Spokane Transit Authority
1230 West Boone Avenue
Spokane, WA 99201-2686
509-325-6000

STA SPECIAL BOARD WORKSHOP

Approved Minutes of February 19, 2026, Meeting
STA Boardroom with Virtual Joining Option

MEMBERS PRESENT
Lance Speirs, Small Cities Medical Lake, *Chair*
Pam Haley, City of Spokane Valley
Josh Kerns, Spokane County
Kitty Klitzke, City of Spokane
Sarah Dixit, City of Spokane
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane
Michael Cathcart, City of Spokane
Dan Dunne, Small Cities Liberty Lake e*x-officio*
Dan Sander, Small Cities Millwood-*ex-officio*
Elsa Martin, Small Cities Cheney-e*x-officio*
Bill Campbell, Small Cities Airway Heights-e*x-officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT
Al French, Spokane County

STAFF PRESENT
Karl Otterstrom, Chief Executive Officer
Brandon Rapez-Betty, Chief Operations Officer
Carly Cortright, Chief Communications & Customer Service Officer
Emily Poole, Chief Planning & Development Officer
Kade Peterson, Chief Information Officer
Nancy Williams, Chief Human Resources Officer
Robert Hamud, Chief Financial Officer
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL
Megan Clark, Etter, McMahon, Lamberson, VanWert and Oreskovich, P.C.

GUESTS
Sherry Little, Cardinal Infrastructure
Mike Pieper, Cardinal Infrastructure

1. Call to Order & Roll Call - Chair Speirs called the Workshop to order at 11:46 and the Clerk conducted roll call.

2. Welcome, Introductions, and Workshop Objectives – Mr. Otterstrom welcomed and thanked everyone for attending. Prior to providing his welcome and introductions, he presented an icebreaker question for Board members via Menti-meter.

   Mr. Otterstrom gave brief introductions to guests from Cardinal Infrastructure and outlined the objectives of the workshop to provide a Connect 2035 outreach update, report on progress and emerging findings from the Facilities Master Plan Phase 2, hear from Ms. Sherry Little and Mr. Mike Pieper from Cardinal on federal funding for Division Street BRT and the Board's role in securing the Capital Investment Grant award and, lastly, revisit the "Doors of Possibility" as a follow up to October's Workshop. He advised the wrap up will explore next steps for the timeline of the ballot measure reauthorization.

Mr. Dunne arrived at 11:54

3. Connect 2035 Outreach Update – Dr. Cortright presented an update on the outreach to date which included 15 community events and open houses, 47 rider forum/listening sessions, 9 municipal partner events, 30+ employee and Board workshops/interviews, 2485 responses to community surveys, and 9600+ virtual touchpoints.

   She discussed the Connect 2035 funding requirements of the public outreach plan and identified the goal of increasing awareness and engaging in a dialogue about the future of transportation. She reviewed the objectives of the outreach, the process, and advised the Board what staff have heard from the public. Overall response from the public has been positive and fall within the following categories: general appreciation for STA Moving Forward accomplishments; concern about impacts to service if sales tax is not reauthorized; interest in how youth are using the system/partnerships with Spokane Public Schools, including ridership numbers; Mobility on Demand (MOD) inquiries regarding functioning and locations; and consideration regarding the timing of a possible ballot measure.

Dr. Cortright explained that outreach presentations would wrap up next week. A public survey will also launch next week through STA's website and social media channels, and the annual Community Perception survey is scheduled for March to households within the PTBA.

She concluded her presentation by asking Board members what they have heard from stakeholders following STA's outreach? Brief discussion ensued and Board members indicated they've heard positive feedback and appreciation from constituents and from the city councils that have received presentations from STA staff.

4. Facilities Master Plan - Mr. Rapez-Betty recapped the Facilities Master Plan (FMP) Phase 1 objectives, master plan guiding principles, and the unanimous Board approval in June 2025 directing the CEO to advance near term projects and long-term priorities. He restated the vision of a new clean energy base and other identified near-term priorities under the FMP Phase 1.

