

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

NOTICE OF BOARD MEETING

NOTICE IS HEREBY GIVEN by the Board of Directors of the Spokane Transit Authority of Spokane County, Washington, that the Board will hold a meeting at 1:30 p.m. on Thursday, October 20, 2016, in the Spokane Transit Boardroom, 1230 West Boone Avenue, Spokane, Washington.

NOTICE IS FURTHER GIVEN that business to be discussed and/or action taken shall be in accordance with the attached agenda, which is also on file at the STA Administrative Offices.

THE MEETING SHALL BE OPEN TO THE PUBLIC.

BY ORDER OF THE STA BOARD OF DIRECTORS.

DATED this 20th day of October, 2016.



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

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

BOARD MEETING

Thursday, October 20, 2016 at 1:30 p.m.
STA Boardroom
1229 West Boone Avenue, Spokane, Washington

AGENDA

Estimated meeting time: 60 minutes

1. Call to Order and Roll Call
2. Approve Board Agenda *(Al French)*
3. Public Expressions
4. Recognitions and Presentations: *10 minutes*
 - A. Dave Eyre, Paratransit Dispatcher - Retirement *(Steve Blaska)*
 - B. Colleen Thompson, Paratransit Dispatcher – Retirement *(Steve Blaska)*
 - C. Third Quarter 2016 Years of Service Awards *(Steve Doolittle)*
 - D. Third Quarter 2016 Employee Recognition Winners *(Steve Doolittle)*
5. Board Action – Consent Agenda: *5 minutes*
 - A. Minutes of September 22, 2016, Board Meeting – Corrections/Approval
 - B. September 2016 Vouchers *(Lynda Warren)*
 - C. Acceptance of Plaza Elevator Modernization Project *(Tom Trulove/Beth Bousley)*
 - D. Award of Contract for Design & Engineering Services for Cheney High Performance Transit Corridor Improvements *(Tom Trulove/Karl Otterstrom)*
6. Board Action – Committee Recommendations: *15 minutes*
Board Operations
 - A. Plaza Leases *(Al French/Lynda Warren)*
7. Board Action – Other: *None*
8. Board Operations Committee: *10 minutes*
 - A. Chair Report *(Al French)*
9. Planning & Development Committee: *5 minutes*
 - A. Chair Report *(Amber Waldref)*
 - i. STA Moving Forward Implementation Calendar
10. Performance Monitoring & External Relations Committee: *5 minutes*
 - A. Chair Report *(Tom Trulove)*
11. CEO Report: *10 minutes*

12. Board Information: *No action or discussion*
 - A. Committee Minutes
 - B. August 2016 Financial Summary (*Lynda Warren*)
 - C. September 2016 Sales Tax Summary (*Lynda Warren*)
 - D. August 2016 Operating Indicators (*Steve Blaska*)
13. New Business
14. Board Members' Expressions
15. Executive Session (*Workland Witherspoon*) - *None*
16. Adjourn

Cable 5 Broadcast Dates and Times of October 20, 2016 Board Meeting:

Saturday, October 22, 2016	4:00 p.m.
Monday, October 24, 2016	10:00 a.m.
Tuesday, October 25, 2016	8:00 p.m.

Next Committee Meetings (STA Conference Rooms, West Boone Avenue, Spokane, Washington):

Planning & Development	Nov 2, 2016, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	Nov 2, 2016, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	Nov 9, 2016, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, November 17, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.

Next Public Hearing: Thursday, November 17, 2016, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington, to discuss:

Proposed 2017 Operating & Capital Budgets

Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting on STA's website: www.spokanetransit.com. A video of the Board meeting may be viewed on the website the week after the meeting. Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Anyone wishing to address the Board of Directors on a specific subject at a Board meeting may do so by submitting written comments to the STA Chair of the Board (1230 West Boone Avenue, Spokane, WA 99201-2686) 24 hours prior to the Board meeting. Mail addressed to the Board of Directors will be distributed by STA at its next meeting. Mail addressed to a named Board Member will be forwarded to the Board Member, unopened. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964. For more information, see www.spokanetransit.com. Upon request, alternative formats of this information will be produced for people who are disabled. The meeting facility is accessible for people using wheelchairs. For other accommodations, please call 325-6094 (TTY Relay 711) at least forty-eight (48) hours in advance.

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 2 : APPROVE BOARD AGENDA

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Al French, STA Board Chair

SUMMARY:

At this time, the STA Board will review and approve the meeting agenda with any revisions enclosed in the grey folders.

RECOMMENDATION TO BOARD: Approve Board agenda.

FINAL REVIEW FOR BOARD BY:

Division Head / Chief Executive Officer EOM Legal Counsel LM

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PUBLIC EXPRESSIONS

At this time, the STA Board of Directors will give the public the opportunity to express comments or opinions.

Anyone wishing to speak should sign in on the sheet provided and indicate the subject of interest. Comments will be limited to three minutes per person and, if requested, answers will be provided by staff at a later date.

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 4A : DAVE EYRE, PARATRANSIT DISPATCHER -- RETIREMENT

REFERRAL COMMITTEE: N/A

SUBMITTED: Steve Blaska, Director of Operations

SUMMARY: Dave Eyre has been a remarkable Paratransit Dispatcher. His career with STA began in 1984 and Dave has delivered 32 years of extraordinary service!

Dave is valued by customers and coworkers for his devotion to his position at STA. He was originally hired as a Paratransit Van Operator. His dedication to Paratransit service and commitment to helping each day run smoothly have been outstanding over his years of employment with STA. Dave has been a willing participant in various changes to Paratransit Operations ranging from a conversion from a manual system with trip cards to 100% automation.

Dave will be missed and remembered kindly as a professional Paratransit Dispatcher. The knowledge, incredible memory, and recall of trip facts Dave takes with him as he leaves STA will be very difficult to recreate.

Dave recently committed himself to becoming healthy and fit by running each day during his lunch break. We are proud of his dedication to being healthy as he enters this next phase of life.

We wish him well in retirement years and future endeavors.

RECOMMENDATION TO BOARD: Recognize Dave Eyre for his years of service and dedication to STA.

Division Head SB

Chief Executive Officer ESM

Legal Counsel UM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 4B: COLLEEN THOMPSON, PARATRANSIT DISPATCHER – RETIREMENT

REFERRAL COMMITTEE: N/A

SUBMITTED: Steve Blaska, Director of Operations

SUMMARY: Colleen Thompson has been an outstanding Paratransit Dispatcher. Her career with STA began in 1986 and Colleen has an impressive 30 years of service!

Colleen is appreciated by customers and coworkers for her dedication to her position at STA. Hired originally as a Paratransit Van Operator, Colleen has been a great asset to STA and has become truly remarkable at routing and helping Paratransit service run smoothly on a daily basis. Over the years, Colleen has received many compliments and been part of various changes to Paratransit Operations including software updates and process modifications, demonstrating her commitment to teamwork.

Colleen is looking forward to spending more time with family in the great outdoors and at their home on Priest Lake. Traveling is something Colleen also really enjoys and we hope many fun trips await her in the years to come.

We will all miss Colleen and remember her fondly as a wonderful Paratransit Dispatcher. Much history and knowledge will be leaving the company as Colleen moves onto the next chapter of her life. We wish her well in her retirement years and future endeavors.

RECOMMENDATION TO BOARD: Recognize Colleen Thompson for her years of service and dedication to STA.

Division Head SB

Chief Executive Officer ESM

Legal Counsel LM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **4C:** **YEARS OF SERVICE AWARDS – RECOGNITION**

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Steve Doolittle, Director of Human Resources

SUMMARY: At the conclusion of each quarter, Spokane Transit acknowledges and recognizes its employees for their successive years of service with the organization and thanks them for their continued association with it. The following individuals have been employed with STA for significant periods of time, and STA commends and recognizes them for their contribution to the success of the agency:

35 Years

Foreman
Mark Thompson

30 Years

Paratransit Dispatcher
Colleen Thompson

25 Years

Paratransit Van Operator
Charles Kopp
Bert Simmons

Fixed Route Coach Operator
Sherri Rice

20 Years

Fixed Route Coach Operator
Traci Lawson
Jess Schloss

15 Years

Assistant Transportation Manager
Frank Bezemer

Fixed Route Supervisor
Edward Steeber

Fixed Route Coach Operator
Jack Clowe
Joseph Elison
Wade Moore
Robert Peters

Custodian
Andrew Beamis

10 Years

Customer Service Representative
Sandra Olfson

Network Administrator
David Vestal

Payroll Specialist
Kristi Rockwell

5 Years

Director of Finance &
Information Services
Lynda Warren

RECOMMENDATION TO BOARD: Receive report.

FINAL REVIEW FOR BOARD BY:

Division Head SD

Chief Executive Officer BM

Legal Counsel LM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **4D**

2016 3rd QUARTER EMPLOYEE RECOGNITION WINNERS

REFERRAL COMMITTEE:

N/A

SUBMITTED BY:

Steve Doolittle, Director of Human Resources

SUMMARY:

The Board approved a recognition program to acknowledge employees who go the extra mile to help STA achieve our core objectives. Administered by an employee committee, this program has become very successful and is recognized by employees as a prestigious award. A list of the award winners is attached.

RECOMMENDATION TO BOARD: Receive report.

FINAL REVIEW FOR BOARD BY:

Division Head SD

Chief Executive Officer BSM

Legal Counsel CM



2016 3rd QUARTER EMPLOYEE RECOGNITION WINNERS

July 2016	Jacque Thibodeaux	Customer Service Representative
	Gayle Troetsch	Paratransit Scheduler
	Dave Easter	Fixed Route Operator
August 2016	Ed Steeber	Fixed Route Operator
	Dave Sulgrove	Paratransit Operator
	Pete Starr	Fixed Route Operator
September 2016	Dave Walker	Fixed Route Operator
	Mike Hill	Fixed Route Operation Specialist
	Jerry Lueck	Paratransit Operator

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **5A** MINUTES OF THE SEPTEMBER 22, 2016 BOARD MEETING -
CORRECTIONS AND/OR APPROVAL

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Jan Watson, Executive Assistant to the CEO & Clerk of the Authority

SUMMARY:

Minutes of the September 22, 2016 Board meeting are attached for your information, corrections and/or approval.

RECOMMENDATION TO BOARD: Corrections and/or approval.

FINAL REVIEW FOR BOARD BY:

Division Head /

Chief Executive Officer ESM

Legal Counsel WM

Attachment

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

BOARD OF DIRECTORS

Draft Minutes of the September 22, 2016, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Al French, Spokane County, *Chair*
Shelly O'Quinn, Spokane County
Amber Waldref, City of Spokane
Candace Mumm, City of Spokane
Pamela Haley, City of Spokane Valley
Ed Pace, City of Spokane Valley
Tom Trulove, Small Cities Representative
(Cheney)
Aspen Monteleone, Small Cities Representative
(Airway Heights)
Steve Peterson, Small Cities Representative
(Liberty Lake) *(Alternate)*
Rhonda Bowers, Labor Representative
John Higgins, Small Cities Representative
(Medical Lake) *Ex Officio*
Kevin Freeman, Small Cities Representative
(Millwood) *Ex Officio*

STAFF PRESENT

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

PROVIDING LEGAL COUNSEL

Laura McAloon, Workland Witherspoon PLLC

GUEST

Eva Marquette, FreshVue

MEMBERS ABSENT

None

1. CALL TO ORDER AND ROLL CALL

Chair French called the meeting to order at 1:30 p.m. and conducted roll call.

2. APPROVE BOARD AGENDA

Mr. Trulove moved to approve the Board agenda, Mr. Pace seconded and the motion passed unanimously.

3. PUBLIC EXPRESSIONS

Kelly Schultz and Jared Hoadley of Mead School District requested a bus stop further north on Farwell Road and Market Street closer to the school district administration office and the Boys and Girls Club. Ms. Schultz said currently it is too far for a number of families who use public transportation to walk from the nearest bus stop. Mr. Otterstrom is the STA contact person and will get back to them with information.

4. RECOGNITIONS AND PRESENTATIONS

A. McKinstry Acknowledgement of Energy Savings Project

Mr. Blaska said STA has recently completed a cooperative project with McKinstry regarding energy savings.

Kim Pearman-Gillman, Business Development Manager at McKinstry, said the objective of the project was to evaluate the benefit of a comprehensive energy savings program. She thanked Steve Blaska and Don Reimer for their great work. The project included replacement of the Heating, Ventilation, Air

Conditioning (HVAC) units at STA's Boone Avenue offices and the Plaza with more efficient heating and cooling systems, thermal pane windows and LED lighting. Also included was a centralized digital control system. To assist in funding the project, STA received \$537,000 in grants from the Department of Commerce Energy and will qualify for over \$306,000 in estimated Avista incentives. Guaranteed Avista energy savings are \$120,449 annually and the net project cost to STA is approximately \$1.5M. Lori Hamilton from Avista presented Ms. Meyer with a check in the amount of \$37,944 representing energy savings in lighting and windows.

B. Sharon Simons, Office Assistant – Retirement

Jan Watson recognized Sharon Simons for her 25 years of service to Spokane Transit and the community. Sharon began her career as a customer service representative at the Bus Shop in 1991 and was promoted to the position of Clerk III in the Executive Office in 1994. She greeted Board members, employees, customers and vendors and assisted the Clerk of the Authority with Board meeting preparation.

C. Mindy Martin, Coach Operator – Retirement

Mr. Blaska said Ms. Martin served 23 years at Spokane Transit, beginning as a Paratransit Van Operator in 1993 and transitioning into Fixed Route Coach Operator in 1995. Her customers greatly valued her and in December, 2004 she alerted homeowners that their house was on fire and her quick response allowed the fire department to extinguish the fire with minimal damage.

D. Wall of Fame Awards

Mr. Doolittle said the 2016 Washington State Department of Transportation Wall of Fame awards were presented to the following two individuals and one team at the recent Awards Banquet in Wenatchee:

Michael Hogue, Coach Operator

Kory Sullivan, Receiving Clerk

The STARS Team (Finance & Information Services)

Lynn Holmes, Tammy Johnston, Jacque Tjards, and Steve Nenno

Mr. French congratulated these employees for their service and awards.

5. BOARD ACTION – CONSENT AGENDA

Mr. Trulove moved to approve the following consent agenda items 5. A, B and C. Ms. Monteleone seconded and the motion passed unanimously.

A. Approve the minutes of the July 21, 2016 Board meeting.

B. Approve the following vouchers and payroll for July and August, 2016:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (July)	Nos. 590288 - 590600	\$ 1,932,947.14
Workers Comp Vouchers (July)	Nos. 217730 - 217909	\$ 82,722.04
Payroll 07/08/2016	ACH – 07/08/2016	\$ 1,524,158.46
Payroll 07/22/2016	ACH – 07/22/2016	\$ 1,107,010.47
WA State – DOR (Use Tax)	ACH – W0640	\$ 6,905.59
JULY TOTAL		\$ 4,653,743.70
<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (August)	Nos. 590601 - 590909	\$ 2,943,835.07
Workers Comp Vouchers (August)	Nos. 217910 - 218109	\$ 79,587.29
Payroll 08/05/2016	ACH – 08/05/2016	\$ 1,476,027.97
Payroll 08/19/2016	ACH – 08/19/2016	\$ 1,089,345.37
WA State – DOR (Use Tax)	ACH – W0640	\$ 7,033.28
AUGUST TOTAL		\$ 5,595,828.98

C. Approve a suspension of fare collection from Fixed Route and Paratransit riders on Friday, November 25, 2016, and also approve the 2017 Special Events fare structure for Bloomsday, Hoopfest, Valleyfest, and First Night.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS:

Planning & Development

A. 2017 – 2019 Regional Mobility Grant

Ms. Waldref said this item was discussed and recommended for approval by the committee. She asked Mr. Otterstrom to provide updates.

Mr. Otterstrom said these grants are for projects that increase connection and relieve congestion in the state. There is a minimum match of 20% and the due date is September 29.

STA is submitting these three projects:

2017-2019 Regional Mobility Program

STA plans to submit three applications. Revisions below from original P/D reflect updated estimates and grant assumptions

Project	Estimated Cost (2016 \$)	2017-2019 State RMG Request	Other Share (Local, Federal)	Non State Funding Source
Upriver Transit Center (Included in STA Moving Forward)	\$5 M	\$2.32 M \$3 M	\$2.67 M \$2 M	STA Moving Forward, \$150,000 City of Spokane
Monroe/Regal HPT Improvements including Moran Prairie P&R (enhancements to STA Moving Forward plan)	\$3.87 M \$7.2 M	\$2.32 M \$3.9 M	\$1.55 M \$3.3 M	STA Moving Forward Resources & CMAQ Grant
Spokane Falls Community College Transit Center and Fort George Wright Drive Improvements	\$4.16 M \$2.8 M	\$3.32 M \$2.1 M	\$820,000 \$700,000	Operational Facilities Funding, SFCC match

Estimates are rounded



The Spokane Falls Community College (SFCC) Transit Center project is an augmentation to STA Moving Forward and is consistent with the Comprehensive Plan. SFCC is providing part of the matching funds.

Ms. Waldref moved to authorize staff to submit three Regional Mobility Grant applications: Upriver Transit Center; Monroe/Regal High Performance Transit (HPT) Corridor Improvements & Park & Ride Construction; and Spokane Falls Community College Transit Center and Fort George Wright Drive Improvements. Ms. Mumm seconded and the motion passed unanimously.

7. BOARD ACTION – OTHER:

None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

i. APTA Annual Meeting

Mr. French reported that the American Public Transportation Association's Annual Meeting in Los Angeles was well attended but there was no EXPO this year. Board members and Ms. Meyer met with representatives from the Federal Transit Administration (FTA) and discussed the Central City Line (CCL) and other transit projects. The New Flyer bus company has developed a new vehicle for consideration for the CCL. Ridership across the country has experienced a similar decrease to that in

Spokane. A meeting was also held with staff from Cardinal Infrastructure (formerly Spartan Solutions), including Sherry Little who was formerly the FTA Administrator under the Bush Administration. Ms. Little is a great resource for STA regarding FTA grant applications including Small Start Grants.

Mr. Trulove said it was a worthwhile experience.

Ms. Waldref said Linda Gehrke is the new FTA Region 10 Administrator in Seattle, following the retirement of Rick Krochalis.

Mr. French said APTA has a series of conferences each year and Board Members should contact Ms. Watson if they are interested in attending. They are particularly useful for networking with others in the transit industry.

ii. Board Effectiveness Update

Ms. Marquette, FreshVue, gave a brief overview of the project to improve Board efficiency and said that Board engagement is vital to its success. She will work with the Board Operations Committee to determine areas of growth and progress.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Ms. Waldref said the Committee discussed service revisions for next year in the STA Moving Forward plan. It is anticipated that there will be new service on Indiana in the Spokane Valley as well as in Airway Heights and the West Plains area. The Committee also recommended the Regional Mobility Grant for submission.

Mr. Otterstrom added that there will also be a service change in September and a public hearing on the proposed changes in the Spokane Valley if the transit ballot measure passes in November. He said all routes will have extended hours of service at night.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Trulove said the Committee discussed the Free Ride Day and Community Events Fares. Reports were made on the 2nd Quarter Performance Measures, energy preservation projects, and the annual route report. He noted that the Division Street route has the highest ridership ever recorded.

11. CEO REPORT

Ridership

Ms. Meyer reported that fixed route bus ridership in August 2016 decreased by 1.8% over August 2015 for a 5.2% decrease year-to-date. Ridership as a whole in North America was low; however, despite reductions, STA has maintained ridership better than some other agencies in Washington state.

Paratransit ridership increased by 2.9% over August 2015 for a 1.4% increase year-to-date.

Vanpool ridership decreased by 0.5% over August 2015 for an 11.3% decrease year-to-date. There are two less vans in service than in August 2015 (92 versus 94).

It should be noted that August 2016 had two more weekdays than August 2015.

Non-Capital Revenue

Through July 2016, at \$41.7M, non-capital revenue is 59.5% of budget.

Sales Tax Revenue

August 2016 sales tax revenue (collected on June 2016 retail sales) increased 3.7% over August 2015 for a year-to-date increase of 6.1% over budget.

Operating Expenditures

Through July 2016, at \$34.2M, operating expenses are 52.4% of budget.

Proposition 1 – Public Education

Fact-based information about Proposition 1 includes a brochure/mailer, walk-up booths, open houses, and about 60 presentations conducted by Brandon Rapez-Betty and Karl Otterstrom.

Plaza Update

The Plaza remodel will be completed in the summer of 2017.

Current progress includes the removal of the old escalators and the storage of the cougar sculptures which will be brought back next year. All of the construction is being completed behind demising walls. The project is on schedule and on budget. Two vendors will be moving to the first floor where all the retail will be located.

State Rodeo

STA employees recently took second place at the annual State Rodeo in Wenatchee:

Fixed Route 40' coach – Gabe Fernos

Paratransit Body-on-Chassis – Rob Howard

Maintenance Team – Bill Callen, Robert Vargas and Evan Watts

Ms. Meyer added that STA will take part in Valleyfest this weekend, providing a shuttle service and a “Coats for Kids” bus which will be stuffed with children’s coats as part of a KXLY winter promotion.

Ms. Waldref asked if the open house at Providence Medical Center in the Spokane Valley was successful.

Mr. Otterstrom said it took place on Thursday September 15 and was well attended. Participants were pleased to see the proposal for new bus service along the corridor that would serve the medical center and other businesses. He added that there are three options for new service: Broadway/Wal-Mart; Liberty Lake; and, Pincroft Business Park north of Mirabeau. All three serve East Indiana Avenue.

12. BOARD INFORMATION

- A. Committee Minutes
- B. June 2016 Semi-Annual Financial Reports
- C. July 2016 Financial Summary
- D. August 2016 Sales Tax Summary
- E. July 2016 Operating Indicators
- F. Second Quarter 2016 Performance Measures
- G. Energy Preservation Projects and Environmental Initiatives
- H. September 2016 Service Changes
- I. 2017 Service Revisions Phase I – Preliminary Proposal
- J. Second Quarter 2016 Service Planning Input Report

13. NEW BUSINESS

Mr. Peterson said he recently attended the annual ball at Fairchild Air Force Base. The guest speaker was Brigadier General John Michel with MV Global and he spoke about transportation of the future including driverless vehicles. Mr. Peterson recommended that the Performance Monitoring & External Relations Committee invite him to make a presentation to the Board or Committees.

Ms. O’Quinn said she also attended the event and heard Mr. Michel speak. He is known for his leadership qualities and he is an advocate for transportation for veterans and low income citizens. She agreed that he would be a great speaker for the STA Board.

Mr. Peterson also spoke about how STA has succeeded in the past and plans are in place for the future. Negotiations for the CEO contract will soon be underway and he believes it would be beneficial for the Board and the community to have a 360 review of the CEO's performance conducted by a third party so that it is not done by the Board or a Committee. He spoke with Legal Counsel and said this task should be assigned to the Board Operations Committee.

14. BOARD MEMBERS' EXPRESSIONS

Ms. Waldref thanked the Board for the opportunity to attend the APTA Annual Meeting.

Mr. Trulove agreed and added that the Cheney Free Press published a robust editorial in favor of Proposition 1 (the transit ballot measure).

15. EXECUTIVE SESSION

At 2:30 p.m., Mr. French announced that the Board would adjourn for an Executive Session for the following purposes:

1. Considering the selection of a site, the acquisition of real estate by lease or purchase, or the sale of real estate when public knowledge regarding such consideration would cause a likelihood of increased or decreased price.
2. Discussion with legal counsel representing STA in litigation or potential litigation to which STA, the STA Board of Directors, or STA employees are, or are likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to STA.

The STA Board of Directors will reconvene in open session at approximately 2:50 p.m. If it becomes necessary to extend the Executive Session, a member of the staff will return to announce the time at which the STA Board will reconvene. Board action is anticipated.

At 2:50 p.m., Ms. McAloon announced the Board of Directors will reconvene at 2:55 p.m.

At 2:55 p.m., Mr. Blaska announced the Board of Directors will reconvene at 3:00 p.m.

At 3:00 p.m., the Board of Directors reconvened and Chair French declared the meeting back in public session.

West Plains Transit Center

Mr. Otterstrom gave a brief overview of the West Plains Transit Center Project which will connect the small cities on the West Plains without the need to go to downtown Spokane. The transit center will be adjacent to exit 272 on I-90 and the property STA wishes to purchase consists of 10.5 acres.

Mr. Trulove moved to authorize the CEO to execute all closing documents with Broadway P.I.P.I., LLC to acquire 10.5 acres (457,481 S.F.) of Spokane County Assessor's parcel number 14121.9073, situated between Westbow Road and Interstate 90 in unincorporated Spokane County for \$1,120,000.00. The land shall be used for transit facility right-of-way. Mr. Pace seconded and the motion passed unanimously.

