Public Transportation Improvement Conference of Thurston County makes the following findings of fact and decision.

FINDINGS OF FACT

1. In 2001, the Board of County Commissioners for Thurston County decided to convene the Public Transportation Improvement Conference of Thurston County (PTIC) pursuant to RCW 36.57A.020, for the purpose of considering changes to the boundary of the Thurston County Public Transportation Benefit Area (Intercity Transit).

2. As required by RCW 36.57A.020, the PTIC consists of the three County Commissioners for Thurston County and an elected representative selected by the legislative body of each city and town within Thurston County. The cities and towns entitled to representation on the PTIC are Olympia, Lacey, Tumwater, Yelm, Rainier, Tenino and Bucoda.

3. On November 13, 2001, the PTIC held a public meeting devoted to orientation about the purpose and process of the PTIC. On January 17, 2002, the PTIC held a public meeting at which it heard a presentation from Intercity Transit describing its history, the different levels of transit service it has provided, and its past, present and projected financial situation. At this meeting, the PTIC decided to hold a public hearing on possible changes to the boundary of Intercity Transit on March 28, 2002 and, if needed, a subsequent date in April.

4. Pursuant to RCW 36.57A.030, the Board of County Commissioners for Thurston County on February 4, 2002 delineated the area of the county proposed to be included within the revised boundaries of Intercity Transit. This proposal is shown on the map and textual description on Attachment 1 to this Resolution.

5. The Board of County Commissioners furnished a copy of the proposed revised boundaries to each incorporated city and town within the proposed boundaries. These included the cities of Olympia, Lacey, Tumwater, Yelm and Tenino. None of these cities advised the Board of County Commissioners that it desired to be excluded from the proposed revised boundaries of Intercity Transit. Thus, the proposed revised boundaries delineated by the Board of Commissioners and shown on Attachment 1 was the area considered by the conference at the public hearing.

6. Notice of the public hearing before the PTIC on the above proposal was published once a week for four consecutive weeks in the Olympian, a newspaper of general circulation within the area. This notice ran in the Olympian on March 3, 10, 17 and 24, 2002. The notice contained all elements required by RCW 36.57A.030.

7. The PTIC held a public hearing on the proposed boundary revision on March 28, 2002. At this hearing all interested persons were given the opportunity to appear and be heard on all matters relating to the proposed boundary change.

8. Intercity Transit is a public transportation benefit area created under Chap. 36.57A RCW. At the time of the public hearing on March 28, 2002, it included all incorporated and unincorporated areas of Thurston County, Washington.

9. Intercity Transit was formed in 1980. At the time of its formation, Intercity Transit included the cities of Olympia, Lacey and Tumwater and a portion of unincorporated Thurston County. Also in 1980, the voters of the area included in Intercity Transit approved a .3% sales and use tax to be levied within that area and used for transit purposes.

10. In 1992 the boundaries of Intercity Transit were expanded to comprise all of Thurston County, including all incorporated and unincorporated territory. At that time the voters in the area added to Intercity transit approved a .3% sales and use tax for that area. This resulted in a county-wide sales and use tax of .3% for transit purposes.

11. As the result of the 1992 expansion, Intercity Transit increased its fixed route and custom bus service by 49% in 1993. New urban service was added to Tumwater Hill, Lake Forest and the Tri-Lake area. New rural service was established to the Steamboat Island peninsula, Evergreen Shores, Littlerock, Rochester, Grand Mound, Tenino, Bucoda, Rainier, Yelm, Scott Lake and East Olympia. With these increases, Intercity Transit operated 38 routes, including 21 urban, 10 rural, 3 intercounty and 4 shuttle. These routes, together with custom bus and dial-a-lift service, amounted to 5415 hours of operation per week. This service emphasized providing coverage to most of the County, without focusing on service productivity.

