

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

PLANNING & DEVELOPMENT COMMITTEE MEETING

Minutes of the February 5, 2025, Meeting

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

MEMBERS PRESENT

Tim Hattenburg, City of Spokane Valley – *Chair*
Kitty Klitzke, City of Spokane
Lili Navarrete, City of Spokane
Rhonda Bowers, Labor Representative
(*Non-voting*)
Brandon Rapez-Betty, Interim Co-Chief Executive
Officer
Karl Otterstrom Interim Co-Chief Executive Officer

MEMBERS ABSENT

Dan Dunne, Small Cities Representative (Liberty Lake)
Al French, Spokane County
Chris Grover, Small Cities Representative (Cheney)
Ex-Officio

STAFF PRESENT

Nancy Williams, Chief Human Resources Officer
Carly Cortright, Chief Communications &
Customer Service Officer
Kade Peterson, Chief Information Officer
Tammy Johnston, Interim Senior Financial
Services Manager
Vicki Clancy, Executive Assistant to the Chief
Planning & Development Officer

PROVIDING LEGAL COUNSEL

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

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

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

2. **COMMITTEE CHAIR REPORT**

Chair Hattenburg had no updates for the Planning & Development Committee.

3. **COMMITTEE ACTION**

A. **MINUTES OF THE DECEMBER 4, 2024, COMMITTEE MEETING**

Ms. Kitty Klitzke moved to approve the December 4, 2024, Planning & Development Committee meeting minutes. Chair Tim Hattenburg seconded, and the motion passed unanimously.

4. **COMMITTEE ACTION**

A. **BOARD CONSENT AGENDA** – none

B. **BOARD DISCUSSION AGENDA** - none

5. REPORTS TO COMMITTEE

A. 2025 PLANNING & DEVELOPMENT COMMITTEE WORK PROGRAM: REVIEW

Mr. Karl Otterstrom presented The Planning & Development Committee to aid members' understanding of the activities that will be undertaken throughout the year. According to STA Board Resolution 767-19, the Planning & Development Committee is accountable for designing and coordinating the Board's participation in STA strategic and operational planning, including annual budget preparation, in this capacity.

The work program was approved by Committee on December 4, 2024, and includes the Annual Planning Calendar which: Identifies the four planning documents founded on the principles and policies of *Connect Spokane* (Transit Development Plan, Service Improvement Program, Capital Improvement Program, Annual Action Plan/Budget). Mr. Otterstrom provided highlights of the other planning activities from the Draft Committee Work Program.

Chair Hattenburg asked about the property acquisition as it relates to the new clean energy campus as part of the Facilities Master Plan. Mr. Otterstrom answered that STA is still in the evaluation process. Mr. Rapez-Betty will be reviewing the high-level key objective philosophy and recommendations out of the evaluations, and this will be addressed during the second phase of the Facilities Master Plan.

Ms. Klitzke asked about any concerns regarding infrastructure pertaining to federal grants status. Mr. Otterstrom stated that he and Mr. Rapez-Betty will address this during the CEO report.

Council Member Navarrete joined the meeting.

B. CONNECT 2035 STRATEGIC PLAN: INITIATIVE SEQUENCING

Mr. Karl Otterstrom presented. Spokane Transit's Connect 2035 Strategic Plan is the road map for investments and initiatives to maintain and improve public transportation infrastructure and services for our region through 2035. Implementation has started as STA begins sequencing the plan's initiatives. Mr. Otterstrom provided an overview of the sequencing effort, as well as considerations and assumptions that inform this effort. Sequencing will provide a sense of accountability, internal agreement on prioritization, and enables sustainable and actionable timeline. Mr. Otterstrom presented the considerations for the sequencing, which fell into two categories: people and initiatives.

Mr. Hattenburg expressed appreciation for the shelter program being addressed. Taking the bus from Spokane Valley to Downtown Spokane, the enhanced shelter capacity is visible.