16. ADJOURNED

With no further business to come before the Board, Chair French adjourned the meeting at 3:04 p.m.

Respectfully submitted,



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

A video of the Board meeting may be viewed on STA's website
www.spokanetransit.com the week after the meeting.

Cable 5 Broadcast Dates and Times of September 22, 2016 Board Meeting:

Saturday, Sept 24, 2016	4:00 p.m.
Monday, Sept 26, 2016	10:00 a.m.
Tuesday, Sept 27, 2016	8:00 p.m.

Next Committee Meetings (STA Conference Rooms, West Boone Avenue, Spokane, Washington):

Planning & Development	Oct 5, 2016, 10:00 a.m. (Southside) 1230 West Boone
Performance Monitoring & External Relations	Oct 5, 2016, 1:30 p.m. (Southside) 1230 West Boone
Board Operations	Oct 12, 2016, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, October 20, 2016, 1:30 p.m., STA Boardroom, 1230 West Boone Avenue, Spokane, Washington.

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 5B

SEPTEMBER 2016 VOUCHERS - MOTION

REFERRAL COMMITTEE:

N/A


SUBMITTED BY:

Lynda Warren, Director of Finance & Information Services
Lynn Holmes, Financial Services Manager
Tammy Johnston, Budget and Accounting Manager

SUMMARY: The following warrants and ACH transfers for the period of September 1 through 30, 2016 have been audited and processed for payment by the Finance Department in accordance with RCW 42.24.080 and are hereby recommended for STA Board approval. Supporting invoices are in the Finance Department for review.

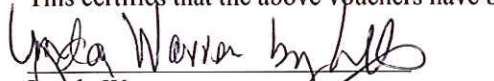
<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (September)	Nos. 590910 - 591283	\$ 2,566,421.73
Workers Comp Vouchers (September)	Nos. 218110 - 218245	\$ 82,518.21
Payroll 09/02/2016	ACH - 09/02/2016	\$ 1,104,198.70
Payroll 09/16/2016	ACH - 09/16/2016	\$ 1,525,967.14
Payroll 09/30/2016	ACH - 09/30/2016	\$ 1,104,700.54
WA State - DOR (Use Tax)	ACH - W0640	\$ 5,583.73
Travel Advance	Nos. 2019 - 2020	\$ 849.60
SEPTEMBER TOTAL		\$ 6,390,239.65

Certified:


Tammy Johnston
Budget and Accounting Manager


Lynn Holmes
Financial Services Manager

This certifies that the above vouchers have been audited and certified as required by RCW 42.24.080


Lynda Warren
Director of Finance & Information Services
(Auditing Officer)

RECOMMENDATION TO BOARD: Approve claims as listed above.

FINAL REVIEW FOR BOARD BY:

Division Head  Chief Executive Officer  Legal Counsel 

Spokane Transit Authority
Vouchers - September 2016

<u>Check Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Reference</u>	<u>Amount</u>
09/02/16	590910	AFSCME	1328	349.97
09/02/16	590911	ATS Inland NW	1916	1,815.29
09/02/16	590912	Amalg Transit Union #1015	1055	18,194.96
09/02/16	590913	Amalg Transit Union #1598	1056	545.82
09/02/16	590914	Appleway Chevrolet Inc	1068	113.72
09/02/16	590915	B & H Foto & Electronics Corp	1082	35.95
09/02/16	590916	Battery Systems Inc	1089	3,152.30
09/02/16	590917	Cheryl Beckett	1092	187.50
09/02/16	590918	Robert J Berg	1099	125.01
09/02/16	590919	Blanchard Auto Electric	1109	550.95
09/02/16	590920	Brown Bearing	1022	422.84
09/02/16	590921	Daniel H Brunner Trustee	1124	3,521.31
09/02/16	590922	California Department of Child Support Services	1130	118.61
09/02/16	590923	Carquest Auto Parts	1025	1,305.07
09/02/16	590924	QWEST Corporation	1148	118.80
09/02/16	590925	Child Support Enforcement Agency	1825	392.30
09/02/16	590926	City of Spokane	1601	86.61
09/02/16	590927	Comcast Holdings Corporation	1170	456.22
09/02/16	590928	Consolidated Irrigation	1177	112.13
09/02/16	590929	Cummins Inc	1027	78.89
09/02/16	590930	Cummins Inc	1027	26,328.64
09/02/16	590931	Day Wireless Systems	1202	1,494.63
09/02/16	590932	Department of Social and Health Services	1210	3,777.93
09/02/16	590933	Employee Advisory Council	1236	488.00
09/02/16	590934	El Jay Oil Co Inc	1003	100.09
09/02/16	590935	Krishawna Ellis	1231	107.36
09/02/16	590936	FedEx	1808	110.97
09/02/16	590937	Galls LLC	1271	2,379.25
09/02/16	590938	SPX Corporation	1268	1,553.67
09/02/16	590939	Gibson's Nursery & Landscape Supply Inc	1278	562.52
09/02/16	590940	Gillig LLC	1279	111.77
09/02/16	590941	W.W. Grainger Inc	1285	239.93
09/02/16	590942	Humanix Corp	1329	6,830.56
09/02/16	590943	Intermountain Materials Testing	1855	222.90
09/02/16	590944	Kimmel Athletic Supply Co Inc	1376	108.65
09/02/16	590945	Les Schwab Tire Centers of Washington Inc	1393	685.77
09/02/16	590946	Life Ins Co of N America	1397	13,109.41
09/02/16	590947	Michael Boodel	1804	230.00
09/02/16	590948	M & L Supply Co Inc	1413	665.84
09/02/16	590949	MV Public Transportation Inc	1452	297,802.64
09/02/16	590950	Genuine Parts Company	1014	55.19
09/02/16	590951	National Color Graphics Inc	1455	510.02
09/02/16	590952	Steve Nenno	1459	200.20
09/02/16	590953	The Aftermarket Parts Company LLC	1015	6,588.25
09/02/16	590954	Goodwill Industries	901	5.00
09/02/16	590955	Pacific Power Group LLC	1496	3,666.96
09/02/16	590956	Paratransit Inc	1501	46,280.73
09/02/16	590957	Premiera Blue Cross	1521	367,351.07
09/02/16	590958	Professional Finishes	1526	6,916.51
09/02/16	590959	S T A - Well	1557	351.00
09/02/16	590960	Schetky Northwest Sales Inc	1570	128.88
09/02/16	590961	Securitas Security Svcs	1574	31,836.24
09/02/16	590962	Six Robblees Inc	1017	1,936.71
09/02/16	590963	Spokane Public Facilities District	1941	5,187.50
09/02/16	590964	Standard Digital Print Co Inc	1623	100.28
09/02/16	590965	State of Arizona	1770	494.25
09/02/16	590966	Studio Cascade	1854	3,511.68
09/02/16	590967	Summit Law Group PLLC	1637	1,453.50
09/02/16	590968	Summit Rehabilitation Associates PLLC	1638	205.00
09/02/16	590969	Symetra Life Insurance Company	1562	3,483.60
09/02/16	590970	Thermal Supply Co Inc	1651	1,267.45
09/02/16	590971	Thermo King Northwest Inc	1650	255.87
09/02/16	590972	American Federation of State County 2 WA Council	1705	1,671.34

<u>Check Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Reference</u>	<u>Amount</u>
09/02/16	590973	Walter E Nelson Co	1721	5,056.17
09/02/16	590974	Wells Fargo Financial Leasing Inc	1735	835.93
09/02/16	590975	Wendle Motors Incorporated	1021	45.72
09/07/16	590976	Ferrellgas	1833	1,488.32
09/08/16	590977	CBS Reporting Inc	1035	402.00
09/08/16	590978	Moline Inc	1042	620.55
09/08/16	590979	Allied Electronics Inc	1049	68.89
09/08/16	590980	Allied Envelope Printing & Graphics	1050	486.70
09/08/16	590981	Associated Industries of the Inland Northwest	1075	963.00
09/08/16	590982	Appleway Chevrolet Inc	1068	33.65
09/08/16	590983	Avista Corporation	1081	482.03
09/08/16	590984	B & H Foto & Electronics Corp	1082	388.84
09/08/16	590985	Battery Systems Inc	1089	2,929.03
09/08/16	590986	Blanchard Auto Electric	1109	242.69
09/08/16	590987	FBM Holdings LLC	1127	520.67
09/08/16	590988	Brown Bearing	1022	422.84
09/08/16	590989	Carquest Auto Parts	1025	4,503.15
09/08/16	590990	Cascade Centers Inc	1142	1,517.40
09/08/16	590991	Consolidated Electrical Distributors	1133	555.15
09/08/16	590992	Cerium Networks Inc	1149	1,141.35
09/08/16	590993	City of Cheney - Utility	1158	303.03
09/08/16	590994	City of Spokane	1601	6,509.85
09/08/16	590995	Idaho Truck Specialties LLC	1161	835.96
09/08/16	590996	Kathleen M Collins	1163	4,601.77
09/08/16	590997	Cooperative Supply Inc	1026	141,819.44
09/08/16	590998	Cummins Inc	1027	22,727.39
09/08/16	590999	Desautel Hege	1839	17,880.45
09/08/16	591000	El Jay Oil Co Inc	1003	58,937.47
09/08/16	591001	Embroidered Sportswear Inc	1232	51.09
09/08/16	591002	FedEx	1808	66.94
09/08/16	591003	SPX Corporation	1268	624.27
09/08/16	591004	Gillig LLC	1279	16,491.52
09/08/16	591005	W.W. Grainger Inc	1285	2,600.01
09/08/16	591006	H & H Business Systems	1298	908.91
09/08/16	591007	Hogan Mfg Inc	1008	298.16
09/08/16	591008	Capitol Information Group Inc	1326	211.00
09/08/16	591009	Humanix Corp	1329	5,472.53
09/08/16	591010	Oil Price Information Service LLC	1346	119.57
09/08/16	591011	IR Specialty Foam LLC	1345	192.45
09/08/16	591012	Kershaw's Inc	1374	1,019.58
09/08/16	591013	Les Schwab Tire Centers of Washington Inc	1393	1,181.96
09/08/16	591014	Liberty Lake Sewer and Water District	1396	306.17
09/08/16	591015	Maintenance Solutions	1418	1,565.99
09/08/16	591016	E Susan Meyer	1428	1,148.14
09/08/16	591017	Milliman Inc	1435	836.99
09/08/16	591018	Modern Electric Water Co Inc	1439	2,288.65
09/08/16	591019	Mohawk Manufacturing & Supply Co	1011	2,861.78
09/08/16	591020	Mor/Ryde Int'l Inc	1447	264.63
09/08/16	591021	Genuine Parts Company	1014	1,309.73
09/08/16	591022	NAPA Auto Parts Inc	1014	1,094.70
09/08/16	591023	The Aftermarket Parts Company LLC	1015	3,666.29
09/08/16	591024	Tammy Lynne Glidewell	1282	1,386.00
09/08/16	591025	Occupational Medicine Associates PS	1482	5,386.00
09/08/16	591026	Office Depot Inc	1483	2,279.15
09/08/16	591027	Oil Re-Refining Co Inc	1486	2,685.43
09/08/16	591028	David Monk	901	2.75
09/08/16	591029	Hannah M Reno Walker	901	7.50
09/08/16	591030	Cindy Talley	900	54.15
09/08/16	591031	Pacific Power Group LLC	1496	797.88
09/08/16	591032	Paratransit Inc	1501	35,311.60
09/08/16	591033	Perfection Tire #5 Inc	1504	2,695.76
09/08/16	591034	Purchase Power	1513	948.08
09/08/16	591035	Power Machine Service Inc	1519	1,614.84
09/08/16	591036	Pressworks Inc	1522	972.87
09/08/16	591037	Professional Finishes	1526	491.04

<u>Check Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Reference</u>	<u>Amount</u>
09/08/16	591038	Provantage LLC	1527	385.01
09/08/16	591039	S T A - Well	1557	8,181.85
09/08/16	591040	Safety Kleen Systems Inc	1564	860.01
09/08/16	591041	Safety Vision LLC	1565	222,617.60
09/08/16	591042	Vanessa Bogensberger	1582	290.70
09/08/16	591043	Six Robbles Inc	1017	1,658.51
09/08/16	591044	Don Skillingsstad	1587	790.05
09/08/16	591045	Spokane House of Hose Inc	1605	179.36
09/08/16	591046	Sportworks Northwest Inc	1617	311.67
09/08/16	591047	Summit Law Group PLLC	1637	298.93
09/08/16	591048	Summit Rehabilitation Associates PLLC	1638	607.50
09/08/16	591049	U S Healthworks Medical Group of Washington PS	1679	95.00
09/08/16	591050	Verizon Wireless LLC	1686	5,227.39
09/08/16	591051	US Bank National Association	1698	16,629.09
09/08/16	591052	Walter E Nelson Co	1721	2,094.07
09/08/16	591053	Waste Management Spokane	1702	283.09
09/08/16	591054	WCP Solutions	1737	1,031.57
09/08/16	591055	Wendle Motors Incorporated	1021	14.61
09/08/16	591056	XO Holdings	1757	925.15
09/15/16	591057	AFSCME	1328	349.97
09/15/16	591058	APS Inc	1841	521.76
09/15/16	591059	Amalg Transit Union #1015	1055	17,927.85
09/15/16	591060	Amalg Transit Union #1598	1056	545.82
09/15/16	591061	Amalg Transit Union-Cope	1057	487.05
09/15/16	591062	Appleway Chevrolet Inc	1068	414.78
09/15/16	591063	B & H Foto & Electronics Corp	1082	820.00
09/15/16	591064	Robert J Berg	1099	135.87
09/15/16	591065	Blanchard Auto Electric	1109	3,613.17
09/15/16	591066	Brown Bearing	1022	27.13
09/15/16	591067	Daniel H Brunner Trustee	1124	3,521.31
09/15/16	591068	California Department of Child Support Services	1130	118.61
09/15/16	591069	Carquest Auto Parts	1025	582.01
09/15/16	591070	Community Colleges of Spokane	1174	2,103.34
09/15/16	591071	QWEST Corporation	1148	0.00
09/15/16	591072	CH2M Hill Inc	1131	8,602.50
09/15/16	591073	Child Support Enforcement Agency	1825	392.30
09/15/16	591074	City of Spokane	1601	2,500.00
09/15/16	591075	City of Spokane	1601	3,929.70
09/15/16	591076	City of Spokane	1601	14,483.26
09/15/16	591077	Comcast Holdings Corporation	1170	106.15
09/15/16	591078	WA State Consolidated Technology Services	1712	79.56
09/15/16	591079	Cummins Inc	1027	9,112.05
09/15/16	591080	Department of Social and Health Services	1210	3,777.93
09/15/16	591081	Employee Advisory Council	1236	482.00
09/15/16	591082	FedEx	1808	141.62
09/15/16	591083	Galls LLC	1271	3,083.30
09/15/16	591084	Gillig LLC	1279	13,765.34
09/15/16	591085	W.W. Grainger Inc	1285	209.25
09/15/16	591086	H & H Business Systems	1298	122.56
09/15/16	591087	H W Lochner Inc	1405	9,286.05
09/15/16	591088	Hogan Mfg Inc	1008	136.54
09/15/16	591089	HRA Veba Trust	1415	17,408.39
09/15/16	591090	Humanix Corp	1329	7,400.20
09/15/16	591091	IBI Group	1336	10,178.02
09/15/16	591092	Inland Medical & Rehab Inc	1349	2,622.11
09/15/16	591093	Kershaw's Inc	1374	68.71
09/15/16	591094	Loomis Armored US LLC	1408	5,611.94
09/15/16	591095	Magaldi & Magaldi Inc	1416	389.40
09/15/16	591096	McMaster-Carr Supply Co	1423	68.13
09/15/16	591097	Car Wash Partners Inc	1436	41.14
09/15/16	591098	Mohawk Manufacturing & Supply Co	1011	1,058.06
09/15/16	591099	Genuine Parts Company	1014	1,508.14
09/15/16	591100	National Color Graphics Inc	1455	1,082.10
09/15/16	591101	CSWW Inc	1102	89.25
09/15/16	591102	Tammy Lynne Glidewell	1282	1,332.00
09/15/16	591103	Northwest Vital Records Center Inc	1476	409.51
09/15/16	591104	Office Depot Inc	1483	240.25
09/15/16	591105	Pacific Power Group LLC	1496	1,829.00
09/15/16	591106	Purchase Power	1513	2,052.12
09/15/16	591107	Power Machine Service Inc	1519	807.42
09/15/16	591108	Kristi Rockwell	1928	23.79

<u>Check Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Reference</u>	<u>Amount</u>
09/15/16	591109	S T A - Well	1557	345.00
09/15/16	591110	Securitas Security Svcs	1574	23,146.17
09/15/16	591111	Spokane Public Facilities District	1941	5,075.00
09/15/16	591112	Standard Digital Print Co Inc	1623	697.04
09/15/16	591113	Staples Advantage	1627	100.60
09/15/16	591114	State of Arizona	1770	494.25
09/15/16	591115	Summit Law Group PLLC	1637	302.50
09/15/16	591116	TrendSource Inc	1671	2,299.88
09/15/16	591117	United States Treasury	1357	2,880.00
09/15/16	591118	United Way of Spokane County	1684	363.00
09/15/16	591119	USSC Acquisition Corp	1676	2,018.98
09/15/16	591120	American Federation of State County 2 WA Council	1705	1,678.07
09/15/16	591121	Washington State	1209	56,761.72
09/15/16	591122	Walker Construction Inc	1913	162,070.66
09/15/16	591123	Wells Fargo Financial Leasing Inc	1735	1,114.19
09/15/16	591124	Wendle Motors Incorporated	1021	59.76
09/15/16	591125	Workland & Witherspoon PLLC	1843	825.00
09/15/16	591126	XO Holdings	1757	5,801.30
09/22/16	591127	Business Equipment Center Inc	1034	41.90
09/22/16	591128	Allied Electronics Inc	1049	90.70
09/22/16	591129	Amazon.Com LLC	1054	154.48
09/22/16	591130	Appleway Chevrolet Inc	1068	280.13
09/22/16	591131	Avista Corporation	1081	11,013.79
09/22/16	591132	Battery Systems Inc	1089	1,875.95
09/22/16	591133	Blanchard Auto Electric	1109	955.50
09/22/16	591134	Canon Financial Services Inc	1154	220.67
09/22/16	591135	Carquest Auto Parts	1025	2,244.66
09/22/16	591136	QWEST Corporation	1148	250.93
09/22/16	591137	Cerium Networks Inc	1149	16,941.86
09/22/16	591138	CH2M Hill Inc	1131	57,469.61
09/22/16	591139	City of Medical Lake	1424	107.08
09/22/16	591140	City of Spokane	1601	4.15
09/22/16	591141	Idaho Truck Specialties LLC	1161	425.56
09/22/16	591142	Cummins Inc	1027	14,235.88
09/22/16	591143	Mike Deconto	1203	35.00
09/22/16	591144	Delta Dental of Washington	1726	49,555.00
09/22/16	591145	Delta Dental of Washington	1726	96.80
09/22/16	591146	El Jay Oil Co Inc	1003	1,673.98
09/22/16	591147	Metavante Corporation	1258	790.16
09/22/16	591148	Fleet-Net Corporation	1260	1,331.58
09/22/16	591149	Galls LLC	1271	166.75
09/22/16	591150	Greg Garrett	1273	27.60
09/22/16	591151	Gillig LLC	1279	12,094.34
09/22/16	591152	Diamond Auto Glass Inc	1308	3,652.32
09/22/16	591153	W.W. Grainger Inc	1285	4,207.93
09/22/16	591154	Group Health Cooperative	1296	1,027.86
09/22/16	591155	Group Health Cooperative	1296	12,973.36
09/22/16	591156	Group Health Cooperative	1296	107,467.33
09/22/16	591157	Group Health Options Inc	1295	1,010.37
09/22/16	591158	Group Health Options Inc	1295	5,415.55
09/22/16	591159	H & H Business Systems	1298	376.01
09/22/16	591160	Humanix Corp	1329	1,754.45
09/22/16	591161	Humanix Corp	1329	556.92
09/22/16	591162	Kershaw's Inc	1374	388.06
09/22/16	591163	Julianne King	1943	26.97
09/22/16	591164	Janeine Knoll	1379	337.20
09/22/16	591165	Jill Leonetti	1792	10.00
09/22/16	591166	Maintenance Solutions	1418	649.11
09/22/16	591167	Mohawk Manufacturing & Supply Co	1011	950.18
09/22/16	591168	Mor/Ryde Int'l Inc	1447	181.40
09/22/16	591169	Motion Auto Supply Inc	1012	94.57
09/22/16	591170	Genuine Parts Company	1014	982.00
09/22/16	591171	NAPA Auto Parts Inc	1014	1,010.58
09/22/16	591172	The Aftermarket Parts Company LLC	1015	414.46
09/22/16	591173	Newark element14	1463	266.80
09/22/16	591174	Office Depot Inc	1483	149.53
09/22/16	591175	Oil Re-Refining Co Inc	1486	3,282.20
09/22/16	591176	Pacific Power Group LLC	1496	286.49
09/22/16	591177	Penser North America Inc	1502	8,100.00
09/22/16	591178	Platt Electric Supply	1517	1,431.63
09/22/16	591179	Power Machine Service Inc	1519	807.42

<u>Check Date</u>	<u>Check #</u>	<u>Pavee</u>	<u>Reference</u>	<u>Amount</u>
09/22/16	591180	Professional Finishes	1526	3,466.09
09/22/16	591181	Provantage LLC	1527	526.00
09/22/16	591182	Pure Filtration Products Inc	1531	666.98
09/22/16	591183	Rae-Cor Distributing LLC	1533	862.13
09/22/16	591184	Travis Rosengrant	1915	35.00
09/22/16	591185	Six Robbles Inc	1017	1,420.77
09/22/16	591186	Spokane County Utilities	1603	493.05
09/22/16	591187	Stanley Convergent Security Solutions	1624	763.26
09/22/16	591188	Staples Advantage	1627	251.68
09/22/16	591189	Synergema	1819	15,425.00
09/22/16	591190	Thermo King Northwest Inc	1650	3,425.92
09/22/16	591191	Trans Machine Corporation	1019	340.00
09/22/16	591192	American Service Corp	1663	950.00
09/22/16	591193	Tom Trulove	1672	1,216.96
09/22/16	591194	Peterson Enterprise Inc	1688	649.89
09/22/16	591195	Walter E Nelson Co	1721	2,610.00
09/22/16	591196	Waste Management Spokane	1702	1,329.06
09/22/16	591197	Wells Fargo Financial Leasing Inc	1735	477.20
09/22/16	591198	Wendle Motors Incorporated	1021	255.83
09/22/16	591199	XO Holdings	1757	1,882.77
09/29/16	591200	CBS Reporting Inc	1035	163.00
09/29/16	591201	Amazon.Com LLC	1054	1,372.15
09/29/16	591202	Aronson Security Group	1070	206.53
09/29/16	591203	Amalg Transit Union #1015	1055	17,842.35
09/29/16	591204	Amalg Transit Union #1598	1056	545.82
09/29/16	591205	Auto B Clean Inc	1077	1,671.26
09/29/16	591206	Avista Corporation	1081	12,745.66
09/29/16	591207	AxleTech International	1892	1,110.00
09/29/16	591208	Battery Systems Inc	1089	2,073.76
09/29/16	591209	Frank Bezemer	1849	59.64
09/29/16	591210	Blanchard Auto Electric	1109	577.57
09/29/16	591211	Steve Blaska	1110	37.62
09/29/16	591212	Diana Broach	1121	16.14
09/29/16	591213	California Department of Child Support Services	1130	118.61
09/29/16	591214	Camp Chevrolet	1024	60.99
09/29/16	591215	Carquest Auto Parts	1025	471.81
09/29/16	591216	Community Colleges of Spokane	1174	100.00
09/29/16	591217	CH2M Hill Inc	1131	7,064.67
09/29/16	591218	Child Support Enforcement Agency	1825	392.30
09/29/16	591219	City of Spokane	1601	2,749.15
09/29/16	591220	Idaho Truck Specialties LLC	1161	14,837.55
09/29/16	591221	Coffman Engineers Inc	1162	2,090.37
09/29/16	591222	Compunet Inc	1166	7,680.04
09/29/16	591223	Michael Hugh Maycumber	1179	2,010.95
09/29/16	591224	Washington State Dept of Corrections	1708	538.11
09/29/16	591225	CCGS Holdings Corp	1511	1,805.97
09/29/16	591226	Dell Marketing LP	1204	41,079.62
09/29/16	591227	DR Scott Construction LLC	1966	924.63
09/29/16	591228	Department of Social and Health Services	1210	3,777.93
09/29/16	591229	Employee Advisory Council	1236	484.00
09/29/16	591230	Evergreen Safety Council	1248	20.00
09/29/16	591231	Evergreen Safety Council	1248	45.00
09/29/16	591232	Fastenal Company	1249	2,427.12
09/29/16	591233	Gabe Fernos	1253	827.77
09/29/16	591234	First Data Merchant Services Corporation	1257	4,356.90
09/29/16	591235	Al French	1266	327.12
09/29/16	591236	Government Finance Officers Assoc	1269	280.00
09/29/16	591237	Gillig LLC	1279	19,197.01
09/29/16	591238	W.W. Grainger Inc	1285	39.38
09/29/16	591239	Graphic Products Inc	1286	1,230.34
09/29/16	591240	H & H Business Systems	1298	608.47
09/29/16	591241	Haskins Steel Company Inc	1309	189.17
09/29/16	591242	Hogan Mfg Inc	1008	379.23
09/29/16	591243	Humanix Corp	1329	8,737.93
09/29/16	591244	William Corp	1363	2,045.07
09/29/16	591245	Kirk's Automotive Inc	1007	592.40
09/29/16	591246	Life Ins Co of N America	1397	13,126.08
09/29/16	591247	Denise Marchioro	1419	59.64
09/29/16	591248	Metroline Inc	1429	125.94
09/29/16	591249	Mohawk Manufacturing & Supply Co	1011	386.60
09/29/16	591250	Motion Auto Supply Inc	1012	147.91

