

I. Executive Summary



Regional and Historical Context

The Rogue Valley Transportation District (RVTB) serves most of the urbanized area in Jackson County, OR with public transit and paratransit services. It also serves other roles such as providing medical-purpose transportation for Medicaid clients, coordination with other government agencies for transportation planning and houses the region’s rideshare program.

The region served by RVTB has a rapidly growing urban population, with large areas recently re-designated as “urban” rather than “rural” by the federal government due to their population size. Population projections include higher than average senior and workforce demographics that may depend on public transportation. Historically, development has been at low and very low densities, creating a highly challenging environment for transit service. However, much of the region’s development – particularly its commercial and industrial activity – has occurred along a corridor that follows the region’s primary rail line. This pattern has enabled RVTB to provide access to the large majority of the region’s jobs, and nearly half its households, with a surprisingly low number of route miles. However, strong development pressures elsewhere may significantly alter this centralized development pattern in the future.

RVTD is supported primarily by federal and state grants, augmented by a small property tax assessment of \$0.17 per thousand, passenger fares, and a variety of additional minor revenue sources. Ridership has steadily increased for many years, but escalating operational costs has outpaced revenue growth, especially with regard to paratransit service. The budget was balanced by increasingly vigorous grant procurement until the 2006-2007 fiscal year, when budget limits forced two important routes to be discontinued. Projections anticipate a growing gap between costs and revenues, given the District's current revenue structure. (This is discussed in more detail in the body of this Plan.)

RVTD Mission and Goals

On August 23, 2006, the RVTD Board of Directors adopted the following mission statement to guide services, operations and staff goals through 2017.

“Rogue Valley Transportation District's mission is to provide quality public transportation, viewed by residents and visitors as a realistic and viable alternative to the personal automobile, and to thereby improve the quality of life in the Rogue Valley.”

The Board of Directors also adopted four new goals in the categories of Social, Organizational, Economic and Environmental policies listed below in Figure 1.1. Each goal has an example implementation mechanism of how it could be achieved. Measurable objectives for this Ten-Year Plan are described in chapter XI and listed in Appendix N. The 2007-2017 goals replace the goals from the District's previous Ten-Year plan, which are summarized in Appendix A in conjunction with their accomplishments.

