

# Joint Transportation Committee

## Statewide Transportation Needs Assessment

**Briefing to the Joint Transportation Committee**

**June 23, 2020**

**Brian Murphy, Sherrie Hsu, Andrew Bjorn, Kristin Maitt, and Steve Gorcester**



# Presentation Contents

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- Study context, purpose, and scope
- Phase 1 Findings
  - Task 1 - Needs Assessment
  - Task 2 - Funding Options
  - Task 3 - Economic Impact Case Studies
- Phase 2 Advisory Panel

# Our Team



**Brian Murphy**  
Project Manager 




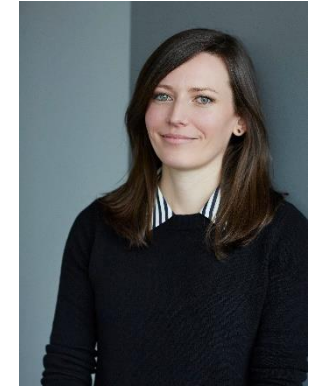
**Sherrie Hsu**  
Deputy Project Manager 



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**Peter DeBoldt**  
Transportation Engineer 



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Transportation Engineer 

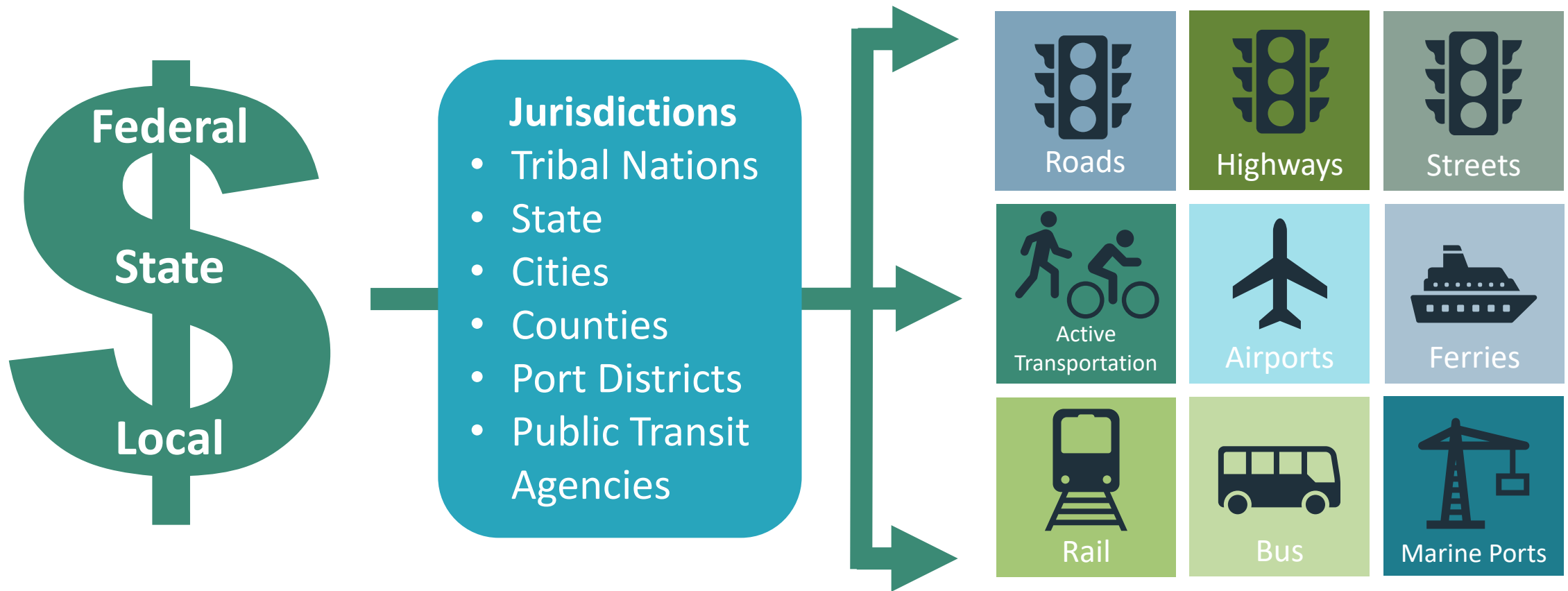
# Staff Workgroup

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- Association of Washington Cities: Logan Bahr
- Washington Traffic Safety Commission: Shelly Baldwin
- House Democratic Caucus: David Bremer
- WSDOT: Allison Dane Camden
- Thurston Regional Planning Council: Marc Daily
- Senate Transportation Committee: Hayley Gamble
- Washington State Transportation Commission: Reema Griffith
- Office of Financial Management: Erik Hansen
- Washington Public Ports Association: Chris Herman
- County Road Administration Board: John Koster
- Washington State Transit Association: Justin Leighton
- Senate Democratic Caucus: Hannah McCarty
- Department of Licensing: Beau Perschbacher
- Senate Republican Caucus: Martin Presley
- Transportation Improvement Board: Ashley Probart
- House Republican Caucus: Dana Quam
- House Transportation Committee: Amy Skei
- Puyallup Tribe of Indians: Andrew Strobel
- Washington State Association of County Engineers: Jane Wall
- Washington State Patrol: Captain Neil Weaver
- Freight Mobility Strategic Investment Board: Brian Ziegler
- Joint Transportation Committee: David Ward, Dave Catterson

# Study Context, Purpose, and Scope

# State Transportation System: An Interconnected Network



# Funding Challenges Facing Transportation Network

There is **not enough money to adequately fund** the current transportation system:

- Most jurisdictions are managing a gap between needs and resources
- Efficiency opportunities are often out of scale with the problem

This results in compromises:

## Preservation competes with desired system improvements

- *Impact:* Deferred maintenance and higher lifecycle costs
- *Impact:* Patchwork system improvements

## There is often no clear path for major project funding, which is assembled from patchwork sources including unique, non-repeating sources

- *Impact:* Additional time and resources needed to assemble and coordinate different funding schedules and requirements
- *Impact:* Project may fail to reach construction

# Study Purpose and Scope

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- Conduct a **comprehensive assessment of statewide transportation needs and priorities across all levels of government and all modes**
- Identify **existing and potential transportation funding mechanisms** to address those needs and priorities

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## This study is:

- Statewide: all jurisdiction types and modes
- An order-of-magnitude assessment of needs by category
- An order-of-magnitude assessment of revenue opportunities
- A summary of fiscal and other benefits associated with transportation investments
- Information and options for policymakers and budget developers

## This study is not:

- Narrowly focused on single jurisdictions, types of jurisdictions, or modes
- A detailed or precise assessment of need by jurisdiction, region, or category of jurisdiction
- A call for detailed or final project lists
- A one-to-one match between categorical needs and revenue options
- An exhaustive assessment of net impacts of investments
- A funding package



# Study Structure

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**Phase 1 Task 1 Needs Assessment & Costs**

- Categorical estimates
- Short list of Anchor Investments

**Task 2 Menu of Funding Options**

- Existing sources
- Potential sources

**Task 3 Economic Impacts of Transportation Investments**

- 10 to 12 case studies

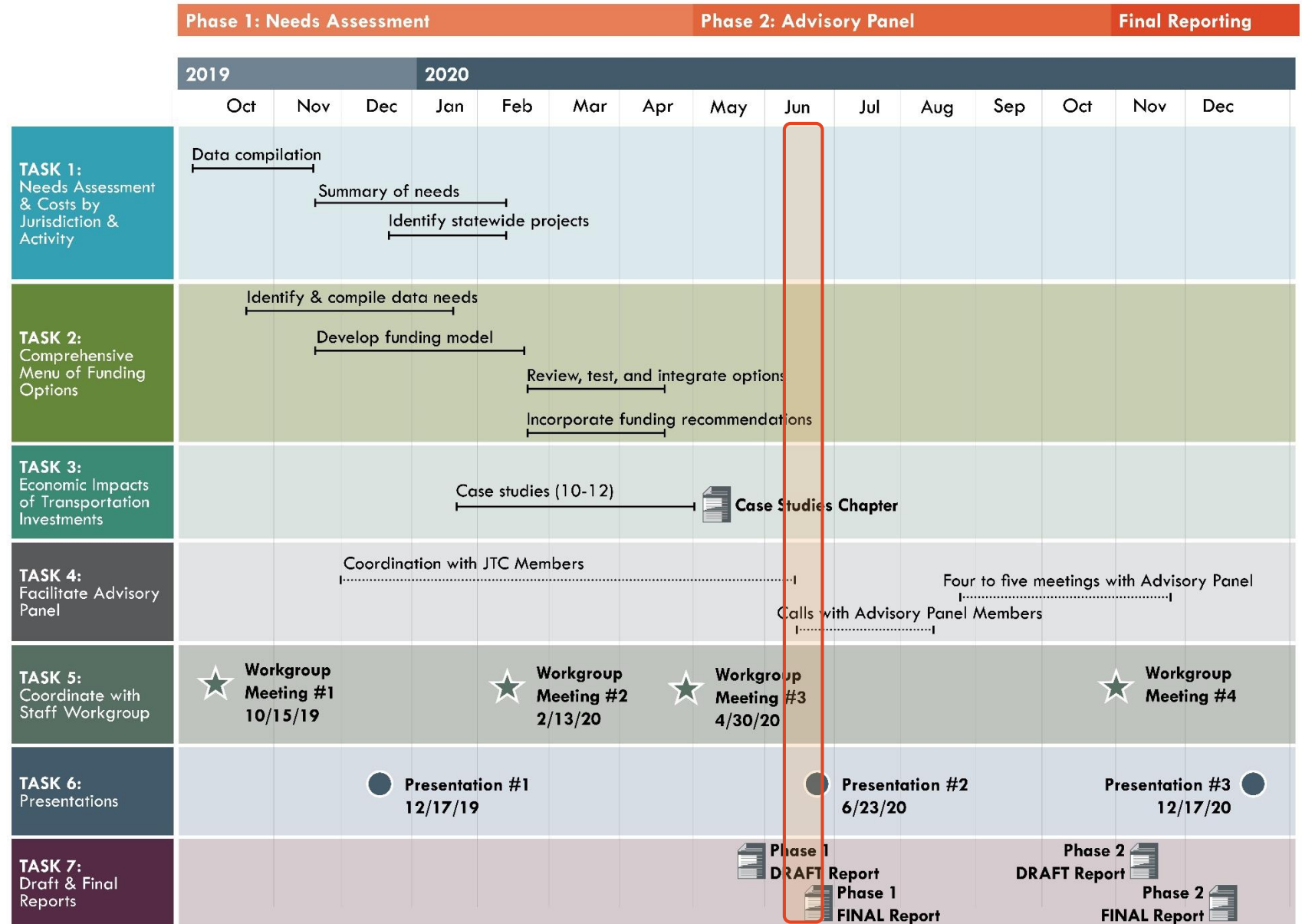
**Phase 2 Task 4 Facilitation of Advisory Panel**