<u>Check Date</u>	<u>Check #</u>	<u>Payee</u>	<u>Reference</u>	<u>Amount</u>
09/29/16	591251	Genuine Parts Company	1014	644.26
09/29/16	591252	NAPA Auto Parts Inc	1014	2,235.50
09/29/16	591253	National Color Graphics Inc	1455	11,233.37
09/29/16	591254	The Aftermarket Parts Company LLC	1015	216.14
09/29/16	591255	Nexus Inland NW	1776	205.72
09/29/16	591256	Office Depot Inc	1483	29.73
09/29/16	591257	Pacific Power Group LLC	1496	137.23
09/29/16	591258	Photo ID Central Inc	1509	146.75
09/29/16	591259	Premiera Blue Cross	1521	618.14
09/29/16	591260	VF Management Ltd	1525	296.00
09/29/16	591261	Provantage LLC	1527	682.17
09/29/16	591262	S T A - Well	1557	349.00
09/29/16	591263	SBA Towers II LLC	1569	1,986.47
09/29/16	591264	Securitas Security Svcs	1574	21,729.39
09/29/16	591265	SHRM	1555	190.00
09/29/16	591266	Six Robblees Inc	1017	470.52
09/29/16	591267	Snap-On Incorporated	1592	679.38
09/29/16	591268	Solarwinds Inc	1812	945.69
09/29/16	591269	Spokesman Review	1616	182.00
09/29/16	591270	The Spokesman Review	1616	1,710.50
09/29/16	591271	Standard Digital Print Co Inc	1623	502.60
09/29/16	591272	State of Arizona	1770	494.25
09/29/16	591273	Symetra Life Insurance Company	1562	3,575.40
09/29/16	591274	Michael Toole	1659	840.12
09/29/16	591275	Tyler Technologies Inc	1675	27,963.08
09/29/16	591276	U S Postal Service	1680	500.00
09/29/16	591277	United Way of Spokane County	1684	363.00
09/29/16	591278	US Bank	1678	5,708.22
09/29/16	591279	U S Healthworks Medical Group of Washington PS	1679	95.00
09/29/16	591280	American Federation of State County 2 WA Council	1705	1,504.46
09/29/16	591281	Amber Waldref	1719	304.28
09/29/16	591282	Walter E Nelson Co	1721	1,187.87
09/29/16	591283	Lynda Warren	1700	298.36
TOTAL SEPTEMBER ACCOUNTS PAYABLE				2,566,421.73
9/1/16 - 9/30/16	218110-218245	WORKER'S COMPENSATION WARRANTS	VARIES	82,518.21
TOTAL SEPTEMBER WORKER'S COMPENSATION DISBURSEMENTS				82,518.21
9/2/16	722520-722569	PAYROLL AND TAXES PR 18,16	VARIES	1,104,198.70
9/16/16	722570-722618	PAYROLL AND TAXES PR 19,16	VARIES	1,525,967.14
9/30/16	722619-722667	PAYROLL AND TAXES PR 20,16	VARIES	1,104,700.54
TOTAL SEPTEMBER PAYROLL AND TAXES				3,734,866.38
9/25/16	ACH	WA STATE - DOR (USE TAX)	1767	5,583.73
TOTAL SEPTEMBER EXCISE TAX DISBURSEMENT				5,583.73
TOTAL SEPTEMBER DISBURSEMENTS FROM TO1 ACCOUNTS				6,389,390.05
9/15/16	2019	Brian Conley	1968	624.80
9/15/16	2020	Todd Griffith	1294	224.80
TOTAL SEPTEMBER DISBURSEMENTS FROM TO5 TRAVEL ADVANCE ACCOUNT				849.60
TOTAL SEPTEMBER DISBURSEMENTS TO1 & TO5 ACCOUNTS				6,390,239.65

SPOKANE TRANSIT AUTHORITY

BOARD MEETING

October 20, 2016

AGENDA ITEM

5C

**ACCEPTANCE OF PROJECT AND APPROVAL TO PAY
RETAINAGE FOR THE PLAZA ELEVATOR
MODERNIZATION**

REFERRAL COMMITTEE: Performance Monitoring & External Relations

SUBMITTED BY: Beth Bousley, Director of Communications & Customer Service

SUMMARY: On December 17, 2015, the Board authorized an exception to the procurement policy to allow the CEO the authority to approve an award of contract to Schindler Elevator Corporation to modernize the two elevators at the Plaza for an amount up to \$300,000. The work began on May 2, 2016, and was completed on July 6, 2016. Staff is seeking approval to accept the project and authorize release of retainage in the amount of \$10,465.78.

The control system of the elevators was 21 years old and the life expectancy was 2 – 3 more years. It was recommended that STA modernize the elevators before the remodel of the Plaza so that both elevators were upgraded before the escalators were removed. The consultant (HKA) recommended that the selected elevator company complete the following to get the elevators up to standard.

1. Replacement of the open loop door operators and related components with new solid slate closed loop door operators and related components.
2. Replace the controller, power unit, and signal fixtures with new solid state controllers, with emergency lowering, new submersible power unit, oil coolers, and new fixtures.
3. Install Hydraulic isolation couplings to all for a quieter operation.

Two change orders were required. Change order #1 was to add a security camera to each car for added security and visibility in the elevators. Work related to the Plaza Upgrade and re-installation of the cougars will block the view into the elevators, necessitating this change. Change order #2 was for the addition of a drip pan to each elevators cooling unit. This requirement arose from a change in the state code that occurred mid-2016 after the contract had been executed and was conditional for final approval of the work by Labor and Industries.

Summary of Costs		
	Original Contract	Actual
Schindler	\$198,680.00	\$198,680.00
Change Order #1	\$0.00	\$8,517.44
Change Order #2	\$0.00	\$2,107.61
Tax	\$17,285.16	\$18,209.54
Total	\$215,965.16	\$227,514.59

RECOMMENDATION TO COMMITTEE: Recommend the Board accept the Plaza Elevator Modernization project as complete and conditionally authorize release of \$10,465.78 in retainage to Schindler Elevator Corporation. Release is conditioned on pending certificates approving release from the Department of Revenue, Employment Security Department, and the Department of Labor and Industries.

COMMITTEE ACTION: Recommended approval as presented and forwarded to the Board Consent agenda.

RECOMMENDATION TO BOARD: Accept the Plaza Elevator Modernization project as complete and conditionally authorize release of \$10,465.78 in retainage to Schindler Elevator Corporation. Release is conditioned on pending certificates approving release from the Department of Revenue, Employment Security Department, and the Department of Labor and Industries.

FINAL REVIEW FOR BOARD BY:

Division Head BB

Chief Executive Officer ESM

Legal Counsel LM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING

October 20, 2016

AGENDA ITEM **5D**

AWARD OF CONTRACT FOR DESIGN AND ENGINEERING SERVICES FOR
CHENEY HIGH PERFORMANCE TRANSIT CORRIDOR IMPROVEMENTS

REFERRAL COMMITTEE: Performance Monitoring & External Relations
SUBMITTED BY: Karl Otterstrom, Director of Planning

SUMMARY: The Cheney High Performance Transit (HPT) corridor extends from downtown Spokane to Eastern Washington University (EWU) in Cheney, Washington, via Interstate 90 and State Route 904. Ridership activity is focused at the STA Plaza, Jefferson Lot Park and Ride (under the I-90 viaduct in downtown Spokane) and on the EWU campus. By implementing service, infrastructure and vehicles that are aligned with the vision of High Performance Transit, Spokane Transit expects to increase utilization and effectiveness of the service.

The approved STA Moving Forward plan identifies a vision for implementing a number of improvements to the Cheney Corridor in support of future High Performance Transit service. Corridor improvements are concentrated at stations, stops, key intersections and corridor terminals. Future projects may include enhancements to existing park and ride facilities, relocation and/or enhancement of existing stop locations, new station and stop design and construction, street and highway improvements and right of way acquisition. To support the design and construction of these improvements, a consultant design team must be selected. On June 16, 2016, the Board approved the Scope of Work for the Cheney HPT Corridor project and authorized staff to issue a Request for Qualifications (RFQ). On June 22, 2016, an RFQ was issued, notice published in the local newspaper and distributed to 93 potential proposers. On June 28, 2016, notice was published on Transit Talent. On July 14, 2016, a pre-proposal meeting was held in which sixteen (16) firms were represented.

On August 1, 2016, Statements of Qualifications were received from CH2M, H.W. Lochner, Inc. and Huitt-Zollars, Inc. On August 15, 2016, an evaluation committee made up of STA staff and the City of Cheney Public Works Director reviewed the proposals and determined that it would be appropriate to advance all three firms to the interview phase of the evaluation process.

On September 13, 2016, interviews were conducted with the three firms. Based upon independent scoring of the written materials and the presentations made by each firm, the internal evaluation committee reached the following composite scores:

Firm/Team	Score
H.W. Lochner, Inc.	94.8
CH2M	93.4
Huitt-Zollars	90.2

All three firms assembled very qualified and experienced teams, all of which exceeded the minimum requirements of the Request For Qualifications. Presentations by each team clearly identified past performance and relevant experience, identified key team members and provided detailed experience of their Project Manager. While each of the firms had impressive credentials and experience, H.W. Lochner, Inc. was determined to be the most qualified firm by the interview committee. Overall, H.W. Lochner's team was very knowledgeable; they have extensive working relationships with state and federal agencies, and their approach to completing this project appeared to be in the best interest for this project and STA.

The term of this procurement will be five (5) years, with the option of two (2) one-year extensions. Currently, the only funded corridor project is the Four Lakes Station project. The Four Lakes Station project was awarded a State Transportation Program (STP) grant in the amount of \$280,000, with a local match of \$110,500, for a total project budget of \$390,500. Funding for future corridor projects is dependent upon additional funding, which would be available should voters approve STA Proposition 1 in November.

As a qualifications-based procurement process that is required for all engineering and architectural services, STA is required to negotiate with H.W. Lochner, Inc. If STA and H.W. Lochner cannot successfully agree to a fair and reasonable price for services, negotiations will be conducted with the second-most qualified firm, CH2M.

RECOMMENDATION TO COMMITTEE: Recommend the Board authorize contract negotiations between STA and H.W. Lochner, Inc. for the Design and Engineering Services for the Cheney HPT Corridor Improvements scope of work as published on June 22, 2016; and, authorize the CEO to execute said contract if the terms are deemed to be fair and reasonable and in the best interest of STA. Furthermore, if said terms cannot be agreed to, recommend the CEO be authorized to proceed with said negotiations and contract execution with CH2M.

COMMITTEE ACTION: Recommended approval as presented and forwarded to the Board Consent agenda.

RECOMMENDATION TO BOARD: Authorize contract negotiations between STA and H.W. Lochner, Inc. for the Design and Engineering Services for the Cheney HPT Corridor Improvements scope of work as published on June 22, 2016; and, authorize the CEO to execute said contract if the terms are deemed to be fair and reasonable and in the best interest of STA. Furthermore, if said terms cannot be agreed to, recommend the CEO be authorized to proceed with said negotiations and contract execution with CH2M.

FINAL REVIEW FOR BOARD BY:

Division Head KO

Chief Executive Officer ESM

Legal Counsel LM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 6A: PLAZA LEASES

REFERRAL COMMITTEE: Board Operations (*French*)

SUBMITTED BY: E. Susan Meyer, Chief Executive Officer
Lynda Warren, Director of Finance & Information Services

SUMMARY: The STA Plaza (Plaza) opened in July 1995 and is a hub of activity in downtown Spokane. STA has made certain retail tenant space is available for lease to downtown merchants. These tenants provide convenient access to food, groceries and other retail items for STA and downtown customers. In September 2013, Critical Data, Inc. performed a "Best Use Market Study" (Study) for the Plaza. The Study recommended that a mini-food court be developed on the west side of the Plaza's main level, bringing the tenants currently on the second floor to the first floor. They also recommended the first floor rotunda be developed with a dedicated outside front entrance constructed and leased to a high volume coffee shop/retailer.

As part of the Plaza renovation, there will be 5 retail spaces available on the first floor. Subway (820 sq. ft.) will continue its current lease. The tenants (Pizza Rita and Joe's Mini Mart) located on the second floor will relocate to the first floor, thus requiring a new lease. Pizza Rita has been operating in the Plaza since 2002 and Joe's Mini Mart since 1996. NAI Black serves as leasing agent and property manager for the Plaza. There will be two additional spaces available for future tenants: Space A (1st Floor Rotunda) and Space C. NAI Black has presented STA with the proposed lease attached. A summary of the information is below:

Pizza Rita

Square Feet: 907 sq. ft.

Joe's Mini Mart

Square Feet: 721 sq. ft.

Space A (1st Floor Rotunda)

Square Feet: 1740 sq. ft.

Space C

Square Feet: 682 sq. ft.

In addition, when the Plaza renovation budget was established, due to the uncertainty of what renovations would be needed and the desire to account for them separately, work on the retail spaces were excluded from the \$4.95M project budget. Included in the new leases is a reimbursement allowance for up to \$35/sq. ft. for the tenants to finish the space as needed. The maximum amount the tenants would be reimbursed for this is not to exceed \$141,750. The total amount of the Plaza renovation budget would be \$5.1M.

Discussions with the tenants are still ongoing, however, in order to have the lease effective and allow time for the tenants to develop the spaces to fit their needs, staff is requesting the Board approve the lease format and provide the CEO authorization to finalize the leases with a minimum of \$18/sq. ft., an appropriate percentage rent rate and a minimum 5 year term.

RECOMMENDATION TO COMMITTEE: Approve and forward to the Board, the lease format and provision to allow the Chief Executive Officer to approve the final leases with a minimum of \$18/sq. ft., an appropriate percentage rent rate and a minimum 5 year term. The lease will also include a reimbursement up to \$35 per square foot for the tenants to use to finish the space. Total cost for tenants to finish the spaces is not to exceed \$141,750.

COMMITTEE ACTION: By consensus, recommended approval as presented and forwarded to the Board agenda.

RECOMMENDATION TO BOARD: By motion, approve the lease format and provision to allow the Chief Executive Officer to approve the final leases with a minimum of \$18/sq. ft., an appropriate percentage rent rate and a minimum 5 year term. The lease will also include a reimbursement up to \$35 per square foot for the tenants to use to finish the space. Total cost for tenants to finish the spaces is not to exceed \$141,750.

FINAL REVIEW FOR BOARD BY:

Division Head W

Executive Director ESM

Legal Counsel UM

THE PLAZA LEASE

THIS LEASE, dated for reference purposes only on the _____ day of _____, 20____ by and between **Spokane Transit Authority, a public municipal corporation of the State of Washington** (hereinafter referred to as the "Landlord") and _____ (hereinafter referred to as the "Tenant");

WHEREAS, the Landlord owns that certain real property and improvements now or hereafter located thereon as described in the legal description thereof attached hereto and made a part hereof as Exhibit A (hereinafter referred to as "The Plaza"); and

WHEREAS, the Landlord desires to lease certain space to Tenant, as more fully set forth herein, and Tenant desires to take and lease such space from Landlord, as more fully described below (hereinafter referred to as the "Premises");

NOW THEREFORE, for and in consideration of the rents reserved hereunder and the terms and conditions hereof, the Landlord hereby rents and leases to Tenant, and Tenant takes and leases from Landlord, the following described Premises all upon the following terms and conditions:

1. BASIC LEASE PROVISIONS AND ENUMERATION OF EXHIBITS.

1.1 Basic Lease Provisions.

LANDLORD: Spokane Transit Authority

ADDRESS OF LANDLORD: 1230 West Boone Avenue, Spokane, WA 99201

TENANT:

ADDRESS OF TENANT:

TENANT'S TRADE NAME:

LEASED PREMISES:

LEASE TERM:

COMMENCEMENT DATE:

TERMINATION DATE:

FIXED MINIMUM RENT:

LEASEHOLD TAX: Fixed minimum rent includes State of Washington Leasehold Excise Tax presently computed at 12.84% of minimum rent and subject to change at the direction and edict of the State.

PERCENTAGE RENT RATE: TBD (X%)

PERCENTAGE RENT PERIODS: Each calendar year January 1 through December 31.

PERMITTED USES:

OPTION TO RENEW:

1.2 Significance of a Basic Lease Provision. Each reference in this Lease to any of the Basic Lease Provisions contained in Section 1.1 shall be deemed and construed to incorporate all the terms provided under each such Basic Lease Provision. **Enumeration of Exhibits.** The exhibits enumerated in this Section and attached to this Lease are incorporated in the Lease by reference and are to be construed as a part of this Lease. Each party agrees to perform any obligations on its part stated in any and all such Exhibits.

Exhibit A	Legal Description of The Plaza
Exhibit B	Site Plan of The Plaza locating Tenant's Premises
Exhibit C	Description of Landlord's and Tenant's Work
Exhibit D	Demising Plan of Premises (which shall establish the floor area contained therein, sometimes herein referred to as "Floor Area").

2. PREMISES.

2.1 The Plaza.

(a) **Definition.** The Landlord is the owner of The Plaza, which The Plaza is depicted in the Site Plan of The Plaza attached hereto as Exhibit B. The Tenant shall only have such rights in and to The Plaza as are specifically set forth herein.

(b) **No Representations.** It is agreed that the depiction of The Plaza on Exhibit B does not constitute a representation, covenant, or warranty of any kind by Landlord, and Landlord reserves the right from time-to-time to change the size and dimensions of The Plaza, alter and/or modify the identity and type of other stores and tenancies and the common areas located from time-to-time in or on The Plaza and any other real estate which may constitute a portion of The Plaza shall be free from any such liability.

2.2 Premises and Demise. Landlord hereby leases and demises to Tenant, and Tenant hereby accepts from Landlord, subject to and with the benefit of the terms and provisions of this Lease, the Premises described in Section 1.1 and depicted in cross hatching on Exhibit B. The Premises is depicted in the Demising Plan of Premises attached hereto as Exhibit D.

2.3 Reserved to Landlord. Landlord reserves the use of the exterior walls (other than store fronts), the roof, and the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of The Plaza. Further, the Landlord has the right to use the land below the Premises in any manner which does not materially interfere with Tenant's use of the Premises.

3. TERM.

3.1 Lease Term. This Lease shall be for the term set forth in Section 1.1 above (the "Term" or "Lease Term" and shall commence on _____, 20_____, or the day Tenant opens for business, whichever is earlier, but in no event later than ninety (90) days after initiation of work included in Tenant's Responsibility as called for in Section 3.2 below. The Lease Term shall terminate at midnight of the termination date set forth in Section 1.1 above. Keys will be released to Lessee upon delivery to Lessor's property manager a fully executed lease and guarantee, deposit specified herein, and certificate of liability insurance naming Lessor and Lessor's property manager as an additional insured. Regardless of the date keys are released to Lessee, Minimum Rent and Common Charges shall begin as specified in Sections 4.1.(a) below.

3.2 Landlord's and Tenant's Responsibility. If the Premises are not presently complete, Landlord shall deliver to the Tenant, and the Tenant agrees to accept from the Landlord, possession of the Premises forthwith upon substantial completion of Tenant's and Landlord's Responsibility as described in Exhibit C hereto. Tenant and Landlord shall, as soon as it is reasonably possible after the execution of this Lease, commence and pursue to completion the improvements to be erected by Landlord and Tenant to the extent shown on the attached Exhibit C. Tenant shall commence the installation of fixtures, equipment, and any of Tenant's Responsibility as set forth in said Exhibit C promptly upon notification from Landlord that such work can proceed.

3.3 Statement as to Lease Term. When the commencement date and termination date of the Lease Term have been determined as provided in Section 3.1, Landlord and Tenant shall execute, acknowledge, and deliver a written statement in recordable form specifying therein the commencement date and termination date of the Lease Term, and such dates shall be inserted in Sections 1.1 and 3.1 above.

4. RENT.

4.1 Minimum Rent.

(a) Minimum Rent. Tenant shall pay to Landlord, without notice or demand and without any set-off or deduction whatsoever, as fixed minimum rent the sum of (please refer to Clause 1.

Fixed Minimum Rent) per month (the "Minimum Rent"), which Minimum Rent shall be paid in advance on or before the first day of each calendar month of the Lease Term. If the Lease Term commences or expires on a day other than the last day of a calendar month, the Minimum Rent for such month shall be a prorated portion of the monthly Minimum Rent, based upon a thirty (30) day month. If Landlord is to perform work on the Premises as set forth in Section 3.2 hereof, the Lease Term, and the payment of Minimum Rent hereunder, shall commence sixty (60) days after Landlord delivers the Premises to Tenant after substantial completion of Landlord's Work pursuant to Section 3.2 or the day on which Tenant opens for business in the Premises, whichever occurs first.

4.2 Percentage Rent.

(a) **Tenant's Obligation.** In addition to the Minimum Rent to be paid by Tenant pursuant to Section 4.1 above, Tenant shall pay to Landlord, at the time and in the manner herein specified, additional rent in an amount equal to the amount of Tenant's gross sales made in, upon or from the Premises during each calendar year of the Lease Term multiplied by the amount of percentage rent shown in Section 1.1 hereof, less the aggregate amount of the Minimum Rent previously paid by Tenant for said calendar year.

(b) **Monthly Statements.** Within twenty (20) days after the end of each calendar month of the Lease Term, commencing with the 20th day of the month following the month in which Minimum Rent commences hereunder, and ending with the 20th day of the month next succeeding the last month of the Lease Term, Tenant shall furnish to Landlord a written statement certified by Tenant to be correct, showing the total gross sales made in, upon, or from the Premises during the preceding calendar month, and shall accompany each such statement with a payment to Landlord equal to said hereinabove stated percentage of the total monthly gross sales made in, upon, or from the Premises during said calendar month, less the Minimum Rent for each such calendar month, if previously paid.

(c) **Annual Statement.** Within thirty (30) days after the end of each calendar year of the Lease Term, Tenant shall furnish to Landlord a written statement, certified by Tenant to be correct, showing the total gross sales by months made in, upon, or from the Premises during the preceding calendar year, at which time an adjustment shall be made between Landlord and Tenant to the end that the total percentage rent paid to Landlord for such calendar year shall be a sum equal to said hereinabove stated percentage of the total gross sales made in, upon, or from the Premises during each calendar year of the term hereof, less the Minimum Rent pursuant to Section 4.1 for such calendar year, if previously paid, so that the percentage rent, although payable quarterly shall be computed and adjusted on an annual basis. Any overpayment of percentage rental by Tenant shall be credited towards the next Minimum Rent payments due. Tenant shall attach its certified or cashier's check to such annual report, which check shall be in an amount equal to any underpayment revealed by such annual report.

(d) **Definition.** The term "gross sales", as used herein, means the selling price of all goods, merchandise, and services sold in, upon, or from any part of the Premises by Tenant or any other person, firm, or corporation, and shall include, but not be limited to, sales or charges for cash or credit regardless of collections, sales by vending devices, including coin telephone, rent income, mail or telephone orders received or filled at the Premises, all deposits not refunded to purchasers, orders taken although filled elsewhere, fees, commissions, catalog sales, and the sale by any sublessee, concessionaire,

licensee, or otherwise. Excluded from gross sales shall be returns and refunds to customers and the amount of any sales tax or other excise tax imposed upon said sale and charges (but only if such sales tax, excise tax, or similar tax is billed to the purchaser as a separate item). Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale is made, regardless of the time when Tenant receives payment from its customer, excluding promotional items not to exceed 1.5% of sales. Promotional items shall not include food items.