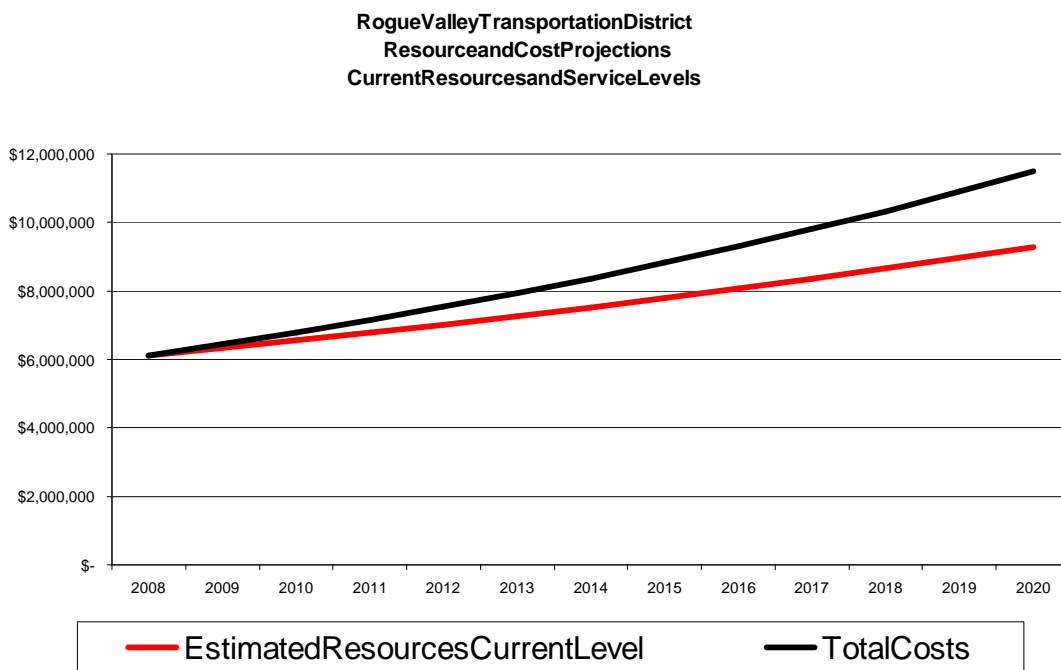
Figure 1.1 RVTD's Adopted Goals

GOAL CATEGORY	OBJECTIVE	IMPLEMENTATION EXAMPLE
SOCIAL	SUPPORT EQUITABLE ACCESS TO TRANSPORTATION	To consult with transportation-disadvantaged community.
	IMPROVE QUALITY OF LIFE	Improve transit access design standards, including bus stop and other passenger amenities.
ORGANIZATIONAL	ENSURE THE EFFICIENT USE OF TRANSIT INVESTMENTS	Comply with Federal Transit Administration guidelines regarding vehicle replacement, rehabilitation and expansion.
	MAINTAIN OVERALL SERVICE QUALITY WHILE INCREASING SERVICE LEVELS	Expand service hours to include earlier mornings and later evenings on appropriate routes. Preferred 4AM to 10PM.
	IMPROVE COMMUNICATION WITH KEY PARTNERS	Identify 'key partners' and establish working group to meet at least once per year.
	IMPROVE INTERNAL COMMUNICATIONS	Hold monthly staff meetings and Board Study Sessions.
	IMPROVE PUBLIC OUTREACH/ MARKETING	Install transit schedule and route information in all bus shelters.
ECONOMIC	SUPPORT ECONOMIC VITALITY	Collaborate with private sector to identify workforce transportation needs and transit solutions.
	ENHANCE RVTD'S FINANCIAL STABILITY	Secure a stable source of funding to continue current service levels and allow for expansion.
ENVIRONMENTAL	AIR POLLUTION / FUEL EFFICIENCY	Promote service improvements that will result in reduced reliance on the automobile.
	REDUCE SPRAWL	Adopt density standards for transit service extensions.
	REDUCE WATER AND OTHER POLLUTION	Continue the capture and recycling of contaminants from maintenance activities.

Revenue Projections

RVTD was established in 1975 as a state-chartered “Transportation District” under ORS 267.510. As such, it has a limited range of authority to assess certain taxes as well as fees for services rendered. The District also raises money from a variety of federal and state grant programs. Every tax, fee, and grant is governed by state or federal rules that set overall limits and define the uses for a particular revenue source. A description of RVTD’s revenue sources is provided in chapter IV. RVTD is currently, and will continue to be, faced with difficult choices regarding the maintenance of service. At current revenue levels RVTD’s Board and staff expect to reduce frequency or discontinue routes to maintain a balanced budget each year as required by Federal law. This Ten-Year plan establishes revenue projections which indicate the urgency in identifying and securing new funding sources. The projected revenue with current resources and costs of service within the time horizon of the Plan is shown in Figure 1.2.

Figure 1.2 Revenue and Costs Projection Through 2020



For the purposes of this Plan, four possible revenue scenarios were projected through 2017. The scenarios are intended to represent likely funding bases, and to illustrate a realistic range of revenue potential. Of the four new revenue sources, two include a new source, an employer payroll tax, to be used in addition to the current revenue stream. One of the scenarios includes a small property tax increase. All of the scenarios project a leveling-off of revenues from state and federal grants – a reasonable expectation given the experience of other transit districts as they have grown in size (see discussion in chapter IV – Revenue). Elements of the revenue scenarios are summarized in Figure 1.3. With the preparation of this Long Range Plan, the Board and staff will have a greater understanding of the district’s revenue options. Once the Long Range Plan has been adopted, RVTD will discuss which revenue scenario will best serve the needs of the Rogue Valley community. A Strategic Business and Operations Plan will follow and be written to extrapolate on the preferred revenue option.