- Advisory Panel to make final recommendations to Legislature

## Staff Workgroup

- OFM, House, and Senate
- WA State Transportation Commission
- WA Traffic Safety Commission
- WSDOT
- Dept. of Licensing
- WA State Patrol
- TIB, CRAB, & FMSIB
- Association of Washington Cities
- WA State Association of County Engineers
- WA Public Ports Association
- WA State Transit Association
- Regional Transportation Planning Organizations & Tribal Organizations

(see full list in [Appendix](#))



# Significant Recent and Ongoing Changes

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Since the study start in mid-2019, significant changes have taken place that will affect State and local funding for transportation:

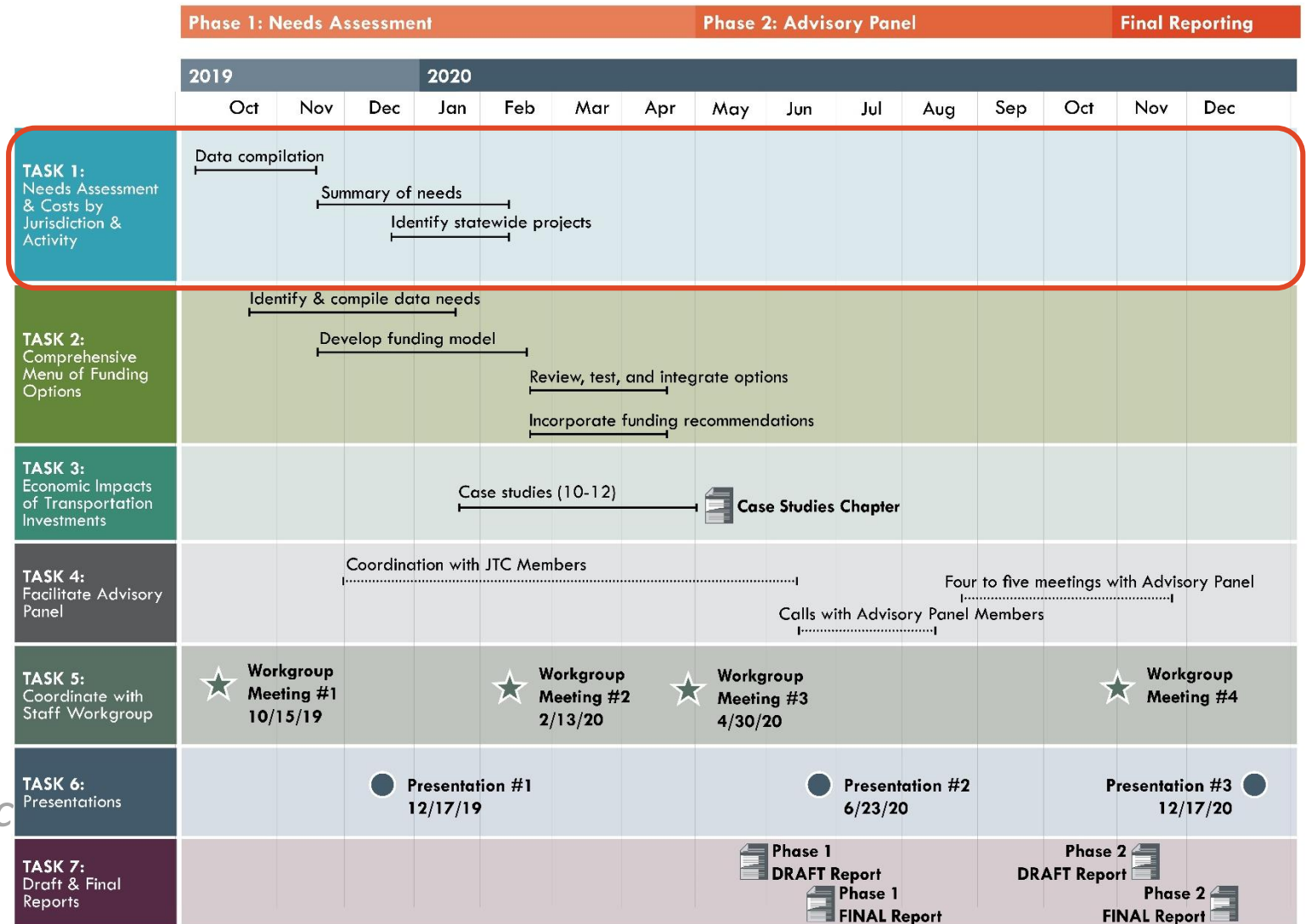
- **Initiative 976** was passed during November 2019 election
  - Injunction is currently stayed, pending Supreme Court decision
- Ongoing **COVID-19 pandemic** impacts all public sector revenue streams, including statewide transportation funding
- Our needs assessment, funding gap analysis, and revenue model do not incorporate impacts of these recent changes
  - Revenue model notes which options would be impacted by I-976

# Phase 1 Findings

# Task 1: Needs Assessment

From Proviso

- **(a) Recommendations on the critical state and local transportation projects, programs, and services needed to achieve an efficient, effective, statewide transportation system over the next ten years;**
- *(b) a comprehensive menu of funding options for the legislature to consider to address the identified transportation system investments; and*
- *(c) an analysis of the economic impacts of a range of future transportation investments.*



# Our Charge

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- Estimate categorical needs for 2022-2031 by:
  - **Type of Jurisdiction**
  - **Mode/Type of Investment**
  - **Expenditure Category**
  - **State Transportation Policy Goals**
- Include a limited number of discrete, significant/high cost/high impact projects

## Challenges of Assessing 10-Year Need































- Requires summary of information that does not readily exist
- Fiscally unconstrained lists may overestimate needs
- Fiscally constrained lists or historical spending may underestimate needs
- No consistent statewide categorization of expenditures
- No consistent statewide approach to system improvement plans

# Our Charge

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- Estimate categorical needs for 2022-2031 by:
  - **Type of Jurisdiction**
    - Tribal Nations, WSDOT, WSF, cities, counties, port districts, public transit agencies, etc.
  - **Mode/Type of Investment**
    - Highways/streets, bridges, rail, transit, airports, marine ports, ferries, etc.
  - **Expenditure Category**
    - Administration & operations, maintenance, preservation, system improvements
  - **State Transportation Policy Goals**
    - Crosswalk transportation needs with State Transportation Policy Goals
- Include a limited number of discrete, significant/high cost/high impact projects

# Our Approach: Needs by Jurisdiction Type and Mode

Jurisdiction Type	Modes of Transport/Type of Investment					
Tribal Nations	 Active Transport.	 Ferries	 Bus	 Roads		
State	 Active Transport.	 Airports	 Ferries	 Highways	 Rail	
Counties	 Active Transport.	 Airports	 Bus	 Ferries	 Rail	 Roads
Cities	 Active Transport.	 Airports	 Bus	 Rail	 Streets	
Port Districts	 Active Transport.	 Airports	 Ferries	 Marine Ports	 Rail	 Roads
Public Transit Agencies	 Active Transport.	 Bus	 Ferries	 Rail		



# Our Charge

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- Estimate categorical needs for 2022-2031 by:
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  - **State Transportation Policy Goals**
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- Include a limited number of discrete, significant/high cost/high impact projects

# Our Approach: Needs by Expenditure Category

Expenditure Category	Description
<b>Administration, operations, and maintenance</b>	<ul style="list-style-type: none"><li>• Ongoing investments necessary to run transportation departments and provide day-to-day functions for the community</li></ul>
<b>System preservation</b>	<ul style="list-style-type: none"><li>• Investments needed to follow asset management practices that keep infrastructure at an optimal level of repair and minimize lifecycle costs</li></ul>
<b>System improvement</b>	<ul style="list-style-type: none"><li>• Investments needed to enhance the function and performance of the transportation system with respect to mobility, safety, multimodal capacity, environmental performance, noise mitigation, and other desired elements</li></ul>
<b>Deferred maintenance</b>	<ul style="list-style-type: none"><li>• Investments needed to bring infrastructure back to a state of good repair in cases where regular preservation and maintenance activities have not been conducted (note that this is very difficult to estimate)</li></ul>

# Our Charge

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- Estimate categorical needs for 2022-2031 by:
  - **Type of Jurisdiction**
    - Tribal Nations, WSDOT, WSF, cities, counties, port districts, public transit agencies, etc.
  - **Mode/Type of Investment**
    - Highways/streets, bridges, rail, transit, airports, marine ports, ferries, etc.
  - **Expenditure Category**
    - Administration & operations, maintenance, preservation, system improvement
  - **State Transportation Policy Goals**
    - Crosswalk transportation needs with State Transportation Policy Goals
- Include a limited number of discrete, significant/high cost/high impact projects

# Our Approach: Clarify Treatment of Policy Goals

Investments to advance some of the State's Transportation Policy Goals are embedded in State and local investment standards and **included in our categorical needs estimates to some degree**

## Potential Revision of Transportation Policy Goals

- The Supplemental Transportation Budget adds a provision to this study, asking for *“recommendations on whether a revision to the statewide transportation policy goals in RCW 47.04.280 is warranted”*
- The Advisory Panel convened in the second half of this year will be charged with providing a response to this question

# Our Charge

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- Estimate categorical needs for 2022-2031 by:
  - **Type of Jurisdiction**
    - Tribal Nations, WSDOT, WSF, cities, counties, port districts, public transit agencies, etc.
  - **Mode/Type of Investment**
    - Highways/streets, bridges, rail, transit, airports, marine ports, ferries, etc.
  - **Expenditure Category**
    - Administration & operations, maintenance, preservation, system improvements
  - **State Transportation Policy Goal**
    - Crosswalk transportation needs with State Transportation Policy Goals
- Include a limited number of discrete, significant/high cost/high impact projects

# Our Approach: Anchor Investments

- The JTC Executive Committee identified a short list of projects to be included
- **Anchor Investments** are system improvements that:
  - Require significant State participation due to extraordinary scale, scope, and/or cost
  - Are difficult to address with available resources
  - Are important to achieving State Transportation Policy Goals

