

Spokane Transit Authority
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BOARD OF DIRECTORS

Draft Minutes of the December 3, 2014, Board Workshop
Spokane Transit Boardroom
1230 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Candace Mumm, City of Spokane
Mike Allen, City of Spokane
Chuck Hafner, City of Spokane Valley
Ed Pace, City of Spokane Valley
Al French, Spokane County
Shelly O'Quinn, Spokane County
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance & Information Services
Steve Doolittle, Director of Human Resources
Beth Bousley, Director of Communications & Customer Service
Susan Millbank, Ombudsman & Accessibility Officer

MEMBERS ABSENT

Tom Trulove, Small Cities Representative
(Cheney)

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

1. **CALL TO ORDER AND ROLL CALL**

Chair Waldref called the meeting to order at 10:30 a.m.

2. **STA Moving Forward**

Ms. Waldref said the objective of this workshop is to provide information and discussion prior to the December 18, 2014 Board meeting. The STA Moving Forward Implementation Plan final Phase III included extensive public outreach.

Ms. Meyer said the workshop will be in two parts: Part I – What's in the Plan, followed by lunch, and Part II – Funding the Plan. Public input will also be reviewed in both parts. Ms. Meyer added that Bob Moore, Moore Information, will present results of a recent survey.

Part I

Ms. Waldref gave a brief review of the STA Moving Forward planning process which has spanned 2 ½ years.

- Phase I: April to July 2012 - Project screening and evaluation culminating in the development of a short list of projects.
- Phase II: September 2012 to June 2013 – Analyzing short list of projects with defined costs and benefits for each.
- Phase III: Fall of 2013 – Prioritizing and developing implantation scenarios and creation of 10 to 15 year plan.

Ms. Meyer said full implementation of the plan would require a voter-approved sales tax increase of 3/10ths of one percent. Half of this amount would be used for sustaining existing service and the other half for new and better service.

This would bring the total sales tax rate to 9/10ths of one percent which is the maximum allowed by state law.

Estimated Project List by Year

2015 (more service and frequency)

- Extend Saturday night service past 11 p.m.
- Add new Sunday service on North Nevada
- Add better weekend service on Wellesley Avenue in North Spokane

2016

- Add new night and weekend service to Indian Trail
- Construct Moran Prairie Park & Ride
- Create new south commuter service from Moran Prairie Park & Ride
- Create frequent High Performance Transit (HPT) “Lite” bus line from N. Monroe to S. Regal
- Improve Division & Sprague routes

2017

- Expand and upgrade maintenance facilities

2018

- Add service between Spokane Valley Mall and Greenacres
- Construct West Plains Transit Center
- Implement Cheney HPT - expand capacity, quality and reliability
- Add direct service between Airway Heights and Medical Lake
- Use larger buses; provide more shelters, stops and sidewalks for North Division (future HPT “Lite” corridor)

2019

- Construct expanded Upriver Transit Center at Spokane Community College

2020

- Improve West Plains rural highway stops
- Add more buses to Airway Heights routes at peak times
- Implement new Central City Line (CCL) route between Browne’s Addition and Spokane Community College and change bus loading at the Plaza
- Add direct service between Logan and Lincoln Heights
- Add and improve service in West Central Spokane

2021

- Construct new Mirabeau Transit Center in the Spokane Valley

2022

- Relocate and expand Liberty Lake Park & Ride
- Upgrade to HPT “Lite” service along I-90 between Spokane and Liberty Lake, via Spokane Valley, including nights and weekends
- Provide improved amenities/infrastructure for HPT “Lite” bus line on East Sprague

2024

- Create extension of HPT “Lite” service on I-90 to Post Falls and Coeur d’Alene on a pilot basis

Ms. Meyer said full implementation of the plan requires the Central City Line as a link to changing other routes.

Ms. Waldref said some would like to see the CCL moved up in the priority list since roadway improvements need to be planned.

Ms. O’Quinn said the CCL assumes federal funding. What happens if this is not granted?

Mr. Otterstrom said it would affect the capital investment.

Ms. Waldref suggested including it in the budget and if federal funds are not forthcoming, other proposed projects can be done.

Ms. O’Quinn asked about a back-up plan if the Small Starts funding is not achieved.