12. Between 1993 and August of 1998, a series of small service reductions were made, largely due to slow growth in sales tax revenue. Service productivity was the primary criterion in determining which reductions were made. Shuttle service was reduced to reestablish an appropriate cost balance between the State, the City of Olympia, and Intercity Transit. During this period, urban service was reduced by 9.2%, rural service was reduced by 20.1%, and shuttle service was reduced by 26%. With these reductions, Intercity Transit still operated 38 routes, including 23 urban, 8 rural, 3 intercounty and 4 shuttle, but with a decrease to 5042 hours of operation per week.

13. Even with the reductions between 1993 and 1998, Intercity Transit determined that

it needed additional revenue to maintain this level of service and needed reserves. For this reason, Intercity Transit placed a .2% increase in the sales and use tax on the ballot in March of 1999. This measure failed.

14. As the result of this failure, in October 1999 Intercity Transit reduced its service to a level that could be maintained with the then current level of sales and use tax and motor vehicle excise tax (MVET) revenue, with appropriate reserve levels. This required a service reduction of 7%, with most of the reduction coming from the elimination of custom bus service and some reductions in rural service. These reductions again focused on service with the lowest productivity, or ridership per hour of service. With these reductions, Intercity Transit operated 39 routes, including 25 urban, 7 rural, 3 intercounty and 4 shuttle, but with a decrease to 4681 hours of operation per week.

15. In November of 1999 the voters of the state passed Initiative 695, which repealed the state Motor Vehicle Excise Tax (MVET). This Initiative was subsequently struck down by the state Supreme Court, but the state legislature responded by enacting its substance into law in 2000.

16. Both Initiative 695 and the subsequent 2000 legislation were unclear as to whether the authorization for local governments to impose their own (local) MVET was also repealed. In response to advice from the state Attorney General, the state ceased collecting the local MVET on January 1, 2000. In February of 2002 the state Supreme Court ruled that the 2000 legislation had not repealed the local MVET authorization. The legislature responded by repealing the local MVET authorization. Thus, the local MVET is repealed from 2002 forward. The state has not indicated that it will attempt to collect the local MVET for the period from January 1, 2000 to its repeal in 2002. Therefore, Intercity Transit lost all local MVET revenues from January 1, 2000 forward.

17. Through the elimination of MVET revenues, Intercity Transit lost approximately \$8,000,000 per year, or 42% of its total funding. This forced an immediate service reduction in March 2000. At this time, staffing and service was reduced by approximately 32%. In 2001 Intercity Transit operated 24 routes, including 18 urban, 3 rural and 3 intercounty, for a total of 3219 hours of operation per week. At the beginning of 2002, Intercity Transit operated 24 routes, including 18 urban, 3 rural and 3 intercounty, for a total of 3367 hours of operation per week.

18. In 2000 the legislature provided one-time funding of approximately \$3,000,000 to Intercity Transit. Also in 2000, Intercity Transit received the final six months of MVET collections in 1999, amounting to an additional \$4,400,000.

19. With these one-time funds from 2000 and its reserve funds, Intercity Transit could maintain, for a three-year period, a higher level of transit service than could be maintained for

the long-term. At this level of service, Intercity Transit will reach its 90-day minimum policy reserve level by the end of 2003. Thus, by that time Intercity Transit must decrease service or increase revenue.

20. The drastic reductions in revenue described above have severely curtailed Intercity Transit's ability to provide transit service throughout the County. These reductions have forced Intercity Transit to provide service which is most effective in serving the maximum number of people. As a result, Intercity Transit is now principally an urban service with limited service to rural Thurston County.

21. In addition, the reduced level of funding is inadequate even to maintain the service needed in urban Thurston County. The regional transportation plans and the urban jurisdictions' Comprehensive Plans and Commute Trip Reduction Programs depend on a strong public transportation system that can carry an increasing number of trips.

22. To be consistent with the reorientation of Intercity Transit to principally an urban service and to better lay the foundation for the increased revenues needed for Intercity Transit to provide needed urban services, the boundaries of Intercity Transit should be reduced to include approximately the urban growth areas of the cities of Olympia, Lacey and Tumwater, with an extension to the city of Yelm. Urban growth areas have been designated pursuant to Chap. 36.70A RCW and include the cities themselves and nearby unincorporated land needed to accommodate the urban growth projected over 20 years.

