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SPOKANE TRANSIT AUTHORITY · PROPOSITION 1 · AUGUST 4, 2026

A "Temporary" Tax -- A $1 Billion* Question

* 2/10 Sales Tax: 2029 – 2048 conservative growth assumptions

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A MATTER OF COMMUNITY PRIORITY

Where to Spend 1Billion Dollars?

STA's Proposed Sales Tax For <u>New</u> transit projects

Existing bus service continues either way — **a No vote cuts nothing.**

VS.

Spokane's Health & Safety Crisis Affecting Everyone:

the vulnerable · businesses · jobs · visitors · every neighborhood

WE'RE PRO-TRANSIT — BUT PRIORITIES MATTER

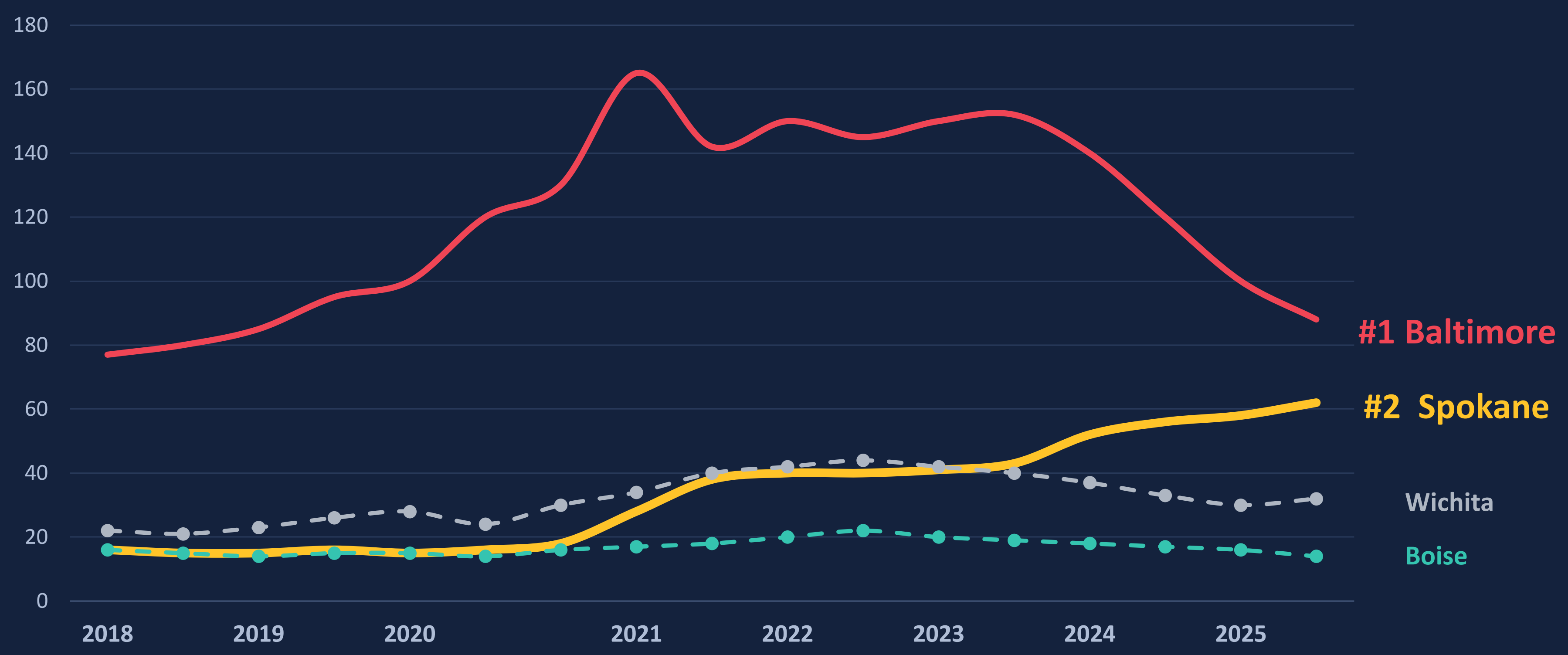
Spokane has a deadlier emergency than funding for new transit projects

#2

of 244 U.S. counties (300k+)
for drug-overdose deaths per capita

▲ climbing toward #1

Drug-overdose deaths per 100,000 people – nearly 1 per day in Spokane



Pro-transit, but first things first:
the $1 Billion this new tax will cost could fund addiction treatment, mental-health care, & public safety instead.

WILL A “NO” VOTE CUT SERVICE? NO

Vote No and current services are fully funded

0.6%

≈ $3B over 20 yrs

PERMANENT

0.2%

≈ $1B

TEMPORARY

expires 2028, as promised

What a “No” vote keeps:

- ✓ Permanent 0.6% sales tax — $3B over 20 years
- ✓ Fares & investment income
- ✓ State & federal grants
- ✓ $274M already in reserves

Core service has always run on the permanent tax. A No vote doesn’t cut a single route.

Even if you're 100% pro-transit ...

Imagine if STA had told the truth on the 2016 ballot:

PROPOSITION 1

Spokane Transit Authority · Proposed 0.2% Sales & Use Tax

*Shall STA impose a new 0.2% ("two-tenths") sales tax for eight years for the sole purpose of adding **$234 million to its reserve savings fund**?*

☐ Yes ☐ No

Would you have voted yes? Neither would anyone else.

Not a Single Dollar of the Tax Was Needed to Build the More Than 25 Projects STA Described in its Campaign

WHERE DID THE "TEMPORARY" TAX GO?

STA collected the tax — and spent $0 of it on the projects.

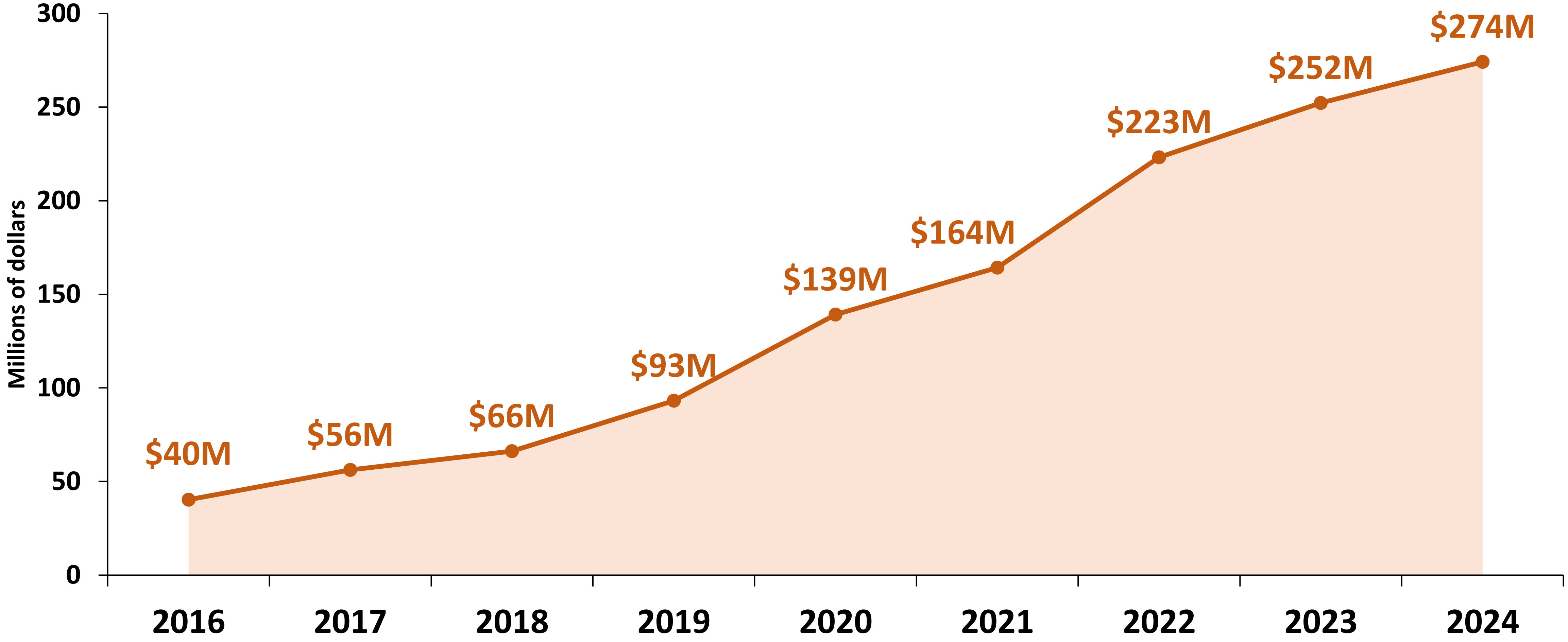
COLLECTED
Temporary tax (2017–2024)