## Identified Anchor Projects

- I-5 Columbia River Bridge (*located in City of Vancouver*) and/or alternative crossing (Hood River and White Salmon)
- I-5 carpool lane extension to JBLM (38<sup>th</sup> St. to Mounts Road) (*located in Pierce County*)
- SR 18 Widening (Issaquah-Hobart Road to Raging River)
- US 2 Trestle (*located in City of Everett*)
- Washington State Ferries vessel replacements
- Watershed fish passage barrier replacements (State responsibility)

# Our Approach: Anchor Investments

Investment	Estimated costs	
I-5 Columbia River Bridge and/or alternative crossing (Hood River and White Salmon)	\$344 Million – \$2.6 Billion <sup>1</sup>	} \$ Included in estimated needs
I-5 carpool lane extension to JBLM (38 <sup>th</sup> Street to Mounts Road)	\$1.56 Billion <sup>2</sup>	
SR 18 widening (Issaquah-Hobart Road to Raging River)	\$260 Million <sup>3</sup>	
US 2 trestle	\$1.4 Billion <sup>3</sup>	
Washington State Ferries vessel replacements	\$2.4 Billion <sup>3</sup>	
Watershed fish passage barrier replacements (State responsibility; additional investment by local jurisdictions not included)	\$3.1 Billion <sup>3</sup>	+ Addressed in addition to quantified needs

<sup>1</sup> WSDOT Draft Unfunded Needs List, 4/17/2020; LEAP List 2020 NL-1, 2/5/2020

<sup>2</sup> In 2017\$. WSDOT HOV Feasibility Study I-5: JBLM to S. 38<sup>th</sup> St, WSP/Parson Brinkerhoff Study, January 2017.

<sup>3</sup> WSDOT Draft Unfunded Needs List, 4/17/2020

# Summary of our Approach for Estimating Need





# Needs Assessment: Part 1

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**\$ Estimated Need (2022-2031)**  
*+ Additional investments*

## **Needs we can quantify**

- Administration, Operations, and Maintenance
- Preservation Needs
- System Improvements
- Anchor Investments other than watershed fish passage barriers

# 10-Year Cost Estimates in 2019\$ by Type of Jurisdiction (2022-2031)

Type of Jurisdiction	Modes/ Infrastructure	Programmatic Needs (in Millions)		Capital Needs (in Millions)		Total Costs (in Millions)
		Administration & Operations	Maintenance	System Preservation	System Improvement	
<b>State</b>	<i>Highways, Bridges, Ferry, Airports, Rail, Active Transportation</i> <sup>2</sup>	\$5,600-\$6,900	\$3,100-\$3,800	\$31,000-\$44,000	\$22,000-\$27,000	<b>\$61,000-\$82,000</b>
<b>Tribal Nations</b>	<i>Roads, Bridges, Bus, Ferry</i>	\$150-\$190	\$95-\$120	\$150-\$170	\$37-\$45	<b>\$440-\$520</b>
<b>Counties</b>	<i>Roads, Bridges, Ferry, Airports</i>	\$3,300-\$4,000	\$3,400-\$4,200	\$8,500-\$12,000	\$1,100-\$1,500	<b>\$16,000-\$21,000</b>
<b>Cities</b>	<i>Streets, Bridges, Bus, Airports</i>	\$3,300-\$4,000	\$5,900-\$7,200	\$7,300-\$12,000	\$3,100-\$4,100	<b>\$20,000-\$28,000</b>
<b>Port Districts</b>	<i>Airports, Marine Ports, Rail</i>	\$5,600-\$8,400	\$1,400-\$2,200	\$6,200-\$9,300		<b>\$13,000-\$20,000</b>
<b>Public Transit Authority</b> <sup>1</sup>	<i>Bus, Rail, Ferry</i>	\$9,400-\$11,000	\$2,700-\$3,300	\$5,800-\$7,100		<b>\$18,000-\$22,000</b>

<sup>1</sup> Sound Transit not included due to voter approval for ST3 and ST3 being beyond the 10-year time frame of the study.

<sup>2</sup> Active Transportation estimates in 2020\$ based on WSDOT's Draft 2020 Active Transportation Plan. Funding for Safe Routes to School and Pedestrian & Bicycle Programs (\$1.1B) serves local agencies, schools, OSPI, and WSDOT regions.

Sources: FTA National Transit Database, 2008-2018; SAO Financial Intelligence Tool, 2008-2018; JTC Transit Capital Needs Assessment, 2019; Port of Seattle Budget, 2020; WSDOT Airport Investment Study, 2014; WSDOT Biennial Budgets, 2009-2019; WSDOT Draft Active Transportation Plan, 2020; WSDOT Statewide Transportation Improvement Program, 2020; WSF Long Range Plan, 2019; Pertee, 2020; BERK, 2020.

# 10-Year Cost Estimates in 2019\$ by Type of Mode/Investment (2022-2031)

Mode/ Infrastructure	Jurisdictions	Programmatic Needs (in Millions)		Capital Needs (in Millions)		Total Costs (in Millions)
		Administration & Operations	Maintenance	System Preservation	System Improvement	
<b>Highways</b>	State	\$3,300-\$4,000	\$2,500-\$3,100	\$11,000-\$14,000	\$10,000-\$12,000	<b>\$27,000-\$33,000</b>
<b>Streets and Roads</b>	Tribal Nations, County, City	\$5,500-\$6,700	\$9,200-\$11,000	\$7,900-\$12,000	\$3,600-\$4,800	<b>\$26,000-\$35,000</b>
<b>Airports</b>	State, County, City, Port Districts	\$3,700-\$5,600	\$780-\$1,200	\$4,200-\$6,300		<b>\$8,700-\$13,000</b>
<b>Marine Ports</b>	Port Districts	\$2,700-\$4,100	\$690-\$1,000	\$2,300-\$3,400		<b>\$5,700-\$8,600</b>
<b>Ferries</b>	State, County, Public Transit Authority	\$2,100-\$2,600	\$510-\$620	\$1,600-\$2,000	\$2,000-\$2,500	<b>\$6,200-\$7,600</b>
<b>Bus<sup>1</sup></b>	Tribal Nations, County, City, Public Transit Authority	\$9,500-\$12,000	\$2,700-\$3,300	\$5,800-\$7,100		<b>\$18,000-\$22,000</b>
<b>Rail<sup>1</sup></b>	State, Port Districts, Public Transit Authority	\$620-\$750		\$1,100-\$1,400		<b>\$1,700-\$2,100</b>
<b>Bridges</b>	State, County, City, Port Districts	Included in Highways, Streets, and Roads		\$26,000-\$41,000	\$1,700-\$2,100	<b>\$27,000-\$43,000</b>
<b>Active Transportation</b>	State <sup>2</sup>	\$4.5-\$5.5	\$130-\$150	\$7,000-\$8,600		<b>\$7,200-\$8,700</b>

<sup>1</sup> Sound Transit not included due to voter approval for ST3 and ST3 being beyond the 10-year time frame of the study.

<sup>2</sup> Active Transportation estimates in 2020\$ based on WSDOT's Draft 2020 Active Transportation Plan. Funding for Safe Routes to School and Pedestrian & Bicycle Programs (\$1.1B) serves local agencies, schools, OSPI, and WSDOT regions.

Sources: FTA National Transit Database, 2008-2018; SAO Financial Intelligence Tool, 2008-2018; JTC Transit Capital Needs Assessment, 2019; Port of Seattle Budget, 2020; WSDOT Airport Investment Study, 2014; WSDOT Biennial Budgets, 2009-2019; WSDOT Statewide Transportation Improvement Program, 2020; WSF Long Range Plan, 2019; Perteet, 2020; BERK, 2020.

# Needs Assessment: Part 2

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\$ Estimated Need (2022-2031)  
*+ Additional investments*

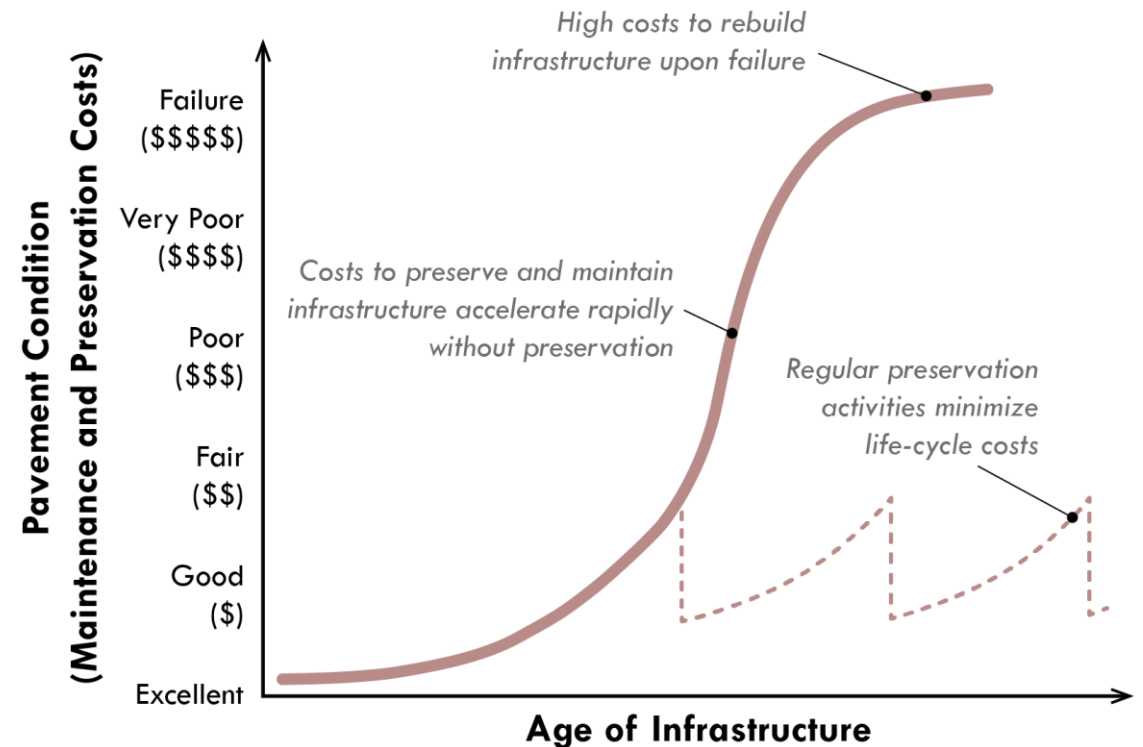


## Needs we cannot fully quantify

- Closing the gap on deferred maintenance
- Full consideration of:
  - Safety
  - ADA Compliance
  - Active Transportation
- Addressing watershed fish passage barriers

