

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

PLANNING & DEVELOPMENT COMMITTEE MEETING

Minutes of the May 2, 2018 Meeting, 10:00 a.m.
Spokane Transit Southside Conference Room

MEMBERS PRESENT

Al French, Spokane County*
Candace Mumm, City of Spokane
Sam Wood, City of Spokane Valley
Chris Grover, City of Cheney
E. Susan Meyer, CEO, Ex-Officio

MEMBERS ABSENT

Veronica Messing, City of Airway Heights

*Chair

STAFF PRESENT

Karl Otterstrom, Director of Planning & Development
Lynda Warren, Director of Finance & Information Services
Roger Watkins, Chief Operations Officer
Nancy Williams, Director of Human Resources
Beth Bousley, Director of Communications & Customer Service
Emily Arneson, Ombudsman & Accessibility Officer
Dan Wells, Deputy Director of Capital Development
Mike Tresidder, Associate Transit Planner

GUESTS

Mike Kunder, AFSCME 3939, President

1. CALL TO ORDER AND ROLL CALL

Chair French called the meeting to order at 10:05 a.m. Roll was called and introductions were made.

2. PUBLIC EXPRESSIONS

Chair French reported that a meeting he had with Ms. Sherry Little of Cardinal Infrastructure in Washington D.C. last week went very well. The current climate in D.C. right now seems positive toward transit.

3. COMMITTEE CHAIR REPORT

None.

4. COMMITTEE ACTION

A. MINUTES OF THE APRIL 4, 2018 COMMITTEE MEETING (MARCH)

Ms. Mumm moved to recommend approval of the April 4, 2018 Planning & Development Committee meeting minutes. The motion was seconded by Mr. Grover and passed unanimously.

5. COMMITTEE ACTION

A. Board Consent Agenda

1. FTA SECTION 5310 FUNDING AWARDS

Mr. Otterstrom reported on 5310 funds which are designated to enhance mobility for seniors and people with disabilities by expanding transportation options. STA is the designated recipient of these funds and it is the responsibility of the STA Board to determine how the apportionment for the UZA (Spokane Urbanized Area) is used (estimated to be \$744,861 for Years 2017 and 2018). One of the requirements of the funds is that a minimum of 55% of allocation be spent on "Traditional" capital projects and the remaining be spent on "Other" projects (operating and capital). When this program was created enabling authorization legislation for transportation funding, it had a history of referring to "Traditional" projects as primarily capital projects or

projects they defined as capital which included certain mobility management costs such as improving facilities to improve ADA accessibility, or acquiring vehicles. Other types of enhancements going above and beyond paratransit were referred to as “other” projects. This program is required and is incorporated into the Metropolitan Transportation Plan.

Spokane Transit issued a call for projects for Section 5310 funding on February 4, 2018. A public notice was published in the *Spokesman-Review* and notices were posted on the STA and Spokane Regional Transportation Council (SRTC) websites. Spokane Transit also sent letters directly to several area agencies that serve the needs of seniors and people with disabilities inviting them to submit project applications. An information meeting was held February 21, 2018 to review the funding opportunity with interested agencies and to clarify any questions related to the program or application. Applications were due March 5, 2018. Seven applications were received from six organizations: Arc of Spokane, Catholic Charities, COAST, Frontier Behavioral Health, SNAP, Spokane Regional Health District, and Spokane Transit Authority (paratransit). Three of the projects are capital and four are “other” (operating) projects. The project applications were evaluated by staff from Spokane Transit and SRTC. When scoring the applications, Spokane Transit must certify to FTA that there are not eligible subrecipients to receive the funds as well as the following criteria:

- Does the applicant provide an adequate description of the project?
- Does the applicant adequately describe how the project addresses identified gaps and unmet needs in the regional transportation system?
- How does the applicant intend to measure the benefit provided by the project?
- Is the applicant able to implement and manage the project?