TAX SPENT NEEDED FOR PROJECTS

How? Every dollar landed in savings instead (*reserves grew **$234M**, $65M more than the entire tax)*

STA built the projects it promised without needing a single dollar of the tax to complete them

Reserves grew $234 Million after “temporary” tax began



STA told us they need the tax for 25+ projects – NOT to add $234 million to their savings account

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Reserves grew sevenfold after the “temporary” tax began

Year	Unrestricted Reserves	Year-over-Year Increase	Cash and Investments
2016	$40,268,239	—	$61,296,321
2017	$56,216,292	+$15,948,053	$66,446,207
2018	$66,183,825	+$9,967,533	$80,568,279
2019	$93,096,164	+$26,912,339	$99,267,885
2020	$139,179,783	+$46,083,619	$135,058,458
2021	$164,225,228	+$25,045,445	$184,734,573
2022	$223,225,228	+$59,000,000	$222,224,836
2023	$252,225,228	+$29,000,000	$243,221,697
2024	$274,225,228	+$22,000,000	$263,793,133
2025	TBD (audit pending)	TBD	TBD

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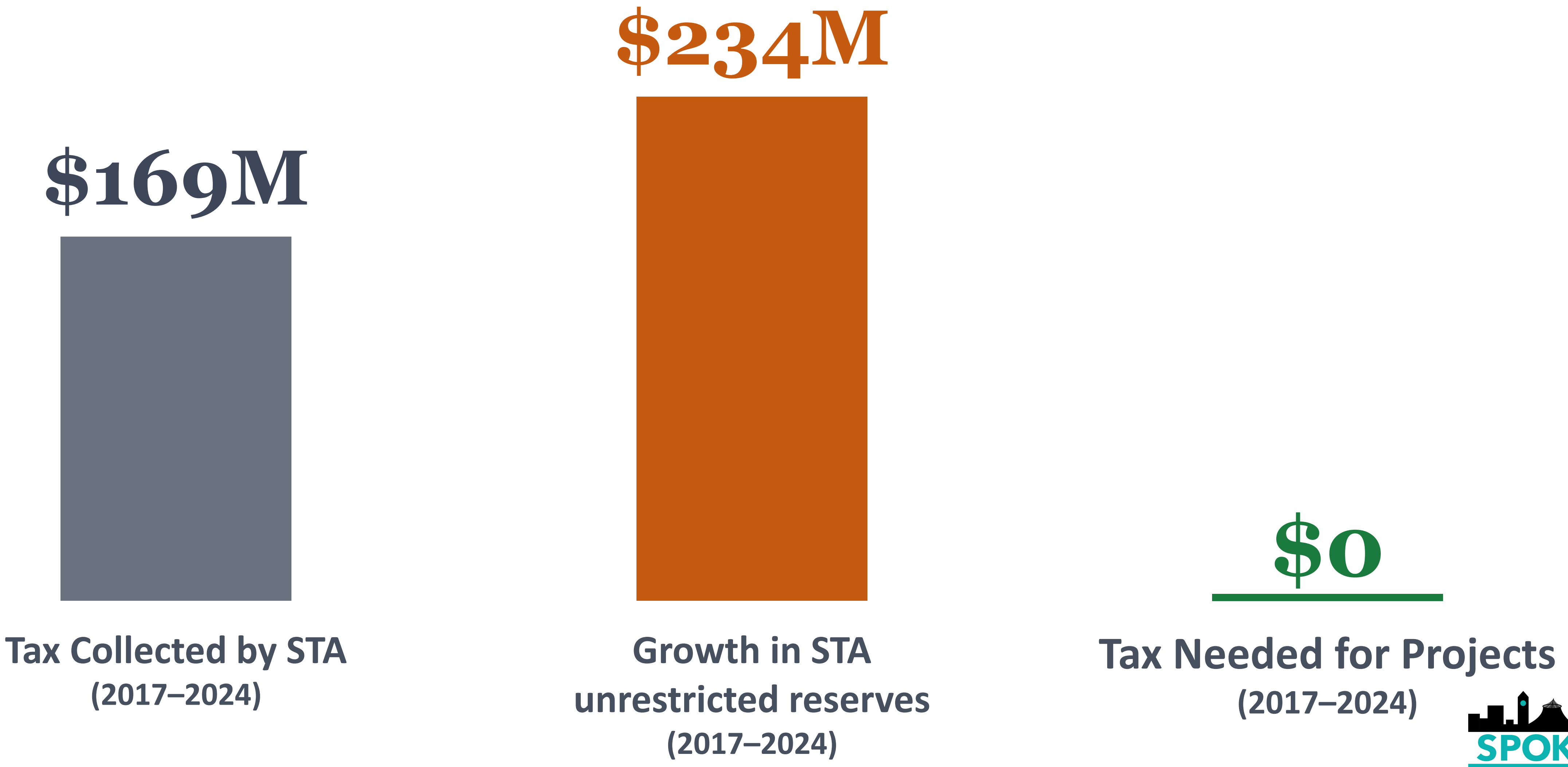
Reserves grew faster than the tax came in



The 2017 Tax Was Not Needed
Reserves grew faster than the tax came in

Year	Voted Sales Tax Collected	Growth in Unrestricted Reserves
2017	$7M	$16M
2018	$10M	$10M
2019	$17M	$27M
2020	$22M	$46M
2021	$27M	$25M
2022	$28M	$59M
2023	$29M	$29M
2024	$29M	$22M
2025	pending	pending
TOTAL	$169M	$234M

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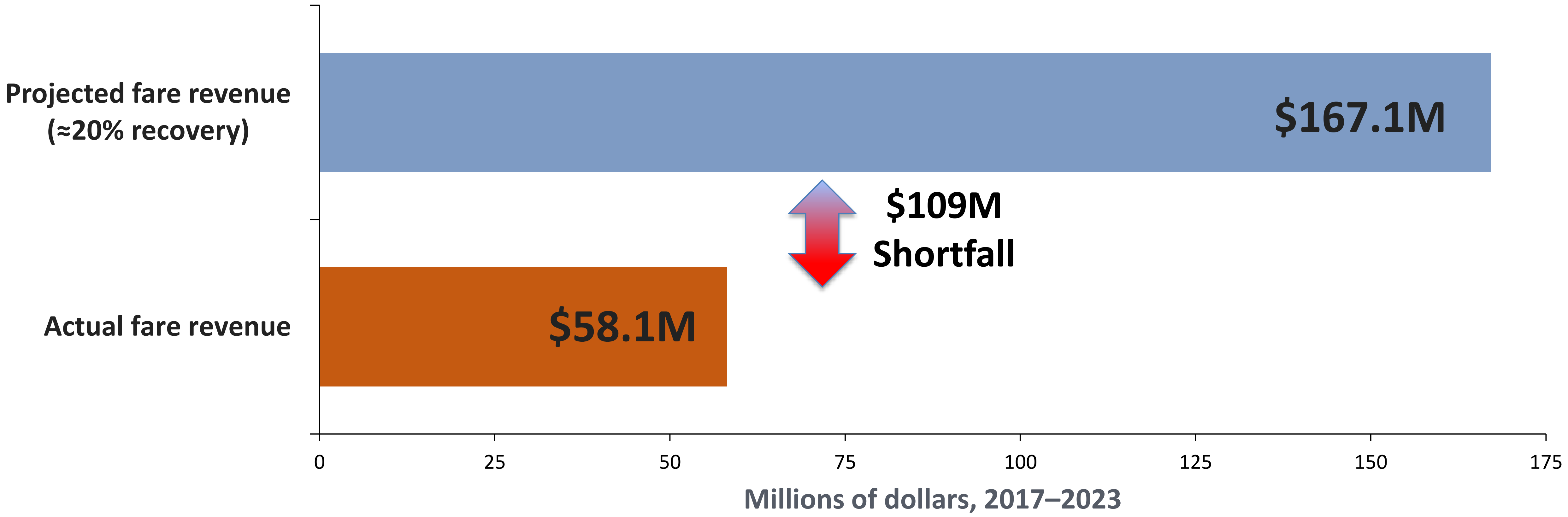
Farebox revenue $109M short of STA Estimates — reserves grew $234M anyway



Fare revenue was planned to cover about 20% of operating costs; actual collections fell about $109 million short of that target (2017–2023).