(e) **Records.** The Tenant shall keep full, complete, and proper books, records, and accounts of its daily gross sales, both for cash and on credit, of each separate department, subtenant, and concessionaire at any time operated in the Premises. The Landlord and its agents and employees shall have the right at any and all reasonable times, during the regular business hours, to examine and inspect all of the books and records of the Tenant, including any sales tax reports pertaining to the business of the Tenant conducted in, upon, or from the Premises, for the purpose of investigating and verifying the accuracy of any statement of gross sales. Tenant shall keep all said records for three (3) years. All records shall be maintained by Tenant at its office. The Landlord may, once in any calendar year, cause an audit of the business of Tenant to be made by an accountant of Landlord's selection and if the statement of gross sales previously made to Landlord shall be found to be inaccurate, then and in that event, there shall be an adjustment and one party shall pay to the other on demand such sums as may be necessary to settle in full the accurate amount of said percentage rent that should have been paid to Landlord for the period or periods covered by such inaccurate statement or statements. If said audit shall disclose an inaccuracy of greater than two percent (2%) error with respect to the amount of gross sales reported by Tenant for the period of said report, then the Tenant shall immediately pay to Landlord the cost of such audit; otherwise, the cost of such audit shall be paid by Landlord. If such audit shall disclose any willful inaccuracies, this Lease may thereupon be canceled and terminated, at the option of Landlord. All sales reports will be kept confidential.

(f) **No Partnership.** It is understood and agreed that the fixing of a portion of the rental on a percentage of the sales of the business to be done by Tenant does not create a partnership or joint venture relationship between the parties hereto, that the Landlord assumes no liability hereunder for the operation of the business of Tenant, and that the provisions with reference to rents herein are for the sole purpose of fixing and determining the total rents to be paid by Tenant to Landlord.

(g) **Waiver.** The acceptance by Landlord of any monies paid to Landlord by Tenant pursuant to Section 4.3, shall not be an admission by Landlord of the accuracy of any monthly or annual statement furnished by Tenant during the month or year reported therein, or of the sufficiency of the amount of any such payment, but Landlord shall be entitled to inspect the books and records of Tenant, and receive any additional sums due from Tenant disclosed by such inspection, as described above.

4.3 Adjustments.

(a) **Taxes.** Tenant shall pay or cause to be paid all taxes, including but not limited to, any leasehold excise tax imposed on the Premises applicable to the Term of the Lease.

(b) The Landlord is a political subdivision of the State of Washington. By virtue of such status, it is exempt by law from paying excise taxes, ad valorem taxes, and taxes levied by other

political subdivisions unless expressly provided by law. This Section is intended to insulate the Landlord from assuming or otherwise being obligated to pay taxes, including but not limited to, any leasehold excise tax imposed by virtue of Tenant's occupancy or use of the Premises, regardless of the taxing entity which seeks such tax. Landlord, therefore, has no obligation to pay any excise tax or ad valorem tax assessed by any political subdivision on the Tenant's occupancy or use.

5. USE.

5.1 Permitted Uses. Tenant shall not use or permit or suffer the use of the Premises for any business or purpose other than the purpose set forth in Section 1.1 above, without the prior written consent of Landlord, which consent may be subject to such conditions as Landlord deems appropriate.

5.2 Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of, or affect any, fire or other insurance upon the Premises or the Building of which the Premises are a part, or cause a cancellation of any insurance policy covering said Premises or Building or any part thereof or any of its contents. Tenant shall not do or permit or suffer anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of The Plaza or injure or annoy them, nor shall the Tenant use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable or offensive purpose, nor shall Tenant cause, maintain, or suffer or permit any nuisance in, on, or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises and shall refrain from using or permitting the use of the Premises or any portion thereof as living quarters, sleeping quarters, or for lodging purposes.

5.3 Operation of Business. Tenant shall conduct its business on the Premises during the entire Lease Term hereof with diligence and efficiency so as to produce all of the gross sales which may be produced by such manner of operation, unless prevented from doing so by causes beyond Tenant's control. Tenant shall keep in stock on the premises a full and ample line of merchandise for the purpose of operating its business and shall maintain an adequate sales force. Subject to the provisions of this Lease, Tenant shall continuously during the entire Lease Term hereof, conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the same days, nights, and hours as the majority of the members of the Merchant's Association or during such reasonable hours as shall be designated by Landlord; provided, however, that these provisions shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued thereon on account of strikes, lockouts, or similar causes beyond the reasonable control of Tenant.

5.4 Compliance with Laws. Tenant shall, at its sole cost and expense, promptly comply with all local, state, or federal laws, statutes, ordinances and governmental rules, regulations, or requirements now in force or which may hereafter be in force with respect to the Tenant's use and occupancy of the Premises and the Tenant's business conducted thereon and with the condition, use, or occupancy of the Premises (excluding structural changes not related to or affected by Tenant's improvements or acts). The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation, or requirement, shall be conclusive of that fact as between the Landlord

and Tenant.

5.5 Hazardous Substances.

(a) **Presence and Use of Hazardous Substances.** Tenant shall not, without Landlord's prior written consent, keep on or around the Premises, common areas, or building for use, disposal, treatment, generation, storage, or sale, and substances designated as, or containing components designated as hazardous, dangerous, toxic, or harmful (collectively referred to as "Hazardous Substances") and /or is subject to any regulation by federal, state, or local law regulation, statute, or ordinance. With respect to any such Hazardous Substances, Tenant shall:

(1) Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;

(2) Submit to Landlord true and correct copies of all reports, manifests, and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities;

(3) Within five (5) days of Landlord's request, submit written reports to Landlord regarding Tenant's use, storage, treatment, transportation, generation, disposal, or sale of Hazardous Substances and provide evidence satisfactory to Landlord of Tenant's compliance with the applicable government regulations;

(4) Allow Landlord or Landlord's agent or representative to come on the Premises at all times to check Tenant's compliance with all applicable governmental regulations regarding Hazardous Substances;

(5) Comply with minimum levels, standards, or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances present on the Premises, such levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this Lease);

(b) Clean-up Costs, Default, and Indemnification.

(1) Tenant shall be fully and completely liable to Landlord for any and all clean-up costs, and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances, in or about the Premises, Common Areas, or Building. Tenant shall indemnify, defend, and save Landlord harmless from any and all of the costs, fees, penalties, and charges assessed

against or imposed upon Landlord (as well as Landlord's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances.

(2) Upon Tenant's default under this Section 5, in addition to the rights and remedies set forth elsewhere in this Lease, Landlord shall be entitled to the following rights and remedies:

- (a) At Landlord's option, to terminate this Lease immediately; or
- (b) To recover any and all damages associated with the default, including but not limited to, clean-up costs and charges, civil and criminal penalties and fees, loss of business and sales by Landlord and other Tenants of the Building, and any and all damages and claims asserted by third parties and Landlord's attorneys' fees and costs.

5.6 Rental Adjustments. Any and all costs incurred by Landlord and associated with Landlord's inspection of Tenant's Premises and Landlord's monitoring of Tenant's compliance with this Section 5, including Landlord's attorneys' fees and costs, shall be Rental Adjustments and shall be due and payable to Landlord immediately upon demand by Landlord.

6. UTILITIES.

6.1 Tenant's Obligation. Tenant shall pay before delinquency, at its sole cost and expense, all charges for gas, electricity, telephone service, sewer service charges and sewer rentals charged or attributable to the Premises, and all other services or utilities used in, upon, or about the Premises by Tenant or any of its subtenants, licenses, or concessionaires during the Lease Term hereof and the cost of installing meters therefore; provided, however, that if any such services or utilities shall be billed to Landlord and are not separately metered to the Premises, then Tenant agrees to pay, upon demand, a proper and fair share of said charges. In no event shall Landlord be liable for an interruption or failure in the supply of any such utilities to the Premises.

7. PERSONAL PROPERTY TAXES.

7.1 Tenant's Obligation. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the Lease Term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures, and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

8. LICENSES AND TAXES.

8.1 Tenant's Obligation. Tenant shall be liable for, and shall pay throughout the Term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the Premises. If any governmental authority or unit under any present or future law effective at any time during the Lease Term hereof shall in any manner levy a tax on rents payable under this Lease or rents accruing from use of the Premises or a tax in any form against Landlord because of or measured by income derived from the leasing or rental of said property, such tax shall be paid by Tenant, either directly or through Landlord, and upon Tenant's default therein, Landlord shall have the same remedies as upon failure to

pay rent. It is understood and agreed, however, that Tenant shall not be liable to pay any net income tax imposed on Landlord unless, and then only to the extent that, the net income tax is a substitute for real estate taxes.

9. ALTERATIONS.

9.1 Acceptance of Premises. Upon delivery of the Premises to Tenant, Tenant shall acknowledge to Landlord in writing that Tenant has inspected the Premises and accepts them in their then condition or else shall notify Landlord of any deficiencies then apparent.

9.2 Alterations by Tenant. Tenant shall not make any alterations, additions, or improvements in or to the Premises without the prior written consent of Landlord, which consent may be subject to such conditions as Landlord may deem appropriate. Any such alterations, additions, or improvements consented to by Landlord shall be made at Tenant's sole cost and expense. Tenant shall secure any and all governmental permits, approvals, or authorizations required in connection with any such work, and shall hold Landlord harmless from any and all liability, costs, damages, expenses (including attorneys' fees), and any and all liens resulting therefrom. All alterations, additions, and improvements (and expressly including all light fixtures and floor coverings), except trade fixtures which do not become a part of the Premises, shall immediately become the property of Landlord without any obligation to pay therefore. Upon the expiration or sooner termination of the term thereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

9.3 Prevailing Wage. Tenant agrees to pay the prevailing rate of wages to all workers, laborers, or mechanics employed in the performance of any part of the Lease when required by state law to do so, and to comply with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries. The schedule of prevailing wage rates for the locality or localities where the Lease will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by reference made part of this Lease as though fully set forth herein.

10. MAINTENANCE OF PREMISES.

10.1 Maintenance and Repair by Tenant. Tenant shall at all times throughout the Lease Term, at its sole cost and expense, keep the Premises (including exterior doors and entrances, all windows and moldings and trim of all doors and windows) and all partitions, door surfaces, fixtures, equipment and appurtenances thereof (including lighting, heating, and plumbing fixtures and any air conditioning system) in good order, condition and repair, damage by unavoidable casualty excepted (but not excluding damage from burglary or attempted burglary of the Premises). When there is an air conditioning system, Landlord will contract for monthly service checks and filter changes and Tenant agrees to pay its pro rata share of such service calls and filter changes on the units serving Tenant's Premises. Without limiting the generalities thereof, Tenant shall keep the glass of all windows, doors, and showcases clean and presentable; replace immediately all broken glass in the Premises; at reasonable intervals paint or refinish

the interior of the Premises and the store front, including entrances as determined by Landlord; make any necessary repairs to, or replacements of, all door closure apparatuses and mechanisms; keep all plumbing clean and in good state of repair, including pipes, drains, toilets, basins, and those portions of the heating system within the walls of the Premises.

10.2 Failure to Maintain. If Tenant fails to keep and preserve the Premises as set forth in Section 10.1 above, Landlord may, at its option, put or cause the same to be put in the condition and state of repair agreed upon, and in such case, upon receipt of written statements from Landlord. Tenant shall promptly pay the entire cost thereof as additional rent. Landlord shall have the right, without liability, to enter the Premises for the purpose of making such repairs upon the failure of Tenant to do so.

10.3 Repairs by Landlord. Landlord shall keep the roof, exterior walls, foundations, and building structure of the Premises in a good state of repair, and shall accomplish such repairs as may be needed promptly after receipt of written notice from Tenant. Should such repairs be required by reason of Tenant's negligent acts or failure to act, Tenant shall promptly pay Landlord for the cost thereof as additional rent. Tenant shall immediately inform Landlord of any necessary repairs and Tenant shall make none of such repairs without Landlord's prior written consent. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance required of Landlord hereunder unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as otherwise specifically provided herein, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations, or improvements in or to any portion of the Premises or Building of which the Premises is a part or in or to fixtures, appurtenances, and equipment therein.

10.4 Surrender of Premises. At the expiration or sooner termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received (or, if altered by Landlord or by Tenant with the Landlord's consent, then the Premises shall be returned in such altered condition), reasonable wear and tear excepted. Tenant shall remove all trade fixtures, appliances, and equipment which do not become a part of the Premises and alterations which Landlord designates to be removed pursuant to Section 9.2 above, and shall restore the Premises to the condition they were in prior to the installation of said items. Tenant agrees to pay Landlord for the cost of any cleaning to the Premises necessitated by their failure to do so. Tenant's obligation to perform this covenant shall survive the expiration or termination of this Lease.

10.5 Entry. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good and sanitary order, condition, and repair.

11. LIENS AND ENCUMBRANCES.

11.1 Liens. Tenant shall keep the Premises and The Plaza in which the Premises are situated, free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, payment and performance bonds in an amount equal to one and one half (1½) times the estimated cost of any improvements, additions, or alterations in the Premises which the

Tenant desires to make to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.

11.2 Encumbrances. The Tenant shall not cause or suffer to be placed, filed, or recorded against the title to the Premises, The Plaza in which the Premises are located, or any part thereof, any mortgage, deed of trust, security agreement, financing statement, or other encumbrances, and further, in no event shall the lien of Tenant's Mortgage, deed of trust, or other security agreement or financing statement cover the Premises, or The Plaza, or any part thereof nor any leasehold improvements, alterations, additions, or improvements thereto, except trade fixtures, appliances, and equipment which are owned by Tenant and which are not and which do not become a part of the Premises. The form of any such mortgage, deed of trust, or other security agreement or financing statement which includes a legal description of the Premises, or The Plaza, or the address thereto, shall be subject to Landlord's prior written approval, which may be subject to such conditions as the Landlord may deem appropriate.

12. ASSIGNMENT AND SUBLETTING.

12.1 Assignment or Sublease. Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the prior written consent of Landlord, which consent may be subject to such conditions as Landlord may deem appropriate. For the purposes hereof, a consolidation or merger of Tenant, or a change in the ownership of Tenant, shall be deemed an assignment. Without in any way limiting Landlord's right to refuse to give such consent for any other reason or reasons, Landlord reserves the right to refuse to give such consent unless Tenant remains fully liable during the unexpired Lease Term hereof and Landlord further reserves the right to refuse to give such consent if, in Landlord's reasonable business judgment, the quality of merchandising experience, or the financial worth of the proposed new tenant is less than that of the Tenant executing this Lease or of Tenant and Tenant's Guarantor, as the case may be. Tenant agrees to reimburse Landlord for Landlord's reasonable attorneys' fees incurred in conjunction with the processing and documentation of any such requested transfer, assignment, subletting, licensing or concession agreement, change of fee ownership, or hypothecation of this Lease or Tenant's interest in and to the Premises.

13. COMMON AREAS.

13.1 Control of Common Areas by Landlord. Landlord shall at all times have the exclusive control and management of the common areas of The Plaza. The common areas shall include, but not be limited to, all parking areas, driveways, entrances, retaining walls and exits thereto, truck way or ways, loading docks, package pick-up stations, washrooms, pedestrian malls, courts, sidewalks and ramps, landscaped areas, exterior stairways, and other areas, improvement, facilities, and special services provided by Landlord for the general use, in common, of tenants of The Plaza, and their officers, agents, employees, and invitees. With respect to the common areas, Landlord shall have the right from time-to-time to employ personnel; establish, modify, and enforce reasonable rules and regulations; construct, maintain and operate lighting facilities; police the common areas and facilities; to close all or any portion of the common areas to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any interest therein by any person or the public; and to do and perform such other acts in and to the common areas as, in the use of good business judgment,

Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants of The Plaza, their employees, invitees, and customers.

13.2 License. All common areas and facilities which Tenant may be permitted to use and occupy shall be used and occupied under a revocable license. If the amount of such areas or facilities be diminished, such diminution shall not be deemed a constructive or actual eviction of Tenant and Landlord shall not be subject to any liability, nor shall Tenant be entitled to any compensation or diminution or abatement of rent.

13.3 Rules and Regulations. Tenant shall comply with the rules and regulations that the Landlord may from time-to-time promulgate and/or modify. Upon delivery of the rules and regulations to the Tenant, said rules and regulations shall be binding. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations of any other tenants or occupants.

14. INSURANCE AND INDEMNITY.

14.1 Indemnification. It is understood and agreed that Landlord shall not be liable for injury to any person, or for the loss of or damage to any property (including property of Tenant) occurring in or about the Premises from any cause whatsoever, except for Landlord's negligence or willful misconduct. Tenant hereby indemnifies and holds Landlord harmless from and against and agrees to defend Landlord against any and all claims, charges, liabilities, obligations, penalties, damages, costs, and expenses (including attorney's fees) arising from Tenant's use of the Premises, the conduct of its business or from any activity, work or other things done, permitted or suffered by the Tenant in or about the Premises, and Tenant shall further indemnify and hold harmless the Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part or to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon, and in case any action or proceeding be brought against Landlord by reason of such claim. Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damage to property or injury to persons in, upon, or about the Premises, from any cause other than Landlord's negligence, or willful misconduct, and Tenant hereby waives all claims in respect thereof against Landlord. The indemnification provided for this Section with respect to any acts or omissions during the Term of this Lease shall survive any termination or expiration of this Lease. Landlord and its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling ceiling materials, steam, gas, electricity, water or rain which may leak from any part of the Premises or from pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants, or employees. Landlord and its agents shall not be liable for interference with the light, air, or for any latent defect on the Premises. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

14.2 Insurance. During the entire Lease Term, the Tenant shall, at its own expense, maintain adequate liability insurance with a reputable insurance company or companies with minimum amounts of

\$1,000,000.00 for property damage, and \$1,000,000.00 (per individual) and \$2,000,000.00 (per accident) for personal injuries, to indemnify both Landlord and Tenant against any such claims, demands, losses, damages, liabilities, and expenses. Landlord and Landlord's Property Manager shall each be named as insureds and shall be furnished with a copy of such policy or policies of insurance, which shall bear an endorsement that the same shall not be canceled except upon not less than thirty (30) days' prior written notice to Landlord. Tenant shall also, at its own expense, maintain during the Lease Term, insurance covering its furniture, fixtures, equipment, and inventory in an amount equal to the full insurable value thereof, against fire and risks covered by standard extended coverage endorsement and insurance covering all plate glass and other glass on the Premises. Tenant shall provide Landlord with copies of the policies of insurance or certificates thereof. If Tenant fails to maintain such insurance, Landlord may maintain the same on behalf of Tenant. Any premiums paid by Landlord shall be deemed additional rent and shall be due on the payment date of the next installment of Minimum Rental hereunder.

14.3 Increase in Insurance Premium. Tenant shall not keep, use, sell, or offer for sale in or upon the Premises any article which may be prohibited by the standard form of fire insurance policy. Tenant shall pay any increase in premiums for casualty and fire (including extended coverage) insurance that may be charged during the Term of this Lease on the amount of such insurance which may be carried by Landlord on the Premises or the Building of which they are a part, resulting from Tenant's occupancy or from the type of merchandise which Tenant stores or sells on the Premises, whether or not Landlord has consented thereto. In such event, Tenant shall also pay any additional premium on the insurance policy that Landlord may carry for its protection against rent loss through fire or casualty. In determining whether increased premiums are the result of Tenant's use of the Premises, a schedule, issued by the organization setting the insurance rate on the Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the casualty and fire insurance rate on the Premises. Landlord shall deliver bills for such additional premiums to Tenant at such times as Landlord may elect, and Tenant shall immediately reimburse Landlord therefore.

14.4 Waiver of Subrogation. Landlord and Tenant hereby mutually release each other from liability and waive all rights of recovery against each other for any loss in or about the Premises, from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereof, whether due to negligence or any other cause, provided that this Section shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant.

14.5 Companies. Insurance required hereunder shall be issued by companies rated AAA or better in "Bests" Insurance Guide.

14.6 Certificate of Insurance. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Tenant under the provisions of this Lease shall be delivered to Landlord on or before the commencement date of the Lease Term hereof and thereafter, as respects policy renewals, within thirty (30) days prior to the expiration of the term of each such policy. Each of said certificates of insurance and each such policy of insurance required to be maintained by Tenant hereunder shall expressly evidence insurance coverage as required by this Lease. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry.

15. EMINENT DOMAIN.

15.1 Total Taking. If all the Premises are taken by the power of eminent domain exercised by any governmental or quasi-governmental authority, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Minimum Rent and other rentals and charges due hereunder shall be paid to that date. The term "eminent domain" shall include the taking or damaging of property by, through, or under any governmental or quasi-governmental authority, and any purchase or acquisition in lieu thereof, whether or not the damaging or taking is by the government or any other person.

15.2 Partial Taking. If more than fifteen percent (15%) of the floor area of the Premises shall be taken or appropriated, this Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord and Tenant receive notice of the taking or appropriation, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. In the event that more than ten percent (10%) of other common areas of The Plaza shall be taken or appropriated, then the Landlord may, at its option, terminate this Lease by written notice given to Tenant within sixty (60) days of the date of such taking. If this Lease is so terminated, all Minimum Rent and other charges due hereunder shall be paid to the date of termination. Whenever any portion of the Premises or common areas are taken by eminent domain and this Lease is not terminated, Landlord shall, at its expense, proceed with all reasonable dispatch to restore, to the extent that it is reasonably prudent to do so, the remainder of the Premises and common area to the condition it was in immediately prior to such taking, and Tenant shall, at its expense, proceed with all reasonable dispatch to restore its fixtures, furniture, furnishings, floor coverings, and equipment to the same condition they were in immediately prior to such taking. From the date Tenant is required to vacate that portion of the Premises taken, the Minimum Rent payable hereunder shall be reduced in the same proportion that the area taken bears to the total area of the Premises prior to taking.

15.3 Damages. Landlord reserves all rights to the entire damage award or payment for any taking by eminent domain, and Tenant shall make no claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment thereof as Landlord may from time-to-time request. Tenant shall, however, have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in removing Tenant's merchandise, furniture, trade fixtures, and equipment, or for damage to Tenant's business provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not as part of Landlord's damages.

16. TENANT'S DEFAULT.

16.1 Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

(a) **Vacating the Premises.** The vacating or abandonment of the Premises by Tenant or the failure of Tenant to be open for business (except in the event of damage or destruction to the Premises which prevents Tenant from conducting any business thereon) for more than five (5) days.

(b) Failure to Pay Rent. The failure by Tenant to make any payment of Minimum Rent, Adjustments, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by Landlord to Tenant.

(c) Failure to Perform. The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by the Tenant, other than described in Section 16.1(b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonable required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(d) Bankruptcy. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or by the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days of filing); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days after appointment of said trustee or receiver, or the filing of the petition for the appointment of the same, whichever shall first occur.

16.2 Remedies in Default. In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which landlord may have by reason by such default or breach:

(a) Terminate Lease. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from the Tenant all past due rents. Adjustments, and other charges; the expenses of re-letting the Premises, including necessary renovation and alteration of the Premises, reasonable attorneys' fee; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Adjustments called for herein for the balance of the Lease Term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided, and that portion of any leasing commission paid by Landlord and applicable to the unexpired Lease Term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%) per annum; or

(b) Continue the Lease. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Basic Rent and any other charges and Adjustments as may become due hereunder; or

(c) **Other Remedies.** Pursue any other remedy now or hereafter available to Landlord at law or equity.

(d) **Re-letting.** In the event that Landlord shall elect to re-let, then rental received by Landlord from such re-letting shall be applied first to the payment of an indebtedness other than rent due hereunder from Tenant to Landlord; second to the payment of any cost of such re-letting; third to the payment of the cost of any repairs to the Premises; fourth to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied to payment of future rents as the same may become due and payable hereunder. Should the portion of such rental s received from such re-letting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, the Tenant shall pay such deficiency to Landlord immediately upon demand therefore by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay the Landlord as soon as ascertained, any cost expenses incurred by Landlord in such re-letting or in making such alterations and repairs not covered by the rentals received from such re-letting.

16.3 Legal Expenses. If either party is required to bring or maintain any action (including assertion of any counterclaim or cross-claim in a proceeding in bankruptcy, receivership, or any other proceeding instituted by a party hereto or by others), or otherwise refers this Lease to an attorney for the enforcement of any of the covenants, terms, or conditions of this Lease, the prevailing party in such action shall in addition to all other payments required herein, receive from the other all the costs incurred by the prevailing party, including reasonable attorneys' fees, and such costs and reasonable attorneys' fees which the prevailing party incurred on any appeal.

16.4 Remedies Cumulative – Waiver. It is understood and agreed that the Landlord's remedies hereunder are cumulative and the Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or to alter, affect, or prejudice any right or remedy which Landlord may have under this Lease or by law. Neither the acceptance of Basic or Percentage Rent nor any other acts or omission of Landlord at any time or times alter the happening of any event authorizing the cancellation or forfeiture of this Lease, shall operate a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Landlord of its right to cancel or forfeit this Lease, upon the written notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as at any time to stop Landlord from promptly exercising any other option, right, or remedy that it may have under any term or provision of this Lease, at law or in equity.