According to Mr. Otterstrom, funding recommendations for two of the four “other” applications were adjusted according to a discussion between STA and the applicants (Frontier Behavioral Health and COAST) on the amount necessary and reasonably required for the respective projects. These recommended adjustments also ensured that the total amount of Section 5310 funding going toward “other” projects did not exceed the 45% maximum limit set forth in law. Mr. Otterstrom also noted that the three “traditional” (capital) projects accounted for \$121,294 well below the 55% minimum limit in the traditional category. Based on federal requirements, when there is a balance remaining, STA can use the remaining funds for eligible traditional projects. Projects may include the acquisition of vehicles for paratransit and the purchase of transportation services for seniors and people with disabilities. In order to maximize the traditional category, STA will explore the concept of directly contracting services to some of these organizations. Services operating through a contract rather than operating directly through a guarantee can be counted as “traditional” instead of “other” resulting in an 80% match rather than a 50% match which helps the non-profit organizations extend their dollars. Below are the projects and recommended award amounts as provided in Table 2 “Section 5310 Recommended Project Funding and Scoring.”

| Applicant | Project Name | Finding Category | Recommended Award Amount |
|-------------------------------|--|------------------|--------------------------|
| Arc of Spokane | Transportation Specialist | Other | \$17,449 |
| Catholic Charities | Volunteer Chore Services | Other | \$66,600 |
| COAST | COAST Transportation | Other | \$77,000 |
| Frontier Behavioral Health | Care Cars | Other | \$114,000 |
| COAST | Minivan Purchase | Traditional | \$32,039 |
| SNAP | Minivan Purchase | Traditional | \$40,000 |
| Spokane Regional Health Dist. | Coordinated Transportation | Traditional | \$49,255 |
| Subtotal | | | \$396,343 |
| STA | Complementary Paratransit Service (includes service contracts, vehicle purchase, etc.) | Traditional | \$348,518 |
| Total | | | \$744,861 |

Ms. Mumm moved that the committee recommend the Board award Section 5310 funding to the grantees and for the amounts listed in Table 2 “Section 5310 Recommended Project Funding and Scoring.” The Board authorizes staff to adjust project funding as necessary to account for vehicle pricing, project revisions and the final FY 2018 apportionment.

The motion was seconded by Mr. Grover and passed unanimously.

B. Board Discussion Agenda

(No items being presented this month)

6. REPORTS TO COMMITTEE

A. 2018 TRANSIT DEVELOPMENT PLAN: 2019-2021 SERVICE IMPROVEMENTS

Mr. Otterstrom reviewed the service improvements for the 2018 Transit Development Plan (TDP). The Service Implementation Plan (SIP) is a section, or chapter, of the Transit Development Plan and guides the delivery of fixed-route service of the next 3-year period (2019-2021). This plan documents and tracks service changes to routes that do not meet the standards outlined in *Connect Spokane*, implements *STA Moving Forward*, summarizes requests for new service, and outlines a revised route numbering schema. Mr. Otterstrom highlighted the primary Service Change Concepts for these three years:

2019 – In September 2019, as part of *STA Moving Forward*, the delivery of the Monroe-Regal HPT Line extending from the existing Five Mile P&R to the future Moran Station P&R (57th and Palouse Highway) and a new South Express Commuter Service from Moran to the Downtown Court. STA will revise Route 34 Freya to increase frequency to the South Perry neighborhood, increase connectivity to the valley, and to preserve the route that runs from the South Hill P&R to SCC (Upriver Transit Center). STA will also explore modifications to other South Hill routes.

2020 – Minor schedule and route revisions as needed.

2021 – The Central City Line will be operational by late 2021 which includes frequent east-west connections and opportunities to improve other routes particularly in north Spokane. Potential service changes include revising and improving service to Hillyard, connecting North Nevada to the South Hill, revising Route 29 SCC to provide new connections, and adding new routes (Logan neighborhood to Lincoln Heights, 5-Mile to SCC, West Central to Hillyard, and Valley Transit Center to SCC). In addition, Phase II of West Plains Transit Center (WPTC) and WSDOT interchange improvements are expected to provide faster ingress and egress, complement the Cheney HPT Line, provide a new route connecting to WPTC and Airway Heights, and improve peak frequency to Airway Heights. Chair French reported that Project Rose should open about Fall 2019 with about 2,000 employees. The time table of a roundabout on the north side of the Medical Lake interchange will be completed next fall as opposed to 2021 and the bridge work may be completed in 2020 as opposed to 2021 (still needs to be confirmed). Mr. Otterstrom reported that the Traffic Impact Assessment indicates that peak seasonal employment could be as high as 3,000 employees.