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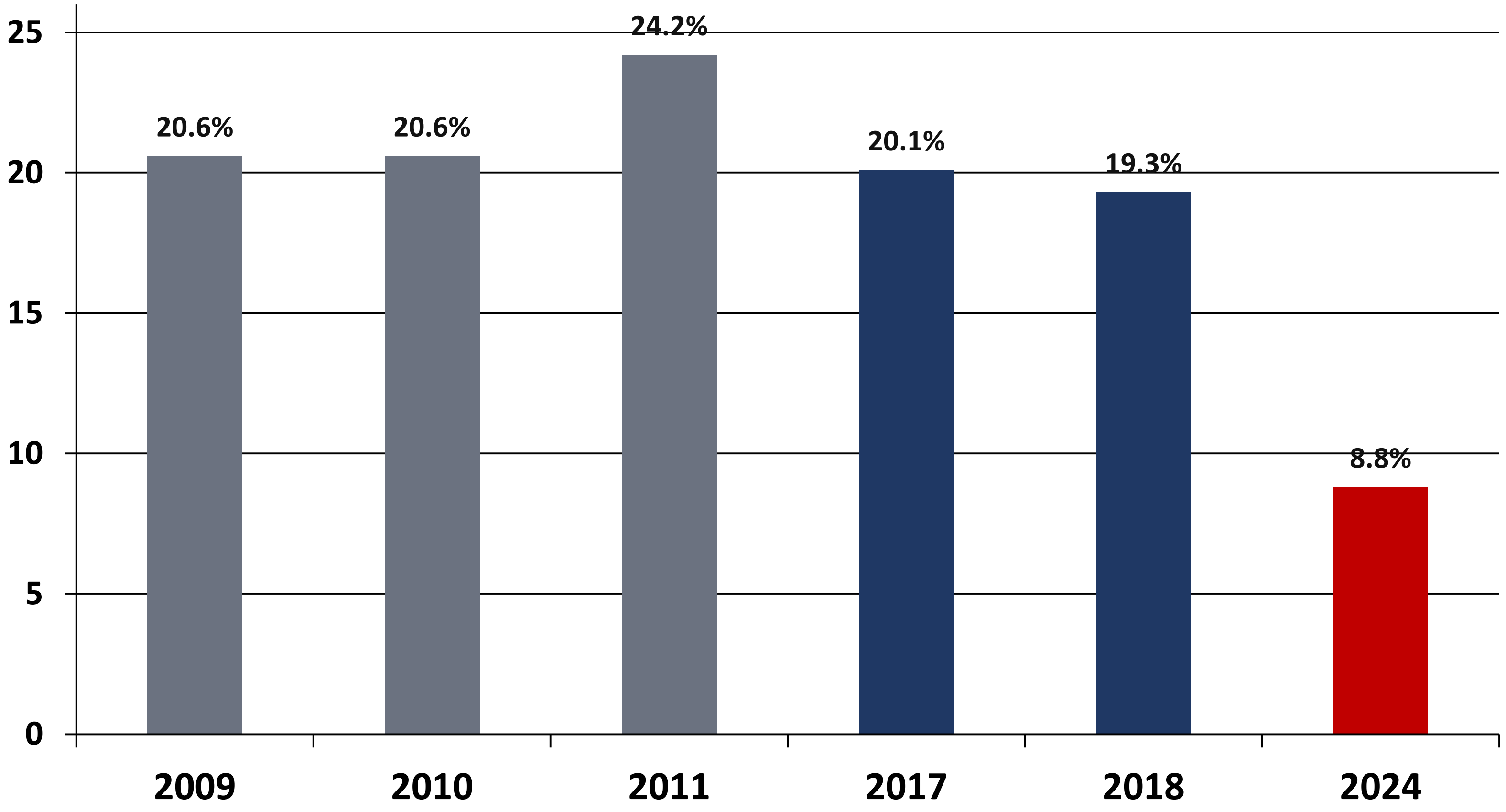
Farebox recovery has collapsed since the 2017 tax

Farebox recovery% (unallocated)



20.1% → 8.79%

2017 → 2024

Fares **fell 20%** while operating cost **rose 84%** (2017 → 2024)

Apples-to-apples on STA's pre-2019 unallocated fixed-route method. STA's newer headline "22.4%" is a different metric — adult fare ÷ cost per passenger — not a recovery ratio. Recovery ran ~20–24% for years (peak 24% in 2011). STA's own target is 20% — now missed by more than half

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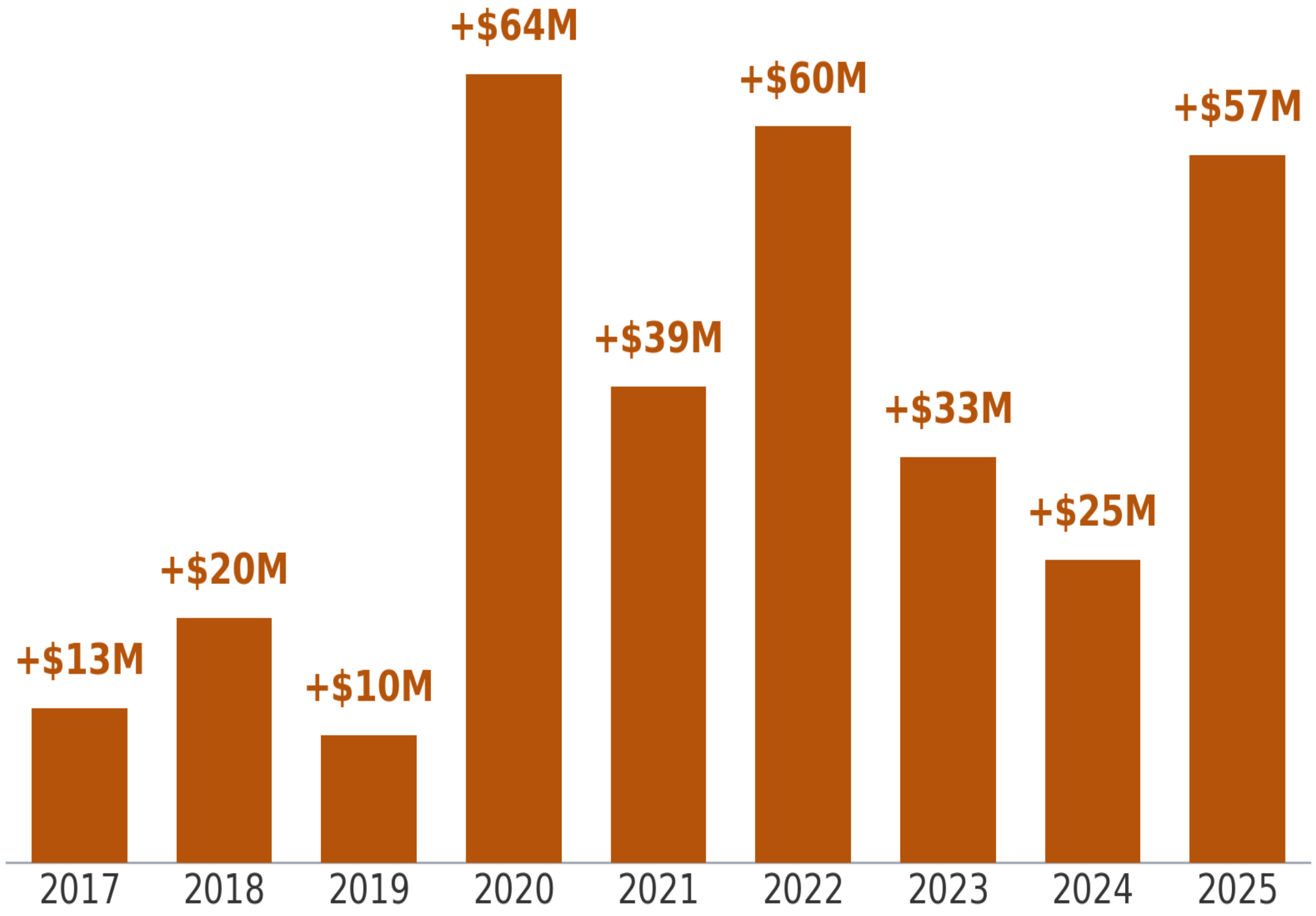
Nine straight years of “surprise“ surplus money