   Mr. Rapez-Betty also provided an update on FMP Phase 2 which commenced in September 2025 to refine strategic priorities, ensure alignment with Connect 2035 goals, and focus on immediate facility needs. He noted the planning work calibrates the definition and timing of key strategic actions, shifts the timing of the new clean energy base to 2035, and focuses on the optimal geographic property placement. Mr. Rapez-Betty advised accomplishing most of the near-term actions will require renewal of the existing sales tax to advance design and construction. He advised the timing adjustment to shift implementation of a clean energy base target from 2030 to 2035 and noted it will enable or preserve key priorities and requirements.

   Mr. Rapez-Betty outlined a new Fixed Route Operations Center and the (1–5 year) strategic opportunity driven by recent agency and service growth that has exceeded the capacity of the existing facilities. A newly acquired property on Boone Avenue, centrally located between existing bus garages, will help meet immediate operational needs. He also presented the opportunity (1-5 years) to maximize STA's 11 acres of Spokane Valley property by relocating Paratransit and Rideshare Operations. This would relieve space constraints at the Boone Campus and allow interim Facilities departmental use. The proposed concept includes indoor and covered Paratransit van parking, a combined dispatch, call center, and administrative area, and a renovated maintenance facility to support Paratransit and Rideshare vehicles.

   Mr. Rapez-Betty reviewed an opportunity (1–5-year) to replace the aging operator training course through a partnership with Spokane Colleges on STA-owned land on Mission Avenue immediately south of Spokane Community College, enabling divestment of STA's property adjacent to the Spokane County Fairgrounds, and supporting future development on adjacent WSDOT-owned land. The concept included an adjustable shared training course, space for Roadeo events, a small restroom and storage structure, and potential covered contingency fleet parking.

   The STA Plaza Public Meeting and Administrative space include improvements planned over the next 1–2 years and will create a centralized and modern public meeting space with dedicated Board parking, enhanced second floor office use, and maintain strong customer service and operator facilities. Additional leased space for 40–60 employees will provide needed flexibility as near- and mid-term improvements continue at the Boone Campus.

He reviewed the FMP Phase 2 Priority timeline summary, followed by Next Steps before asking for discussion on the following question: *Does the Board support the strategic timing shift of the Clean Energy Base and the pacing of zero-emission transition?* An engaged discussion ensued regarding the ballot measure, state/federal/private funding, existing properties owned by STA, project timelines, staff's responsiveness to the ZEB and the current administration's position, as well as availability of current and future parking for staff.

5. FTA Capital Investment Grant Program and Division Bus Rapid Transit (BRT) – Mr. Otterstrom introduced and provided a detailed introduction to Ms. Sherry Little and Mr. Mike Pieper of Cardinal Infrastructure.

   Cardinal's presentation included topics of Congress Turns to Surface Transportation Bill; CIG in the 2026 THUD Bill; Anticipated Trump CIG Program Rules Changes; Building on Success of City Line; Continuing on the Path Forward; Why Projects Fall Apart; and How You Can Help.

   Mr. Pieper walked the Board through the federal landscape surrounding the reauthorization of the Surface Transportation Bill. He reminded everyone of the requirement for Congress to renew the program every five years, covering both transit and highway funding, and noted Congress had grown increasingly late doing so over the past couple of decades. Although the House committee chair had publicly aimed to produce a bill on time, he explained that most observers in Washington expected delays. Because the House and Senate split responsibility for the bill across several different committees, the process often drags on. Mr. Pieper predicted that Congress would likely resort to a temporary extension that would push the real decision-making into the next Congress, where the outcome would depend on the post-election balance of power.

   He outlined issues expected to shape the upcoming reauthorization. Funding is the biggest challenge: the previous Infrastructure Investment and Jobs Act (IIJA) provided funding above historical levels because it drew from both the transportation trust fund and the general fund through advance appropriations. He noted that Republican leadership had already rejected using advance appropriations again, meaning the next bill would almost certainly be leaner. He described the ongoing tension between discretionary grants and formula funding. While discretionary programs allowed agencies to compete for large, one-time project dollars, many Republicans argued that competitive programs disadvantaged rural regions and preferred shifting more money back to formulas.