23. With small exceptions, the modified boundaries of Intercity Transit adopted in this resolution in the Olympia-Lacey-Tumwater area follow the urban growth area boundaries around those cities. The modified boundaries exclude some urban growth area territory where no fixed-route transit service is anticipated in the near future, largely in the Black Lake and South Tumwater areas. The Intercity Transit boundaries here adopted also include limited territory outside this urban growth area where fixed-route transit service is currently provided or where precinct boundaries overlap the urban growth area boundary.

24. The modified Intercity Transit boundaries here adopted also include the city of Yelm and those portions of the Yelm urban growth area which are currently served by fixed routes or are likely to be served in the next six years. The Yelm area is included, because it is a rapidly growing urban area with an increasing need for transit connections with the Olympia-Lacey-Tumwater area, both for commuting and other purposes.

25. Under RCW 36.57A.030, the boundaries of a public transportation benefit area may not contain islands of included or excluded land. Thus, the inclusion of the Yelm area requires also the inclusion of contiguous territory between Yelm and the urban growth areas around Olympia, Lacey and Tumwater. The modified Intercity Transit boundaries here adopted accomplish this in the way that follows precinct boundaries as far as practicable, while excluding

territory which is not reasonably expected to benefit from the public transportation benefit area.

26. With the revenue reductions described above, the level of population and likely demand for public transportation in the Tenino area does not warrant including that area in the modified boundaries of Intercity Transit. As described below, Intercity Transit, Thurston County and the City of Tenino retain the authority to contract to provide public transportation to Tenino, if circumstances warrant. As also described below, the law provides a process for the annexation of territory into a public transportation benefit area. This process may be used to bring Tenino back into Intercity Transit, if future demand, revenues or other circumstances warrant.

27. The modified Intercity Transit boundaries here adopted follow election precinct lines as far as is practicable.

28. Intercity Transit will be able to provide reasonable public transportation services to the area within the modified boundaries here adopted. Intercity Transit has the legal authority to request the voters within the modified boundaries to increase the sales and use tax to provide additional revenues which might be needed to maintain that urban service. The modified boundaries here adopted are conducive to the welfare and benefit of persons and property within those boundaries. All areas within the modified boundaries here adopted could reasonably benefit from the provision of public transportation services.

29. According to RCW 36.57A.140, territory may be annexed to a public transportation benefit area and made subject to the taxes it imposes through a vote of electors within the area to be annexed. This supplies a fair and flexible method of including additional territory within Intercity Transit in the future, if the voters of that territory desire inclusion and are willing to pay the requisite taxes.

30. A public transportation benefit area has authority under RCW 36.57A.080 and .090 to contract with individuals, corporations or governmental entities to provide transportation services outside the boundaries of the public transportation benefit area. Thus, Intercity Transit remains authorized, if an acceptable agreement is reached, to provide public transportation services to cities, towns and other areas of the County which are outside of its new boundaries. This provides Intercity Transit, Thurston County and the excluded jurisdictions with flexibility to meet public transportation needs in areas outside of the reduced boundaries of Intercity Transit.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC TRANSPORTATION IMPROVEMENT CONFERENCE OF THURSTON COUNTY, that the boundaries of the Thurston County Public Transportation Benefit Area (Intercity Transit) are hereby modified to include

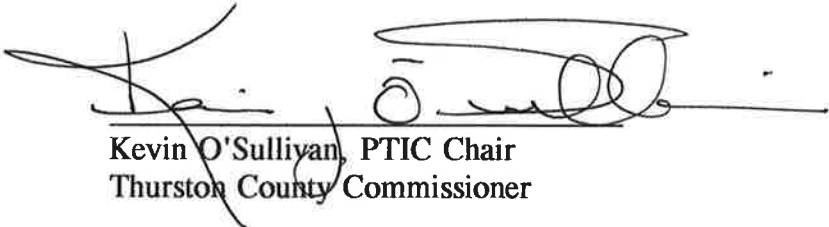
all territory within the boundaries of the City of Olympia; all territory within the