# Closing the Gap on Deferred Maintenance

- Deferred maintenance refers to **catch-up investments needed to bring infrastructure back to a state of good repair** when regular preservation and maintenance activities have not been conducted
- If infrastructure holders can't invest in preserving the existing system, **lifecycle costs compound over time**
- Deferred maintenance is **difficult to estimate**



# Full Consideration of Safety

- Types of safety costs *Included in estimates?*
  - Preservation ✓
  - System improvement projects ✓
  - Specific projects to address system gaps ✗
- State
  - Target Zero and Washington State Highway Safety Plan
  - WSDOT estimates **\$1.7 billion**<sup>1</sup> in 10-year unfunded need for State highway safety investments
- Locals: City and County Local Safety Programs via WSDOT
  - In 2019, 30 counties submitted safety plans for **\$79 million**<sup>2</sup> in funding (\$25 million available per year)
  - In 2020, 44 cities submitted safety plans for **\$127 million**<sup>2</sup> in funding (\$25 million available per year)

<sup>1</sup> WSDOT Draft Unfunded Needs List, 4/17/2020

<sup>2</sup> WSDOT Local Programs, 2020

# Full Consideration of ADA Compliance

- Types of ADA costs *Included in estimates?*
  - Preservation ✓
  - System improvement projects ✓
  - Specific projects to address system gaps ✗
  - Full ADA transition plan implementation ✗
- State: WSDOT estimates **\$75 million**<sup>1</sup> in 10-year unfunded need to:
  - Implement WSDOT's ADA Transition Plan for barriers within WSDOT's purview
  - Address facilities and vessels owned by WSF
- Local jurisdictions
  - Resurfacing and preservation impacts of ADA already included for many communities

<sup>1</sup>WSDOT Draft Unfunded Needs List, 4/17/2020;  
WSDOT ADA Transition Plan 2018 Update

# Full Consideration of Active Transportation

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- Active transportation means different things to different agencies
  - Some agencies include Active Transportation as standard; others do not
- WSDOT estimates **\$7.95 billion**<sup>1</sup> in 10-year unfunded need for:
  - Safe Routes to School~
  - State routes in population centers\*~
  - System maintenance\*
  - Program analysis/support\*
  - Bikeways and regional trail system\*~
  - Multimodal connections\*~

*\*State owned*

*~State interest*

<sup>1</sup> WSDOT Draft 2020 Active Transportation Plan



# Addressing Watershed Fish Passage Barriers

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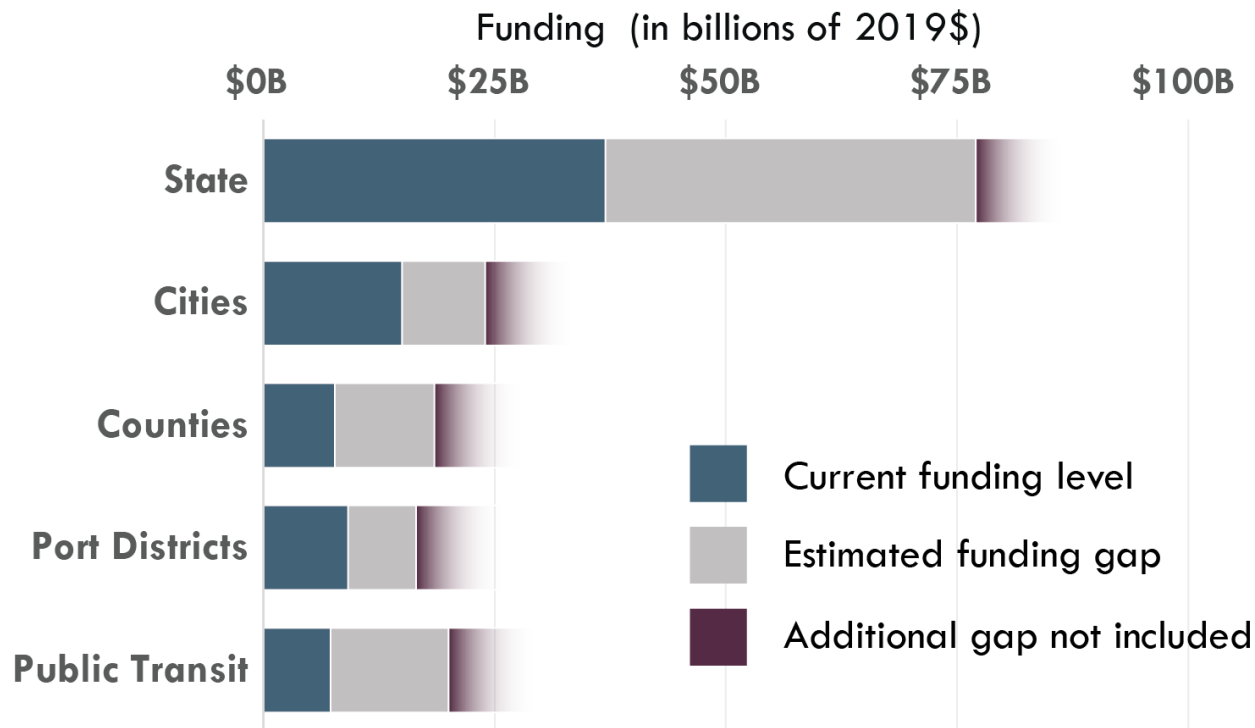
- Not included in categorical needs but included as Anchor Investment
- WSDOT estimates **\$3.1 billion**<sup>1</sup> in unfunded need to:
  - Address compliance with the 90% habitat requirement of injunction by 2030
  - Provide a nominal amount to address non-significant barriers that reach their end of service life during that time period
  - Additional nominal amount to address some culverts outside injunction case area
  - Additional investments are necessary beyond this timeframe to address the remaining barriers at the end of their service life
- City and county needs for fish passage barrier removal are not included because full inventory is still necessary

<sup>1</sup> Year of expenditure dollars; WSDOT Draft Unfunded Needs List, 4/17/2020

# Estimated Funding Gap

*Content on this slide is draft and subject to revision.*

**Current funding levels for all jurisdiction types are less than half of what is needed, without considering investments needed to address deferred maintenance and preservation**



## Limitations

- Assumes current funding levels, **before I-976 and COVID-19**
- May undercount where available information is limited
- Each **Tribal Nation** has distinctly different needs and resources; we were unable to assess funding gaps within scope

## Notes

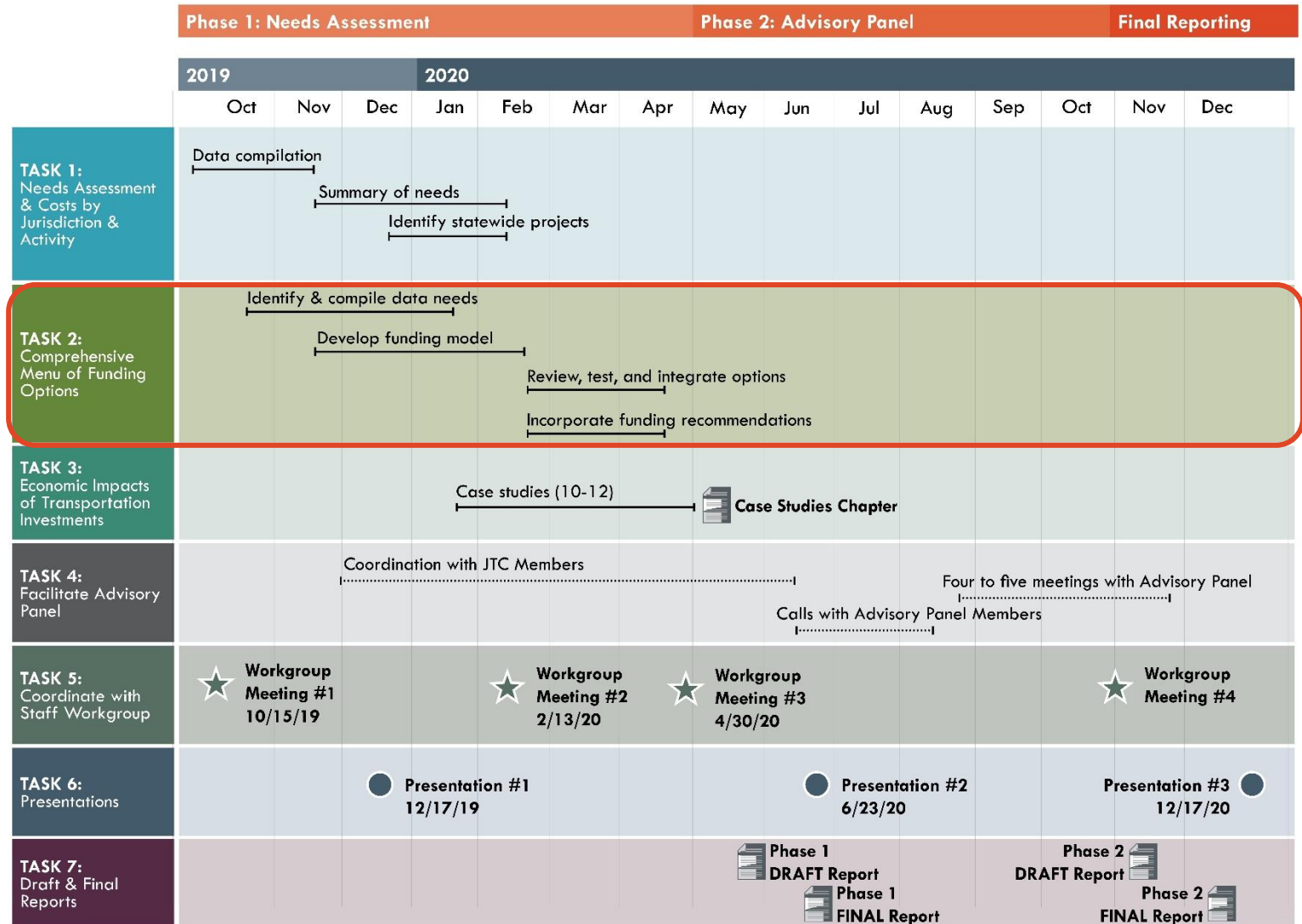
- **Included for State:** consideration of active transportation, safety, and fish passage barriers
- **Not included for local jurisdictions:** full costs to address fish passage barrier removal, safety, active transportation, and ADA compliance
- **Not included:** investments to address deferred maintenance and preservation

Sources: WSDOT, 2020; SAO, 2020; BERK, 2020

# Task 2: Funding Options

From Proviso

- (a) Recommendations on the critical state and local transportation projects, programs, and services needed to achieve an efficient, effective, statewide transportation system over the next ten years;
- (b) a comprehensive menu of funding options for the legislature to consider to address the identified transportation system investments; and**
- (c) an analysis of the economic impacts of a range of future transportation investments.