   Mr. Pieper added that certain policy areas appeared likely to gain bipartisan traction. He expects Congress to pursue changes to the NEPA environmental review process, allowing agencies to acquire property before environmental review. He emphasized a growing federal focus on transit safety and security, noting national concerns about crime, non-destination riders, drug use, and homelessness on transit systems. Finally, he discussed the ongoing scrutiny of the Capital Investment Grant (CIG) Program. While the program funded BRT, streetcar, and rail projects, he observed that the current administration viewed many rail projects as too costly and was pushing for stronger cost/benefit performance, potentially giving bus-focused systems like STA a relative advantage.

   He closed by explaining that STA's recent $82 million congressional designation for Division Street BRT was a significant milestone, but not yet cash in hand, and that the annual appropriations process, which was already behind schedule, would determine the actual availability of those funds. Ms. Sherry Little began by warmly thanking the Board for inviting her and emphasized how much she values the longstanding relationship between STA and her team in Washington, DC. She noted that STA's willingness to invest "time and treasure" by coming to DC year after year—meeting lawmakers face-to-face and showing up as a unified board—sets STA apart from its peers. From her experience both on Capitol Hill and at the FTA, she said it really does make a difference when board members lay eyes on their elected officials to personally advocate for agency priorities.

She explained that STA was entering the Division BRT phase from a position of strength, "stronger than many of your peers," because STA successfully delivered a major project across *two* presidential administrations. That bipartisan track record mattered, especially now with significant uncertainty around how the current Trump administration would handle CIG projects. She described a more centralized, White House-driven decision process, a departing FTA administrator, a retiring executive director, and nearly 40% staff reductions at FTA, which were all factors that made the environment, in her words, "a tender time." She stressed STA's consistency, credibility, and reputation for coming in on time and on budget gave the agency a true advantage.

Ms. Little then walked through risks she had seen sink other agencies' projects, including mixed messages from local officials, drifting timelines, escalating costs, and above all, failure to secure local matching funds. She urged STA to keep "singing off the same song sheet," stay aligned, and lock in local commitments early. She reminded everyone that Congress's recent allocation for Division BRT was a very encouraging sign, even if it wasn't cash in hand yet, and said the goal remained securing a Small Starts Grant Agreement by late 2026.

She closed by encouraging STA to continue leaning into discretionary grant opportunities, maintaining strong communication with DC partners, and reinforcing the narrative that STA is exactly the kind of reliable, rubber-tired transit system the administration is eager to support, all of which, she said with confidence, had STA "well set up for success." Ms. Little offered to answer questions.

Discussed ensued regarding the importance of unified communication and consistent advocacy with state and federal partners, noting that coordinated engagement by the full STA Board helps strengthen STA's position in federal funding processes. Members reflected on past experiences with City Line to emphasize that the FTA requires firm, documented local funding commitments before allowing projects to advance, underscoring why board support and timely financial authorization are essential. Also discussed were regional engagement and federal relationship building, including outreach to Kootenai County as part of longer-range planning efforts. Members expressed the value they've seen from board participation in trips to Washington, DC, observing that the FTA responds positively when governing boards show direct support for STA's work. The discussion closed with appreciation for Ms. Little's and Mr. Pieper's guidance and recognition that active, aligned board involvement helps maintain STA's strong standing with federal partners.

6. Board Guidance on Connect 2035 Funding – Mr. Otterstrom revisited the "Doors of Possibility" framework introduced in October, outlining three potential paths for a future sales tax ballot measure that will determine STA's ability to implement Connect 2035. He emphasized the consequences of Door Three, noting the projected $346 million shortfall by 2035 and the resulting inability to sustain current service levels or deliver planned investments.

