

RESOLUTION NO. 844-25

A RESOLUTION AUTHORIZING THE SUBMITTAL OF A SMALL STARTS GRANT APPLICATION TO THE FEDERAL TRANSIT ADMINISTRATION FOR THE DIVISION STREET BUS RAPID TRANSIT PROJECT

SPOKANE TRANSIT AUTHORITY
Spokane County, Washington

BE IT RESOLVED BY THE SPOKANE TRANSIT AUTHORITY as follows:

WHEREAS, the Spokane Transit Authority (STA) is a municipal corporation operating and existing under and pursuant to the Constitution and Laws of the State of Washington, including RCW Title 36, Chapter 57A, Public Transportation Benefit Area (PTBA); and

WHEREAS, STA adopted *Connect Spokane, A Comprehensive Plan for Public Transportation (Connect Spokane)* by Resolution 665-10 in July 2010 and as subsequently amended;

WHEREAS, *Connect Spokane* identifies the Division Street Corridor, generally from downtown Spokane north to the Mead area, as a future High Performance Transit (HPT) corridor;

WHEREAS, consistent with *Connect Spokane*, STA and Spokane Regional Transportation Council (SRTC) completed a transportation and land use study of the Division Street Corridor known as *DivisionConnects*;

WHEREAS, STA Board of Directors, by Resolution 785-21, adopted the Locally Preferred Alternative (LPA) of fixed-guideway bus rapid transit (BRT) on Division Street with the preliminary alignment and station locations in Spring 2021, and recognized additional refinements to the LPA would result from further study and public consultation;

WHEREAS, STA Board of Directors, by Resolution 809-23, amended the Locally Preferred Alternative (LPA) to identify the northern and southern termini and further refined station locations;

WHEREAS, STA Board of Directors, by Resolution 831-24, adopted *Connect 2035*, which identifies strategic initiatives and investments in public transportation through 2035, including the implementation Division Street BRT as a core investment;

WHEREAS, STA Board of Directors, by Resolution 837-25, amended the Locally Preferred Alternative (LPA) to include moving the stations and the Business Access and Transit (BAT) lane along Ruby Street from the east side of the street to the west side, and making minor adjustments to station locations;

WHEREAS, STA has conducted public engagement activities throughout all phases of planning and design completed thus, and maintains a steadfast commitment to public engagement for future design, engineering and construction activities;

WHEREAS, the Federal Transit Administration (FTA) approved STA's request to enter the Division Street Bus Rapid Transit project into the Project Development phase of the Small Starts program on September 19, 2023;

WHEREAS, the FTA requires grantees to submit significant information and materials to be considered, evaluated and rated as a Small Starts project under the Section 5309 Capital Investment Grant program that, when considered in their totality, comprises the Small Starts grant application;

WHEREAS, through rigorous analysis and evaluation, STA has identified the Minimum Operable Segment (MOS) for the Division Street BRT project that represents a reasonable and cost-effective initial implementation of BRT, and the basis of continued design and implementation;

WHEREAS, the STA Board of Directors has outlined a funding plan for the project, as represented in the adopted capital improvement program, which includes a combination of secured and/or programmed local, state and federal funds in the amount of \$84.5 million;

WHEREAS, STA has determined the Section 5309 Capital Investment Grant program as an appropriate funding program to secure \$82 million to fully fund the Division Street Bus Rapid Transit project, estimated to cost approximately \$166.5 million within the scope to be implemented as the MOS.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of STA as follows:

Section 1. The Chief Executive Officer is hereby authorized to submit a grant application to the Federal Transit Administration for Division Street Bus Rapid Transit project, under the Small Starts provision of the Capital Investment Grant program, with a federal capital investment request of up to \$82,000,000 million.

Section 2. The Board hereby reaffirms its commitment to continued project development for the Division Street Bus Rapid Transit project, directing the Chief Executive Officer to continue advancing necessary design contracts, work orders, related expenses, and agreements.

Section 3. This resolution shall take effect immediately.

ADOPTED by STA at a regular meeting thereof held on the 24th day of July, 2025.