Ms. Meyer said the local funding match could be used for a regular bus route on the CCL alignment.

Mr. Hafner said he is concerned that neither the Board nor the voters have approved the 3/10ths of one percent needed to fund the plan.

Ms. Meyer said placing the CCL in 2020 on the list of priorities means that STA has time to apply for federal funding. If a ballot measure in April 2015 is not approved by voters, federal funding would not be requested.

Mr. French said the competitiveness of STA's application assumes a local match.

Leadership Summit

Ms. Meyer said the attendees of the Summit prioritized projects with a set budget limit. Board members were given the same tools to create their own priorities including maintaining existing service.

Partial Plan – "Straw Man"

Mr. Otterstrom said if there is only partial funding of 2/10ths of one percent for STA Moving Forward, this would allow 0.15% to maintain current service and 0.05% for more and better service. The partial plan could include:

- Later Saturday night service
- Cheney Corridor HPT
- Division Corridor HPT "Lite"
- Two express routes
- West Plains Transit Center
- Upriver Transit Center
- Moran Park & Ride
- Expanded Liberty Lake Park & Ride

Mr. Schoen commented that the Cheney HPT needs the West Plains Transit Center and also the Washington State Department of Transportation (WSDOT) needs to prioritize road improvements at that location.

Mr. Otterstrom agreed and said the priority of this road is second only to the North-South Corridor project.

Public Input

Mr. Rapez-Betty, STA Senior Communications Specialist, said that the public outreach effort for STA Moving Forward is one of the most extensive and successful in STA's history and included:

- 6,300 interactions with the public
- 3,518 website sessions
- 49 community presentations by STA staff
- 1,050 participants
- 1,767 Survey Monkey surveys completed
- 4 regional open houses
- 9,000 brochures distributed

The majority of the survey respondents do not ride transit but supported new and improved transit service.

The Leadership Summit had 50 attendees of which 92% supported a sales tax increase higher than 2/10ths of one percent. The Central City Line was the most popular project, followed by more frequency of service, and better service on Division Street.

Mr. French commented that this is the most significant public outreach effort since the Task Force he participated in from 2003 – 2007.

Board Discussion/Direction:

Ms. O'Quinn said this is a great plan; however she cannot separate it from the funding it requires.

Mr. Pace agreed and said STA should go forward with the ballot measure and let the voters decide.

At this point Ms. Waldref asked Mr. French to brief Board members on the Plaza renovation recommendation from the Planning & Development Committee at their meeting earlier today.

Mr. French said staff listed the recommendations by category from the Ad Hoc Committee led by the Downtown Spokane Partnership (DSP). They include enclosing retail space until it is leased; design for the second level including keeping the rotunda space for events; and, no meeting space. He added that the Task Force recommendations were good and did not dramatically change what the Board had already envisaged for the renovation. The Planning & Development Committee's recommendation is for the Board to move forward with the revised design.

Part II

Ms. Meyer introduced Bob Moore, Moore Information, who has done a number of surveys for Spokane Transit.

Mr. Moore explained that the Moving Forward Survey was conducted on November 23 and 24, 2014 and represents 400 live interviews with adult residents of the Public Transportation Benefit Area (PTBA). Calls were made on cell phones (68%) and landlines (32%).

Ms. O'Quinn asked if the respondents were voters.

Mr. Moore replied that they were the general population, not specifically voters, however in order to get the phone numbers in the PTBA, the sample was drawn from voting households in the area.

Mr. French commented that when Spokane County undertook the same kind of survey, they were told that 42% of households have no landline.

Moving Forward Survey Results

Mr. Moore said the general mood of the Spokane area is optimistic and 60% believe things are going in the right direction. The most important issues are jobs and the economy; the most important transportation issue is the condition of the roads. STA's performance is rated higher overall.

Mr. French said the transit ballot measure in 2002 failed and at that time the public's perception of STA was poor. There has been a dramatic improvement.