Mr. Otterstrom asked the committee what other considerations might be needed for sequencing. Ms. Klitzke mentioned development patterns. Mr. Otterstrom commented that geophysical considerations such as pilot projects for Mobility on Demand (MOD) would benefit from this. Mr. Hattenburg added areas which are currently underserved, Mr. Otterstrom commented this could be recognized under ridership. Mr. Rapez-Betty commented that MOD is another example of increasing access to those who do not have direct access to service. Mr. Otterstrom provided an overview of the Core Initiatives: Division Street Bus Rapid Transit (BRT), the Zero-Emission Vehicle Transition Plan, and the Facilities Master Plan.

Mr. Hattenburg commented that there is a belief among some that zero-emission was originally supposed to be met by 2030. Mr. Rapez-Betty explained that STA's goal has been 2040, this is in effort to be practical due to unknown variables. Mr. Otterstrom presented initiatives that are recognized for early initiative and implementation: the 2025 Safety Ambassador Pilot Program, the 2025 Pilot for an eligibility-based reduced fare program, workforce development, and establishing a Community Based Organization (CBO) Network to support and strengthen community engagement. There are also other initiatives where planning may begin in 2025, but implementation will take place in a future year. Such is the case with MOD pilot projects. Mr. Otterstrom discussed steps to prepare for the Board workshop to be held in March where a draft sequencing plan will be reviewed.

C. TRANSIT DEVELOPMENT PLAN 2026-2031 OVERVIEW

The agency's primary mid-range planning document is the Transit Development Plan (TDP). The 2026-2031 TDP is expected to be adopted in July 2025 and will include the six-year Capital Improvement Program (CIP) and the three-year Service Improvement Program (SIP). The current TDP may be viewed on STA's website at

<https://spokanetransit.com/projects-plans/transit-development-plan>.

Mr. Otterstrom provided an overview of how the TDP is organized. The TDP helps facilitate the Board's goal of having a financial plan that fully funds the capital sustained service and the capital program for a six-year period, by including a SIP, CIP, and Operating and Financial Projections.

Mr. Rapez-Betty asked for a description based on the earlier mentioned RCW, that requires agencies to identify how they align with state and local long-range priorities and how this appears in STA's TDP. Mr. Otterstrom commented that the technical framework section identifies the state goals that STA must recognize, the base of the plan is the Growth Management Act. STA can state that it identifies where services can be reasonably provided, while recognizing regional growth.

Mr. Otterstrom reviewed the Board-adopted action plan and the development formula for the TDP, which is work from the current year and the subsequent five years. Mr. Otterstrom reviewed the TDP project timeline, noting that the TDP is due to the state by September 1, 2025. In March, staff will seek committee input on a mid-range tactical framework and the approach to stakeholder outreach.

6. CEO REPORT

Co-CEO's, Karl Otterstrom and Brandon Rapez-Betty, presented the CEO Report:

Federal Updates:

Mr. Otterstrom provided updates. An Executive Order paused federal funding on federal aid related to DEI and the green new deal. The Office of Management (OMB) and Budget later repealed pausing ALL grants and aid. Currently, there is little guidance defining what these actions mean. The new US DOT secretary ordered revisions on discretionary grant evaluations to emphasize cost-benefit analyses, benefits to families and communities and to prioritize communities with high marriage rates and birth rates. STA's financial position enables us to navigate the uncertainty in a deliberate fashion; STA does not face an imminent cash shortfall in the event that federal reimbursements are delayed. Mr. Rapez-Betty commented on the prospects for federal funding for Division Street Bus Rapid Transit, noting that

when compared to larger metropolitan areas, the cost of STA's projects might seem smaller, which could be beneficial. STA will continue to monitor the situation with the support of industry experts, and to utilize the board to communicate priorities.

Sales Tax Renewal and Public Transportation Investment Discussions:

Mr. Otterstrom confirmed that staff have received reports of external conversations suggesting the Board forego the renewal of the expiring sales tax. The public transportation benefit area sales tax does not preclude voters from approving a public safety sales tax. The only similarity between the public transportation tax and the public safety tax, is that they require the legislative authority to submit an authorization proposal for voter approval. Mr. Otterstrom provided statutory information on STA's role as the purveyor of public transportation for the region. STA is the sole authority on public transportation projects, to include construction and operating, among other responsibilities. The City of Spokane ceded its authority and transferred all assets to STA in 1981. Any reversion of authority to the City would have to have the consent of the STA Board.