# Task 2: Funding Options

- **Goal:** Provide policymakers with an order-of-magnitude estimate for receipts to weigh tradeoffs among revenue options
- Model displays incremental revenues that respond to changing rate assumptions
- Revenues from:
  - Existing State revenue sources with changing rate assumptions
  - New State options sourced from proposed bills, past study efforts, Technical Team, and Staff Workgroup input

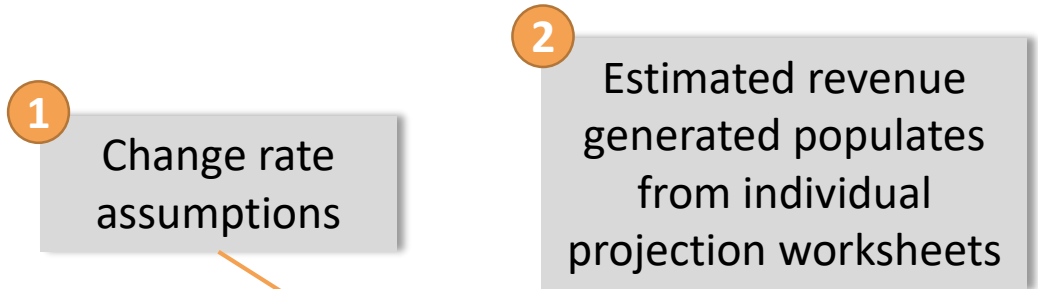
## Technical Team

*Representatives from  
Transportation Revenue  
Forecast Council and agencies  
including:*

- Department of Licensing
- House Transportation Committee
- JTC
- Local government representatives
- Office of Financial Management
- Senate Transportation Committee
- WSDOT

# Revenue Model

- Revenue model allows adjustment of rates and inputs for ongoing legislative staff use

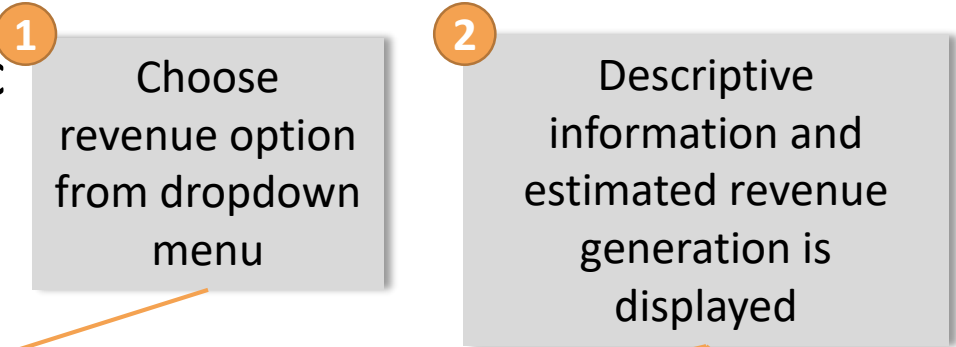


Revenue Tool	Increase Description	Current	Adjustment	New	Revenue Increment 2021 - 2031 (in millions)
<b>Potential New Revenues from Existing Sources</b>					
Fuel Taxes	Additional \$0.06. Further adjustments by year can be made on worksheet.	\$0.49	\$0.06	\$0.55	\$2,302.3
Indexed Fuel Taxes	Index fuel taxes to inflation and fuel consumption. Inflation initially set to 1%		1%		\$1,282.0
Vehicle Registration Fees	\$5 increase	\$30	\$5	\$35	\$325.1
Light Duty Truck License Fee	\$10 increase for each category	\$53 - \$93	\$10	\$63 - \$103	\$142.8
Freight Project Fees	Additional 10-22% phased-in over 5 biennia.		10%-22%		\$44.3
Personal Trailer Fees	\$5 increase from \$15 to \$20	\$15	\$5	\$20	\$26.4
Intermittent-Use Trailer Fees	10% Increase	\$188	\$19	\$206	\$1.4
Motor Home Vehicle Weight Fee	\$25 increase	\$75	\$25	\$100	\$17.1
Trip Permit Fees (3-day)	\$25 increase	\$25	\$25	\$50	\$49.6
Passenger Weight Fees	Advance \$35-\$82 increase to 2019; \$10 increase per vehicle weight class	\$25 - \$72	\$10	\$35 - \$82	\$613.5
Electric Hybrid Vehicle Fee	\$200 increase in 2021	\$75	\$200	\$275	\$482.0
Plate Fees	100% increase	\$4/\$10	100%	\$8/\$20	\$381.7
Filing & Plate Retention Fees	10% Increase		10%		\$7.7
Motor Vehicle Filing Fees	10% Increase		10%		\$5.5
Subagent.Title.Service Fees	10% increase on fees and titles. \$3 increase on service fees (in addition to EHB 17)				\$128.3

How much revenue the rate adjustment generates.

# Revenue Model




- Model can summarize a set of specific revenue options
- Choose a revenue option to see descriptive information and magnitude of revenue generated



Potential New Revenue Tools			Additional Revenue Generated by Rate Adjustment (In Millions)					Revenue Increment 2021 - 2031	Affected by I-976	18th Amendment Restricted
Existing Transportation Revenue Sources	Category	Adjustment Description	2021-2023 Biennium	2023-2025 Biennium	2025 - 2027 Biennium	2027-2029 Biennium	2029-2031 Biennium			
Air Quality Surcharge	Pollution Tax	\$1,058 average new car surcharge.	\$197.3	\$211.0	\$206.8	\$202.2	\$194.0	\$1,011.3		
Auto Parts Sales & Use Tax	Transportation Tax	1% Increase	\$52.1	\$53.0	\$53.4	\$53.9	\$54.3	\$266.8		
Bicycle Sales & Use Tax	Transportation Tax	1% increase	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0		
Cap and Trade Revenues	Pollution Tax	Leg staff estimates shown	\$619.1	\$779.6	\$728.6	\$686.3	\$656.0	\$3,469.6		
EV Fuel Economy Rating Tax	Fuel Collections	Tax EVs as if they drove on gasoline 2017 estimate from JTC Transit	\$16.2	\$36.8	\$84.2	\$192.2	\$431.5	\$760.9		
Employee Excise Tax	Business Tax	Capital Needs with growth	\$158.2	\$162.1	\$165.8	\$169.4	\$172.7	\$828.3		
For Hire and TNC Fees	Transportation Tax	50 cents per trip	\$52.5	\$55.2	\$58.1	\$61.1	\$64.4	\$291.3		
Road Usage Charge	Transportation Tax	New per-mile driven charge.	\$0	\$232.6	\$589.1	\$755.4	\$922.2	\$2,499.4		
Transportation Benefit Assessment	Special Assessment	New assessment on new	\$121.5	\$147.0	\$177.9	\$215.3	\$260.5	\$922.3		
Capital Vessel Surcharge	Capital Surcharge	50 cent increase	\$16.8	\$17.2	\$17.5	\$17.9	\$18.3	\$87.7		Y
Electric Hybrid Vehicle Fee	Vehicle Fee	\$200 increase in 2021	\$69.3	\$82.5	\$96.7	\$109.9	\$123.6	\$482.0	x	In part
Enhanced Driver's Licenses and	Driver Fees	\$30 increase to \$54 (on top of drive	\$47.0	\$44.2	\$48.5	\$48.3	\$48.4	\$236.3		

# Potential State Transportation Revenue Options

Evaluation criteria for short list of options from past legislative proposals, legislative estimates, past studies, and previously enacted tax packages.

- **Order of Magnitude:** What is the fundraising strength of this revenue option?
- **Applicability:** How widely applicable is this option, considering restrictions on eligible expenditures and jurisdictions that may use this?
- **Equity:** How much does the revenue option align the burden of who pays the tax/fee/charge with who benefits?
- **Ease of Implementation:** How operationally/administratively feasible is the option? To what extent are revenues impacted by collection/administrative costs?
- **Legislative History:**  Has this revenue option been proposed in the Legislature in past or current session?
- **Resource Efficiency:**  Does this option incentivize energy efficiency or fuel efficiency?
- **18<sup>th</sup> Amendment:**  Is this revenue option restricted by 18<sup>th</sup> Amendment for “highway purposes”?

# Potential State Transportation Revenue Options: New Sources

Short list of options from past legislative proposals, legislative estimates, and past study efforts.

Revenue Sources	Fundraising Order of Magnitude (scale below)	Applicability	Equity	Ease of Implementation	Legislative History	Resource Efficiency	18th Amendment Restriction
<b>New State Transportation Revenue Sources</b> (new sources + sources not currently used for transportation)							
Air Quality Surcharge	\$\$\$						
Auto Parts Sales and Use Tax**	\$\$						
Bicycle Sales and Use Tax**	\$						
Cap and Trade Revenues	\$\$\$						
Carbon Pollution Fee	\$\$\$\$						
Electric Vehicle Fuel Economy Rating Tax	\$\$\$						
Employee Payroll Tax	\$\$\$\$						
For Hire and TNC Fees	\$\$						
Road Usage Charge*	\$\$\$\$						
Statewide Special Transportation Benefit Assessment	\$\$\$						

Magnitude over 10 Years		Applicability	Equity, Ease of Implementation
\$	<\$50 M	Applicable to nearly all jurisdiction types/expenditures	High
\$\$	\$50 M - \$500 M	Applicable to some jurisdiction types/expenditures	Medium
\$\$\$	\$500 M - \$5 B	Applicable to limited jurisdiction types/expenditures	Low
\$\$\$\$	>\$5 B		

\*Assuming a road usage charge would replace the motor vehicle fuel tax and is not an additional charge. WSTC recommended that expenditures of RUC revenue should be subject to 18th Amendment.

\*\*Existing state revenue that is not currently used for transportation

Note: 18th Amendment restriction reflects current law.