Those more likely to give STA positive ratings include:

- Age 18 – 34
- 0 – 12 years of education
- Liberals
- STA riders
- Live in households earning less than \$50,000 annually

The majority of respondents (78%) have ridden the bus at some time in their lives. Half were not familiar with the Moving Forward Plan. Regarding the funding option required for the plan of increasing sales tax by 3/10ths of one percent, 55% support it. When advised about the specific transit improvements planned, that percentage rose to 60%. Most people believe the economy will return to normal in 2016 and would be more likely to support a sales tax increase then.

Mr. Allen asked if respondents were asked questions such as: "if you knew STA received more sales tax funding than the Fire and Police departments, would you still support it?"

Mr. Moore said they were not asked such questions.

Ms. Mumm said the survey numbers appear to show a high level of support.

Mr. Moore said people are feeling good about this area; more so than other cities. He added that STA has fared better in special elections rather than other elections.

Mr. Pace asked Mr. Moore in his experience whether a sales tax or a property tax is more likely to be approved.

Mr. Moore said some taxes are more popular than others and younger voters are more supportive of increased taxes generally. This proposed sales tax increase is low enough to garner more support.

Mr. Allen said if the 3/10ths passes, transit will collect a total of 9/10ths of one percent of sales tax which is the maximum allowed by state law. He added that the recent street/park bond polling was close to the actual results.

Funding

Mr. Rapez-Betty said the outreach results for funding generally show support. At the Leadership Summit, 73% of the attendees said they agreed with the 3/10ths increase and 85% said the ballot measure should be in 2015.

Financial Model

The basis for project costs includes the vehicle requirements, service costs based on previous years, escalation costs, and state and federal grants.

Ms. Warren said financial projections, based on Board guidance show that the cash balance falls below the reserves in the second quarter of 2017. Obtaining the 3/10ths of one percent sales tax increase would project that to the fourth quarter of 2026.

Mr. Allen said with a bigger operation in the future he was concerned that all the allowable sales tax funding would have been exhausted. He added that operating costs for the Central City Line have not yet been identified and the sustainability of the system is very important.

Ms. Warren said one of the financial forecast assumptions is sales tax growth at a 2.5% trend. Currently 2014 sales tax is coming in higher.

Ms. Meyer said in the future there may be another way to pay for transit since transit agencies on the west side of the state are already at their maximum sales tax percentage.

Ms. McAloon reminded the Board that transit agencies received Motor Vehicle Excise Tax (MVET) funding that matched the local sales tax approved by voters until Initiative 695 removed it.

Mr. Allen mentioned that the Plaza cost \$20 million in 1995 and is now worth \$2 million.

Ms. Bowers said it has been used for almost 20 years and the value of that public usage should be considered.

Ms. Meyer added that the Plaza building received the same assessment as a special purpose building such as a fire station, for example; the benefit to the public cannot be sufficiently estimated.

Ms. Warren said with a sales tax increase of 2/10ths, the forecast model shows that STA would be sustainable until 2026 but with much less new service on the road.

Mr. Hafner said it will cost approximately \$4 million to operate the Central City Line and this has not been considered.

Ms. O'Quinn agrees with Mr. Allen's concerns, supports 2/10ths and also the CCL route. She asked for the estimated costs to operate a different mode. She added that STA needs \$10 million to sustain service at current levels. Spokane County has an extra \$400,000 and must maintain their services with that increase. STA Moving Forward is a Cadillac plan that school districts, libraries and jails could not afford.

Mr. Pace said the City of the Spokane Valley has not increased property taxes in six years. He added that citizens cannot control property tax but they can control sales tax by how much they spend.

Ms. Mumm said the greatest expense is housing and cars. Working families need the option of transit and the population is growing. She is very supportive of the 3/10ths increase.

Ms. Waldref said she is supportive of the Moving Forward plan; it shows excellent vision.

Ms. O'Quinn asked to see which other ballot measures are planned for 2015.

Mr. Hafner worries that voters may experience ballot fatigue and if 3/10ths fails, there will be concerns. He wants to ensure major projects in the plan are approved for areas other than the City of Spokane with the Central City Line.

Mr. Allen thanked Ms. Meyer and staff for the work that has been done on this project planning.

3. ADJOURN

With no further business to come before the Board at this workshop, Chair Waldref adjourned the meeting at 1:42 p.m.

Respectfully submitted,

Jan Watson
Executive Assistant to the CEO
& Clerk of the Authority