Amount of under-budget each year

Total Missed Budget:

+$320M

Why miss your budgets this badly each year? – To make it appear you actually needed the tax dollars you requested

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Nine straight years of “surprise” money

Year	Budget Projection (Start of Year)	Actual Result	Positive Variance	% Over Projected
2017	$43,007,116	$55,580,572	+$12,573,456	+29.2%
2018	$31,641,664	$51,498,774	+$19,857,110	+62.8%
2019	$35,072,172	$45,423,218	+$10,351,046	+29.5%
2020	$45,496,186	$109,344,560	+$63,848,374	+140.3%
2021	$100,354,485	$138,965,875	+$38,611,390	+38.5%
2022	$147,028,339	$206,666,896	+$59,638,557	+40.6%
2023	$202,016,389	$234,868,038	+$32,851,649	+16.3%
2024	$197,886,722	$222,423,557	+$24,536,835	+12.4%
2025	$192,007,350	$249,313,073	+$57,305,723	+29.8%
CUMULATIVE			+$319,574,140	

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Since the Temporary Tax Began:

56% more staff → 0% increase in riders

STA Employees:
+56%

537 → 837 funded positions

STA Ridership:
0% - no change

≈10.9M a year — **unchanged**

- 10 Years 2016 → 2026 — funded positions vs. annual ridership

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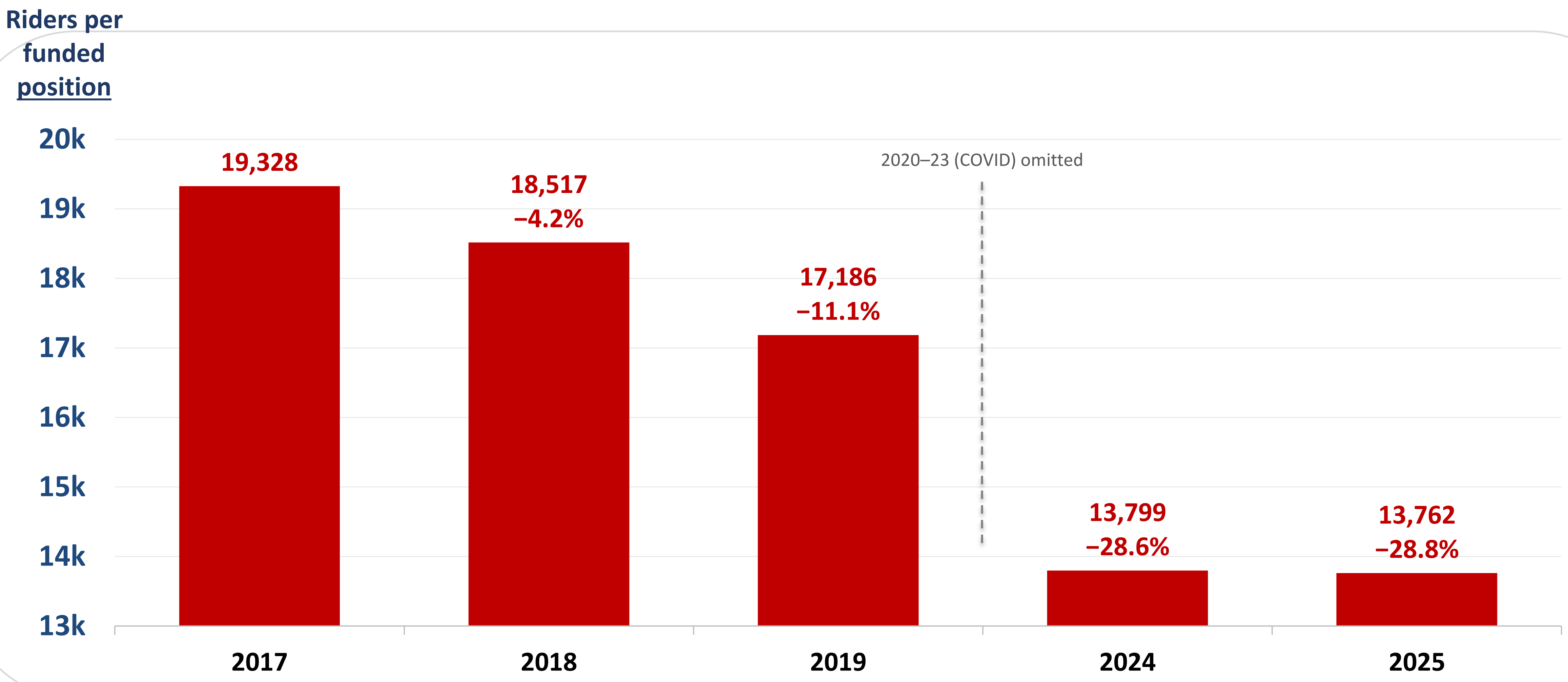
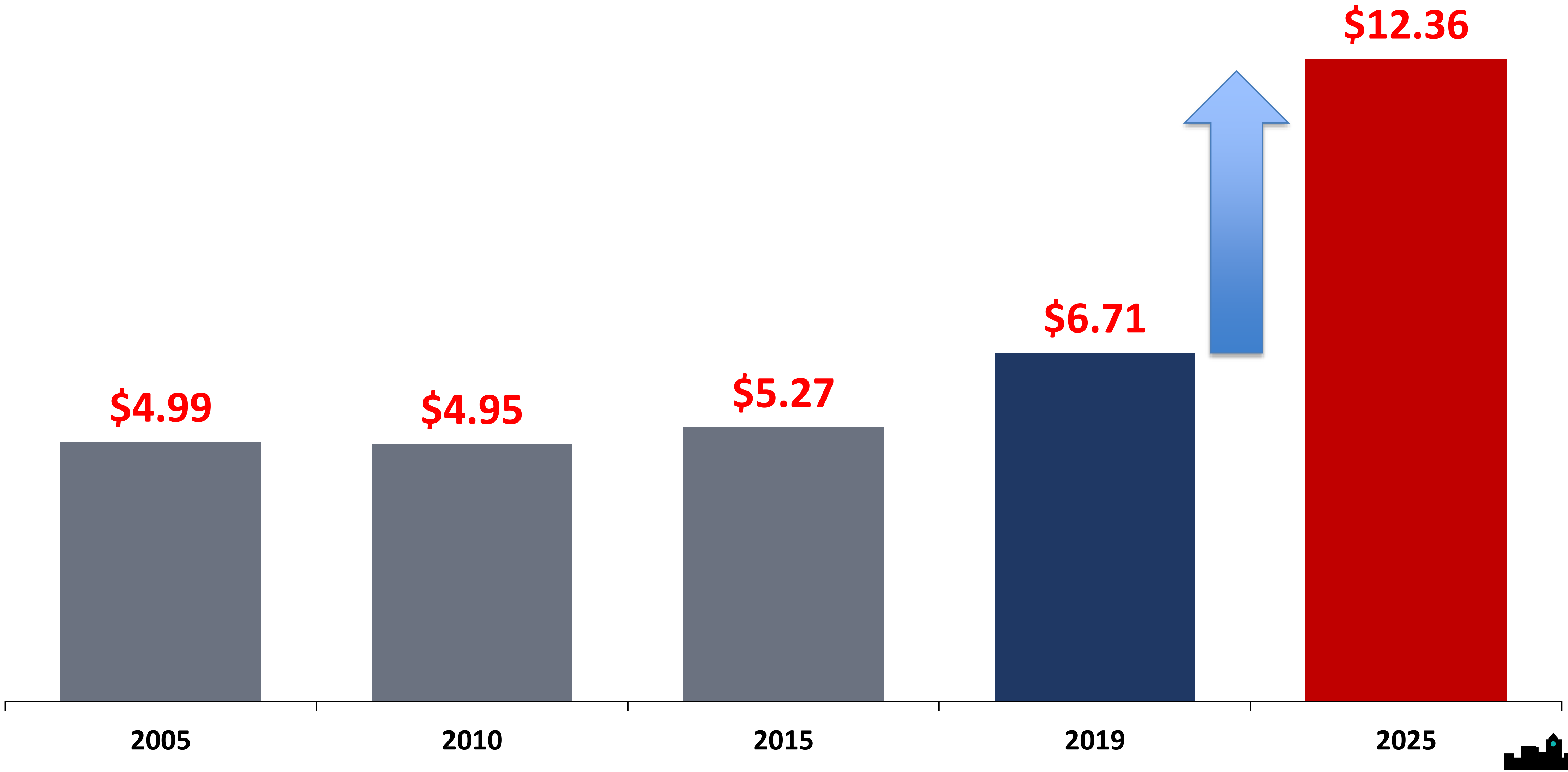
Each STA employee now moves 29% fewer riders than in 2017