How the Long Range Plan prepares a Strategic Business Plan

Key differences exist between a Long Range Plan and a Strategic Business and Operations Plan. Possibly the most important difference is the governing structure of the District does not mirror that of a business structure. A business looks at profit, margins, feasibility, marketability and sales per square foot among other factors. RVTD examines instead federal and state funding that is either appropriated or competitive, ensuring each route is productive using passengers per mile analysis, understanding fare elasticities, balancing capital purchases and operation expenses to list a few. Many of these factors are cross compatible. For example starting a business can be similar to starting a new route. Just as a business would conduct a feasibility study, RVTD would project ridership demand. In many ways, RVTD conducts business, like a private enterprise.

Figure 1.3 Summaries of Revenue Scenarios

Source	Scenario 1 Existing Revenue Structure Figure 1.3	Scenario 2 Property Tax Assessment Figure 1.3	Scenario 3 One-time Local Payroll Tax Assessment Figure 1.3	Scenario 4 Implementation of Local Payroll Tax Assessment Figure 1.3
Property Taxes	Linear projection of Transit District assessment average annual dollar amounts from last nine years.	Assessment increase from \$0.17 to \$0.25 per \$1,000. Forecast increase in asset valuations at rate of 3.55%/year.	No change from current \$0.17 assessment. Forecast increase in asset valuations at rate of 3.55%/year.	No change from current \$0.17 assessment. Forecast increase in asset valuations at rate of 3.55%/year.
Fares	Rate unchanged. Ridership growth based on '96-'05 experience.	Rate unchanged. Ridership growth based on '96-'05 experience.	Rate unchanged. Ridership growth based on '96-'05 experience.	Rate unchanged. Ridership growth based on '96-'05 experience.
Service Agreements*	Linear projection of growth over last nine years.	Increase to \$200,000 by 2010, and then plateau.	Increase to \$200,000 by 2010, and then plateau.	Increase to \$200,000 by 2010, and then plateau.
Local Payroll Assessment	None.	None.	\$0.003 assessment in 2008. OED forecast for job growth, plus 1% annual wage growth.	\$0.003 assessment in 2008, increasing by 0.1% every four years until maximum \$0.007. OED forecast for job growth, plus 1% annual wage growth.
State Payroll Assessment	Increase at 2%/year.	Increase at 2%/year.	Increase at 2%/year.	Increase at 2%/year.
State & Federal Grants	Grants will stabilize at about \$3.1 million beginning in 2007.	Grants will stabilize at about \$3.1 million beginning in 2007.	Grants will stabilize at about \$3.1 million beginning in 2007.	Grants will stabilize at about \$3.1 million beginning in 2007.

*BusLeases, advertising, servicesubsidies, etc.

RVTD's Strategic Business and Operations Plan will focus on the service improvements provided through the revenue scenarios. As you will see, the Long Range Plan includes material that goes beyond revenue projections and would not be appropriate in a business plan. Conversely, the Strategic Business and Operations Plan will include material that is not appropriate for the Long Range Plan, such as the public and legislative process for securing the preferred revenue base to expand service. These documents will complement each other and the Strategic Business and Operations Plan could not occur without the Long Range Plan preparation. RVTD hopes to provide useful tools through these documents for the community to make an informed decision on RVTD's future.

Service Alternatives

The extent and quality of transit service that RVTD can offer is, of course, dependent on the resources available. A computer model was developed for the ten-year planning horizon, designed to project the costs of various service scenarios. The model was based on cost units derived from RVTD's past experience and on federal rules for the provision of paratransit. Two fundamental cost units were used – hours and miles for fixed route service, and a factor based on a percentage of costs for the district's paratransit service.

For fixed route service, the cost units are based on vehicle miles, hours of service and operations. For paratransit, the cost unit is based on current demand and cost per route. All operational, capital, and administrative costs were calculated and projected to the plan horizon based on inflation, cost of fuel and personnel, depreciation of capital assets and the anticipated purchase of additional equipment as demand increases. The characteristics of prospective service scenarios (e.g. route miles, service hours) were input to the model, which projected costs for each service scenario to the time horizon for the plan. Figure 1.4 is a map reflecting the priorities for implementing future service enhancements, discussed more in chapter V.

Figure 1.4 Planned New Service Areas