   Mr. Otterstrom presented six key considerations for deciding ballot timing, including maintaining current service, securing federal funds (such as Division BRT), enabling capital investments, and preserving eligibility for state grants. A board polling exercise showed strong alignment that maintaining current service was the top priority. Using a matrix, Mr. Otterstrom compared Doors One, Two, and Three against these considerations. Door One met all criteria, Door Two met several but carried timing and project delay risks (especially for Division BRT), and Door Three met none.

He stressed that while no final decision was being requested today, preserving Door One remained strategically important. STA would do this by updating Connect 2035, refreshing the financial forecast, and preparing additional materials for board deliberation.

Mr. Otterstrom asked for Board member discussion. During the discussion, he emphasized that staff was not seeking final direction at this time but requested guidance on what additional information the Board would like brought forward in order to preserve the option of “Door One,” including preparation for a potential workshop on April 1. Commissioner Kerns asked clarifying questions regarding the timing of the ballot measure options, confirming that Door One assumed a successful measure by the fourth quarter of 2026, while Door Two assumed success by the third quarter of 2028. He further asked how federal or state funding could be at risk if the tax would not lapse under either of those timelines. Mr. Otterstrom explained that although federal funds for the Division Street BRT project have been allocated for the current fiscal year, STA cannot demonstrate the required financial capacity, such as the ability to operate the service and provide the $38 million local match, without a successful ballot measure. He noted this would create a gap in the financial forecast during the middle of construction, putting the project at significant risk. He added that delays also affect other capital projects because funds reserved for capital may ultimately be needed to sustain operations if the measure does not pass, creating operational uncertainty. He stated that continued project progression is essential because the federal appropriations decision to allocate funds was based on STA’s demonstrated advancement of the project.

Councilmember Klitzke asked whether committing sooner could save money by allowing STA to make purchases earlier and avoid cost escalation. Staff confirmed that construction inflation of three to five percent per year can significantly increase costs. Councilmember Klitzke requested an analysis of the economic development impacts associated with each of the three “doors,” noting that similar evaluations had been conducted during previous major planning efforts. Staff agreed to provide a qualitative analysis and identify key drivers, noting that a full study similar to past work would take many months. Board members also asked whether information on other anticipated ballot measures in the region would be helpful for evaluating timing.

Additional discussion focused on providing more quantitative examples illustrating the operational and capital impacts of each scenario. As an example, Mr. Otterstrom noted that if service levels were reduced due to a failed measure, Paratransit demand response would also fall, and STA would likely not build a new Paratransit campus under those circumstances.

Board members commented that ballot measure timing also interacts with regional grant cycles, some of which only occur every two to three years, meaning delays could push projects back significantly. Questions were raised about the federal project approval process, including the timeline for releasing the $82 million in federal funding, the typical duration of FTA evaluation steps, and whether national staffing shortages might create longer delays in future years. Staff indicated they would prepare a more detailed explanation of the FTA project "roadmap," including components such as financial evaluation and risk workshops.

Several Board members expressed concern that waiting until Door Two increases the likelihood of a lapse in sales tax if the first ballot attempt fails, whereas Door One offers the opportunity for a second attempt before expiration. Members also discussed the potential overlap with a possible public safety ballot measure but noted that STA’s proposal would maintain—rather than increase—the existing sales tax rate. Updates were shared from the Safe and Healthy Task Force, with members noting varying levels of confidence regarding whether a public safety measure will be ready for the November ballot.

The Board reviewed filing deadlines for STA ballot measures, with May 1 identified as the submission deadline for an August election and August 1–4 for the November election. Board members noted the importance of allowing sufficient time for community education if STA were to pursue a measure this year. Finally, questions were raised about the process for determining the contents of a ballot measure, and staff confirmed that any final proposal must be adopted by Board resolution. Members requested that draft ballot language and examples from past measures be prepared for review at the April workshop.

7. Adjourn – There being no further business to come before the Board, Chair Speirs adjourned the Workshop at 1:39.

   Chair Speirs indicated there would be a five-minute break before starting the STA Board meeting at 1:44.

Respectfully submitted,

Dana Infalt

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