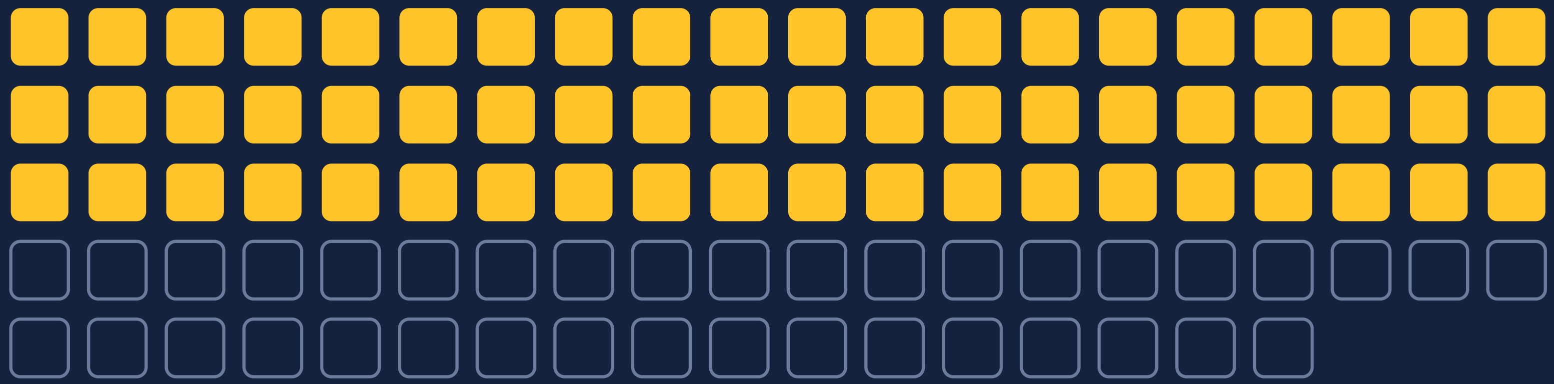
In other words, each employee carried about 40% more riders in 2017 than in 2025.

Cost per Ride up 84% since 2019



Leasing room for 97 — to seat 60.

STA proposes ~17,000 sq ft for about 60 employees. At normal 175 sq ft/person, office is sized for 97 — roughly 60% oversized.



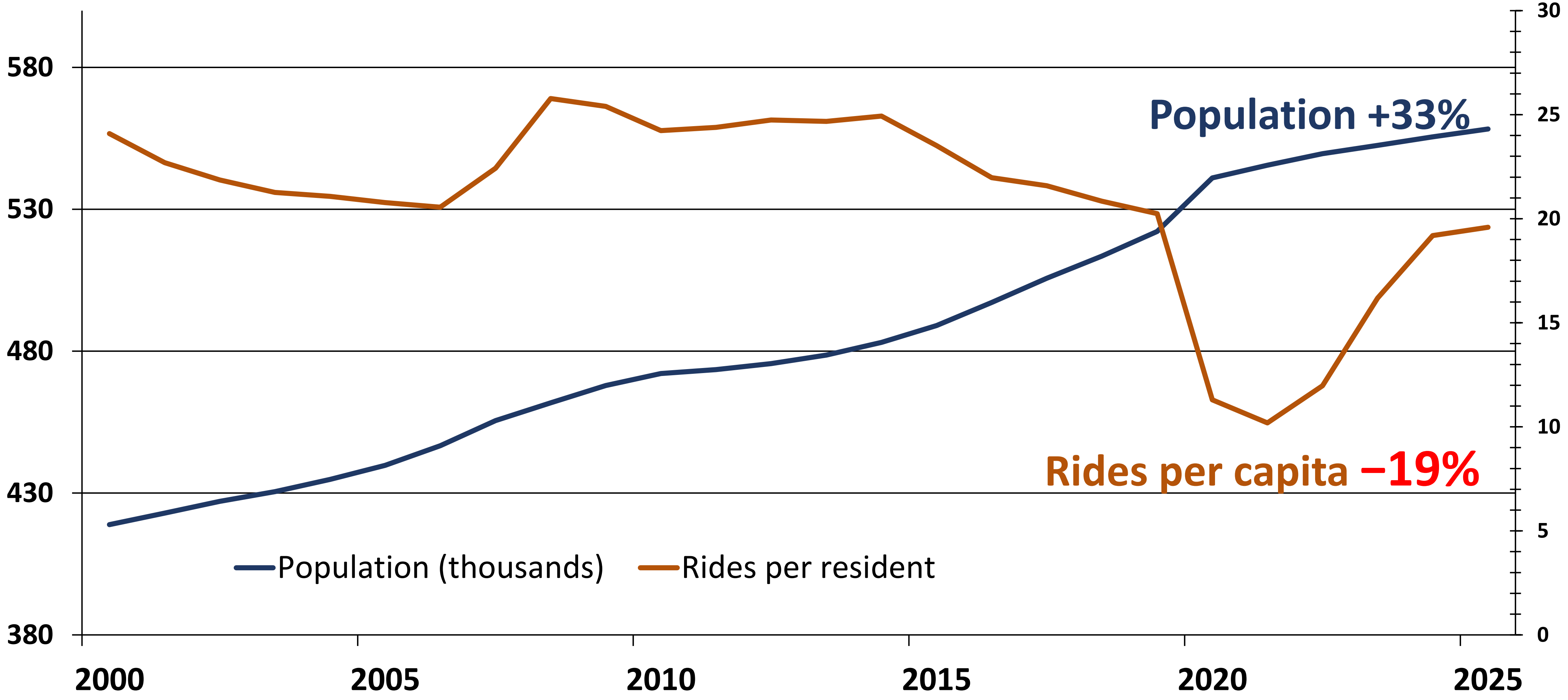
■ 60 employees to house

□ 37 desks of excess space (~6,500 sq ft)

Proposed lease per internal space analysis (~17,000 sq ft / ~60 employees) at a 175 sq-ft/employee standard. Lease terms to be confirmed; illustrative cost not shown.