# Potential State Transportation Revenue Options: Existing Sources

Short list of options from past legislative proposals, legislative estimates, and past study efforts.

Revenue Sources	Fundraising Order of Magnitude (scale below)	Applicability	Equity	Ease of Implementation	Legislative History	Resource Efficiency	18th Amendment Restriction
<b>Existing State Transportation Revenue Sources (Rate Adjustments)</b>							
Capital Vessel Surcharge: <i>rate increase</i>	\$\$						
Electric Hybrid Vehicle Fee: <i>rate increase</i>	\$\$						<i>in part</i>
Enhanced Driver's Licenses/Identicards: <i>rate increase</i>	\$\$						
Freight Project Fees: <i>rate increase</i>	\$\$						
Fuel Tax: <i>rate increase</i>	\$\$\$						
HOV Lane Violations: <i>rate increase</i>	\$						
Indexed Fuel Tax	\$\$\$						
Int'l Fuel Tax Agreement (IFTA) Decals: <i>rate increase</i>	\$						
Light Duty Truck License Fee: <i>rate increase</i>	\$\$						
Passenger Vehicle Weight Fees: <i>rate increase</i>	\$\$\$						
Rental Car Tax: <i>rate increase</i>	\$\$						
Trip Permit Fees (3-day): <i>rate increase</i>	\$\$						<i>in part</i>
Vehicle Registration Fees: <i>rate increase</i>	\$\$						

Magnitude over 10 Years		Applicability	Equity, Ease of Implementation	
\$	<\$50 M	Applicable to nearly all jurisdiction types/expenditures		High
\$\$	\$50 M - \$500 M	Applicable to some jurisdiction types/expenditures		Medium
\$\$\$	\$500 M - \$5 B	Applicable to limited jurisdiction types/expenditures		Low
\$\$\$\$	>\$5 B			

Note: 18th Amendment restriction reflects current law.

# Potential Local Transportation Revenue Options

- Local jurisdictions could benefit from adjustments to State revenue options, where Legislature could allocate to locals
- Additional local options to generate revenue require State legislative action

Revenue Sources	Fundraising Order of Magnitude (scale below)	Applicability	Equity	Ease of Implementation	Legislative History	Resource Efficiency	18th Amendment Restriction
<b>Local Transportation Revenue Sources (Require State legislative action/statutory change)</b>							
Communities Facilities District	N/A	●	●	●	✍		
Household Excise Tax	\$\$	●	●	●	✍		
Lift the 1% Property Tax Cap	N/A	●	●	●	✍		
Local Rental Car Sales Tax	\$\$	●	●	●			
Local Option Tolls	\$\$\$	●	●	●	✍		
Local Motor Vehicle Fuel Tax Adjustment	\$\$	●	●	●	✍		
Local Tax or Fee for Truck/Delivery Vehicle/Large Vehicles and/or Businesses Using Them	N/A	●	●	●			
Street Utility*/Road Benefit Charge	N/A	●	●	●	✍		
Transportation Benefit District Sales Tax Adjustment	\$\$\$	●	●	●	✍		
Transportation Benefit District Utility Tax Option	\$\$\$	●	●	●	✍		

Magnitude over 10 Years		Applicability	Equity, Ease of Implementation	
\$	<\$50 M	Applicable to nearly all jurisdiction types/expenditures	●	High
\$\$	\$50 M - \$500 M	Applicable to some jurisdiction types/expenditures	●	Medium
\$\$\$	\$500 M - \$5 B	Applicable to limited jurisdiction types/expenditures	●	Low
\$\$\$\$	>\$5 B			

\*Previously found unconstitutional

Note: 18th Amendment restriction reflects current law.

# Other Local Transportation Special Districts

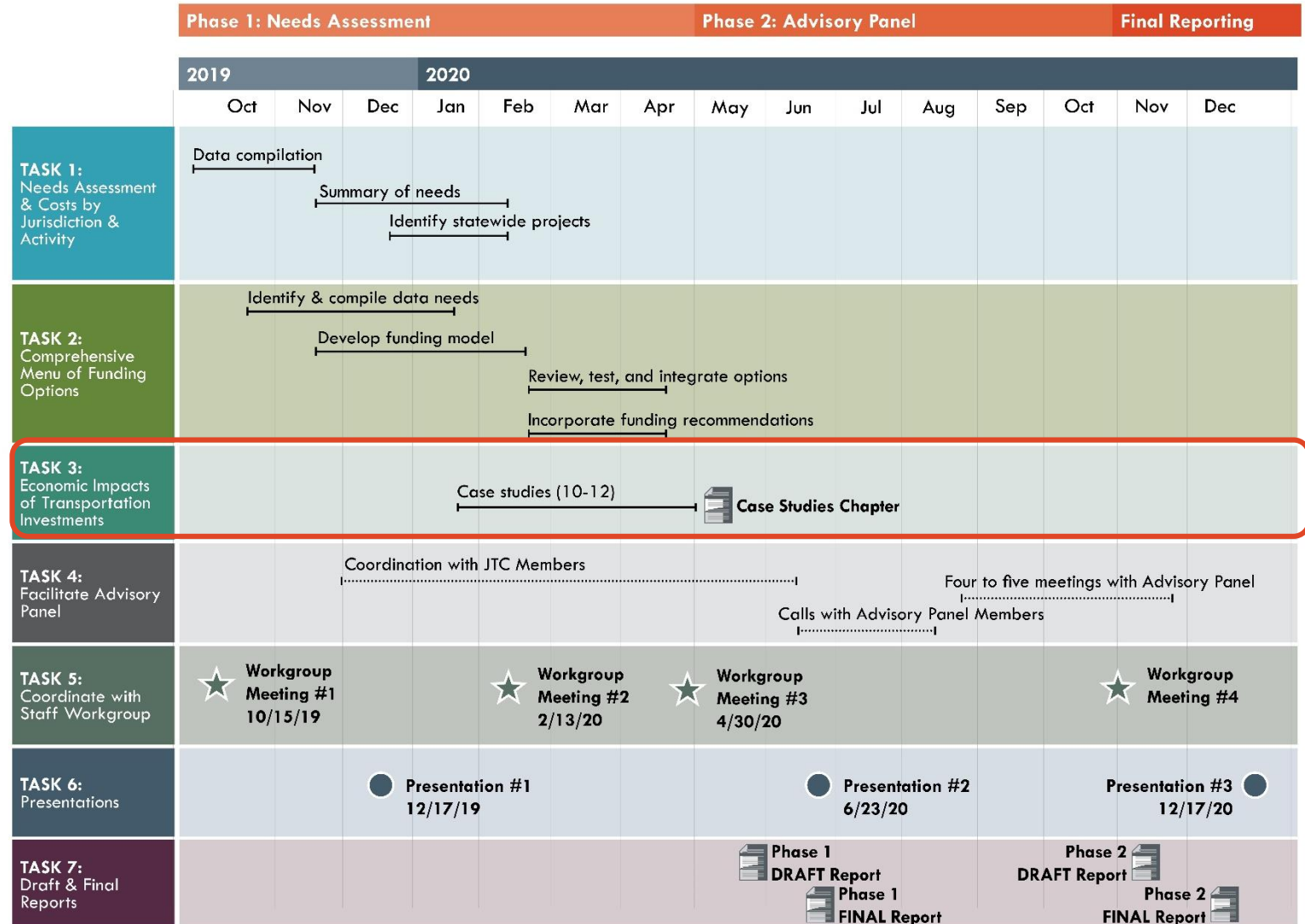
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- In addition to cities and counties, other local governmental entities may deliver transportation services and collect revenues, including:
  - Airport districts
  - Regional transportation investment districts
  - Public transportation benefit areas
  - Ferry districts
  - Regional transit authorities
  - Roads and bridges service districts
  - City transportation authority
  - County rail districts

# Task 3: Economic Impact Case Studies

From Proviso

- *(a) Recommendations on the critical state and local transportation projects, programs, and services needed to achieve an efficient, effective, statewide transportation system over the next ten years;*
- *(b) a comprehensive menu of funding options for the legislature to consider to address the identified transportation system investments; and*
- **(c) an analysis of the economic impacts of a range of future transportation investments.**



# Task 3: Economic Impact Case Studies

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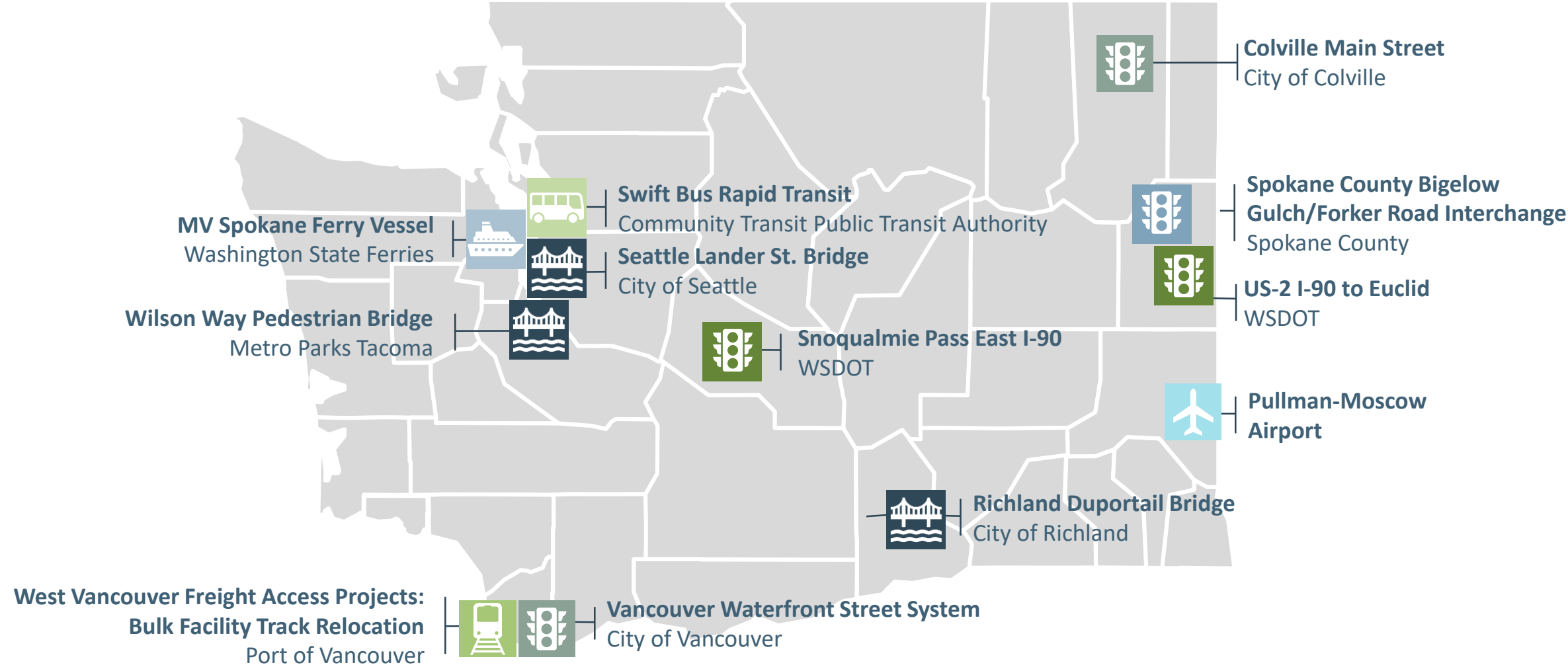
- **Objectives:**