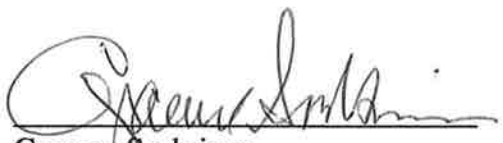
boundaries of the City of Lacey; all territory within the boundaries of the City of Tumwater; all territory within the boundaries of the City of Yelm; the following voting precincts in unincorporated Thurston County: 38, 43, 56, 58, 59, 68, 69, 70, 75, 78, 79, 81, 82, 83, 84, 85, 87, 90, 91, 92, 93, 97, 98, 100, 107, 108, 110, 112, 113, 114, 115, 117, 118, 119, 120, 121, 123, 129, 136, 142, 143, 159, 161, 162, 163, 167, 168, 169, 174, 177, 178, 181, 186, 187, 188, 193, 194, 196, 197; and the following portions of voting precincts in unincorporated Thurston County: that part of Precinct 51 located in T17N, R1W, Sections 1 and 2, W.M.; that part of Precinct 166 located in T17N, R1W, Section 1 and in T17N, R1E, Sections 1, 2, 3, 4, 5 and 6, W.M.; and that part of Precinct 185 located in T17N, R1W, Sections 3 and 4, W.M.

All references to precincts and city boundaries are as they existed on the date of adoption of this Resolution. This Resolution does not affect the continuing existence of Intercity Transit as a municipal corporation.

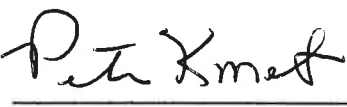
Dated this 4th day of April, 2002.