Mr. Otterstrom reported that a full draft of the Service Implementation Plan will be included in the draft Transit Development plan published in June and will incorporate feedback regarding Project Rose and timing of the nearby interchange improvements.

Ms. Mumm suggested that more direct service to Northtown from the Five Mile area be considered. Mr. Otterstrom shared that more service to the north side is something that STA continues to evaluate and requests for service are documented in the STA Service Improvement Plan.

B. 2018 TRANSIT DEVELOPMENT PLAN: PRELIMINARY 2019-2024 CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) connects the long range vision, goals and policies of the Comprehensive Plan to the near-term strategies outlined in the Annual Strategic Plan. This is one step in the process to complete the annual six-year Transit Development Plan (TDP) required by WSDOT. Mr. Otterstrom reviewed the Transit

Development Plan background and the TDP Project Timeline. The largest portion of the CIP is focused on capital expenditures by program category, programs and projects. (Ms. Warren distributed a handout of the expenditure details.)

A capital project is a significant investment project intended to acquire, develop, improve, or maintain a capital asset (such as property, buildings, vehicles, infrastructure, etc.) The CIP aggregates projects that have common objectives or are otherwise interconnected into programs. The capital programs are organized into five distinct program categories:

| | |
|---|----------------------|
| Vehicles | \$ 76,078,803 |
| Facilities – Maintenance & Administration | \$ 15,640,200 |
| Facilities – Passenger & Operational | \$ 15,453,684 |
| Technology | \$ 13,080,550 |
| High Performance Transit Implementation | <u>\$102,063,005</u> |
| Total Program | \$222,316,242 |

Vehicles – includes fixed route coaches (15 year replacement cycle), Paratransit vans (9 year replacement cycle), Vanpool vans (10 year replacement cycle plus expansion as needed), and non-revenue vehicles (replacement varies depending on mileage and condition). There will be a total of 96 new and replacement fixed-route buses (this does not include the CCL vehicles). There will be 56 replacement Paratransit vans, and 98 replacement and expansion Vanpool vans (dependent upon state grants) over the six-year period (dependent upon ridership needs).

Facilities – Maintenance & Administration – includes Boone campus expansion (Facility Master Plan Program) and Boone preservation and enhancements (i.e., HVAC systems, state of good repair), the Fleck Center preservation and improvements, and miscellaneous equipment and fixtures.

Facilities – Passenger & Operational – includes park & ride development and upgrades, Plaza preservation and improvements, the Upriver Transit Center at Spokane Community College, and the Spokane Falls Community College Transit Station.

Technology – includes business systems replacement, communications technology upgrades, computer equipment preservation and upgrades, fare collection and sales technology, operating and customer service, security and access technology (replacement of security cameras on all buses), smart bus implementation.

High Performance Transit Implementation (HPT) – includes the HPT: Central City Line (and is the largest portion of this category), HPT: Cheney Line, HPT: I-90/Valley Line, HPT: Monroe-Regal Line, HPT: Sprague Line, incremental HPT investments (Division Line) and the West Plains Transit Center. The capital investments in HPT are complete in 2023.

Mr. Wood asked how many security cameras are installed on each STA bus Ms. Meyer and Mr. Watkins reported that there are eight cameras (one on each side, one on the front door, one on the rear door, one looks forward out the front windshield, two interior cameras face toward the passengers). There are signs stating that video recordings are taking place. The recordings are stored on the bus and are downloadable. Recordings are written over between 7-10 days unless preserved for an investigation or public records request. The video is not monitored live.

In addition to the five categories of capital programs the draft CIP will identify:

- Section 5307 Program of Projects: Urbanized Formula Funds (STA’s largest grant from the Federal Government). Around \$8M / year. (STA’s long term strategy for these funds is to focus nearly all the funds to preventative maintenance.)
- Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities: Subject to competitive awards
- Section 5339 Bus and Bus Facilities Formula: Allocated for replacement of buses
- Fleet Replacement Plan
- Unfunded Projects

Mr. Otterstrom reported STA is bringing more local investment into the Spokane area as a result of the “seed money” from *STA Moving Forward* funds approved by voters.