Attest:




Dana Infalt
Clerk of the Authority



Lance Speirs
STA Board Chair *Pro Tempore*

Approved as to form:



Megan Clark
Legal Counsel

SPOKANE TRANSIT AUTHORITY

BOARD MEETING OF

July 24, 2025

AGENDA ITEM <u>4B2</u> :	DIVISION STREET BUS RAPID TRANSIT: SMALL STARTS GRANT APPLICATION (RESOLUTION)
REFERRAL COMMITTEE:	n/a
SUBMITTED BY:	Karl Otterstrom, Interim Co-Chief Executive Officer/Chief Planning & Development Officer Don Skillingstad, Senior Project Manager

SUMMARY: Full funding of the Division Street Bus Rapid Transit (BRT) project will require significant federal funding through the Federal Transit Administration (FTA) Capital Investment Grant (CIG) program. Staff are seeking approval of a resolution authorizing submission of all information to be evaluated and rated as a Small Starts project in the CIG program in time for consideration for federal funding as early as federal fiscal year 2027.

BACKGROUND: As STA's second envisioned BRT project, STA has diligently advanced the project in a manner to garner significant federal funding so as to maximize customer and community benefits of the project. The first major milestone in this regard was in September 2023 when the FTA approved STA to enter the Project Development phase for the Division Street BRT project in September 2023. Since that time, the project team has been working to prepare the necessary information for a Federal 5309 Capital Investment Grant (CIG) Small Starts grant ratings application to request federal funding for the project. This includes sufficient design, engineering, environmental, and financial information, as well as other studies and reports required for submittal of an initial application for project rating. Significant work completed to date includes:

- 30% design complete for a majority of stations
- Completed the preliminary design cost estimate
- Completed the NEPA environmental package
- Received FTA approval of the Area of Potential Effects (APE)
- Completed the draft Cultural Resources Report
- Completed various studies
- Completed traffic demand modeling
- Completed traffic impact analysis and level of service report (currently being updated)
- Completed significant agency coordination and public outreach

For the past several months, staff have informed the Committee and Board of several major risks that have impacted the project schedule and the need to mitigate those risks in order to open for service in 2030. A phasing plan has been developed that allows BRT service to open in 2030 as originally proposed. Phase I includes the Minimum Operable Segment (MOS) which includes those elements that allow for BRT service in 2030. Future phases will include those elements of the project that will be completed at a later date. The MOS includes most elements of the project except for the implementation of the Business Access and Transit (BAT) lanes north of the Division/Ruby Street and construction of the Mead Transit Center. The Small Starts grant application will be submitted for the Phase I - Minimum Operable Segment. Due to the removal of the BAT lanes (fixed guideway) in a

majority of the corridor, the project no longer qualifies as a “Fixed Guideway” BRT project but rather, a “Corridor-based” BRT project, like the City Line.

Proposed MOS Project Description

The Division Street BRT MOS project is proposed to be constructed by 2030 and will consist of the following:

- A route traveling approximately nine miles from downtown Spokane to the Hastings Park and Ride.
- Approximately 1+ miles of BAT lanes through the couplet; BAT lanes will be on the west side of Ruby Street and Division Street.
- Thirty-nine (39) stations will be constructed from downtown Spokane to Hawthorne Road.
- Stations along Ruby Street will be located on the left side of the street.
- Service frequency will include 15-minute service for 14 or more hours per day on weekdays and Saturdays, 9 hours or more on Sunday, and 30-minute service early morning/late night.

Year-of-opening forecasted annual ridership is anticipated to be approximately 1.4 million riders, an increase of over 50% from 2024 ridership on Route 25 Division.

The preliminary design cost estimate for the MOS is \$166.5 million. Below is a detailed breakdown by FTA required Standard Cost Categories (SCC Codes) of the estimated cost.

SCC Code	Description	Amount
10	Guideway & Track Elements (BAT lane striping/signage)	\$362,863
20	Stations	\$44,762,931
40	Support Facilities (street improvements)	\$21,103,952
50	Systems (Electrical, communications, fare systems, TSP)	\$10,524,304
60	Right-of-Way	\$2,513,826
70	Vehicles	\$39,497,438
80	Professional Services (design, CM, labor, permitting, testing)	\$32,048,990
90	Unallocated Contingency	\$15,690,696
Total		\$166,505,000

The above estimate includes 21% of allocated contingency (contingency assigned to each line item) and 12% of unallocated contingency which is applied to the overall project cost, for a total of 33% contingency.