16.5 Waiver of Rights of Redemption. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants or conditions of this Lease, or otherwise.

17. DEFAULT BY LANDLORD.

17.1 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the

Premises whose name and address shall have theretofore been furnished to Tenant in writing. Said notice shall specify wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant further agrees not to invoke any of its remedies under this Lease until said thirty (30) days have elapsed. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or an injunction.

18. RECONSTRUCTION.

18.1 Reconstruction – Insured Loss. In the event the Premises are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the Minimum Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by the Tenant in the Premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent.

18.2 Uninsured Loss. In the event the Premises are damaged as a result of any cause other than the perils covered by extended coverage insurance, then Landlord shall forthwith repair the same, provided the extent of the destruction be less than ten percent (10%) of the then full replacement cost of the Premises. In the event the destruction of the Premises is to an extent of ten percent (10%) or more of the full replacement cost, then Landlord shall have the option: 1) to repair or restore such damage, this Lease continuing in full force and effect, but the Minimum Rent to be proportionately reduced as hereinabove in this Section provided; or 2) give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date as specified in such notice and the Minimum Rent, reduced by a proportionate reduction, based upon the extent, if any, to which such damage interfered with the business carried on by the Tenant in the Premises, shall be paid up to date of such termination.

19. SUBORDINATION AND ATTORNMENT; MORTGAGEE PROTECTION.

19.1 Subordination – Notice to Mortgagee. At the request of the Landlord, Tenant shall promptly execute and deliver all instruments which may be appropriate to subordinate this Lease to any existing or future mortgages or deeds of trust on The Plaza or on the leasehold interest held by Landlord, and to any extensions, renewals, or replacements thereof, provided that the mortgage or beneficiary, as the case may be, shall agree to recognize this Lease in the event of foreclosure if Tenant is not in default at such time. Notwithstanding anything to the contrary in this Lease, the Landlord shall not be in default under any provision of this Lease unless written notice specifying such default is given to Landlord and to all persons who have an interest in all or part of The Plaza as mortgagees and/or deed of trust beneficiaries, and the provisions of Section 17.1 have been complied with. Tenant further agrees that if Landlord shall have failed to cure or commence the cure of such default within the time period allowed under Section 17.1 above, then the mortgagees or deed of trust holder shall have an additional thirty (30)

days within which to cure or commence the cure of such default and thereafter diligently pursue such cure to completion including, if necessary to effectuate such cure, commencement of judicial or non-judicial foreclosure proceedings.

19.2 Tenant's Certificate. Tenant shall at any time and from time-to-time upon not less than three (3) days' prior written notice from Landlord, execute, acknowledge, and deliver to Landlord a statement in writing: a) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the date to which the rental and other charges are paid in advance, if any; b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults, if any, are claimed; and c) setting forth the date of commencement of rents and expiration of the Lease Term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of The Plaza of which the Premises are a part.

19.3 Mortgagee Protection Clause. Tenant agrees to give any mortgagees and/or trust deed holders, by registered mail, a copy of any notice of default served upon the Landlord, provided that prior to such notice, Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the addresses of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated if such remedies are being so diligently pursued.

20. ACCESS BY LANDLORD.

20.1 Right of Entry. Landlord or Landlord's employees, agents, and/or contractors shall have the right to enter the Premises with prior notification to Tenant and at a time that is convenient to Tenant to examine the same, and to show them to prospective purchasers or tenants of the Building and to make such repairs, alterations, improvements, or additions as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary, Landlord may in case of emergency forcibly enter the same, without rendering Landlord liable therefore. Nothing contained herein shall be construed to impose upon Landlord any duty of repair of the Premises or Building of which the Premises are a part, except as otherwise specifically provide for herein.

20.2 Excavation. If an excavation is made upon property adjacent to the Premises, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Premises is a part from injury or damage and to support the same by proper foundations, without any claim for damages or indemnification against Landlord or diminution or abatement of rent.

21. SURRENDER OR ABANDONMENT OF LEASED PREMISES.

21.1 Surrender of Possession. Tenant shall promptly yield and deliver to Landlord possession

of the Premises at the expiration or prior to termination of this Lease.

21.2 Holding Over. Any holding over by Tenant after the expiration of the Lease Term hereof, with Landlord's consent, shall be construed to be a tenancy from month-to-month at the rents and on all of the terms and conditions set forth herein, to the extent not inconsistent with a month-to-month tenancy.

21.3 Abandonment. Tenant agrees not to vacate or abandon the Premises at any time during the Lease Term. Should Tenant vacate or abandon said Premises or be dispossessed by process of law or otherwise, such abandonment, vacation or dispossession shall be deemed a breach of this Lease and, in addition to any other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the Premises, and store the same; the cost of such removal and storage to be charged to the account of Tenant.

21.4 Voluntary Surrender. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation therefore, shall not work a merger, but shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or operate as an assignment to it of any or all such subleases or subtenancies.

22. QUIET ENJOYMENT.

22.1 Landlord's Covenant. Tenant, upon fully complying with and promptly performing all of the terms, covenants, and conditions of this Lease on its part to be performed, and upon the prompt and timely payment of all sums due hereunder, shall have and quietly enjoy the Premises for the Lease Term set forth herein.

23. AUTHORITY OF PARTIES.

23.1 Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of directors of said corporation, that such action and execution is in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

23.2 Limited Partnerships. If the Landlord's successor herein is a limited partnership, it is understood and agreed that any claims by Tenant against Landlord shall be limited to the assets of the limited partnership, and furthermore, Tenant expressly waives any and all rights to proceed against the individual partners, or the officers, directors, or shareholders of any corporate partner, except to the extent of their interest in said limited partnership.

23.3 Elected Officers and Employees. The Landlord is a municipal corporation. Tenant expressly waives any and all rights to proceed against the individual elected officers and employees of the Landlord.

23.4 No Guarantees. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessor unless endorsed herein in writing. And it is further understood that this Lease shall not be valid and binding upon the Spokane Transit Authority, unless the

same has been approved by the Board of Directors and as approved as to form by the Chief Executive Officer.

24. SIGNS.

24.1 General. Tenant shall not place or suffer to be placed on the exterior walls of the Premises or upon the roof or any exterior door or wall, or on the exterior or interior of any window thereof, any sign, awning, canopy, marquee, advertising matter, decoration, letter or other thing of any kind (exclusive of the signs, if any, which may be provided for in the original construction or improvement plans and specifications approved by the Landlord or Tenant hereunder, and which conform to the Landlord's sign criteria) without the prior written consent of Landlord. Landlord hereby reserves the exclusive right to the use for any purpose whatsoever of the roof and exterior of the walls of the Premises or the Building of which the Premises are a part.

24.2 Tenant's Interior Signs. Except as otherwise herein provided, Tenant shall have the right, at its sole cost and expense, to erect and maintain within the interior of the Premises, all signs and advertising matter customary or appropriate in the conduct of Tenant's business; provided, however, that Tenant shall, upon demand of the Landlord, immediately remove any sign, advertisement, decoration, lettering, or notice which Tenant has placed or permitted to be placed in, upon, or about the Premises and which Landlord reasonably deems objectionable or offensive, and if Tenant fails or refuses to do so, the Landlord may enter upon the Premises and remove the same at Tenant's sole cost and expense. In this connection, Tenant acknowledges that the Premises are a part of an integrated The Plaza, and agrees that control of all signs by Landlord is essential to the maintenance of uniformity, propriety, and the aesthetic values in or pertaining to The Plaza.

24.3 Unauthorized Insignia. No advertising, placard, posters, banners, pennant, names, decoration, letter, insignia, trademarks, or other descriptive materials shall be fixed or maintained upon the glass panes and supports of the show windows and doors, or upon the exterior walls of the Building or storefront. No free-standing sign shall be allowed in the common areas.

25. DISPLAYS.

25.1 General. The Tenant may not display or sell merchandise or allow grocery carts or other similar devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers, or similar devices, or use in or about the Premises, such as flashing lights, searchlights, loudspeakers, phonographs, or radio broadcasts.

26. AUCTIONS AND SALES.

26.1 General. Tenant shall not conduct or permit to be conducted any sale by auction upon or from the Premises, whether said auction by voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

26.2 No Distress Sales. No auction, fire, bankruptcy, "going out of business", or other distress

sales of any nature may be conducted on the Premises without the prior written consent of Landlord.

27. MISCELLANEOUS.

27.1 Successors or Assigns. All the terms, conditions, covenants, and agreements of this Lease shall extend to any be binding upon Landlord, Tenant, and their respective heirs, administrators, executors, successors and assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise, and shall be construed as covenants running with the land.

27.2 Tenant Defined. The work "Tenant" as used herein shall mean each and every person, partnership, or corporation who is mentioned as a Tenant herein or who executes this Lease as Tenant.

27.3 Broker's Commission. By separate agreement.

27.4 Partial Invalidity. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstances is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

27.5 Recording. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon the request of Landlord, both parties shall execute a memorandum or "short form" of this Lease for the purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises, and the Lease Term and shall incorporate this Lease by reference.

27.6 Notices. Any notices required in accordance with any of the provisions herein if to Landlord shall be delivered or mailed by registered or certified mail to the address of Landlord as set forth in Section 1, or at such other place as Landlord may in writing from time-to-time direct to Tenant; and, if to Tenant, shall be delivered or mailed to Tenant at the Premises. If there is more than one Tenant, any notice required or permitted hereunder may be given by or to any one thereof and shall have the same force and effect as if given by or to all thereof.

27.7 Plats and Riders. Clauses, plats, riders, and addendums, if any, affixed to this Lease are a part hereof.

27.8 Waiver. The waiver by Landlord of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Minimum Rent or Percentage Rent or any other Adjustment or sum hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant, or condition of this Lease, other than the failure of the Tenant to pay the particular sum so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such sum.

27.9 Joint Obligation. If there be more than one Tenant, the obligations hereunder imposed shall be joint and several.

27.10 Marginal Headings. The marginal headings and article titles to the sections and subsections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

27.11 Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

27.12 Late Charges and NSF Fees. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease; the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Minimum or Percentage Rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee within three (3) days after written notice that said amount is past due, then Tenant shall pay to Landlord as additional rent a late charge equal to twelve percent (12%) of such overdue amount, plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay rent and/or other charges when due hereunder. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event a check drawn upon Lessee's bank is returned for non-sufficient funds or any other reason, Lessee shall pay Lessor a returned check charge of \$40.00 with the next rent payment due for its administrative burden in connection with the returned check, as well as any late charges or interest accruing from the late payment. If two or more checks are returned by Lessee's bank in a consecutive twelve-month period, Lessor may thereafter for the balance of the lease term require payment by cashier's check from a commercial bank.

27.13 Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

27.14 Inability to Perform. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord.

27.15 Choice of Law. This Lease shall be governed by the laws of the State of Washington, with venue in Spokane County.

27.16 Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for Landlord to employ legal counsel to enforce any of the provisions herein contained, Tenant agrees to pay all attorneys' fees and court costs reasonable incurred.

27.17 Competition. During the Term of this Lease, Tenant shall not directly or indirectly engage in any similar or competing business within a radius of three (3) air miles from the outside boundary of The Plaza.

27.18 Security and Photo ID Badges. All persons entering or utilizing non-public areas of The Plaza (examples are the parking level, stairwells, or compactor room) are required to possess and display an STA-issued Photo Identification Badge (employee, vendor, or visitor). It must be worn where it is visible from the waist up on the upper body. All visitors in non-public areas must have an STA-issued Visitor Badge and be accompanied by an authorized employee or vendor. Should a new employee be hired or an existing employee leave employment of the Tenant, the Security Department must be notified. The Photo ID Badge is the property of The Plaza and must be returned upon termination of employment. New employees must be issued a Photo ID Badge as soon as possible, but before they enter non-public areas of The Plaza.

27.19 Non-Disparagement. Tenant shall not at any time after the commencement date and for a period of five (5) years after the termination date or any extension thereof, disparage Landlord or any of Landlord's directors or agents. Landlord shall not at any time after the commencement date and for a period of five (5) years after the termination date or any extension thereof, disparage Tenant or any Tenant entity, director or agent.

28. SPOKANE TRANSIT AUTHORITY USE OF NAME AND LOGO. Tenant may not refer to or utilize the name Spokane Transit Authority or the Spokane Transit Authority logo now or hereafter adopted by the Spokane Transit Authority (STA) without the express written consent of the Landlord. Any reference to the Building in promotional material or advertising by the Tenant may only refer to the Building name "The STA Plaza."

29. TENANT OPERATIONS.

(a) Deliveries.

(1) General. For delivery purposes, Tenants, vendors, and suppliers shall only use the freight loading area located on the first floor and basement freight loading area. Deliveries shall be made to the Premises during the hours and days as Landlord may designate in the Building Rules and Regulations.

(b) Heavy Items. Safes, furniture, fixtures, equipment, or bulky articles may be moved in and out of the Premises only at such hours and in such manner as will least inconvenience other tenants and the public, which hours and manners shall be at the discretion and direction of Landlord. The moving

of safes or other bulky items in excess of 500 pounds into or out of the Premises, and location thereof in the Premises, shall be subject to Landlord's prior written consent, and the imposition of any conditions deemed necessary by Landlord to preserve the structural integrity of the building and the safety of the persons in the Building.

(c) **Garbage Disposal.** Garbage disposal facilities shall be provided by Landlord within the Building and/or garage. Tenant shall transport garbage through the common areas only at such hours and in such manner as will least inconvenience other tenants and the public, which hours and manners shall be at the discretion and direction of Landlord. Landlord agrees to provide an area for Tenant's shortening disposal.

30. LEASEHOLD IMPROVEMENTS.

30.1 Except for latent or structural defects, Tenant agrees to take the Premises on an as-is basis and Landlord shall not be asked to provide or construct any improvements or modifications to the space. For any work Tenant wishes to perform in the Demised Premises, Landlord agrees that Tenant may select and use its own contractors, subject to reasonable approval of Landlord. Tenant agrees to indemnify and hold Landlord harmless for all costs incurred by Tenant for the build-out.

30.2 Landlord's Contribution. Tenant shall construct all improvements defined as Tenant's Responsibility in Exhibit C attached hereto in accordance with applicable public works construction statutes and regulations. Landlord agrees to reimburse Tenant for the costs associated with performing Tenant's Responsibility in an amount not to exceed Thirty-five Dollars per square foot (\$35.00/s.f.), or Dollars (\$).

All costs shall be based on actual expenses paid and supported by contractor invoices. Payment of contractors shall be based on prevailing rate wages and Tenant shall require the filing of appropriate state certifications that prevailing wages have been paid by the chosen contractor prior to payment of contractor. Payment of the Landlord's Contribution to Tenant shall be made within ten (10) days of Landlord's receipt of invoices detailing work performed and a statement from Tenant certifying that the construction work has been performed in accordance with the public work statutes and regulations, approved plans and specifications, all applicable building codes, issuance of a Certificate of Occupancy, and for the Tenant's Responsibility set out in Exhibit C attached herein. Notwithstanding the plans and specifications and other approvals herein, Landlord shall, upon such notification by Tenant, conduct an inspection of the Premises to confirm and approve of the construction for consistency with The Plaza's systems and finish. Such inspection and approval prior to the disbursement of the Landlord's Contribution shall not be unreasonably withheld.

31. HOURS OF OPERATION.

Tenant shall be obligated to be open a minimum of:

Monday through Friday	8:00 a.m. to 7:00 p.m.
Saturday	8:00 a.m. to 6:00 p.m.
Sunday	10:00 a.m. to 5:00 p.m.

Alternative times to this schedule may be approved at the discretion of the Landlord, so long as the schedule of operation includes a minimum of: 58 hours per week, six days per week.

32. AGENCY DISCLOSURE. At the signing of this Lease, Landlord's Agent _____
_____*(insert name of Licensee and Company name as licensed)* represented the Landlord and Tenant's Agent _____
_____*(insert name of Licensee and Company name as licensed)* represented the Tenant. If Tenant's Agent and Landlord's Agent are different salespersons affiliated with the same Broker, then both Tenant and Landlord confirm their consent to that Broker acting as a dual agent. If Tenant's Agent and Landlord's Agent are the same salesperson representing both parties, then both Landlord and Tenant confirm their consent to that salesperson and his/her Broker acting as dual agents. If Tenant's Agent, Landlord's Agent, or their Broker are dual agents, Landlord and Tenant consent to Tenant's Agent, Landlord's Agent and their Broker being compensated based on a percentage of the rent or as otherwise disclosed on an attached addendum. Neither Tenant's Agent, Landlord's Agent or their Broker are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

Landlord and Tenant acknowledge disclosure prior to entering into this Lease that Black Realty Management, Inc., acted as Landlord's Agent solely in the preparation of this Lease.

33. LICENSURE DISCLOSURE. Written disclosure is made that the following parties are licensed real estate brokers in the State of Washington.

a) Landlord: None is a/are licensed real estate broker(s) in the State of Washington in the Landlord entity.

b) Tenant: Insert the word None, or: _____ is a/are licensed real estate broker(s) in the State of Washington, and is a (**insert correct title and delete the other titles**) member, partner, shareholder, principal in the Tenant entity.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above set forth.

LANDLORD:

TENANT:

**Spokane Transit Authority,
a public municipal corporation
in the State of Washington**

By: _____

Its: _____

By: _____

Its: _____

Email: _____

Insert applicable notary acknowledgements here

Exhibit A
Legal Description of The Plaza

Parcel A:

The West 34.83 feet of the North half of Lot 2, and the North half of Lot 3, and the East half of the North half of Lot 4, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

AND

Lot 3, EXCEPT the North 90 feet thereof, and that part of Lot 4, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Volume "1A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington, described as follows:

Beginning at a point in the East line of said Lot 4, 90 feet South from the Northeast corner thereof; thence West 28 feet to the center line of said Lot; thence due South to the South line of said Lot; thence East along the South line of said Lot to the point of beginning.

Parcel B:

That portion of Lots 1 and 2, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Volume "1A1" of Plats, Page 1, in the City of Spokane, Spokane County, Washington, more particularly described as follows:

Beginning at the Northeast corner of said Lot 1; thence West on the North line of said Lots 1 and 2, 77 feet 2 inches; thence South 90 feet; thence East 21 feet 2 inches to the West line of said Lot 1; thence North on said line 07 of a foot, more or less, to the South line of the North half of said Lot 1; thence East along said line to the Southeast corner of the North half of said Lot 1; thence North along the East line of said Lot 1 to the point of beginning.

Parcel C:

The North 29.33 feet of South 89.83 feet of Lot 1, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel D:

The South 60.5 feet of Lot 1, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Book 1, "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel E:

That portion of Lot 2, Block 22, Resurvey and Addition to Spokane Falls, according to plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington, described as follows:

Commencing at the Southeast corner of said Lot 2; thence North along the East line of said Lot 2, a distance of 89.86 feet; thence West 56 feet to the West line of said Lot 2; thence South along said West line 89.86 feet to the South line of said Lot 2; thence East along the said South line of said Lot 2, a distance of 56 feet to the place of beginning.

Exhibit B
Site Plan of Tenant's Premises

Exhibit C
Description of Landlord's and Tenant's Responsibility

Landlord agrees that it will provide an allowance outlined in Section 30.2 of the Lease, and Tenant shall commence the construction of the demised Premises and pursue the completion (with the exception of delays or conditions beyond Landlord's control) in accordance with Tenant's or Tenant's architect's designs and plans, which construction shall include the items as stated in Tenant's Responsibility below.

I. LANDLORD'S RESPONSIBILITY

Work to be completed by Landlord, and for which Landlord is obligated to initially construct, is as follows:

- A. Landlord shall provide exterior building walls, roof and all structural items per Landlord's requirements.
- B. Landlord shall provide a concrete floor slab.
- D. Landlord shall pay the cost for utility lines to the demised Premises.
- E. Demising partitions or walls will consist of wood or metal studs.
- F. Landlord shall provide a basic heating and cooling system.
- G. Provide adequate electrical services in accordance with National Electrical Code and bring 100 amp service to basic dead front panel board in Premises.
- I. Fire sprinkling protection equipment basic grid required by applicable codes shall be provided.

All of the above work shall be provided by Landlord.

II. TENANT'S RESPONSIBILITY

Work to be completed by Tenant, for which Tenant is obligated to construct and pay, is as follows:

- A. Furnish and install all interior partition work peculiar to Tenant's business including show window platforms and backgrounds, separation of sales from stock rooms, dressing rooms, counters, cases and like areas designed for Tenant's particular use.
- B. All storefront opening onto the common covered Plaza. All designs and materials shall be approved by Landlord.
- C. Furnish and install all interior painting and decorating.
- D. Utility lines within the demised Premises.
- E. Modifications to fire sprinkling protection equipment.
- F. Completely wire, furnish, and install all lighting fixtures in all areas of the demised Premises.
- G. Furnish and install ceilings.
- H. Furnish and install plumbing fixtures.
- I. Tenant shall cover all sales areas of Premises with vinyl tile or other suitable floor covering.
- J. Provide and install all signs. All signs subject to approval of Landlord.

- K. All work undertaken by Tenant shall be at Tenant's expense and shall not damage the building or any part thereof.
- L. The design of all work and installation undertaken by Tenant shall be subject to approval of Landlord.
- M. It is Tenant's obligation to provide any drawings and obtain a building permit for work performed in its Premises other than Landlord's work as outlined above.
- N. Provide any additional fire sprinkler heads required beyond Landlord's basic grid due to Tenant's design.
- O. Provide counter or work tables to be used in the Premises.

Exhibit D
Demising Plan of Premises (“Floor Area”)

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **8A**:

BOARD OPERATIONS COMMITTEE CHAIR'S REPORT

REFERRAL COMMITTEE:

Board Operations (*French*)

SUBMITTED BY:

Al French, Committee & Board Chair

SUMMARY:

A verbal report will be given at the Board meeting.

RECOMMENDATION TO BOARD: Receive report.

FINAL REVIEW FOR BOARD BY:

Division Head

Chief Executive Officer EBM

Legal Counsel CM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 9:

PLANNING & DEVELOPMENT COMMITTEE CHAIR'S REPORT

REFERRAL COMMITTEE:

Planning & Development (*Waldref*)

SUBMITTED BY:

Amber Waldref, Committee Chair

SUMMARY:

A verbal report will be given at the Board meeting including the following item:

- STA Moving Forward Implementation Calendar

RECOMMENDATION TO BOARD: Receive report.

FINAL REVIEW FOR BOARD BY:

Division Head

Chief Executive Officer *ESM*

Legal Counsel *UM*

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM: **9A**:

STA MOVING FORWARD IMPLEMENTATION CALENDAR

REFERRAL COMMITTEE: Planning & Development

SUBMITTED BY: Karl Otterstrom, Director of Planning

SUMMARY:

In May 2016, staff made a presentation to the Planning and Development Committee enumerating the groundwork activities that would take place during the six months leading up to the November 2016 election at which time voters will determine whether to approve or reject STA Proposition 1, the ballot measure seeking funding to implement the *STA Moving Forward* plan. These groundwork activities were required to enable timely progress on commitments and project sequencing set forth in the plan, as adopted by the STA Board of Directors in December 2014 and amended in June 2016.

By the time the October 5, 2016 Planning and Development Committee meeting takes place, the outcomes of the election will be just five weeks away. As such, staff will present on activities and actions that are anticipated in the first several Board and Committee meetings following the election in order to meet the timelines that have been set by the Board and amended in the *STA Moving Forward* plan.

RECOMMENDATION TO BOARD: Information.