Per-capita ridership is down, staff is up 56% — and now a bigger office. The opposite of doing more with less.

19% Fewer Riders Per Capita Over Last 5 Years



** inflation-adjusted, a ride costs about the same as in 2000: $1.00 then ≈ $1.93 today, and STA charges $2.00.*
≈ 1.5 million of STA's ~10.9M annual rides are free youth rides — state-funded, since Oct. 2022.

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WHO RIDES?

Essential for some — an occasional trip for most.

For the people who depend on STA, it’s essential. But for most of Spokane, transit is an occasional trip — not a daily need.

~2%

of Spokane workers commute by transit

More work from home (15%) than ride to work.

~21

boardings per resident per year

About one round-trip a month for the average resident.*

1 in 7

STA rides are free youth rides

State-funded since 2022.

*10.2M boardings (2024) ÷ 475,470 residents in STA’s service area — boardings, not riders; a small core of daily users carries much of the total.

An important service — but one of many. Today it ranks behind homelessness, addiction, and public safety.

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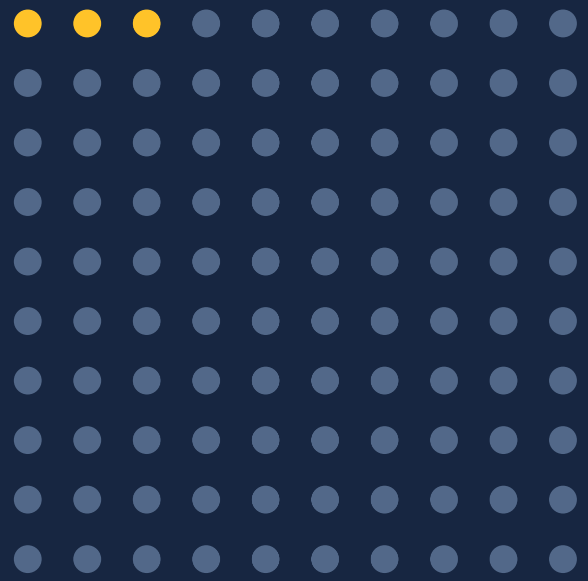
WHO RIDES?

3% of residents make 70% of STA trips.

3% OF RESIDENTS



DAILY RIDERS

70% OF ALL RIDES

SHARE OF ANNUAL TRIPS

Everyone else: **≈3 round trips a year.**

Estimate: daily riders ≈3% of residents and ≈70% of annual boardings.

Sales tax on building:
Spokane 3X higher than in Kootenai County

9.1%

Spokane:

Taxed on the whole project

VS

3.0%

Idaho:

Taxed on Materials only

+$30,500

More sales tax to build a custom home

+$1.22M

More to build a 5-story office

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End

– Miscellaneous notes and slides follow

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Purpose. This memo documents the simplified model behind the ridership-concentration slide. The "3%" is an illustrative estimate—not a unique-rider count published by Spokane Transit Authority (STA).

DATA INPUTS

INPUT	VALUE	BASIS
2024 fixed-route use	**10,166,876 boardings**	STA's reported fixed-route "unlinked passenger trips."
STA service-area population	**475,470 residents**	Population of the Public Transportation Benefit Area (PTBA).
Frequent-rider share	**65.5%–70.2% of trips**	National on-board surveys found that roughly two-thirds to 70% of sampled trips were made by riders using transit 5+ days/week. The slide uses ≈70%.
Annual use per core rider	**500 boardings**	Modeling assumption: 1 weekday round trip × 5 days/week × 50 weeks = 250 round trips, or 500 boardings.

CALCULATION USED FOR THE SLIDE

10,166,876 × 70% ÷ 500 = 14,234 frequent riders

14,234 ÷ 475,470 = 2.99% → approximately 3 of every 100 residents

Cross-check. Using the larger APTA survey compilation's 65.5% rather than the TPMS benchmark of about 70% produces 2.8%—still approximately 3%. Assuming 400–600 annual boardings per frequent rider produces a reasonable sensitivity range of about 2.5%–3.7%.

Secondary "3 round trips" statement. The remaining 30% of boardings equals 3,050,063. Dividing that by the roughly 461,236 residents outside the modeled core, and then by two boardings per simple round trip, gives about 3.3 round trips per resident per year.

HOW TO INTERPRET IT

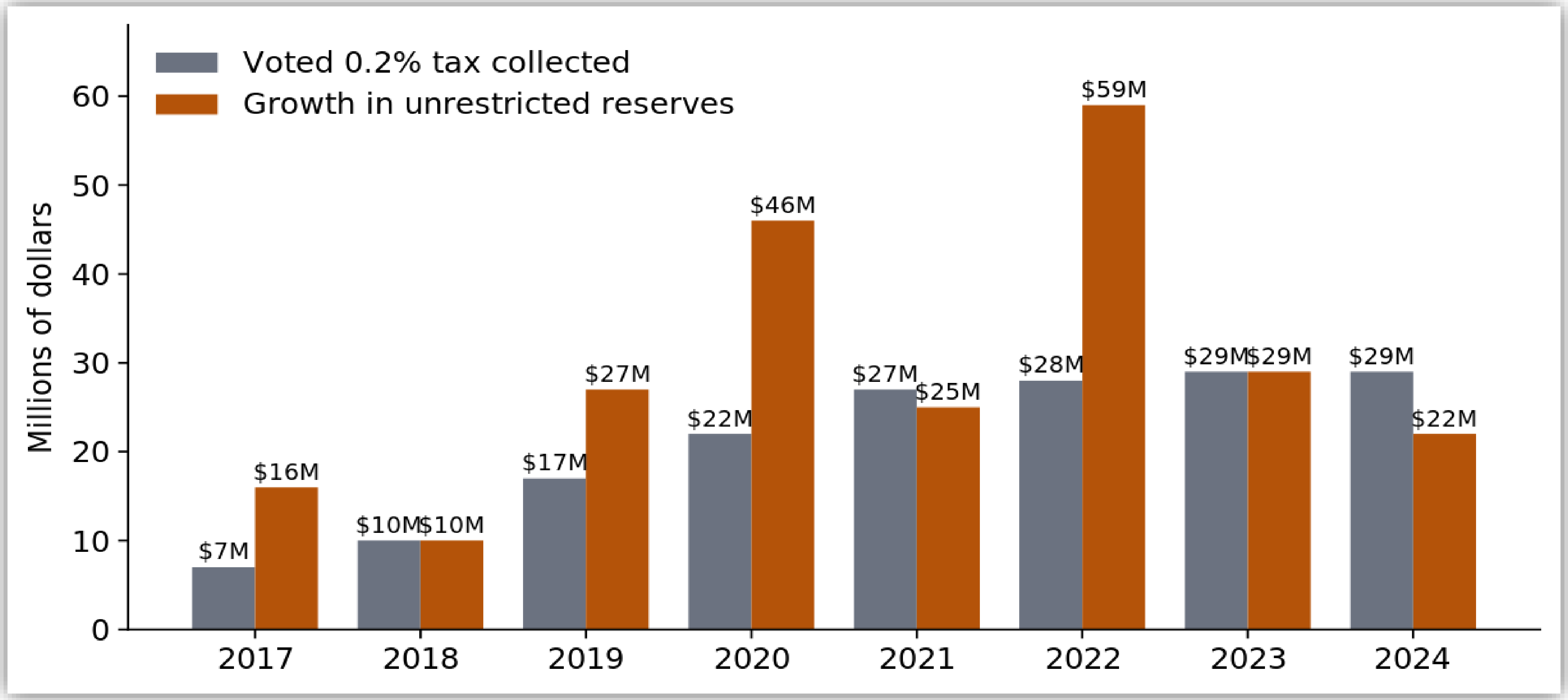
The slide communicates concentration: a relatively small group of frequent riders generates most annual boardings. It does not establish that exactly 14,234 unique people ride frequently, or that every other resident rides three times. STA reports boardings, not unique riders; a transfer counts as an additional boarding. A precise Spokane-specific estimate would require anonymized fare-card data or a local rider-frequency survey. The slide should therefore retain "about" or "≈."