Mr. Grover asked if these Federal Transit grant revenue streams flow directly to STA. Mr. Otterstrom responded that the grant money indeed flows directly to STA and not through SRTC which is an important distinction. As designated recipient, STA’s Board has the prerogative of how those funds are programmed.

The draft Transit Development Plan will be compiled and presented at the June committee meeting. A public hearing will be scheduled for June 21, 2018 before the Board of Directors. Final action on the plan is scheduled for July 26, 2018.

C. 2018 TRANSIT DEVELOPMENT PLAN: REVENUE & EXPENDITURE FORECAST ASSUMPTIONS UPDATE

At the April 2018 Planning & Development Committee meeting, the forecast assumptions to be included in the 2018 Transit Development Plan for years 2019-2024 were discussed. The committee requested staff bring low (3.0% trend), medium (3.25% trend) and high (3.5% trend) sales tax revenue information for discussion. Ms. Warren presented the economic outlook – from a regional, state and national perspective. Ms. Warren has interacted during the past month with three economists:

- Grant Forsyth, Chief Economist, Avista – STA checked their assumptions with him after the last meeting.
- John Mitchell, Retired Economist, U.S. Bank
- Steve Lerch, Executive Director, Washington State Economic & Revenue Forecast Council

According to these experts, the Economic Outlook is as follows:

- Long-run growth rate in taxable sales for Spokane County is in 2.5% to 3% range (Forsyth)
- April marked the second longest expansion since the 60’s and they are expecting this expansion to be the longest on record (Forsyth, Mitchell & Lerch)
- In Washington state, continued expansion is expected for at least the next six months (Lerch)
- Unemployment is at a 17 year low, nationally and regionally. (Mitchell)
- Federal tax changes have increased after-tax income (Lerch)
- GDP growth (2018) is 3% (Forsyth & Mitchell)
- Interest rates are rising (Mitchell)
- Consumer confidence is strong (Lerch)
- Stronger global economic growth (Lerch)
- Since 2011, personal income has grown faster in Washington than nationally (Lerch)

All three experts agreed that the following items are unknowns: international trade and fiscal policy, stock market volatility, labor markets (finding, keeping and training), inflation, rising interest rates, and consequences (intended and unintended) of policy actions.

Ms. Warren reminded the committee of the current sales tax revenue assumptions and reviewed the average % increase for the past 24 years:

- 3% trend beginning with 2014 actual amount received (2014 was the first year sales tax revenue exceeded 2007)
- Budget adjusted annually to reflect current economic conditions (2017 & 2018- \$500,000 was added to the trend amount)

Ms. Warren reviewed several charts demonstrating the sales tax trend and the 2017 taxable sales by major category with a focus on construction and vehicle sales tax. Non-vehicle sales (retail) contributes 35.7% of Spokane’s taxable sales tax, construction contributes 14%, vehicle sales contributes 11%, accommodation/food services contributes 11% and all other categories contribute the remaining 28%. Currently, Spokane taxable sales are at an all-time high although it is uncertain how long that will last. Vehicle sales continues a steady, upward climb. Ms. Warren reviewed the Spokane

Transit forecast charts for low (3%), medium (3.25%), and high (3.50%). In each scenario, the cash balance was above the Board designated reserve. Ms. Warren re-emphasized the fact that this financial forecast is based on certain assumptions that are subject to incessant change.

Ms. Warren reported additional considerations: a fare change is scheduled for July, 2018; the 2nd 1/10th of sales tax rate approved by voters in November 2016 will be implemented in April, 2019; and the FTA's review of the Small Starts Application. In its review of the financial assumptions submitted for the Central City Line Small Starts rating and evaluation packet, the FTA indicated, "The sales tax revenue forecast is optimistic in this context," meaning the context of the 2007-2016 sales tax revenue trend. It's important to note that the 2007-2016 time-period included the steepest decline of sales tax revenue that STA has experienced and is not as representative of longer-term trends. That being said, FTA's caution is notable.