THE PUBLIC TRANSPORTATION IMPROVEMENT CONFERENCE FOR THURSTON COUNTY


Kevin O'Sullivan, PTIC Chair
Thurston County Commissioner


Graeme Sackrison
Mayor, City of Lacey
Representative, City of Lacey

No
Diane Oberquell
Thurston County Commissioner


Pete Kmet
City of Tumwater Councilmember
Representative, City of Tumwater

No
Cathy Wolfe
Thurston County Commissioner


Adam Rivas
Mayor, City of Yelm
Representative, City of Yelm



Doug Mah
City of Olympia Councilmember
Representative, City of Olympia

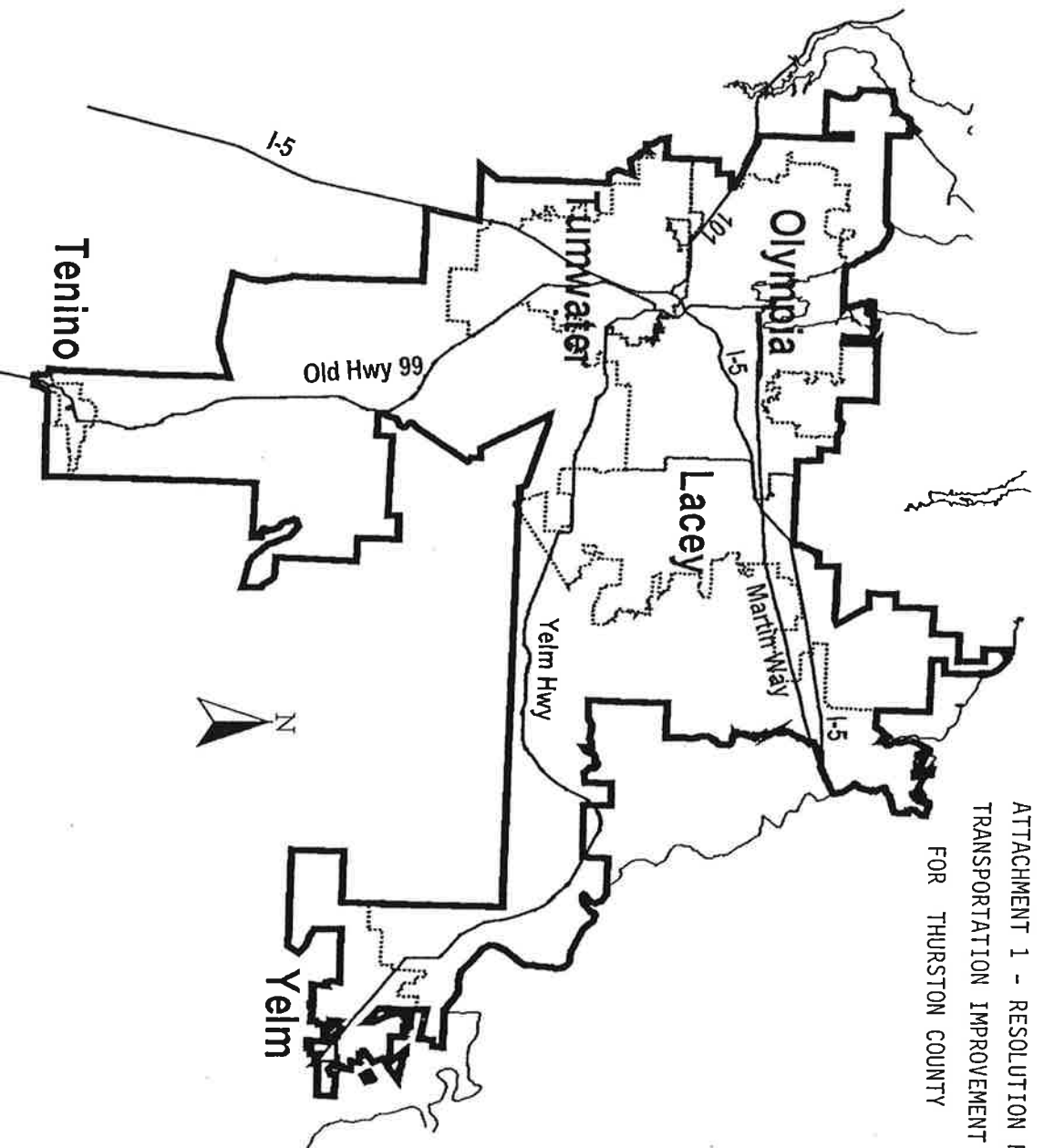


Tom Daudet
City of Tenino Councilmember
Representative, City of Tenino

Sherry O'Dell
Mayor, City of Rainier
Representative, City of Rainier

Representative, Town of Bucoda

ATTACHMENT 1 - RESOLUTION FOR PUBLIC
TRANSPORTATION IMPROVEMENT CONFERENCE
FOR THURSTON COUNTY



all territory within the boundaries of the City of Olympia; all territory within the boundaries of the City of Lacey; all territory within the boundaries of the City of Tumwater; all territory within the boundaries of the City of Yelm; all territory within the boundaries of the City of Tenino; the following voting precincts in unincorporated Thurston County: 38, 43, 56, 58, 59, 68, 69, 70, 75, 78, 79, 81, 82, 83, 84, 85, 87, 89, 90, 91, 92, 93, 97, 98, 100, 107, 108, 110, 112, 113, 114, 115, 117, 118, 119, 120, 121, 123, 129, 136, 142, 143, 146, 159, 161, 162, 163, 167, 168, 169, 174, 177, 178, 180, 181, 182, 186, 187, 188, 192, 193, 194, 196, 197; and the following portions of voting precincts in unincorporated Thurston County: that part of Precinct 51 located in T17N, R1W, Sections 1 and 2, W.M.; that part of Precinct 166 located in T17N, R1W, Section 1 and in T17N, R1E, Sections 1, 2, 3, 4, 5 and 6, W.M.; that part of Precinct 185 located in T17N, R1W, Sections 3 and 4, W.M.; all of Precinct 147 except that lying in T16N, R1W, Sections 3 and 4, W.M.; and that part of Precinct 149 located in T16N, R1W, Sections 7, 8, 17, 18, 19, 20 and 30, W.M.