BOTTOM LINE: "3 of 100 → 7 of 10" is a defensible rounded illustration, not a measured STA unique-rider statistic.

SOURCES

1. STA, Fixed Route System Performance Report—2024 Data
2. FTA, 2024 Annual Agency Profile—Spokane Transit Authority
3. FTA/APTA, Transit Performance Monitoring System Results: Phases I and II (2002)
4. APTA, A Profile of Public Transportation Passenger Demographics and Travel Characteristics (2007)
5. FTA, 2025 National Transit Database Policy Manual

Reserves grew faster than the tax came in



Totals 2017–2024: the tax collected $169M; reserves grew $234M. STA banked $65 million more than the entire tax brought in

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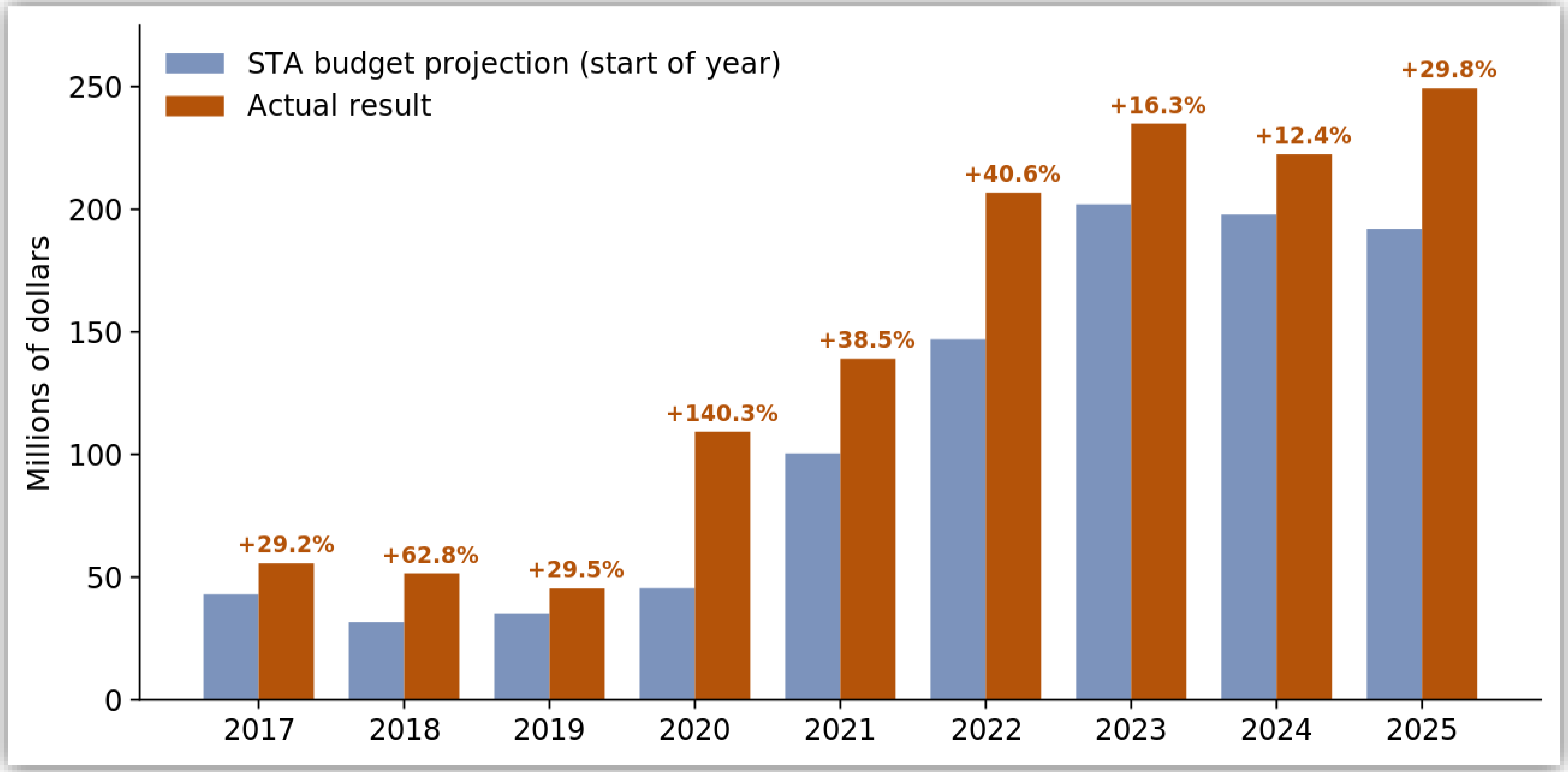
Nine straight years of “surprise” money



Cumulative positive variance, 2017–2025: +$319,574,140 – 9 straight years of misses

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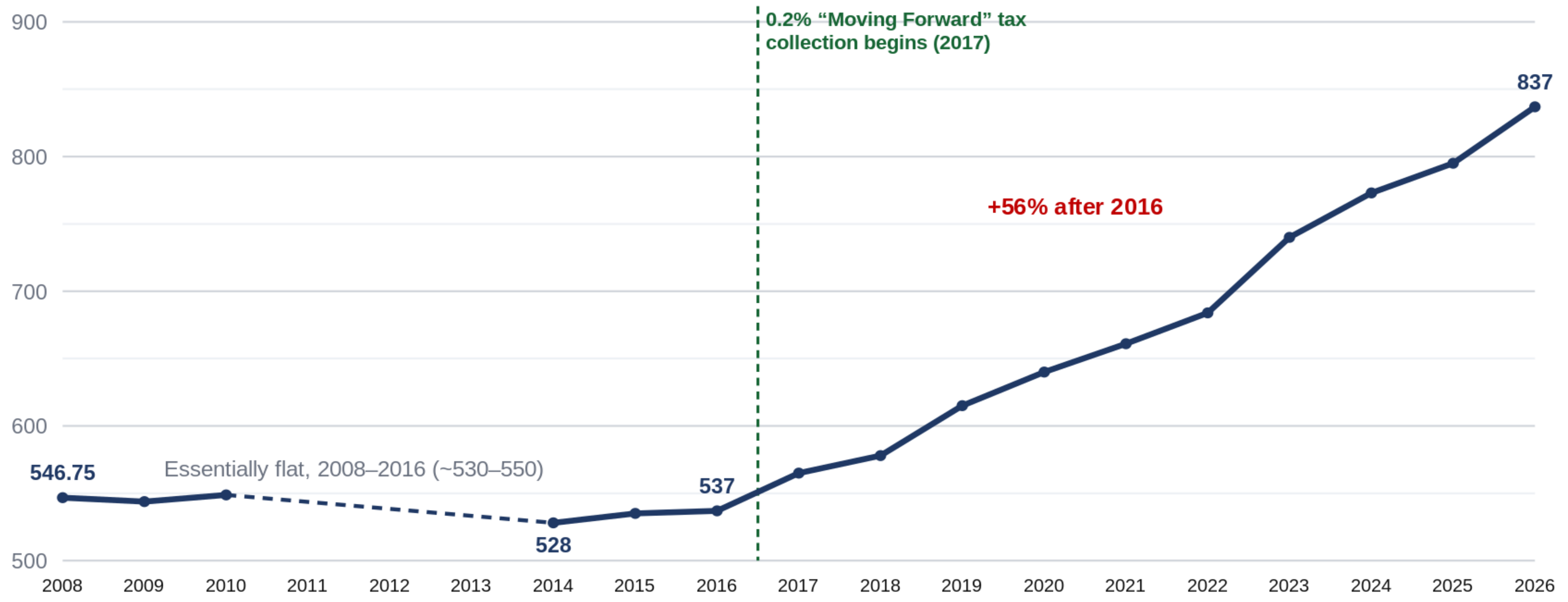
Headcount surged 56% the moment the “temporary” tax arrived

Funded positions, 2008–2026

Left axis starts at 500 to emphasize the change: a decade essentially flat, then a 56% surge beginning when the 2016 tax revenue started flowing.