At the last meeting, the original sales tax trend recommendation was 3.25%, however, after listening to the economists and taking everything into consideration, Ms. Warren is recommending that STA maintain the low option of a 3.0% sales tax revenue trend for the Transit Development Plan submittal for the period 2019-2024 and then STA can continue to augment sales tax revenue in the budget by adding additional amounts from year to year as a one-time amount rather than making adjustments to the actual trend.

7. CEO REPORT

STA Chief Executive Officer, E. Susan Meyer, presented her CEO Report to the Committee which included the following topics:

- **Boone Northwest Garage** - This project is moving forward at a rapid pace. Sidewalks, curbing, fine grading, irrigation installation, infill of the northwest corner with impacted soils, placement of topping soils, and more are nearly complete. Preparation for the new sidewalks and street trees is under way along Sinto Avenue between the new parking lot and Cedar Street. Garco Construction is the general contractor for the project. The new employee parking lot is nearly complete. A new lot was needed as the garage will displace the old employee parking lot. Kudos to the Capital Project Manager, Jessica Charlton, and Mr. Watkins for the leadership on this important project.
- **West Plains Transit Center** – STA has been working on the West Plains Transit Center (WPTC) since about mid-year of last year. The parking lot is paved and WPTC is on track for a September opening. It includes a bird deterrent system extending over the evaporative ponds because of the site constraints.
- **Bloomsday** – STA will provide shuttle services on Bloomsday morning, Sunday May 6, 2018. Four Bloomsday lots are available: Northtown Mall, Spokane Valley Mall, Ferris High School, and Cheney (Red Barn) with the first trip to downtown at 6:20 a.m. Mukogawa has one trip at 6:53 p.m. About 40% of STA's personnel volunteer extra hours (75 drivers) to support this event. A special vehicle runs the course on Saturday to preview the course for elite and para-athletes visiting from out-of-town. At the end of Bloomsday, a "sweep" vehicle will pick up participants who couldn't finish the race. Backpacks are not allowed at the race start. STA expects 15,000 to ride a bus that day. STA will also have a booth near the Bloomsday registration area. Contact Customer Service at 509.328.7433 or www.spokanetransit.com for additional information.

Ms. Mumm asked if STA advertises on the bus during this time since the riders are a captive market. Ms. Meyer and Ms. Bousley agreed that this was a good idea to consider next year.

- **Roadeo** – This weekend is the international, professional driving competition known as the Rodeo in Tampa, Florida. Gabe Fernos won the international competition a few years ago and has placed in the top ten almost every year. Three mechanics will attend and compete as well. Ms. Meyer and Ms. Fernos will be watching the competition. The next local competition is in June under the freeway in Spokane. The Paratransit Roadeo King competes at a different location at a different conference this year.
- **Driver's Shield** – One driver's shield has been installed in one of the buses as an outcome of the operator assault analysis conducted by Mr. Blaska and Ms. Williams. While the number of assaults was small, having a shield is one option that may have helped in a third of the assaults. The shield will remain installed for 6 months – 1 year until all of the operators have a chance to drive this bus. This is the same bus that has a security monitor allowing bus riders to see themselves as they board the bus.

- **Journal of Business Interview** – Ms. Meyer, Ms. Sherry Little and Mr. Sev Miller gave a interview to the Journal of Business recently that went very well.
- **Annual Report** – The Annual Report will soon be distributed in digital format. Kudos to Ms. Bousley’s team for effort in producing the report.

8. COMMITTEE INFORMATION

(No information included this month)

9. MAY 2, 2018 COMMITTEE PACKET DRAFT AGENDA REVIEW

No changes were suggested at this time.

10. NEW BUSINESS

(No information included this month)

11. COMMITTEE MEMBERS’ EXPRESSIONS

Ms. Mumm mentioned that sidewalk vaults downtown and that the City of Spokane is working with adjoining property owner and encouraging them to partner with the City to fix vaults and sidewalks now while the city is reconstructing streets.

12. ADJOURN

Chair French adjourned the meeting at 11:30 a.m.

13. NEXT COMMITTEE MEETING: MAY 2, 2018 at 10:00 a.m., STA SOUTHSIDE CONFERENCE ROOM, 1230 W. BOONE AVENUE

Respectfully submitted,



Vicki Clancy, Executive Assistant