

Executive Summary

This business plan is Monterey-Salinas Transit's (MST) primary planning document. The plan describes public transit's role in the community, including its achievements, services operated, important issues, solution strategies, and financial plans.

Transit Provides Value to the Community. Public transit is part of the fabric of the community and a critical element in our overall transportation system. Transit increases mobility for tens of thousands of commuters and visitors, thereby reducing traffic congestion, air pollution, and energy consumption. Additionally, thousands of senior citizens, disabled individuals, and people living below the poverty level rely on transit as a vital link connecting them to jobs, shopping, education, health care, and the American society in general. Research shows that businesses benefit as well, with a \$32 million increase in business sales for each \$10 million in transit-operations spending.

MST Responds to the Community and Increases Ridership. MST uses a variety of information sources to determine the kinds of services provided, including customer and stakeholder surveys, citizen committees, customer comments, and public meetings and hearings. From this comes a clear expectation of what transit service is needed. Based on this input, major changes were made in July 1999. These changes proved very successful, with a 21 percent increase in ridership during the subsequent two years. Today, MST carries approximately 4.7 million passengers a year, using 78 transit buses, 6 historically-themed trolley buses, 11 minibuses, and 26 paratransit vans, 4 paratransit minivans and 2 paratransit sedans.

MST Business Plan Supports "Total Quality." In 1997, the MST Board of Directors adopted the Malcolm Baldrige National Quality Award criteria as its business model. The business plan is based on this quality model and on MST's mission of "leading, advocating, and delivering quality public transportation." The mission is implemented through four key business drivers:

1. Increase customer satisfaction
2. Strengthen employee development and satisfaction
3. Enhance support by MST members and other stakeholders
4. Operate safely, effectively, and efficiently

Improvements Are Needed to Meet Current Demand. Needed improvements include making the system more productive, with more-direct routing, added frequency, improved on-time performance, easy and fast transfer connections, less overcrowding, and increased service hours.

Expansion is Needed to Meet Future Demand. Five-year growth patterns show large percentage increases in Marina and Salinas and South Monterey County. Increased connectivity is needed between the fixed-route service, the DART system, and visitor /special event service.

Major Issues. The following three issues are fundamental policy questions and challenges that affect the accomplishment of MST’s mission:

1. **Will cities and county foster transit-friendly land-use planning?** Increasing population growth and difficult-to-serve land-use patterns have contributed to inefficient and costly transit routing, unserved areas, and increased traffic congestion. Development needs to be better coordinated with existing and future transit services. Such development will help build ridership and achieve operating efficiencies.
2. **How will MST Successfully Meet the Challenges of Adequately Serving the Redeveloping Areas of the Former Fort Ord?** In the eleven years since its closing in 1994, the former Fort Ord still remains vastly underdeveloped. Several large-scale residential and mixed-use developments are working their ways through the entitlement and permitting processes and are nearing construction. MST will need to radically reconfigure its route network serving this area in order to meet the transportation needs of the new residents and businesses.
3. **How will the state and federal governments and the community back additional funding to satisfy current and future demand?** MST faces a major capital and operating funding shortfall of \$100 million over the next five years. Federal funding has remained in limbo for nearly two years as of this writing because Congress has not passed a transportation authorization bill. MST’s funding is stuck at FY 2004 levels while its costs – fuel, insurance, labor – are at FY 2006 prices. For the last several years, the state has been withholding Proposition 42 funds from transportation in an attempt to balance the budget. In all, over \$5 billion in state transportation money has been diverted

to the general fund. Counties and municipalities have been feeling the pinch, too, as the state withholds local sales tax money that should go to local government. To satisfy current and future demand, MST needs an adequate and predictable local and regional funding source.

Strategic Goals. The following strategic goals are the basis for developing specific annual objectives to be achieved each year of this business plan:

1. Conduct business within approved budget and performance indicators.
2. Comply with local, state, and federal laws including regulations related to safety, hazardous materials, and grants management.
3. Adopt and execute state and federal legislative programs.
4. Begin construction of the Marina Transit Station.
5. Continue to pursue funding and begin development of the Fort Ord Operations and Fueling Facility.
6. Review MST Mission and modify as appropriate.
7. Maintain and strengthen and validate Key Business Drivers in support of MST Business Model and Mission.
8. Participate in community outreach and provide public information regarding the local sales tax ballot measure to support public transportation.
9. Continue implementation and planning of Intelligent Transportation Systems.
10. Complete takeover of Clean Air Refueling Station (CARS); complete upgrades.
11. Develop fleet replacement and fueling plan.
12. Conduct system, financial and governance analysis of service extensions outside of existing service area.

Catalytic Leadership. MST will continue to listen to the community and to lead in and advocate quality for public transportation. The trend of increased ridership and more regional service will continue as long as land-use planning is friendly to transit and funding is available.

Exhibit ES-1
Mission Statement

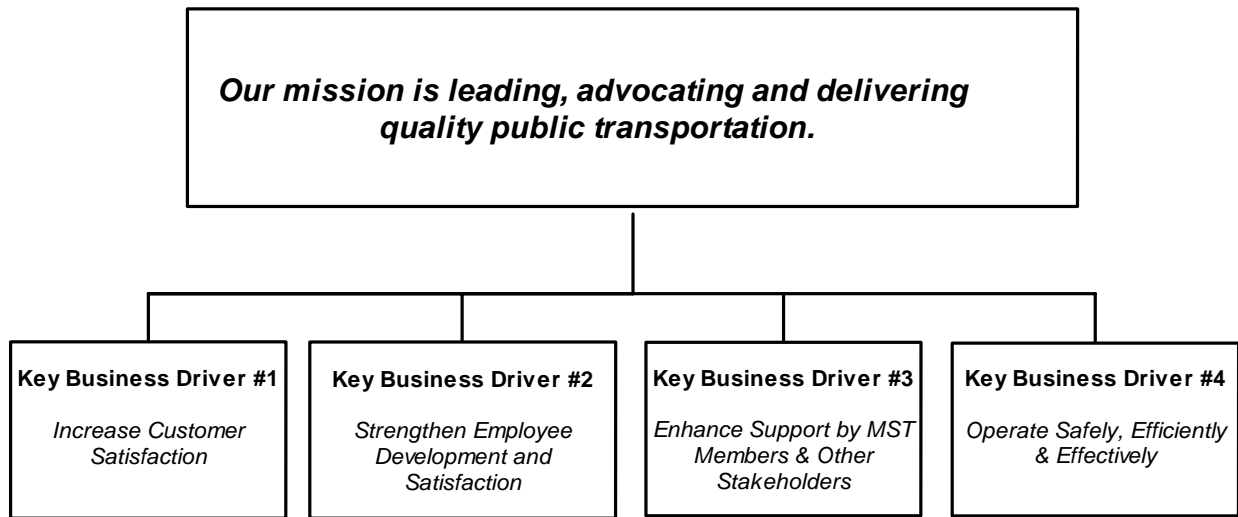


Exhibit ES-2
MST Business Model