The Capital Improvement Program (CIP) incorporated into the 2026-2031 Transit Development Plan (slated to be approved in July 2025), includes three separate projects for completion of the Division Street BRT project (Phase I MOS) as shown in the table below.

CIP #	Project Phase	Current Amount (2026-2031 CIP)
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895	Division Street BRT Project Development	\$15,082,218
956	Division Street BRT Construction and Implementation	\$111,925,344
1028	Division Street BRT Fleet	\$39,497,438
Total		\$166,505,000

Proposed Funding Plan

Funding for the project will be derived from a combination of local, state, and federal funds. Based on the current cost estimate, below are the proposed funding sources for each project element:

CIP	Project Element	Local	State	Federal	Amount
895	Project Development	\$2.5M	\$11.6M	\$1M	\$15.1M
956	Construction and Implementation	\$16.3M	\$33.4	\$62.3M	\$112M
1028	BRT Fleet Procurement	\$19.7M	\$0M	\$19.7M	\$39.4M
Total		\$38.5M	\$45M	\$83M	\$166.5M

The following table aggregates funding sources for the entire project with details on said sources.

Source	Funding Program	Amount
Local	City Line project local share savings (Res. 811-23)	\$3.7-\$5.2M
Local	STA Sales Tax revenue	\$33.3M-\$34.8M
State	Washington State enacted transportation budget, Move Ahead WA (2023-2031)	\$45M
Federal	Federal 5307 Urbanized Formula (flexed from Congestion Mitigation and Air Quality funds)	\$1M
Federal	Federal 5309 Capital Investment Grant (Small Starts) Program	\$82M
Total		\$166.5M

As noted in the table, the local share of the project funding would be a mix of funds from STA sales tax revenue and the local share savings from the City Line project, estimated to be between \$3.7 million to \$5.2 million, committed by the Board in Resolution Res. 811-23.

Ratings Package Authorization and Next Steps

As noted previously, seeking federal funding through the FTA CIG program is a significant undertaking. To be considered for funding as early federal fiscal year 2027, Division Street BRT must be submitted for a project rating no later than August 2025.

The project rating determines the project’s eligibility to qualify for federal funding. Once FTA receives the application package, staff will work with FTA to address any questions and provide any supplemental information as requested. It is anticipated that FTA’s review will continue throughout 2026. The timeline of milestones provided below is tentative but provides a sense of the robust due diligence involved in securing federal funding support through the FTA CIG program.

Date	Milestone
August 2025	Submit Small Starts grant application for rating and NEPA package
August 2025	Begin 60% design
November 2025	Project evaluation and rating from FTA
January 2026	Complete financial capacity assessment by FTA
February 2026	Project Management Oversight Consultant (PMOC) assigned
May 2026	Risk and readiness workshop with FTA and PMOC
July 2026	NEPA approval by FTA
August 2026	Complete all critical third-party agreements
September 2026	Risk Assessment and Readiness Report issued by PMOC
September 2026	Final evaluation and rating from FTA
October 2026 or later	<ul style="list-style-type: none"> • Congressional review complete • FTA completes Small Starts Grant Agreement and grant approval package • Small Starts grant agreement approved by FTA

Based on past precedent, and owing to the significant of this project milestone, it is appropriate to obtain Board authorization to submit all information necessary to the FTA for the Division Street BRT project to be considered, evaluated and rated for FTA CIG funding for an amount up to \$82 million.

RECOMMENDATION TO COMMITTEE: Recommend the Board authorize, by resolution, the CEO (interim Co-CEO's) to submit a Federal 5309 Capital Investment Grant (CIG) Small Starts grant package to the Federal Transit Administration for evaluation and rating of the Division Street Bus Rapid Transit project in the amount of \$82,000,000.

COMMITTEE ACTION: Approved as presented.

RECOMMENDATION TO BOARD: Approve, by resolution, the CEO (interim Co-CEOs) to submit a Federal 5309 Capital Investment Grant (CIG) Small Starts grant package to the Federal Transit Administration for evaluation and rating of the Division Street Bus Rapid Transit project in the amount of \$82,000,000.

FINAL REVIEW FOR BOARD BY:

Division Head _____ Chief Executive Officer _____ Legal Counsel _____