FINAL REVIEW FOR BOARD BY:

Division Head KO

Chief Executive Officer EBM

Legal Counsel CM

Activities Related to STAMF Implementation Anticipated to Occur May Through November 2016

Development of the 2016 Transit Development
Plan

2017 Budget and Annual Strategic Plan
Preparation

STAMF Project-Specific Activities

Ballot Measure Citizen Education and
Information

STAMF Project-Specific Activities

Finalize HPT Design &
Communication
Standards Project

Monroe-Regal Corridor
- Targeted Outreach &
Grant Preparation

New 2017 Valley
Service – Service
Planning & Outreach

West Plains Transit
Center – 30% Design
Outreach

Central City Line –
Continue Project
Development & Submit
Small Starts Grant

North Nevada and
Related Improvements
– Service Planning &
Outreach

Upriver Transit Center –
Submit Grant
Applications

Cheney HPT Corridor –
RFQ & Begin Four Lakes
Station Design

Division Street HPT
Incremental
Improvements –
Preliminary Engineering

Maintenance Garage
Expansion – Site
Selection

Next Steps in Case of Ballot Approval

Project/Program	Impact/Action	Timeline
2017-2022 Capital Improvement Program	Review and amend to shift projects from unfunded to funded	November Public Hearing, December Action
2017 Annual Strategic Plan	Reflect new service and projects in the annual plan	November action
2017 Operating and Capital Budgets	Review and approve 2017 budgets that reflect projects and new service	November Public Hearing, December Action
May 2017 Service Changes	Review and approve recommended service improvements	November Public Hearing, December Action
September 2017 Service Changes	Begin public consultation process	Mid November
Program Performance Monitoring	Establish methods and indicators for approach to measuring and monitoring program implementation	December 2016 – March 2017
SRTC 2017-2020 Transportation Improvement Program	Amend to include funded projects of regional significance	January-February 2017

Other Related Activities (Not Contingent on Vote)

- Comprehensive Plan Update
 - Develop scope and work plan for the comprehensive plan update (including past Board feedback)
- Planning and Development Committee Work Program
 - Prepare and approve 2017 Committee work program

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **10A**

PERFORMANCE MONITORING & EXTERNAL RELATIONS
COMMITTEE CHAIR'S REPORT

REFERRAL COMMITTEE:

Performance Monitoring & External Relations (*Trulove*)

SUBMITTED BY:

Tom Trulove, Committee Chair

SUMMARY:

A verbal report will be given at the Board meeting.

RECOMMENDATION TO BOARD: Receive report.

FINAL REVIEW FOR BOARD BY:

Division Head /

Chief Executive Officer EBM

Legal Counsel WM

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM **12A**

COMMITTEE MINUTES – INFORMATION

- Board Operations Committee
- Planning & Development Committee
- Performance Monitoring & External Relations Committee

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Jan Watson, Executive Assistant to CEO & Clerk of the Authority

SUMMARY:

Minutes of the September 7, 2016 meetings of the Planning & Development Committee and the Performance Monitoring & External Relations Committee are attached.

Minutes of the September 6, 2016 Board Operations Special Committee meeting are also attached.

RECOMMENDATION TO BOARD: Information only.

FINAL REVIEW FOR BOARD BY:

Division Head

Chief Executive Officer ESM

Legal Counsel UM

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

BOARD OPERATIONS SPECIAL COMMITTEE MEETING

Meeting Minutes for September 6, 2016
Northside Conference Room

MEMBERS PRESENT

Al French, Spokane County, *Board Operations Committee Chair*
Amber Waldref, City of Spokane, *Planning & Development Committee Chair*
Tom Trulove, Small Cities Representative (Cheney), *Performance Monitoring & External Relations Committee Chair*
Ed Pace, City of Spokane Valley, *Board Operations Committee Member*
E. Susan Meyer, Chief Executive Officer, *Ex-officio*

MEMBERS ABSENT

None

STAFF PRESENT

Karl Otterstrom, Director of Planning
Steve Blaska, Director of Operations
Lynda Warren, Director of Finance & Information Services
Beth Bousley, Director of Communications & Customer Service
Steve Doolittle, Director of Human Resources
Susan Millbank, Ombudsman & Accessibility Officer
Jan Watson, Executive Assistant to the CEO & Clerk of the Authority

PROVIDING LEGAL COUNSEL

Laura McAloon, Workland Witherspoon

GUESTS

Eva Marquette, FreshVue

1. CALL TO ORDER AND ROLL CALL

Chair French called the meeting to order at 1:00 p.m. and conducted roll call.

2. APPROVE COMMITTEE AGENDA

Committee members reviewed the agenda. Mr. French said that it has been requested that the Executive Session be moved from #9 to #3 to accommodate schedules.

Mr. Trulove moved approval of the modified agenda format for September 6, 2016 and Mr. Pace seconded, and the motion passed unanimously.

9. EXECUTIVE SESSION

At 1:05 p.m., Mr. French announced that the STA Board Operations Committee would adjourn for an Executive Session for the following purpose:

1. Considering the selection of a site, the acquisition of real estate by lease or purchase, or the sale of real estate when public knowledge regarding such consideration would cause a likelihood of increased or decreased price.

Ms. McAloon added that the Executive Session will also be held for an additional purpose stated below:

2. Discussion with legal counsel representing STA in litigation or potential litigation to which STA, the STA Board of Directors, or STA employees are, or are likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to STA.

The STA Board Operations Committee will reconvene in open session at approximately 1:15 p.m. If it becomes necessary to extend the executive session, a member of the staff will return to announce the time at which the STA Board Operations Committee will reconvene.

If any action is to be taken as a result of discussions in the executive session, that action will occur at the open public session.

At 1:15 p.m., Ms. Warren announced the STA Board Operations Committee will reconvene at 1:20 p.m.

At 1:20 p.m., Ms. McAloon announced the STA Board Operations Committee will reconvene at 1:25 p.m.

At 1:25 p.m., the STA Board Operations Committee reconvened and Chair French declared the meeting back in public session. No action was taken.

3. **CHAIR'S COMMENTS**

None.

4. **COMMITTEE ACTION/DISCUSSION**

a. **July 13, 2016 Committee Minutes**

Mr. Pace moved approval of the July 13, 2016 committee minutes and Ms. Waldref seconded. There was no further discussion and the motion passed.

5. **BOARD OF DIRECTORS AGENDA SEPTEMBER 22, 2016**

The Committee reviewed the agenda. No changes were suggested.

Mr. Trulove moved approval of the September 22, 2016 Board of Directors agenda and Mr. Pace seconded the motion. There was no discussion and the motion passed unanimously.

6. **CEO REPORT**

A. Plaza Lease

The Committee discussed a generic lease for the current two lessees on the second floor and Space C currently vacant on the first floor of the Plaza. This generic lease would allow for up to \$35/square foot reimbursement to assist in tenant improvements for the shell on the first floor.

Mr. French requested a breakdown of costs for the lessor and lessee and asked if lease terms had been negotiated with tenants.

Ms. Warren offered to send a breakdown of costs and said that the lease terms have not been negotiated at this time.

Ms. McAloon said that a monthly rent credit would artificially deflate the rent. In this lease, the tenant would provide the contractor's invoices for reimbursement.

Ms. Warren said the lease could be added to the September Board agenda for review and approval. Following Board approval, the tenants could begin improvements in November.

Discussion ensued. The cost is estimated at \$80K.

Ms. Meyer said that the Board approved \$4.95M for the Plaza renovation does not include tenant improvements for the basic shell.

The Committee members agreed that the Board should take action on this.

Mr. French said the goal is to have tenants in the Plaza. The basic lease could be brought to the Board as a starting point.

Ms. McAloon suggested a basic form of the lease could be approved by the Board with minimum rate and maximum terms and delegate execution to the CEO within those parameters.

Committee members agreed.

Ms. Meyer said that real estate leases are the responsibility of the Board Operations Committee and the Board.

Ms. Waldref suggested mentioning to the Board that the future tenant in the Plaza rotunda space will have a separate lease with additional cost.

7. **BOARD DEVELOPMENT**

Ms. Marquette, FreshVue, led a discussion on the Board Effectiveness & Efficiency Project with the Committee members. During the next several months Ms. Marquette suggested gathering Board feedback on shared agreements, the mission and vision, information flow and Board orientation by connecting via phone calls, surveys or in-person meetings.

Mr. Trulove stated that attendance was a problem at the June retreat.

Ms. Waldref said it is important to firm up dates as soon as possible. The Board may need to re-commit to the project.

Ms. Marquette shared a draft of the project scope overview which includes refining and developing new member orientation content; the 'on-boarding' process. This orientation content could include core principles of transit and governance documents.

Mr. Trulove said it is important for Board members to recognize the expertise of staff and focus on policy questions related to decisions that need to be made.

Mr. Pace said knowing how the terminology fits in and relates is important. Elected officials on the STA Board have differing agendas, backgrounds, and are not experts on transit. They are assigned to many Boards, meetings are subject to the open public meetings act, and the media also plays a part.

Mr. French said shared agreements that include values can improve quality of communication.

Committee members agreed.

Ms. Waldref commented that it is important the Board understand how the basic transit principles connect to the core documents and how STA prepares its budget and manages its cash reserve and capital planning.
Mr. Trulove said it is important that the Board understand the process and methods to introduce change.
Committee members agreed to discuss Board Development at the September 22 Board meeting.
Ms. Waldref suggested a simple presentation.
Mr. Pace suggested leading with examples to clarify.
Ms. Marquette reinforced that this is a long term project that will benefit future Boards.
Mr. French said that not only is it important to be good stewards of buses, assets and finances, but also to consider staff time.
Mr. Trulove said that cost versus expected benefit should be evaluated.
Mr. French said, in addition, the ongoing leadership of the project should be evaluated.
Ms. Marquette summarized key points which included attendance, trust of staff expertise, using core principles of transit, budgeting education, clarifying the process and working out details in one-on-one meetings initially.
Mr. French said that shared agreements, core principles and Board expectations should also be addressed.

8. NEW BUSINESS

None.

10. ADJOURN

Chair French moved to adjourn the meeting and all agreed by consensus. With there being no further business to come before the Committee, Chair French adjourned the meeting at 2:37 p.m.

Respectfully submitted,



Merilee Robar
Executive Assistant to the Director of Finance & Information Services

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

PLANNING & DEVELOPMENT COMMITTEE

MEETING 10:00 A.M.

Minutes of the September 7, 2016, Meeting
Southside Conference Room

MEMBERS PRESENT

Amber Waldref, City of Spokane*
Candace Mumm, City of Spokane
Ed Pace, City of Spokane Valley
E. Susan Meyer, CEO, Ex-Officio

MEMBERS ABSENT

Shelly O'Quinn, Spokane County
Kevin Freeman, Small Cities Representative
(Millwood), Ex-Officio

STAFF PRESENT

Steve Blaska, Director of Operations
Beth Bousley, Director of Communications
& Customer Service
Steve Doolittle, Director of Human Resources
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance & Information Services
Susan Millbank, Ombudsman & Accessibility Officer
Brandon Rapez-Betty, Sr. Communications Specialist

Guests

Mike Kunder, Local 3939

*Chair

1. CALL TO ORDER AND ROLL CALL

Chair Waldref called the meeting to order at 10:03 a.m. and introductions were made.

2. PUBLIC EXPRESSIONS

None.

3. COMMITTEE CHAIR REPORT

Chair Waldref gave a brief recap of the items covered in the September 6, 2016, Special Board Operations Committee meeting and potential items to go forward for Board review and action in September. Chair Waldref said that several follow-up workshop dates are anticipated to be scheduled for Board development with Eva Marquette, FreshVue, in the fall. The Board will also discuss Plaza improvements and tenant leases in September.

4. COMMITTEE ACTION

A. MINUTES OF THE JUNE 1, 2016, COMMITTEE MEETING

Ms. Mumm moved to recommend approval of the June 1, 2016, Planning & Development Committee meeting minutes. The motion was seconded by Mr. Pace. Motion passed unanimously.

5. BOARD ACTION – COMMITTEE RECOMMENDATIONS AGENDA

A. BOARD CONSENT AGENDA

No items being presented this month.

B. BOARD ACTION AGENDA

1. REGIONAL MOBILITY GRANT APPLICATIONS APPROVAL

Mr. Otterstrom presented a summary of the Regional Mobility Grant applications proposed for submittal to the Washington State Department of Transportation (WSDOT) at the end of September. The purpose of the Regional Mobility Grant Program is to support projects across the state that increase

connection and coordination of transit and improve efficiencies on transportation corridors through public transportation. A minimum of 20% local or non-state match is required for each of the projects submitted. By the end of 2016, WSDOT will submit recommendations to the State Legislature for consideration with the ultimate funding allocation decided by the Legislature for the 2017-2019 biennium. Mr. Otterstrom stated that there is approximately \$75M available in the overall program for the biennium. Sound Transit is no longer a competitor in the grant program. Discussion ensued.

Mr. Otterstrom reviewed the projects and proposed grant requests. Submittal approval is being requested for all three applications, though technically, two of the projects are already included in the Board approved capital improvement program. The Spokane Falls Community College project is not included in the capital improvement program at this time and requires Board approval. Below, is a table showing how the projects will be funded. Project costs are estimates and may be revised as details are more fully defined.

Project	Estimated Cost (2016\$)	2017-2019 State RMG Request	Federal/Local Share	Federal/Local Funding Source
Upriver Transit Center (Included in STA Moving Forward)	\$5 million	\$2.33 million	\$2.67 million	Applied for FTA Section 5339 grant in May, \$150,000 City of Spokane
Monroe/Regal HPT Improvements and Park and Ride Construction (included in STA Moving Forward)	\$3.87 million	\$2.32 million	\$1.55 million	This project is contingent on the approval of STA Moving Forward
Spokane Falls Community College Transit Station and Fort George Wright Drive Improvements	\$4.16 million	\$3.33 million	\$830,000	Estimate from Studio Cascade Inc. and Coffman Engineers

Mr. Otterstrom gave highlights of each project. Ms. Mumm expressed her appreciation for the cooperation that has occurred on the Spokane Falls Community College Transit Station proposal.

Mr. Otterstrom mentioned that not only is the Upriver Transit Center project important for connectivity at Spokane Community College (SCC), it is also the eastern terminal of the Central City Line and takes into consideration the location of the North Spokane Corridor. Mr. Pace asked if the transit center would include added parking for the public. Mr. Otterstrom replied that SCC's own project would include additional parking for students and staff, but Spokane Transit's does not include a park and ride component due to current limited SCC parking capacity. Mr. Otterstrom explained that not all transit centers are park and rides (the Plaza, for instance). SCC could consider allowing public parking during the evening or weekends for special events but would not likely consider daily commuter parking to the general public at its current capacity. Ms. Mumm suggested that perhaps in the future the transit center could become a park and ride. Ms. Mumm said more students may utilize public transit due to the improved frequency and connectivity at this site. This would leave more vacant stalls for a possible park and ride. Discussion ensued regarding project opportunities. Ms. Mumm stated that she appreciated that the Regional Mobility Grant applications hit on three key areas of the PTBA – great projects north, south and in the Valley.

Ms. Mumm moved to recommend the Board authorize staff to submit three Regional Mobility grant applications: Upriver Transit Center, Monroe/Regal High Performance Transit (HPT) Corridor Improvements / Park and Ride Construction, and Spokane Falls Community College Transit Station and Fort George Wright Drive Improvements. The motion was seconded by Mr. Pace. Motion passed unanimously.

Ms. Waldref commented again on the collaborative process and momentum for the Spokane Falls Community College/Fort George Wright project. Mr. Otterstrom stated that Kathleen Weinand, STA Transit Planner, has been the project manager for this project and has done an exceptional job in keeping things moving forward. Ms. Mumm agreed and said she appreciated the on-site design/charrette and the neighborhood engagement. Mr. Otterstrom credited Studio Cascade for the charrette process which worked very well. Discussion ensued regarding considerations for the future development of the affordable housing on the Catholic Charities property.

C. BOARD DISCUSSION AGENDA

No items being presented this month.

6. REPORTS TO COMMITTEE

A. PRELIMINARY MAY 2017 SERVICE CHANGES

Mr. Otterstrom explained that the item is for information only – no action is being requested at this time. It is also being presented to the Performance Monitoring and External Relations Committee due to the current public education/outreach focus. The preliminary proposal is conditional on the final election outcomes of STA Proposition 1. If Proposition 1 passes, the multi-year implementation of the projects will begin immediately starting with some of the basic service improvements that can be expected, timed with service changes in May and September 2017. Given this timeline, staff will present a preliminary proposal to Board Committees, seek public input on the proposal, and present a draft recommendation to the Board in November 2016 of the proposed service changes for May 2017 (Phase I), and begin review and outreach of the September 2017 service revisions (Phase II) in November 2016.

Although the concepts listed in this Preliminary Proposal have been outlined in the STA Moving Forward plan, the May 2017 service change proposal will be presented through a public process to receive input before a draft recommendation can be developed and brought forward. The changes are considered moderate (1.0% up to 5.0% growth or reduction in revenue hours of service in any calendar year) according to Policy 1.1 of the Communications and Public Input Element of STA's Comprehensive Plan. Required Board action is to be preceded by public outreach and a public hearing. The Preliminary Proposal represents a beginning point for public dialogue and input which will be critical for a Final Recommendation that will be published in November.

Mr. Otterstrom reviewed the timeline for receiving public input, refining, approving, and implementing the proposal as illustrated below.

DATE	ACTIVITY
September 7, 2016	Present Phase I Preliminary Proposal to Board Committees
September 15, 2016	Valley Service Change Open House (Providence Valley Medical Center, 4-6 pm)
November 2, 2016	Present Phase I Draft Recommendation to Performance Monitoring & External Relations Committee
November 17, 2016	*Public hearing on Phase I Draft Recommendation by Board of Directors
November 30, 2016	Present Final Recommendation to Performance Monitoring and External Relations Committee
December 15, 2016	Board of Directors action
May 21, 2017	Service revisions go into effect based on Board approval

* In the event that final, or near-final results of the election indicate that voters have not approved Proposition 1, the public hearing will be cancelled.

The Preliminary Proposal incorporates the first phase of improvements that could be made in 2017, generally contingent on the approval of Proposition 1 by voters. The improvements are categorized as follows:

- **Later Saturday night service throughout the system**
 - Later Saturday night service throughout the system on routes currently operating on Saturday.
 - Increased frequency of Saturday service on Route 33 Wellesley.
 - Additional Saturday service to Airway Heights.

Ms. Mumm said that she this would answer a frequently heard request.

- **Modify/Add service per *STA Moving Forward***
 - The implementation sequence for *STA Moving Forward* calls for adding new service between Spokane Valley Mall and Greenacres in May 2017.
 - There are multiple options for accomplishing this objective within the operating budget resources assumed in the *STA Moving Forward* plan for this service.
 - Three versions or options have been prepared for the preliminary proposal.
 - Valley Proposal - Version A
 - New East Broadway Route to also serve East Indiana
 - Minimal change to existing route patterns
 - Valley Proposal – Version B
 - Extend service eastward to Liberty Lake from Spokane Valley Mall.
 - New service in southwest Liberty Lake, Hawkstone
 - Valley Proposal – Version C
 - Modify existing service on Sullivan to service Broadway and Indiana.
 - Add service to the north end of Mirabeau Parkway.

Mr. Pace asked for confirmation that Version B provides service to CHAS, Providence, high density apartment complexes and Valley Mall but gives up the Broadway piece. Mr. Otterstrom confirmed and noted that due to finite resources, several options are being offered and input is being requested. Discussion ensued regarding density, demographics and metrics for determining routes and suggestions for engaging the public and land owners in the specific areas. For the Valley Proposal options, Mr. Pace said he preferred a combination of Version A and C. Mr. Pace suggested comparing demographics for Broadway between University and Sullivan with the Liberty Lake stretch. Mr. Otterstrom agreed this would be a good idea for a future report.

Mr. Otterstrom went on to explain the third segment of the preliminary proposal:

- **Modify existing routes to improve service effectiveness**
 - The route pattern for Route 173 VTC Express was created prior to the Sprague/Appleyway improvements that were completed in 1999.
 - Routing revisions could reduce travel time.
 - A “reverse peak” route pattern could support commutes to employment areas within Spokane Valley.

Further discussion ensued regarding options, frequency, connectivity and the Paratransit boundary. Mr. Pace mentioned that zoning is changing on the Argonne corridor to more flexible use and suggested that STA obtain a draft update of the City of Spokane Valley's Comprehensive Plan. Mr. Pace also mentioned an open house being held regarding the comprehensive plan on September 8, 2016 at Center Place in the Valley. Mr. Otterstrom briefly touched on the long-term vision for bus service in the Argonne corridor (currently unfunded) which would include a "flyer stop." Mr. Otterstrom said that STA staff will follow up with City of Spokane Valley staff on the draft comprehensive plan.

Ms. Meyer asked for feedback on the presentation of options. Chair Waldref and Mr. Pace said they liked it. Mr. Otterstrom said that staff will receive feedback from the community and then package and deliver a draft recommendation to the Committee and Board, including demographic details requested by Committee members.

Mr. Otterstrom reminded the Committee of the upcoming September 15, 2016, Valley Service Change Open House (Providence Valley Medical Center, 4-6 pm). Outreach at the Valley Transit Center will occur on September 27, 2016. There is also an online survey for those that cannot attend the open houses. Further details and illustrations on the specific changes to the routes can be found on the STA website at the following location:

https://www.spokanetransit.com/files/projects-plans/Draft_May_2017_Prelim_Proposal_Report.pdf

Mr. Otterstrom reiterated that in the event that final, or near-final results of the election indicate that voters have not approved Proposition 1, this proposal will be rescinded. Any changes that may take place to service in May 2017 will be more minor in nature, consistent with other recent service adjustments.

Mr. Pace recommended *The Splash* and *Current* and *Exchange* as good options to notify the Valley and Liberty Lake public of the proposal and opportunities for input. Chair Waldref suggested that reaching out to the Central Valley School District would also be important.

7. COMMITTEE INFORMATION

No items presented this month.

8. CEO REPORT

Ms. Meyer commended the STA Communications team for their groundwork with the colleges and universities to increase ridership. The team has been on site for orientations, developed posters, web micro-sites regarding the U-TAP program, and cultivated a blog at Gonzaga to name a few things. Ms. Meyer also recognized Brandon Rapez-Betty for his efforts in making multitudes of public education presentations in the community. Ms. Bousley said that in making appointments for presentations in the community regarding STA Moving Forward, the feedback has been very positive. Ms. Bousley recommended reviewing the www.stamovingforward.com site to keep up with outreach opportunities and project facts. Ms. Meyer mentioned that staff is also meeting with local media regarding STA Moving Forward.

Ms. Meyer reported that the Plaza construction is going very well.

9. NEW BUSINESS

None.

10. COMMITTEE MEMBERS' EXPRESSIONS

Chair Waldref stated that she, Ms. Meyer, Mr. Trulove, and Mr. French will be attending the Annual American Public Transportation Association conference next week. Ms. Mumm asked if Ms. Waldref could obtain one of the conference's presentations on "future trends" to bring back and share with the Committee.

Mr. Pace said that he would be interested in joining Pam Haley (Spokane Valley City Council) for Board orientation when scheduled with her. Ms. Waldref said that in relation to Board development, it was brought up that more emphasis could be placed on basic transit principles and how they are built into the comprehensive plan. Also highlight how very different STA's budgeting is from other jurisdictions. Mr. Pace asked Mr. Otterstrom to send a copy of the Committee PowerPoint presentation to Mr. Basinger at the City of Spokane Valley.

11. REVIEW OF OCTOBER 5, 2016, COMMITTEE MEETING DRAFT AGENDA

As presented in packet.

12. NEXT MEETING –WEDNESDAY, OCTOBER 5, 2016, 10:00 A.M. STA SOUTHSIDE CONFERENCE ROOM, 1230 W BOONE AVENUE

13. ADJOURN

Chair Waldref adjourned the meeting at 11:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "A. Stephens by [illegible]", written in dark ink.

Angela Stephens, Executive Assistant

PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

Minutes of the September 7, 2016, Meeting

Southside Conference Room

MEMBERS PRESENT

Tom Trulove, City of Cheney*
Steve Peterson, City of Liberty Lake
Rhonda Bowers, Labor Representative
E. Susan Meyer, CEO (Ex-Officio)

MEMBERS ABSENT

Arne Woodard, City of Spokane Valley
Aspen Monteleone, City of Airway Heights
Pamela Haley, City of Spokane Valley
John Higgins, City of Medical Lake (Ex-Officio)

STAFF PRESENT

Steve Blaska, Director of Operations
Lynda Warren, Director of Finance & Information Services
Beth Bousley, Director of Communication & Customer Service
Karl Otterstrom, Director of Planning
Steve Doolittle, Director of Human Resources
Susan Millbank, Community Ombudsman &
Accessibility Officer
Don Reimer, Maintenance & Facilities Manager
Charlie Phillips, Maintenance Analyst

GUESTS

None

* Chair

1. CALL TO ORDER AND ROLL CALL

Chair Trulove called the meeting to order at 1:30 p.m. Introductions were made.

2. PUBLIC EXPRESSIONS

None.

3. COMMITTEE CHAIR REPORT

None.

4. COMMITTEE APPROVAL

A. MINUTES OF THE JUNE 1, 2016, COMMITTEE MEETING

Mr. Peterson moved to recommend approval of the June 1, 2016, Committee meeting minutes. The motion was seconded by Mr. Trulove and passed unanimously.

B. APPROVAL OF SCOPE OF WORK TO RELEASE INVITATION FOR BIDS (IFB) FOR DIESEL AND UNLEADED FUEL

Mr. Blaska reported the current contract expires the end of January 2017. He noted that the specifications are in the packet but summarized that the pricing is being requested for unleaded fuel, diesel, and bio-diesel. Planned consumption for 2017 is included in STA's annual budget.