- Highlight **economic and fiscal impacts** of transportation investments to the State
- Describe **other impacts** of transportation investments, with focus on State (may include advancement of State Transportation Policy Goals, community benefits)

- **12 case studies of completed projects** across:

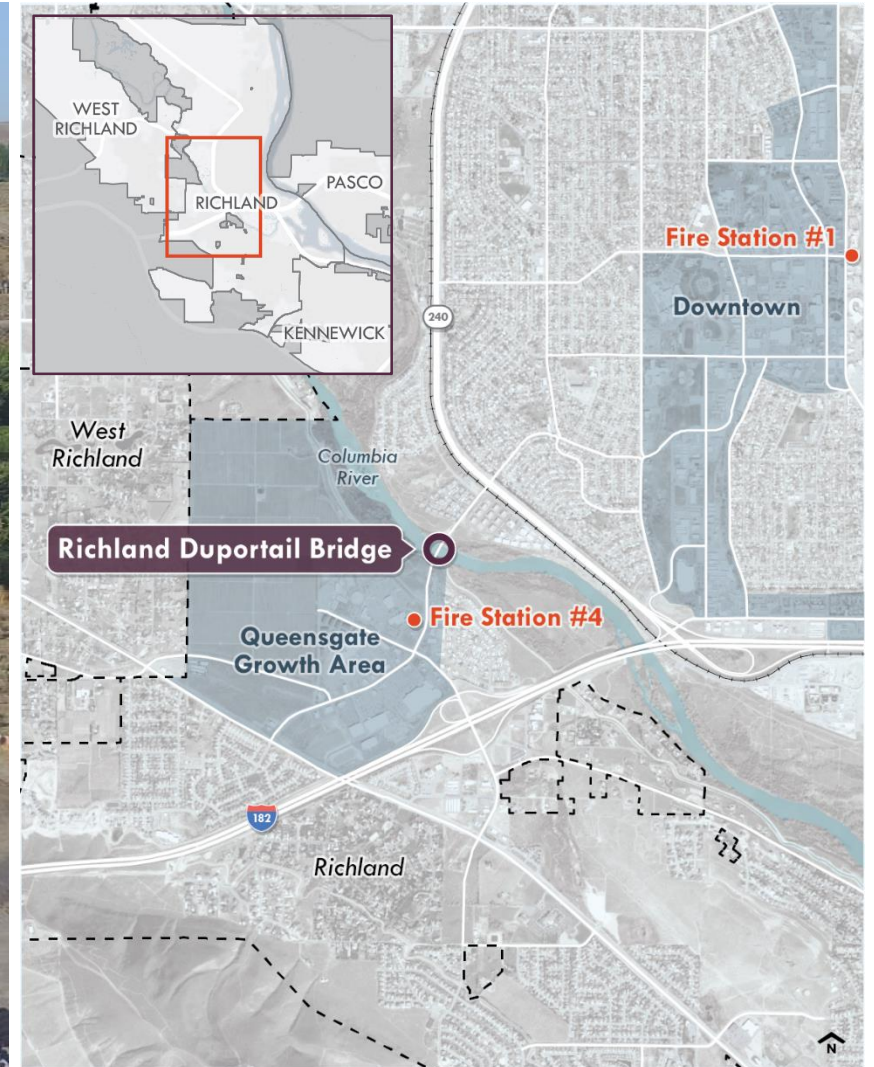
- **Geographic regions**
- **Jurisdiction types** (e.g., city/county, port districts, WSDOT)
- **Mode/investment types** (e.g., public transit, road/highway, bridges, rail, port)

# Case Studies





# Sample Case Study: Richland Duportail Bridge





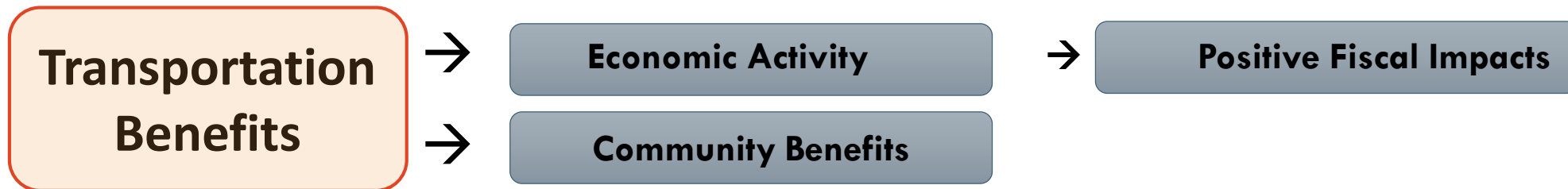
# Sample Case Study: Wilson Way Pedestrian Bridge



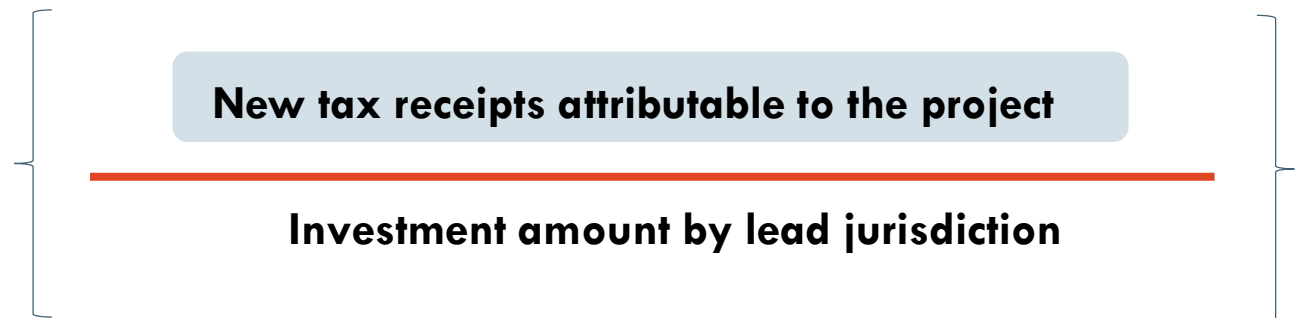


# Case Studies: Key Takeaways

- Lead jurisdictions often must seek funding from multiple sources
- Benefits can compound:



- Investments generated tax revenues for State and/or local jurisdictions via **one-time construction-based taxes** and **ongoing tax revenues** from enhanced economic activity
- In some cases, jurisdictions may receive a positive financial return on investment:

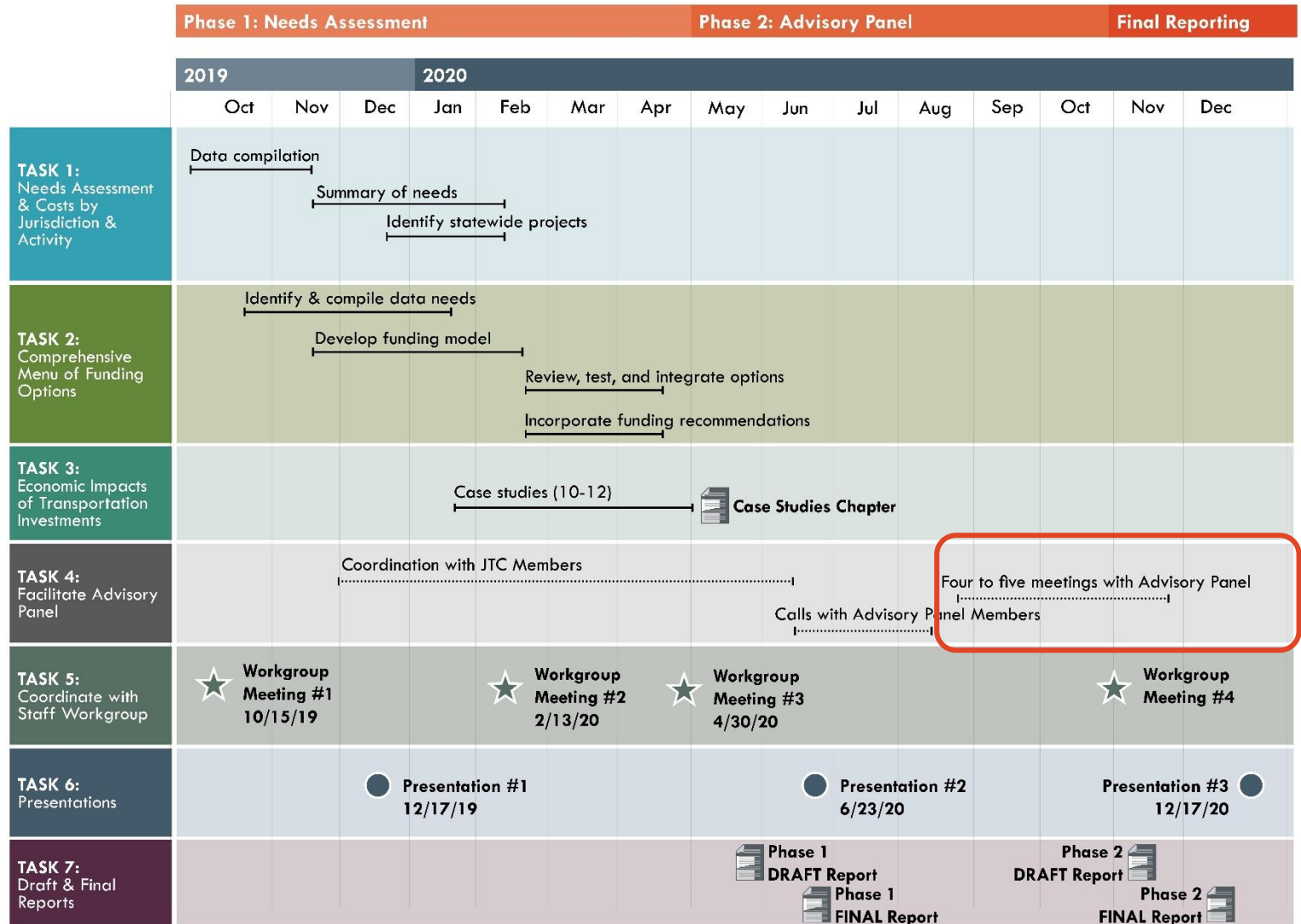


# Phase 2 Advisory Panel

# Task 4: Facilitate Advisory Panel (Phase 2)

From Proviso

- The assessment must be submitted to the transportation committees of the legislature by June 30, 2020. Starting July 1, 2020, and concluding by December 31, 2020, a **committee-appointed commission or panel shall review the assessment and make final recommendations to the legislature for consideration during the 2021 legislative session** on a realistic, achievable plan for funding transportation programs, projects, and services over the next ten years including a timeline for legislative action on funding the identified transportation system needs shortfall.



