

Spokane Transit Authority
1230 West Boone Avenue
Spokane, Washington 99201-2686
(509) 325-6000

PLANNING & DEVELOPMENT COMMITTEE MEETING

Minutes of the March 6, 2024, Meeting

STA Northside Conference Room
Spokane Transit Authority, 1230 W. Boone Avenue, Spokane, WA
w/Virtual Public Viewing Option

MEMBERS PRESENT

Pam Haley, City of Spokane Valley – *Chair*
Zack Zappone, City of Spokane
Kitty Klitzke, City of Spokane
Chris Grover, Small Cities Representative
(Cheney), *Ex-Officio*
Dan Sander, Small Cities Representative
(Millwood) *Ex Officio*
Dan Dunne, Small Cities Representative
(Liberty Lake)
E. Susan Meyer, Chief Executive Officer
Ex -Officio

MEMBERS ABSENT

Rhonda Bowers, Labor Representative
(*Non-voting*)

STAFF PRESENT

Karl Otterstrom, Chief Planning & Development
Officer
Monique Liard, Chief Financial Officer
Carly Cortright, Chief Communications & Customer
Service Officer
Vicki Clancy, Executive Assistant to the Chief
Planning & Development Officer

PROVIDING LEGAL COUNSEL

Megan Clark, Etter, McMahon, Lamberson, Van Wert
& Oreskovich, P.C.

STAFF ABSENT

Brandon Rapez-Betty, Chief Operations Officer
Nancy Williams, Chief Human Resources Officer

1. CALL TO ORDER AND ROLL CALL

Chair Pam Haley called the meeting to order at 10:00 a.m. and Ms. Vicki Clancy conducted roll call.

2. COMMITTEE CHAIR REPORT

Chair Haley had nothing to report at this time.

3. COMMITTEE ACTION

A. MINUTES OF THE JANUARY 31, 2024, COMMITTEE MEETING

Ms. Kitty Klitzke moved to approve the January 31, 2024, Planning & Development Committee meeting minutes. Chair Haley seconded, and the motion was approved unanimously.

4. COMMITTEE ACTION

A. BOARD CONSENT AGENDA

1. CONNECT 2035 STRATEGIC PLAN: FUNDING AND INVESTMENT PRINCIPLES (RESOLUTION)

Mr. Karl Otterstrom and Ms. Monique Liard presented. One of the key objectives of the Connect 2035 Board Workshop held on November 1, 2023, was to gain consensus from the Board on funding and investment principles of the new strategic plan. Given their

foundational nature to the development and programming of Connect 2035 initiatives, staff have drafted a resolution for Committee and Board’s consideration to memorialize these funding and investment principles. Mr. Otterstrom reviewed the background. The financial framework is anchored in organizational priorities and strategies. This framework pre-exists the current effort, which is to exemplify financial stewardship, ensure organizational sustainability and resilience, earn and retain the community’s trust, and maintain a no debt financial position.

Ms. Liard presented a financial analysis overview including a proposed sustainable financial path. Using the 2024 budget baseline, a financial model was developed to examine key metrics over the next 15 years under several different scenarios. Three paths were presented. General assumptions are consistent with how we model using a 3% inflation rate, 3.5% tax base growth rate, and current fare policies. An update on the Climate Commitment Act as it relates to funding that STA receives will be given during Ms. Meyer’s CEO report.

Mr. Otterstrom reviewed the three principles presented at the workshop which are now presented as principles to be established by resolution: a.) Plan for renewal of the sales and use tax b.) Leverage STA’s current financial position c.) Explore opportunities to expand. The proposed resolution will contribute to a common funding framework for the ongoing development of the *Connect 2035* strategic plan. Staff will review at the March 6, 2024 Board workshop, with the intent of having the resolution go to the Board for adoption later this month. Discussion ensued.

Lost sound for several minutes; glitchy for several minutes.