Mr. Blaska noted that STA is partnering with Spokane County and the City of Spokane in the release of the IFB in order to obtain better pricing.

Mr. Blaska, presented the Request for Approval to Release Invitation for Bids (IFB) for Diesel and Unleaded Fuel. He requested that the Committee approve the specifications for release of the IFB.

Chair Trulove made a motion to allow staff to release the Invitation for Bids (IFB) for Diesel and Unleaded Fuel. Mr. Peterson seconded the motion and the motion passed unanimously.

5. COMMITTEE ACTION

A. Board Consent Agenda

1. REQUEST FOR APPROVAL OF "FREE RIDE DAY" NOVEMBER 25, 2016 AND 2017 SPECIAL COMMUNITY EVENTS FARE STRUCTURE

Ms. Bousley advised that staff is requesting the Board approve suspension of all Fixed Route and Paratransit fares on Friday, November 25, 2016. She clarified that this would be the third year STA has offered a Free Fare Day on Black Friday.

Ms. Bousley reported that pending Board approval STA will inform commuters by promoting the Free Ride Day using STA website and social media. She added that an official "Free Ride Day" will not only serve to boost STA ridership; holding the event on November 25th (Black Friday) will also benefit our community by encouraging patronage of local stores and malls. Mr. Trulove clarified that the Free Ride day included all routes and Ms. Bousley confirmed.

In addition, Ms. Bousley conveyed that in order to continue to incorporate Special Community Events into the 2017 fare structure, the following events and their proposed fare structures were presented for approval:

Event	Fare	Comments
Bloomsday	\$1.50	Pre-purchased stickers, good for service all day on all routes
Hoopfest	\$1.50	Standard Day Pass discounted from \$3.50 to \$1.50
Valleyfest	-	Based on the 2017 rate for UTAP – to be negotiated spring 2017
First Night	-	Based on the 2017 rate for UTAP – to be negotiated spring 2017

Ms. Bousley noted that the fare for First Night is based on event attendance and allows event organizers to budget based on Universal Transit Access Pass (UTAP) program calculations, with a “not to exceed” limit of \$1,000. Discussion ensued. She clarified that UTAP will be dependent upon the fare increase and will be negotiated in the spring based on past ridership.

She reiterated that staff is requesting that the board approve a suspension of fare collection for Fixed Route and Paratransit riders for Friday, November 25, 2016 (Black Friday) and approve the 2017 Special Events fare structure as presented.

Mr. Peterson questioned the rate structure for Valleyfest and First Night. UTAP is based on past ridership with a “not to exceed” rate of \$1,000. Ms. Bousley clarified that they would only be charged for the rides taken – up to the \$1,000 limit amount. Discussion ensued.

Mr. Peterson asked Ms. Bousley if STA would be coordinating the Free Ride Day with merchants so they can advertise. Ms. Bousley stated that last year STA worked with retailers and will this year, too. Mr. Peterson believed it is important for merchants to be able to promote. Discussion ensued.

Chair Trulove moved to recommend the approval of the suspension of fare collection from Fixed Route and Paratransit riders on Friday, November 25, 2016. The motion was seconded by Mr. Peterson and passed unanimously.

Chair Trulove moved to approve the 2017 Special Events fare structure for Bloomsday, Hoopfest, Valleyfest and First Night as presented. The motion was seconded by Mr. Peterson and passed unanimously.

B. Board Discussion Agenda

(No items are being presented this month.)

6. COMMITTEE REPORTS

A. 2ND QUARTER 2016 PERFORMANCE MEASURES – RESULTS

Mr. Blaska presented 2nd Quarter Performance Measures, reporting that fixed route ridership is falling short of our goal to exceed last year’s ridership. Mr. Blaska pointed out that the entire list of performance measures are posted on the website but the highlights presented here have been requested by the committee.

Mr. Blaska reported the decline in ridership has occurred predominantly in post-secondary school market, with EWU and community college programs being down from their record highs a couple years ago. He stated that since April a general decrease in overall Adult Pass ridership has occurred. Outreach to other transits across the country and the American Bus Benchmarking Group (ABBG) reports indicate similar trends nationwide. In an attempt to regenerate interest in that post secondary school market, staff will be conducting an outreach to college campuses this fall.

Mr. Blaska highlighted the national trend developing over the last year and pointed out that during the recession, many transit agencies had significant reductions in ridership that went along with their service cuts. Some agencies are now building back services previously cut. He reported that STA has basically beat the national trend on what has happened in ridership over the last ten years.

He further noted that Paratransit ridership has experienced a 2.5% ridership increase year-to-date. Staff observes that certain implemented programs have reached full maturity which previously controlled growth (in person assessments, mobility training, special use vanpool, and van grant programs). It appears STA has seen the maximum impact of these programs for controlling growth and is predicting modest growth in Paratransit demand going forward. Additionally, he articulated that some of the social services agencies that experienced budget cuts during the recession are restoring some services to the groups that utilize Paratransit.

Vanpool is the most sensitive to gas prices and staff has reported ridership decline over the last few months. Mr. Blaska noted the decline was particularly acute in June due to the Triumph strike. He reported approximately 13 vans at Triumph which account for 3600 to 3900 trips per month. Triumph didn’t get back into full swing until the 2nd week of July and, as such, there is a residual impact on ridership. Staff has been aggressively seeking

large employers to promote interest and build new vanpool groups. Some of the employers contacted include EWU, St. Luke's Hospital, Kootenai Health Clinic, and the new Comcast call center in Liberty Lake.

Mr. Blaska continued, stating the other metric for Customer Service is on-time performance. He reports fixed route on-time performance is currently 90%, with the average throughout the year at 92.5%. Staff reports construction has negatively impacted on-time performance, which is now being fully reported by the CAD/AVL system.

Mr. Blaska reported the STA's Quality Counts Survey program (Mystery Shopper) exceeded the goal of 4.5 average on a scale of 1 to 5.

He reminded the committee that the fixed route cost per passenger will continue to lag over the quarter as the new budgeting system is implemented, stating that they will look a little more positive and "true up" by 3rd and 4th quarters.

STA has a safety benchmark of attempting to retain a standard of .07 preventable accidents per 10,000 miles. Performance in May and June are below standard, with 9 of the 23 accidents experiencing zero damage, and 12 of the 23 less than \$2,500. Mr. Blaska clarified that when contact is made, even if there is no damage, it is counted as an accident. He stated that Paratransit has had relatively few accidents, with 3 of 9 having zero damage and another 5 with less than \$2,500.

Ms. Bowers asked if STA were preparing for the impact on ridership due to Eastern Washington University requiring students to live on campus. Mr. Blaska and Mr. Otterstrom indicated STA has begun to see the results of that requirement. Discussion ensued.

Mr. Peterson asked about local service in Cheney. Mr. Blaska explained the different routes available and changes that have been implemented. Discussion ensued.

Chair Trulove asked if there were any questions. None were forthcoming.

B. ENERGY PRESERVATION PROJECTS AND ENVIRONMENTAL INITIATIVES – UPDATE

Mr. Blaska reported the Citizens Advisory Committee worked on a sustainability policy in 2014 to be included in Comprehensive Plan for Spokane Transit which the Board adopted in 2014.

STA has implemented two major projects over the past few years: Fixed Route Fuel Economy and Vehicle Emissions Measures. Mr. Blaska reported that over the last ten years, through a combination of emerging requirements, new technology, and local initiatives to retrofit older buses, Spokane Transit's Fixed Route fleet has made significant strides in fuel economy and minimizing environmental impacts.

Mr. Blaska conveyed that since the actions completed have included iterative changes over the course of several years and differing bus sizes, it is challenging to calculate the results fleet wide. However, he informed that calculations based on a fleet of 81 forty-foot buses that average 50,000 miles a year using the old technologies as compared to what STA is operating today provide some insight into the cumulative impact of these actions. This comparison reveals that STA's actions resulted in 266,182 fewer gallons of fuel used annually. This 29.6% reduction in fuel consumption translates directly into emission reductions of particulate matter, CO, CO₂ and NO_x. Carbon dioxide output alone is reduced by 2,705 metric tons annually. He briefly explored the chronology of significant events for STA's vehicle operations outlined in more detail in the packet.

Mr. Blaska highlighted Don Reimer, Vehicle Maintenance and Facilities Manager, and Charlie Phillips, Maintenance Analyst, for their work and their diligence in research and application of the Energy Preservation Projects and Environmental Initiatives.

In addition to the vehicle program, Mr. Blaska explained that STA's previous long-term capital plan included the iterative replacement of heating and ventilation equipment (HVAC) over a period of several years.

Mr. Blaska explained that in 2013, STA partnered with Washington State Department of Commerce, Department of Enterprise Services, McKinstry, and Avista to evaluate the benefit of a more comprehensive energy savings project. The project included the replacement of STA's original HVAC units with more efficient heating and cooling systems, thermal pane windows, LED lighting at the Boone and Plaza garages, and a centralized digital control system to establish schedules and setbacks for heating and cooling requirements.

To assist in funding the project, STA received \$547,000 in state grants and will qualify for approximately \$306,000 in Avista incentives later this year. Guaranteed annual energy savings from the project is a minimum of \$120,449. The entire project cost has an investment payback of 12 years, while most of the equipment replaced has a 20+ year life cycle.

Mr. Blaska reported on other general environmental accomplishments achieved. STA has reduced our hazardous waste stream significantly since 2013 and, as a result, has been reclassified by the Washington State Department of Ecology as a "small" quantity generator of hazardous waste.

Spokane Regional Clean Air Agency has recognized STA for going “above and beyond” the basic requirements of their air quality permits. Over the past four biennium, STA has been recipient of two gold and two silver awards.

Chair Trulove asked if there were questions. None were forthcoming.

C. 2015 ANNUAL ROUTE REPORT

Mr. Otterstrom presented the 2015 Annual Route Report which details the specific results on the routes. He advised that the full report is in the packet for further review. He reviewed the highlights and other items that relate to how STA works with the public and routes.

- Performance Results - tied to metrics in Comprehensive Plan for Fixed Route
- Indicators regarding routes – encyclopedia regarding routes
- Transit Access Program – calculations used to produce annual direct utility charges for each of the routes with contracts with different providers. Data comes from STA’s performance and cost structures.

Mr. Otterstrom reported that these three metrics represent the people, financial, and environmental impacts STA endeavors to create as a benchmark for performance measures to respect the different roles routes have within the system.

He further explained that ridership productivity is measured by boardings per revenue hour to serve the highest number of people possible; energy consumption efficiency is measured by number of people using the buses measured against the energy consumed on bus compared to personal automobile; and farebox recover represents the farebox that each route collects when compared to its direct operating costs and how it compares across the system.

Mr. Otterstrom continued on and reviewed the slides and route results, stating STA continually looks at performance indicators, public comments, and opportunities to make improvements.

Mr. Otterstrom pointed to three items in the packet that relate to Fixed Route service and noted that this is the 3rd time reporting to the committee the public input received regarding routes. He stated that any major changes STA make to routes come through the Committee for recommendation and action process, further noting that if it is a minor change, such as September of this year, the changes are included in the committee packet as information.

Mr. Otterstrom reported that preliminary May service changes are tied to STA Moving Forward but also incorporate citizen feedback and ideas. In response to Mr. Peterson’s question concerning number of riders on routes, Mr. Otterstrom reported the ranking of the routes based on average weekday ridership can be found in the report on a bar chart on page 26. Mr. Otterstrom explained that staff monitors route by route performance, keeping in mind the importance of each route having a different role in the system. He reiterated that the 68 is about local connections in Cheney but it would fare worse if there were no route to Spokane. Mr. Peterson asked about the dollar, number averages, riders per day for the 90. Discussion ensued. Chair Trulove asked Mr. Peterson if his question had been answered and he stated that it was answered.

Mr. Peterson went on to question the capacity of bus handling. Mr. Otterstrom explained that the report includes the metrics by route so individuals can see what the actual cost is for each of the routes. Mr. Peterson asked where it was and Mr. Otterstrom stated it was in the full packet – Ms. Meyer provided Mr. Peterson with copies as he didn’t have his packet. Mr. Otterstrom reviewed Route 97 results. Ms. Meyer also provided fare revenue pages. Discussion ensued.

Mr. Trulove pointed out an interesting fact concerning the service revision piece is when talking about extending new service to the Valley, having options available that accomplish slightly different things and allow staff and committee members to evaluate those tradeoffs. Mr. Otterstrom said it was very important to note that everything in STA Moving Forward (all different service concepts) are usually “yet to be decided” options that flow out of each commitment in STA Moving Forward. Whether it’s more service to Liberty Lake, more on East Broadway, service to Mirabeau Parkway, options and tradeoffs, he reported STA typically finds that staff receives feedback and problem solves and might find other ways to do it, but that’s the case with everything in STA Moving Forward. When people want service beyond what is currently committed to, there is still the

possibility STA can find ways to do that just because of optimizing the network that will continue to happen. STA continually find ways to improve the system.

Mr. Peterson asked what the additional cost would be and what is projected for revenue on the #1 Southside Medical that STA wants to implement in May 2017. Mr. Otterstrom explained that almost everything in the packet represented items identified through the overall planning process and the level of analysis to project ridership on each of those would be so extensive, it would be unfair to do because it would not give a good sense of what ridership benefit is achieved over the course of the entire system by just what happens in that one hour.

Mr. Otterstrom stated this is the preliminary proposal and STA will be receiving input from the public. The draft recommendation will be brought back when there is a proposal that looks at the demographics, the population and jobs served today that are served better by the service improvements, and staff can talk about the overall ridership and costs associated with that but breaking it up trip by trip is usually not a very good analysis in the end.

Chair Trulove asked if there were additional questions. None were forthcoming.

7. CEO REPORT

- A. Ms. Meyer reported that Ms. Bousley has been working with the universities and community colleges to stimulate increased ridership since that is where the ridership decline appears, especially at Eastern Washington University (EWU) and Spokane Community College (SCC). She informed that the communications department created multiple microsites for the universities so students can go to sites such as <http://uride.spokanetransit.com/gu> and see a website specifically for Gonzaga University. In addition to going to student orientation, attending with a bus if available, STA is providing posters, and communications has partnered with bloggers at the universities to continue to carry the message that your fare is free to you – everyone at Gonzaga and EWU and SCC gets to ride the bus. Staff believes this is the way to dig in and take a hands on approach to finding the people who are our biggest source of riders.
- B. Plaza Renovation is going well and is on time. Walker Construction is still doing a great job. STA has not had to close the Plaza at 8:00 P.M. as a result of noise. They are completing the noisy work after 11:00 P.M. The decibel readings during the day are in the acceptable range.

Mr. Otterstrom mentioned there is an Open House and staff are inviting City of Spokane Valley and Liberty Lake representatives on September 15th, from 4:00 to 6:00 at the Providence Medical Center on East Desmet. There are three alternatives with the public and potential changes to the Valley Transit Center (VTC) Express. He reported that this is lead up work which needs to be done to make service improvements by May of 2017 to those routes.

Mr. Peterson asked about the improvements at the Providence Medical Center. He asked specifically about the number of trips now on a daily basis. Mr. Otterstrom clarified that he was speaking about bus trips. STA Moving Forward calls for starting with weekday and regular 12 hours per day buses coming through typically every half hour are considered basic service levels. The second phase in STA Moving Forward calls for the nights and weekends to come the following year. Mr. Otterstrom reported that will be something to consider how to phase that in appropriately. Typically, with route planning staff are trying to make the best route possible so STA serves the most number of places and thereby creates the most ridership potential. It is not just the ridership at Providence that STA will be concerned with at the end.

Mr. Peterson asked how that would impact Paratransit. Mr. Blaska explained that it would be based on the final option determination but related that it would be a fairly minor change to the Paratransit boundary. Ms. Meyer stated it would be an improvement. Mr. Blaska clarified that it would be an addition, based on the new route pattern picked, of three-quarters of a mile from that route to be included in Paratransit. He reported there may be some changes in Green Acres and the Mission/Indiana area. Mr. Peterson clarified his question, asking if he got on Paratransit in Liberty Lake would he be able to get to Providence Medical Center. Staff reported yes.

Mr. Peterson stated that Liberty Lake's other concern is the internal circulation in Liberty Lake. He stated that Cheney had an internal route that operated in town and that Liberty Lake is only a destination stop, with no internal circulation and he reported that was a concern to the Liberty Lake members. Mr. Otterstrom replied that one of the route option scenarios being considered is a local Liberty Lake route.

Mr. Peterson asked Mr. Blaska a question regarding sales tax money this year compared to last year, and how much increase has STA received. Ms. Warren responded, stating STA is at approximately 6% above anticipated tax revenue

for the current year; however, she added that August was 3.7% above. Ms. Warren cited her interest in September and October's results. She added that fares and other transit revenues are down so STA is approximately 1% over where staff expected to be this time of year. Ms. Warren stated that information was also included in the packet in Section 8 Reports.

8. COMMITTEE INFORMATION

- A. June 2016 Semi Annual Financial Reports (*as presented*)
- B. July 2016 Financial Results Summary (*as presented*)
- C. August 2016 Sales Tax Revenue Information (*as presented*)
- D. July 2016 Operating Indicators (*as presented*)
- E. 2nd Quarter 2016 Safety & Loss Summary (*as presented*)
- F. 2nd Quarter 2016 Service Planning Input Report (*as presented*)
- G. September 2016 Service Changes (*as presented*)
- H. Preliminary May 2017 Service Changes (*as presented*)
- I. Communications Update (*as presented*)

9. October 05, 2016 COMMITTEE PACKAGE AGENDA REVIEW

Chair Trulove asked for comments on the June 29, 2016 Special Committee Agenda. None were presented.

10. NEW BUSINESS

None.

11. COMMITTEE MEMBERS' EXPRESSIONS

Ms. Bowers complimented Mr. Otterstrom on the graphics of the slides, reporting they were easy to understand in color.

Mr. Peterson expressed Liberty Lake's concern with being able to connect within their communities. Mr. Otterstrom stated that version B of the scenarios in the preliminary proposal represent the version that will serve the area by Legacy and Hockstone as a local route inside Liberty Lake. Mr. Peterson reiterated that as one of the issues, going back to the cost, he stated he knew STA doesn't want to know what the cost is for the individual routes, but he does. Mr. Otterstrom interjected that STA does consider the costs for the routes, but not for individual trips. Mr. Peterson replied that he wanted to know how much it would cost STA to put those routes on – hypothesizing if STA were to put two buses for however many hours per day, whatever that cost is, so he can fully understand the cost benefit to Liberty Lake with the Moving Forward issue.

Mr. Peterson also reported seeing more Uber in Liberty Lake and continued that over last 30 days, Spokesman Review had run articles on the automobile companies' ability to provide driverless cars in the future. He believes they will probably be single passenger cars, electric, show up at your door, pick you up, and take you someplace. He surmised the money you pay will probably go straight to the car manufacturer, stating that it's all going to monetize the transportation of cars in the future. Mr. Peterson felt it was important that public transportation companies be familiar with what is going to happen in the future. He compared it to the 7th or 8th iteration of I-Phones, saying that ten years ago there were no I-Phones. Mr. Trulove observed that if the high speed run to Cheney were replaced with cars, there would be gridlock on the freeway. Mr. Peterson stated he understood and thought that was a capacity issue from DOT's perspective and the buses are saying "let's take you off of that road". Mr. Peterson feels STA is going to have a driverless bus, and that there will be a driverless trucks, and driverless cars. He stated these were just his views that he was wanting to express and didn't want to go any further.

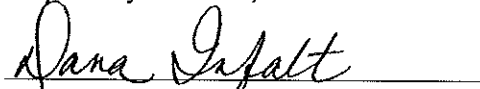
Chair Trulove asked if there were any other expressions. None were forthcoming.

12. ADJOURN

Mr. Peterson motioned to adjourn the meeting, Chair Trulove seconded the motion. The meeting adjourned at 3:00 p.m.

13. NEXT MEETING: OCTOBER 05, 2016, 1:30 P.M. (STA SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE)

Respectfully submitted,



Dana Infalt, Executive Assistant

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 12B AUGUST 2016 FINANCIAL RESULTS SUMMARY

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Lynda Warren, Director of Finance & Information Services
Lynn Holmes, Financial Services Manager
Tammy Johnston, Budget and Accounting Manager

SUMMARY: Attached are the August 2016 financial results. The emphasis is on what percent of the budget has been received or expended to date compared to where we are in the year. August equates to 67.0% of the year.

Revenue

Overall, revenue is at 68.9% of budget (\$48.4M) which is slightly above the expected (\$47.0M).

Fares & Other Transit Revenue is below budget at 59.6%.

Sales Tax Revenue is slightly higher than the budget at 69.0%.

Federal & State Grants is higher than the expected budget at 79.2%.

Miscellaneous Revenue is higher than the expected budget at 80.8%.

Operating Expenses

Operating expenses at 61.3% of budget (\$39.1M) are 11% below the expected amount of 67.0% (\$43.7M).

Fixed Route 60.8% of budget expended

Paratransit 58.6% of budget expended

Vanpool 52.7% of budget expended

Plaza 57.9% of budget expended

Administration 58.9% of budget expended

Operating expenses are greatly influenced by timing of payments. For example, only 31.0% (\$1.4M) of the fuel budget has been spent to date and we expect that to change significantly as the year goes along.

RECOMMENDATION TO BOARD: Information only.

FINAL REVIEW FOR BOARD BY:

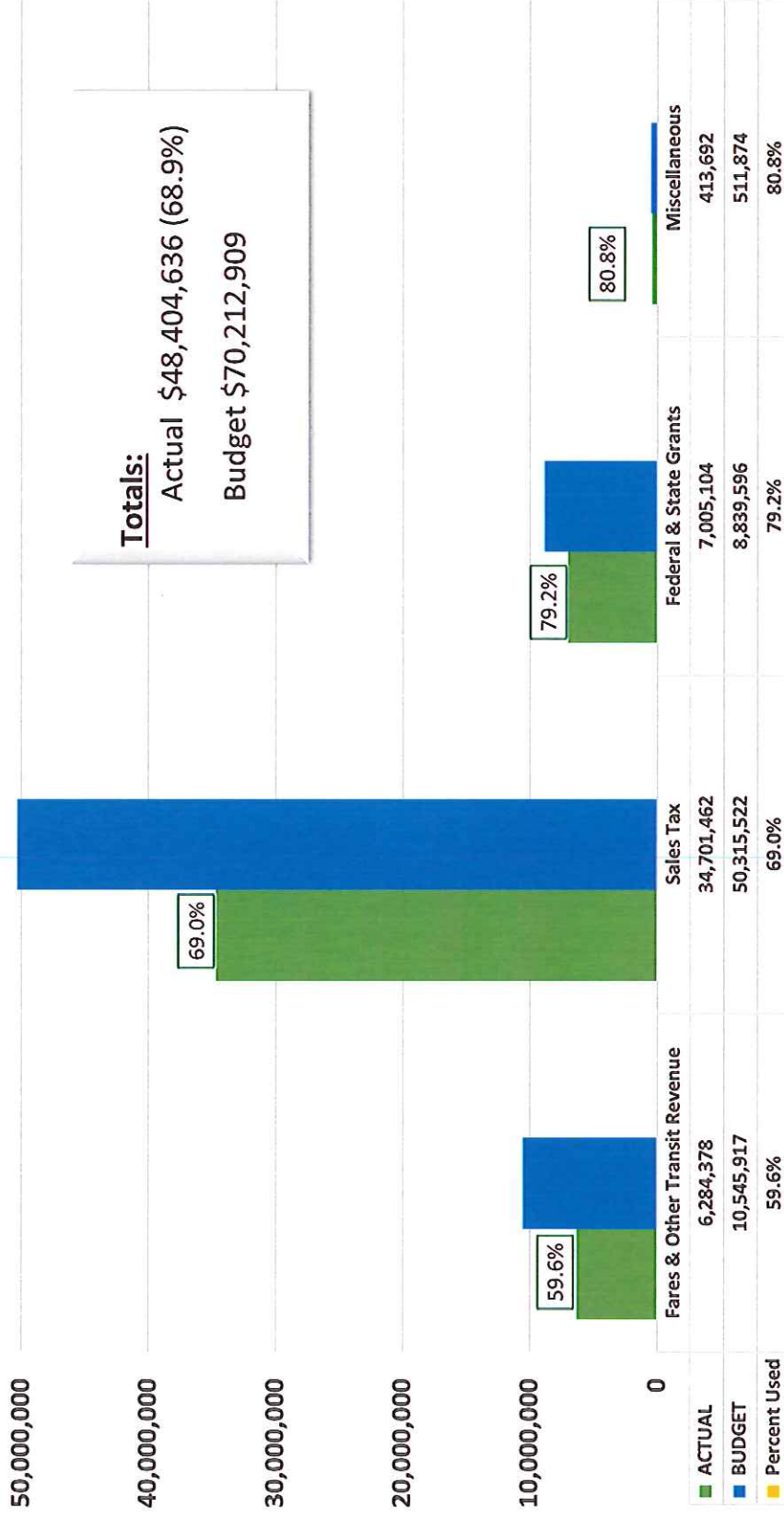
Division Head LLW

Chief Executive Officer ESM

Legal Counsel LM

Spokane Transit Revenues ⁽¹⁾ - August 2016

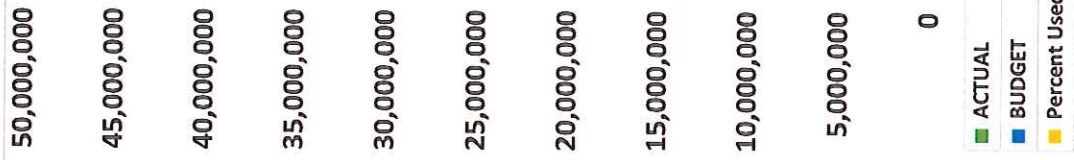
[August = 67% of Year]



⁽¹⁾ Above amounts exclude grants used for capital projects. Year-to-date August 2016, state capital grant reimbursements total \$455,401 and federal capital grant reimbursements total \$501,141.