Sources: 2008–2010 — STA Adopted 2010 Budget (Staffing Grand Total); 2014–2016 — STA Adopted 2015 & 2016 Budgets (budgeted personnel); 2017–2026 — STA Adopted 2026 Budget (Staffing by Function). 2011–2013 annual totals not published (dashed). Figures are funded/budgeted positions.

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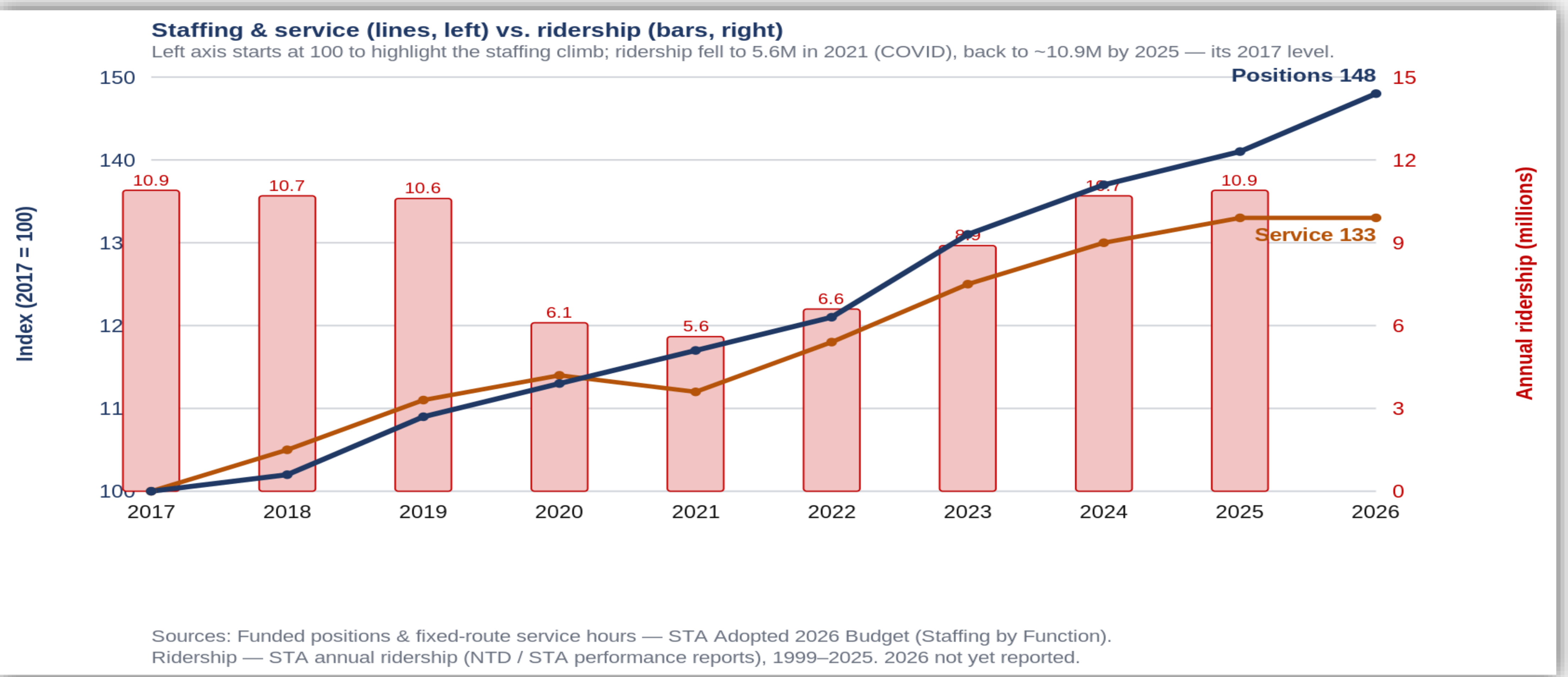
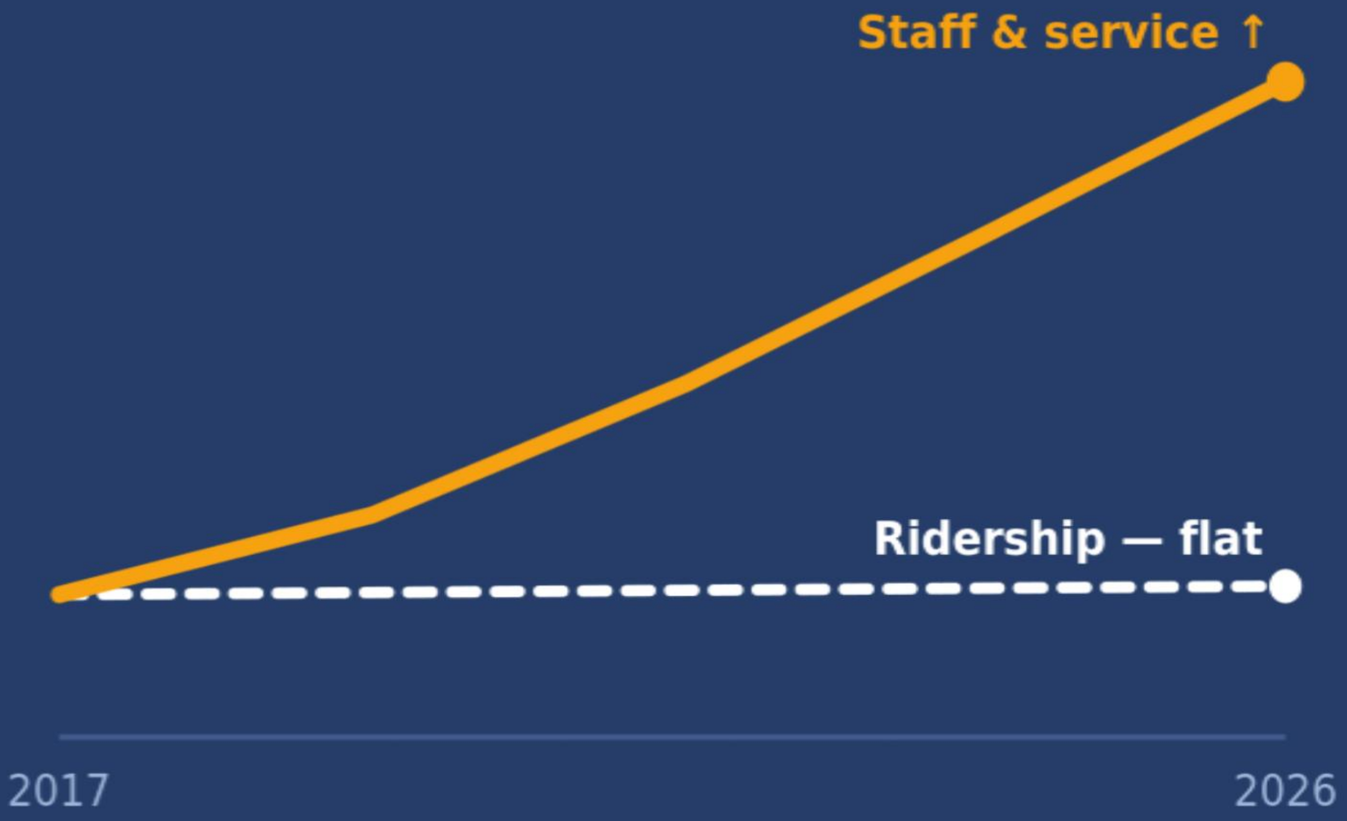
56% more staff, 33% more service — and no more riders



Since the temporary tax began, STA has grown from 537 to 837 funded positions — up 56% — and added roughly 33% more service hours, yet it carries no more riders than before. Taxpayers funded a bigger agency, not more transit.

A Bigger Agency -- Not More Riders



+48% **more staff**
funded positions, 2017–26

+33% **more service**
fixed-route hours, 2017–26

0% **more riders**
~10.9M in 2017 and again in 2025

More staff. More service. The same riders.