The attached draft resolution posits the principles as declarative statements by the Board of Directors to guide the continued development of Connect 2035 Strategic Plan Phase 2.

Mr. Dan Dunne moved to recommend the Board of Directors approve, by resolution, the Connect 2035 Strategic Plan: Funding and Investment Principles. Mr. Zack Zappone seconded, and the motion was approved unanimously.

B. BOARD DISCUSSION AGENDA – *none*

5. REPORTS TO COMMITTEE

A. DIVISION STREET BUS RAPID TRANSIT: PROJECT DEVELOPMENT AND PUBLIC OUTREACH UPDATE

Mr. Otterstrom presented. Division Street Bus Rapid Transit (BRT) is currently in the project development phase, and is envisioned to be the second BRT line in the Spokane region, extending from downtown Spokane along the Division Street Corridor for approximately ten miles to the Mead area with a total of 44 stations (counting in both directions). We are currently in the project development phase as approved by the Federal Transit Administration (FTA) and are working towards 30% design completion in 2025. The committees and Board will be updated as the process continues. Mr. Otterstrom reviewed the status of various elements of work within Project Development. This includes project management and coordination, interagency coordination, parking studies and preliminary design efforts that are advancing 30% design. Additional coordination includes city utilities, water districts, and private telecommunications utilities.

Mr. Otterstrom provided an update on traffic analysis and modeling, environmental review, FTA and grant support, and outreach activities.

Mr. Dunne supports high visibility and awareness to the community when it is timely. Discussion followed noting the importance of branding for this project.

B. CONNECT SPOKANE COMPREHENSIVE PLAN UPDATE: REVENUE AND FARES ELEMENT – REVIEW FAREBOX RECOVERY POLICIES

Mr. Otterstrom presented. Connect Spokane is STA's comprehensive plan and sets forth a planning vision and policy framework to help guide decisions made by the Board of Directors, staff, and partnering agencies for at least the next 30 years. While it was updated less than two years ago, an interest in policies within the Revenues and Fares element of the plan has prompted it being added to the Phase 2 work program. Today's discussion focused primarily on farebox recovery policy objectives and considerations.

By way of background and context, Mr. Otterstrom reviewed existing components of the Revenues and Fares element. The goal of revenues and fares is to appropriately balance farebox, tax, grant, and advertising revenues to provide high-quality service. Mr. Otterstrom pointed out that STA no longer accommodates paid advertising on its vehicles or facilities and that the goal language should be updated to reflect that fact.

Mr. Zappone asked for additional background on the elimination of advertising revenue. Ms. Meyer responded that it was done to avoid advertising contentious content, as there was no effective way to administer an advertising program in a way that will avoid controversial advertising content. The potential conflict created was not worth the revenue; and while it was a source of non-tax revenue, the revenue received was largely offset by staff time and complications that diverted attention from other priorities. Mr. Dunne reflected that content neutrality is key, and he admires and respects the decision to eliminate advertising. Mayor Pam Haley agreed, noting she was aware of instances in years past where coach operators were confronted by passengers who took issue with the advertising content. Mr. Otterstrom reviewed the principles for the revenue and fares element, and explained the importance of fares in relation to ridership and cost effectiveness. Imposing fares for most transit agencies means more revenue to provide more service. When sources of revenue rise or dip, STA must make decisions about the services that can be provided while maintaining a sustainable budget. Staff want riders and people to take value out of the service and make this affordable for riders. Mr. Otterstrom reviewed the various sources of fare revenue for 2023, the COVID-19 transit impacts, and policy options.

Mr. Otterstrom reviewed historical trends of fare rates. He noted that in 2016, the STA Board intended and communicated to the public that fare revenue, including fare rate increases approved concurrent with the early implementation of STA Moving Forward, were deliberate actions to allow for more service and to ensure riders were contributing to the growth of more service. He also noted that a combination of changes to fare policies, programs and technology over the past five years has improved the overall affordability of service, despite the increases in standard fares. This includes the adoption of the Connect fare system with its daily and monthly capping program; the adoption of zero fare for youth, made possible by the transit support grant funded by the Washington State Legislature; the expansion of introduction of discounted fare programs, with Honored Rider program now extending to everyone ages 60 and above, as well as the Stars and Stripes program for active duty military and veterans.