Spokane Transit Operating Expenses⁽¹⁾ - August 2016 [August = 67% of Year]

Totals:	
Actual	\$39,145,543 (61.3%)
Budget	\$65,203,023
Fuel:	
Actual	\$1,427,694 (31.0%)
Budget	\$4,606,058



⁽¹⁾ Operating expenses exclude capital expenditures of \$3,352,594 and Street/Road cooperative projects of \$22,352 at year-to-date August 2016.

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

October 20, 2016

AGENDA ITEM 12C **SEPTEMBER 2016 SALES TAX REVENUE INFORMATION**

REFERRAL COMMITTEE: N/A

SUBMITTED BY: Lynda Warren, Director of Finance & Information Services
Lynn Holmes, Financial Services Manager
Tammy Johnston, Budget and Accounting Manager

Attached is September 2016 sales tax revenue information.

September sales tax revenue, which represents sales for July 2016, was:

- +1.9% over September 2015 actual
- +5.6% YTD above budget
- +5.7% above YTD actual

RECOMMENDATION TO BOARD: Information only.

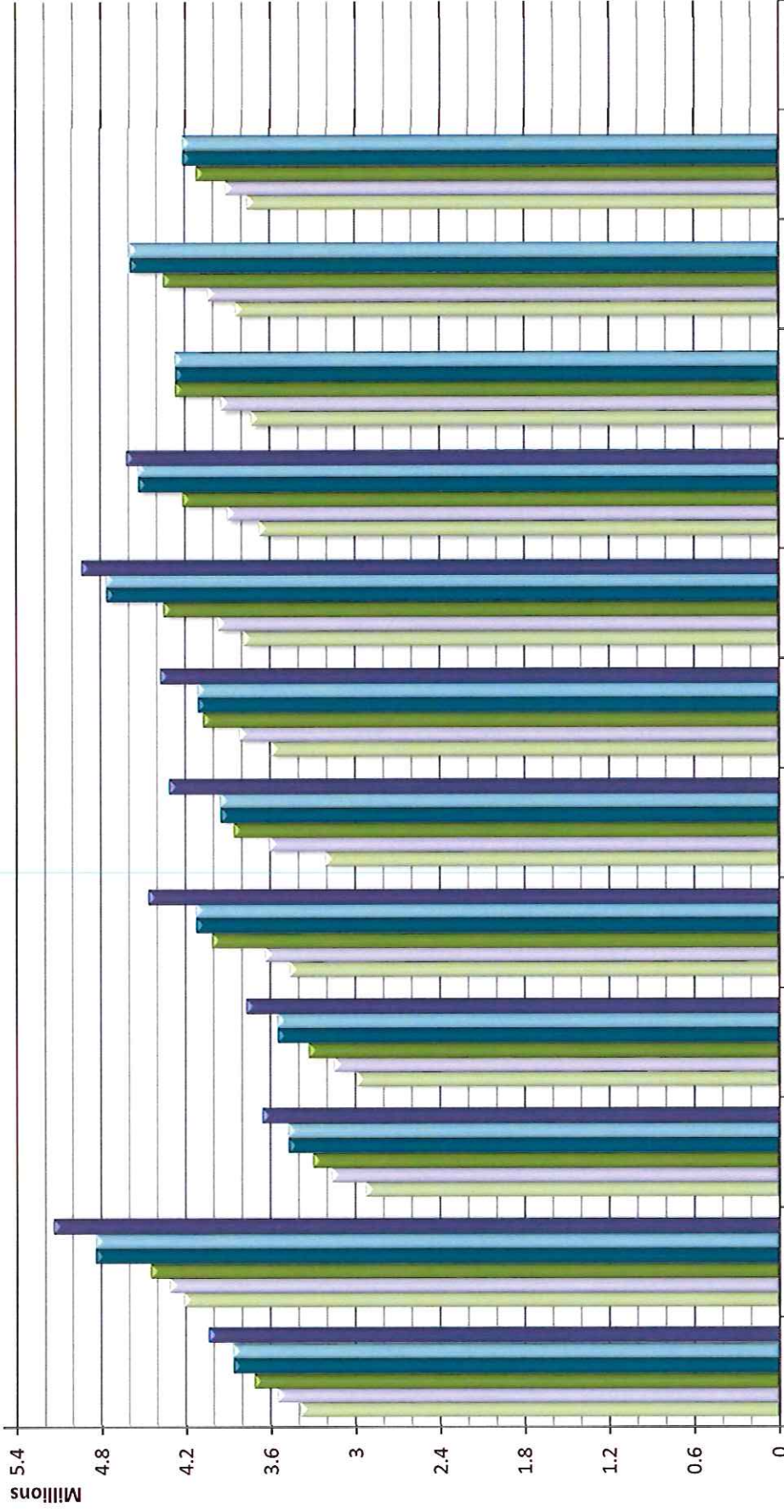
FINAL REVIEW FOR BOARD BY:

Division Head LLW

Chief Executive Officer ESM

Legal Counsel CM

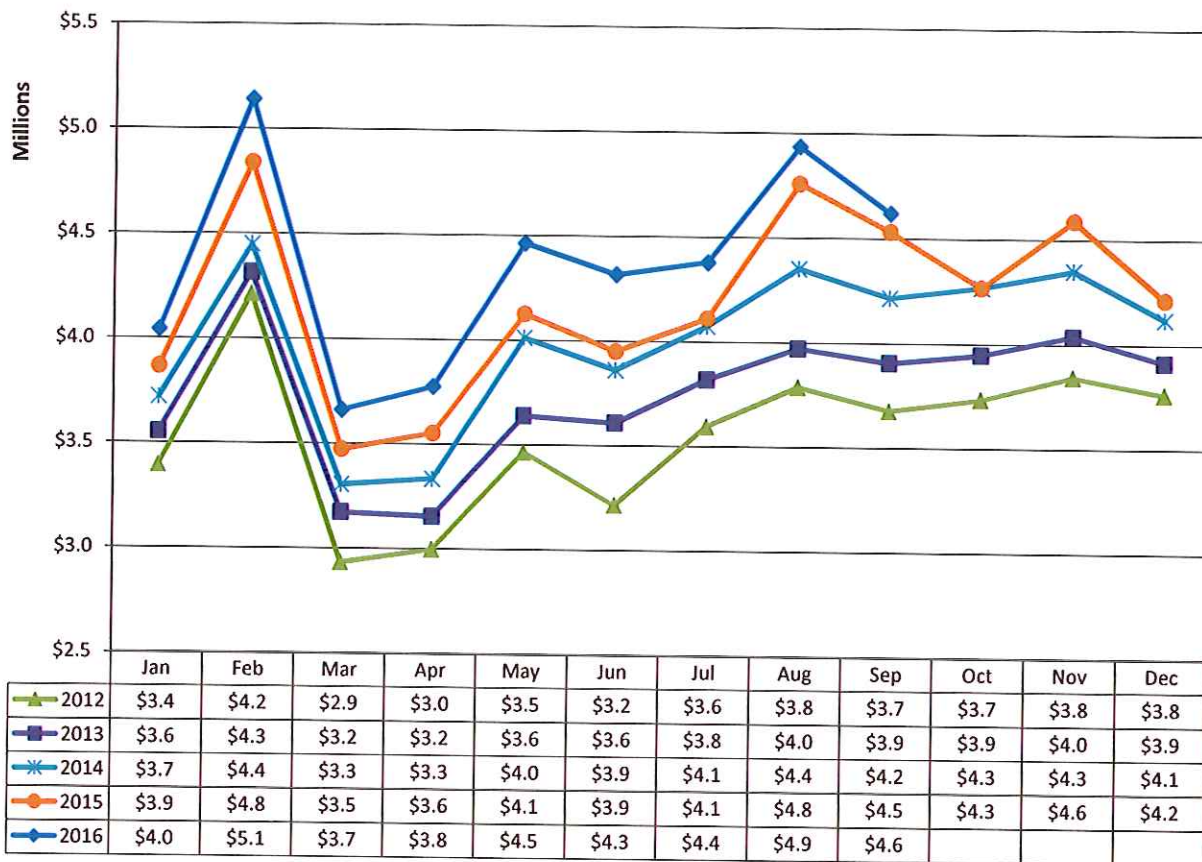
2012 - 2016 SALES TAX RECEIPTS (1)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012 Act.	3,393,162	4,210,587	2,931,140	2,995,322	3,464,079	3,214,084	3,595,195	3,786,787	3,677,285	3,733,831	3,842,726	3,761,526	42,605,722
2013 Act.	3,552,629	4,313,315	3,170,287	3,152,776	3,638,110	3,607,445	3,818,364	3,971,379	3,905,284	3,946,531	4,038,362	3,913,617	45,028,101
2014 Act.	3,717,183	4,445,759	3,303,019	3,331,820	4,010,737	3,860,469	4,073,091	4,352,108	4,215,907	4,267,406	4,349,765	4,119,702	48,046,965
2015 Act.	3,865,250	4,835,478	3,471,459	3,550,797	4,124,484	3,949,801	4,109,906	4,756,705	4,530,359	4,265,975	4,587,132	4,211,936	50,259,282
2016 Bud.	3,869,575	4,840,888	3,475,344	3,554,771	4,129,100	3,954,221	4,114,505	4,762,028	4,535,428	4,270,749	4,592,265	4,216,648	50,315,522
2016 Act.	4,040,342	5,138,043	3,659,616	3,772,996	4,462,273	4,315,784	4,378,473	4,933,936	4,618,531	-	-	-	-
\$ Mo. Var.	175,092	302,566	188,156	222,199	337,789	365,983	268,567	177,231	88,172	-	-	-	-
% Mo. Var.	4.5%	6.3%	5.4%	6.3%	8.2%	9.3%	6.5%	3.7%	1.9%	0.0%	0.0%	0.0%	0.0%
\$ YTD Var.	175,092	477,657	665,814	888,013	1,225,801	1,591,784	1,860,351	2,037,582	2,125,754	-	-	-	-
% YTD Var.	4.5%	5.5%	5.5%	5.6%	6.2%	6.7%	6.7%	6.2%	5.7%	0.0%	0.0%	0.0%	0.0%
% YTD Bud. Var.	4.4%	5.4%	5.4%	5.5%	6.1%	6.6%	6.5%	6.1%	5.6%	0.0%	0.0%	0.0%	0.0%

(1) Sales tax distributions lag two months after collection. For example, collection of January taxable sales are distributed in March.

Sales Tax Revenue History-September 2016⁽¹⁾



(1) Sales tax distributions lag two months after collection by the state. For example, collection of January taxable sales are distributed in March.

Sales Tax Summary (with Mitigation for All Jurisdictions)

September 2016

	YTD 2015	YTD 2016	\$ CHANGE	% CHANGE
CHENEY	853,762	993,139	139,378	16.3%
LIBERTY LAKE	1,899,921	2,197,694	297,773	15.7%
MILLWOOD	\$ 316,474	\$ 352,042	\$ 35,568	11.2%
SPOKANE COUNTY	16,976,244	18,221,172	1,244,929	7.3%
SPOKANE VALLEY	13,911,236	14,792,141	880,905	6.3%
PFD	6,560,299	6,966,365	406,065	6.2%
STA	37,194,239	39,319,994	2,125,754	5.7%
SPOKANE	30,019,612	31,404,341	1,384,730	4.6%
AIRWAY HEIGHTS	1,256,895	1,271,539	14,644	1.2%
MEDICAL LAKE	208,119	205,388	(2,731)	-1.3%
ALL	\$ 109,196,801	\$ 115,723,815	\$ 6,527,014	6.0%

SPOKANE TRANSIT AUTHORITY

BOARD MEETING

October 20, 2016

AGENDA ITEM **12D**

AUGUST 2016 OPERATING INDICATORS

REFERRAL COMMITTEE: Performance Monitoring & External Relations

SUBMITTED BY: Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning

SUMMARY: There were two more weekdays in August 2016 compared to August 2015.

FIXED ROUTE

Overall monthly ridership decreased 1.8% (752,838 vs. 766,403 in August 2015) and is down 5.2% (6,880,898 vs. 7,259,487) YTD. The ridership goal is 1.5% growth in 2016.

- Adult ridership decreased 2.7% (441,998 vs. 454,435 in August 2015) and is down 7.7% (4,202,876 vs. 4,552,997) YTD.
- CCS Pass ridership decreased 22.4% (13,143 vs. 16,929 in August 2015) and is down 18.5% (407,341 vs. 499,670) YTD.
- Eagle Pass ridership decreased 22.2% (8,428 vs. 10,833 in August 2015) and is down 10.7% (481,104 vs. 538,735) YTD.
- GU Bulldogs pass ridership totaled 2,330 for August 2016 and totals 32,229 YTD.
- Youth ridership decreased 5.7% (35,035 vs. 37,147 in August 2015) and is down 1.8% (433,505 vs. 441,424) YTD.
- Reduced Fare / Paratransit ridership increased 0.9% (123,496 vs. 122,420 in August 2015) and is up 0.9% (995,844 vs. 986,993) YTD.

PARATRANSIT

Monthly ridership increased 2.9% (38,008 vs. 36,927 in August 2015) and is up 1.4% YTD (316,173 vs. 311,882 in 2015). The 2016 ridership goal is to maintain 2015 ridership. As previously reported, certain programs which assisted in controlling growth (in person assessments, mobility training, special use vanpool, and van grant programs) have reached full maturity. It appears STA has seen the maximum impact of these programs for controlling growth and is predicting we will have modest growth in Paratransit demand going forward. Moreover, some of the social services agencies that had budget cuts during the recession are restoring some services to the groups that utilize Paratransit.

VANPOOL

Vanpool customer trips were down only 0.5% (16,737 vs. 16,824 in August 2015), and down 11.3% (131,567 vs. 259,352) YTD. One group folded in August and four new vans started up. There were 92 vs. 94 total vans were in service in August 2016 vs. August 2015. The 2016 ridership goal is a 7% increase over 2015.

Active riders are those that took at least one trip in the month. There were 685 active riders in August 2016 vs. 753 in August of 2015. The average daily ridership trips were down 36 (862 vs 898 in 2015) with the average monthly trips per van up 3 (182 vs 179 in 2015).

- Riders added in August this year 30 vs 41 in August 2015.
- Riders removed this year, 18 in 2016 vs 16 in August of 2015.
- Days operated 1,787 vs 1,761 in August of 2015.
- Average vanpool round trip 52.96
- Total vans in operation 92 vs 94 in 2015

A new van formed traveling from Coeur d'Alene to a brand new employer on the West Plains; Exotic Metals. Exotic Metals is not a CTR required participating employer, but has chosen to provide a subsidy to any employee wishing to try vanpool to get to and from work. The maximum out-of-pocket for the employee is only \$30.

Vanpool completed visits at Kootenai Health, Comcast, Office of Administrative Hearings, and took a day trip to Spangle to do some guerilla marketing. A new van is set to start to Kootenai Health in September and a van is preparing to take off for Office of Administrative Hearings.

Vanpool posted a 6.8% increase in revenue miles over August of 2015. This is the 3rd increase of the year in revenue miles and the largest so far. Our vans are traveling further and therefore generating overall more revenue per van than any other month this year.

CUSTOMER SERVICE

Total monthly pass sales decreased 6.2% (9,628 vs. 10,269 in 2015). YTD pass sales declined by 3.9% (74,542 vs. 77,597). This monthly increase is attributed to a bulk sale to a pass outlet program.

- Adult Pass/Smartcard sales increased 14.1% (4,403 vs. 3,860 in August 2015). YTD sales decreased by 3.1% (32,937 vs. 33,995).
- ESBP sales decreased 9.5% (854 vs 944 in August 2015). YTD pass sales decreased 8.4% (6,637 vs. 7,248).
- Student Pass sales decreased 72.1% (34 vs. 122 in August 2015). YTD pass sales decreased 76.4% (340 vs. 1,440). Decreases are attributed to universities converting to the UTAP program.
- Youth Pass/Smartcard monthly sales decreased 40.4% (1,307 vs. 2,194 in August 2015). YTD pass sales decreased 2.4% (10,650 vs. 10,916).
- City Ticket monthly sales increased 10% (406 vs. 369) in August of 2015). YTD pass sales increased 1.4% (3,255 vs. 3,210).
- Reduced Fare Pass/Smartcard monthly sales decreased 7.3% (1,845 vs. 1,990 in August 2015). YTD pass sales decreased 1.5% (14,237 vs. 14,456).
- Paratransit Pass/Smartcard sales decreased 1.4% (779 vs. 790) in August 2015). YTD sales increased 2.4% (6,486 vs. 6,332).

RECOMMENDATION TO BOARD: Information only.

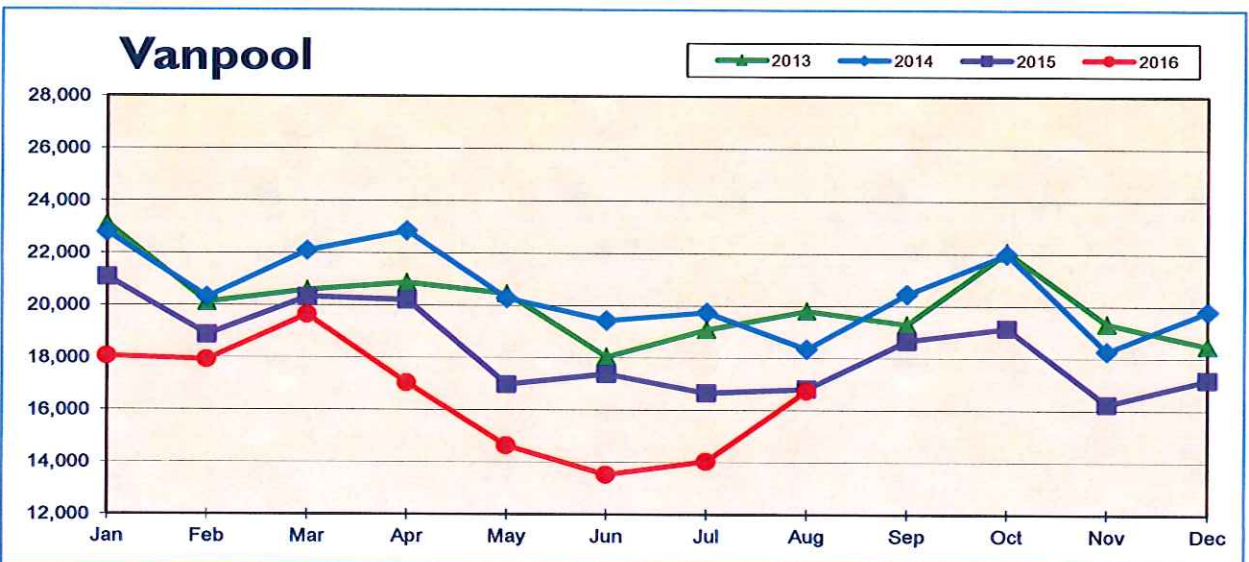
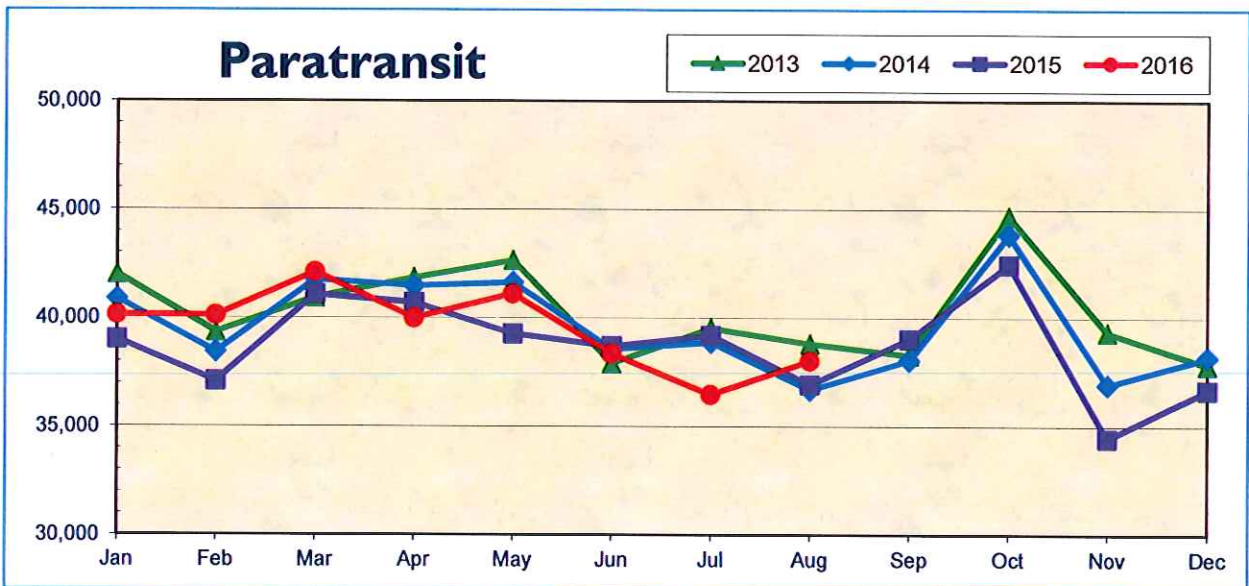
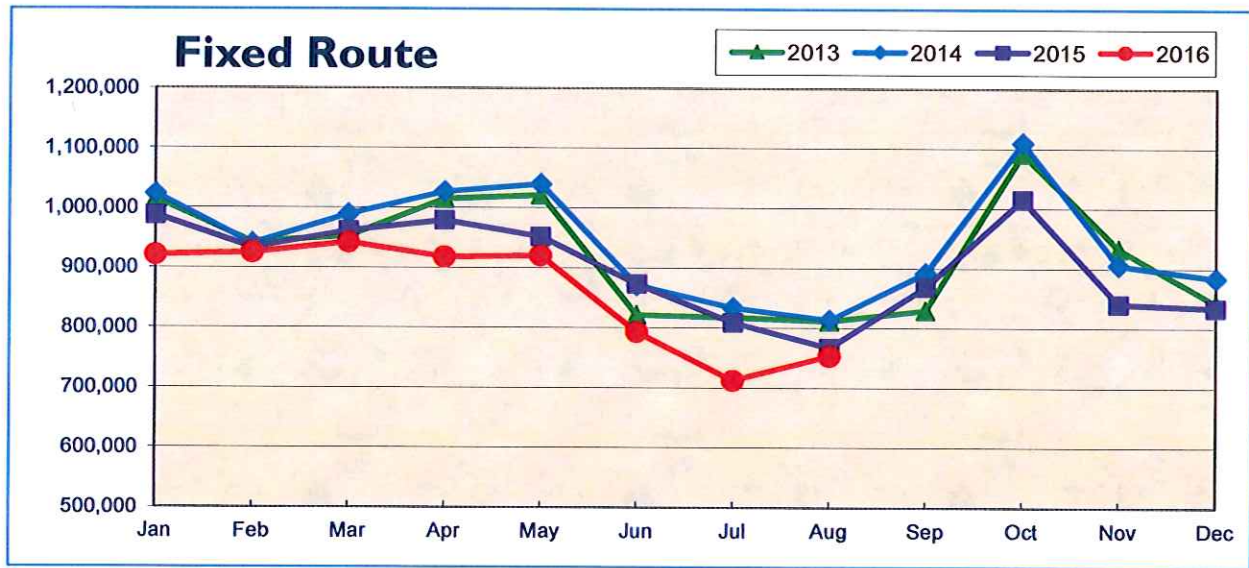
FINAL REVIEW FOR BOARD BY:

Division Head SB/ko

Chief Executive Officer ESM

Legal Counsel CM

RIDERSHIP



PASS SALES