Mr. Otterstrom addressed the sunset clause associated with the two-tenths of a cent sales tax. Connect 2035 allowed for evaluation of the financial situation through 2035 and recognize the STA has funds in excess of its reserves. There is a forecast of \$95M to \$130M available for strategic investments. The funding that currently exists is only available in a scenario in which the two-tenths of a cent sales tax is retained. Without renewal of the sales tax, the available one-time funds would be depleted simply by maintaining service, which would ultimately need to be reduced in order to maintain operating costs within revenues.

Board Resolution 818-24 and Ballot Time Considerations:

Mr. Rapez-Betty provided background information regarding the board resolution adopted unanimously on March 21, 2024, which established funding and investment principles in connection with Connect 2035 Phase 2. This resolution plans for the renewal of the sales and use tax of up to two-tenths of a percent, seeks to leverage STA's current financial position to deliver the goals consistent with the Connect Spokane Plan, and explores opportunities to expand service. The decision-making foundation with Connect 2035 paves the way for how and when STA moves forward with the two-tenths of a cent sales tax renewal.

Mr. Rapez-Betty presented considerations for ballot timing. STA Moving Forward projects in May of 2026 are dependent on the renewal of the sales tax. Division Street Bus Rapid Transit (BRT) and the Clean Energy Campus construction both take time to plan and construct and it would not be advisable to move forward with these projects until sales tax has been secured. There are outside factors to consider including the timing of sales tax ballot measure by other jurisdictions. It is important to coordinate and collaborate with those jurisdictions to allow for optimal timing for STA to go to voters.

Mr. Hattenburg commented that it is good to go to the public in advance regarding the measure; making the public aware early on so they have the information. Ms. Klitzke added that it is important to be aggressive but also carefully tailor the message about the opportunity funds to counteract messages of opposition to the sales tax. Provide clear messaging that the surplus fund is what makes it possible to move forward with new projects. Discussion ensued. Mr. Rapez-Betty noted that the preparation of the Transit Development Plan will offer an opportunity to identify the preferred timing of a sales tax renewal ballot measure.

All Employee Meetings:

Mr. Rapez-Betty reported on the successful All Employee Meetings on February 4, 2025. These meetings are the best method for garnering feedback from the employees and communicating information to the employees. Co-CEO's covered the priority list of the Interim Co-CEOs and talked about goals from the leadership perspective to improve communication. There was a polling exercise for employees to provide feedback on the level of interest in various forms of communication (provided digitally and on paper). The Co-CEO's reviewed culture and capacity development, the plan is to continue reinforcing the mission, vision, and values, and how we communicate at STA. There are new security systems and strategies coming, as well as new performance metrics. Employee affinity groups were introduced and encouraged as a part of STA culture to build a sense of belonging in the organization. Overall, very positive feedback was given after the meeting. Mr. Hattenburg asked how often STA plans to hold these meetings. Mr. Rapez-Betty commented that the unofficial goal is three per year.

7. COMMITTEE INFORMATION - none
8. REVIEW MARCH 5, 2025, COMMITTEE MEETING AGENDA
9. NEW BUSINESS – none
10. COMMITTEE MEMBERS' EXPRESSIONS

Mr. Hattenburg noted that the Mirabeau Transit Center is nearing completion. Mr. Hattenburg thanked STA on behalf of the City of Spokane Valley for the new sidewalk that extends along Indiana Avenue between the improved transit facility and Pines Road that was built as part of the project. There are a lot of apartments in the area, and the sidewalk will make getting around less challenging.

11. ADJOURN

With no further business to come before the Committee, Chair Hattenburg adjourned the meeting at 11:12 a.m.

Respectfully submitted,

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

Vicki Clancy, Executive Assistant
Planning & Development Department