Mr. Otterstrom presented the farebox recovery objectives and actuals for several agencies in the Pacific Northwest. Mr. Otterstrom introduced two possible policy options for consideration by the committee: option one is maintain the 20% farebox recovery goal, or option two, revise the policy with a different measure of rider contribution. Mr. Sander suggested a change from farebox

recovery to something that reflects ridership participation. Mr. Zappone recommended separating ridership out by category, youth riders, honor riders etc.; measure riders by how many we have for each category. Mr. Otterstrom agreed to return with some further options based on this feedback at a future meeting.

C. CONNECT 2035 STRATEGIC PLAN: BOARD WORKSHOP AND PUBLIC OUTREACH OVERVIEW

In the interest of time, Mr. Otterstrom did not present this item, it was discussed during the Board Workshop which occurred immediately after the Planning & Development Committee meeting.

D. 2025-2030 TRANSIT DEVELOPMENT PLAN: TACTICAL FRAMEWORK AND STAKEHOLDER OUTREACH

Mr. Otterstrom provided a brief update beginning with the hierarchy of STA plans. As STA works through the Transit Development Plan (TDP) each year, staff addresses different sections each month. This month is focused on the mid-range tactical framework which provides guidance for the understanding of activities and programs of the TDP. The goals of *Connect 2035* or the strategic goals were a way to formulate the framework in the TDP. The tactics over the next 6 years include finishing STA Moving Forward and advancing Division BRT. Participating as a partner of the community means engagement through updates to the metropolitan transportation plan, collaboration with cities and county, and expanding opportunities for community partners. The TDP will align with the state transportation goals. Mr. Otterstrom reviewed upcoming outreach activities and a timeline for the TDP adoption process. Next steps include staff returning with a draft mid-range tactical framework based on today's discussion.

6. CEO REPORT

Ms. E. Susan Meyer presented the CEO Report:

Sales Tax Update: February 2024 Voter-Approved Sales Tax Revenue (December 2023 Sales). Actual (\$10,094,347) compared to budget (\$10,261,069) for a -1.6% difference of -\$166,722. Sales tax revenue is 2.1% YTD above budget (\$0.4M), 1.6% below February 2023 actual (-\$0.2M) and 2.1% YTD above 2023 actual (\$0.4M).

Initiative 2117: This initiative is a voter proposition to repeal the 2021 Washington Climate Commitment Act (CCA). The CCA has provided incremental funding of over \$3B to transit in the state over a 16year period. If repealed, grant funding for STA will decrease by a total of \$151M through 2038. Committee members requested materials to educate the public concerning these impacts should the initiative pass.

Introducing STA Ombudsman & Accessibility Officer: Ms. Meyer introduced Delana Combs, STA's new Ombudsman and Accessibility Officer. Ms. Meyer provided Ms. Combs' experience and credentials. Ms. Meyer encouraged committee members to reach out to Ms. Combs if a constituent has questions related to accessibility or ADA.

7. COMMITTEE INFORMATION – none

8. REVIEW May 4, 2024, COMMITTEE MEETING AGENDA

9. NEW BUSINESS - none

10. COMMITTEE MEMBERS' EXPRESSIONS

11. ADJOURN

With no further business to come before the Committee, Chair Haley adjourned the meeting at 11:36 a.m.

NEXT COMMITTEE MEETING: WEDNESDAY, March 27, 2024, at 10:00 a.m. in person at STA Northside Conference Room (*April Meeting*)

Respectfully submitted,

A handwritten signature in cursive script that reads "Vicki Clancy".

Vicki Clancy, Executive Assistant
Planning & Development Department