# Task 4: Facilitate Advisory Panel

- **Charge**

- Review Needs Assessment findings
- Develop recommended investment priorities and revenue options for the Legislature to consider in the 2021 session

- **Membership:** JTC Executive Committee has concluded nomination and selection process – see roster in [Appendix](#)

- **Schedule:** 4 meetings

- Starting late Aug/early Sept, ending Nov 2020

## Potential revision of Transportation Policy Goals

- The Supplemental Transportation Budget adds a provision to this study, asking for *“recommendations on whether a revision to the statewide transportation policy goals in RCW 47.04.280 is warranted”*
- The Advisory Panel convened in the second half of this year will be charged with providing a response to this question

# Task 4: Facilitate Advisory Panel

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- Advisory Panel will provide **directional guidance** to the Legislature surrounding:
  - **Investment priorities**
  - **Revenue sources**
- Advisory Panel will not develop a funding package or project list
- We will need to balance considerations of current, changing context with longer-term needs and perspective

Thank you

# Appendix

# Proviso: Engrossed Substitute House Bill 1160

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Chapter 416, Laws of 2019, Section 204 (1) - \$400,000 of the motor vehicle account—state appropriation and \$50,000 of the multimodal transportation account—state appropriation is for the joint transportation committee to conduct a comprehensive assessment of statewide transportation needs and priorities, and existing and potential transportation funding mechanisms to address those needs and priorities. The assessment must include:

- (a) Recommendations on the critical state and local transportation projects, programs, and services needed to achieve an efficient, effective, statewide transportation system over the next ten years;
- (b) a comprehensive menu of funding options for the legislature to consider to address the identified transportation system investments; and
- (c) an analysis of the economic impacts of a range of future transportation investments.

The assessment must be submitted to the transportation committees of the legislature by June 30, 2020. Starting July 1, 2020, and concluding by December 31, 2020, a committee-appointed commission or panel shall review the assessment and make final recommendations to the legislature for consideration during the 2021 legislative session on a realistic, achievable plan for funding transportation programs, projects, and services over the next ten years including a timeline for legislative action on funding the identified transportation system needs shortfall.



# Staff Workgroup

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- House Transportation Committee: Amy Skei
- Senate Transportation Committee: Hayley Gamble
- WSDOT: Allison Dane Camden
- Office of Financial Management: Erik Hansen
- Washington State Transportation Commission: Reema Griffith
- Washington Traffic Safety Commission: Shelly Baldwin
- Department of Licensing: Beau Perschbacher
- Thurston Regional Planning Council: Marc Daily
- Puyallup Tribe of Indians: Andrew Strobel
- Washington State Transit Association: Justin Leighton
- Transportation Improvement Board: Ashley Probart
- County Road Administration Board: John Koster
- Association of Washington Cities: Logan Bahr
- Washington State Association of County Engineers: Jane Wall
- Freight Mobility Strategic Investment Board: Brian Ziegler
- Washington Public Ports Association: Chris Herman
- Washington State Patrol: Captain Neil Weaver
- House Republican Caucus: Dana Quam
- House Democratic Caucus: David Bremer
- Senate Democratic Caucus: Hannah McCarty
- Senate Republican Caucus: Martin Presley
- Joint Transportation Committee: David Ward, Dave Catterson

# State Transportation Policy Goals – RCW 47.04.280

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## Transportation system policy goals.

(1) It is the intent of the legislature to establish policy goals for the planning, operation, performance of, and investment in, the state's transportation system. The policy goals established under this section are deemed consistent with the benchmark categories adopted by the state's blue ribbon commission on transportation on November 30, 2000. Public investments in transportation should support achievement of these policy goals:

- (a) Economic vitality:** To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy;
- (b) Preservation:** To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services;
- (c) Safety:** To provide for and improve the safety and security of transportation customers and the transportation system;
- (d) Mobility:** To improve the predictable movement of goods and people throughout Washington state, including congestion relief and improved freight mobility;
- (e) Environment:** To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment; and
- (f) Stewardship:** To continuously improve the quality, effectiveness, and efficiency of the transportation system.

# Summary Approach for Estimating Need



# 10-Year Cost Estimates in 2019\$ for State by Type of Mode/Investment

Type of Jurisdiction	Mode/ Infrastructure	Programmatic Needs (in Millions)		Capital Needs (in Millions)		Total Costs (in Millions)
		Administration & Operations	Maintenance	System Preservation	System Improvement	
State	Highways	\$3,300-\$4,000	\$2,500-\$3,100	\$11,000-\$14,000	\$10,000-\$12,000	<b>\$46,000-\$63,000</b>
	Bridges			\$18,000-\$29,000	\$1,400-\$1,700	
State	Ferries	\$1,900-\$2,300	\$440-\$530	\$1,600-\$2,000	\$2,000-\$2,500	<b>\$5,900-\$7,200</b>
State	Airports	\$130-\$160		\$120-\$140		<b>\$250-\$300</b>
State	Rail	\$400-\$490		\$1,100-\$1,400		<b>\$1,500-\$1,900</b>
State	Active Transportation <sup>1</sup>	\$4.5-\$5.5	\$130-\$150	\$7,000-\$8,600		<b>\$7,200-\$8,700</b>

<sup>1</sup>Active Transportation estimates in 2020\$ based on WSDOT Draft 2020 Active Transportation Plan. Funding for Safe Routes to School and Pedestrian & Bicycle Programs (\$1.1B) serves local agencies, schools, OSPI, and WSDOT region.

Sources: WSDOT Airport Investment Study, 2014; WSDOT Biennial Budgets, 2009-2019; WSDOT Statewide Transportation Improvement Program, 2020; WSF Long Range Plan, 2019; Petteet, 2020; BERK, 2020.

# Revenue Model: Existing Transportation Options

Transportation Revenue Sources	Category
Aircraft Excise Tax	Transportation Tax
Aircraft Fuel Tax	Transportation Tax
Capital Vessel Surcharge	Capital Surcharge
Dealer Temporary Permit Fees	Vehicle Fee
DOT Business Revenue	Other Fees
DOT Collected Fees	Vehicle Fee
Electric Hybrid Vehicle Fee	Vehicle Fee
Enhanced Driver's Licenses and Identical Cards	Driver Fees
Ferries Fare Revenue	Fares and Tolls
Filling & Plate Retention Fees	Vehicle Fee
Freight Project Fees	Vehicle Fee
Fuel Taxes	Fuel Collections
Hazardous Substance Tax	Other Fees
HOV Lane Violations	Other Fees
Indexed Fuel Taxes	Fuel Collections
Intermittent-Use Trailer Fees	Vehicle Fee
International Fuel Tax Agreement (IFTA) Decals	Transportation Tax

Transportation Revenue Sources	Category
Light Duty Truck License Fee	Vehicle Fee
Local Transportation Benefit District (TBD) Sales Tax	Local
Motor Home Vehicle Weight Fee	Vehicle Fee
Motor Vehicle Filing Fees	Vehicle Fee
Passenger Vehicle Weight Fees	Vehicle Fee
Penalty Fees	Driver Fees
Personal Trailer Fees	Vehicle Fee
Plate Fees	Vehicle Fee
Rental Car Tax	Transportation Tax
Sales Tax on New Vehicles	Transportation Tax
School Zone Fines	Other Fees
Standard Driver's License Fees	Driver Fees
Subagent, Title, and Service Fees	Vehicle Fee
Toll Revenue	Fares and Tolls
Trip Permit Fees (3-day)	Vehicle Fee
Vehicle Registration Fees	Vehicle Fee

# Revenue Model: New Transportation Options

Transportation Revenue Sources	Category
Air Quality Surcharge	Pollution Tax
Airport Landing Fees	Other Fees
Apply Sales & Use Tax to Motor Fuel	Transportation Tax
Auto Parts Sales & Use Tax	Transportation Tax
Auto Repair Sales & Use Tax	Transportation Tax
Bicycle Sales & Use Tax	Transportation Tax
Cap and Trade Revenues	Pollution Tax
Capital Amtrak Surcharge	Capital Surcharge
Carbon Pollution Fee	Pollution Tax
Commercial Aircraft Fuel Tax	Transportation Tax
Container Fees	Freight Tax or Fee
Development Impact Fees	Taxes or Fees on Construction
DOL Fees on No-Fee Services	Vehicle Fee
Employee Excise Tax	Business Tax
EV Fuel Economy Rating Tax	Fuel Collections
Ferry Passenger Terminal Fee	Other Fees
For Hire and TNC Fees	Transportation Tax

Transportation Revenue Sources	Category
Increase Diesel Fuel Price Commensurate with Federal Gasoline/Diesel Differential	Fuel Collections
Interest Income	Operating Income
Local Household Excise Tax	Local
Local Motor Vehicle Special Fuel Tax	Local
Local Option Tolls	Local
Local Rental Car Sales Tax	Local
Local Transportation Benefit District (TBD) Utility Tax	Local
Motor Vehicle Excise Tax	Vehicle Fee
Oil Production Tax (Barrel fee)	Fuel Collections
Oil Spill Tax	Other Fees
Payroll Tax	Business Tax
Petroleum Products Tax	Other Fees
Repeal Exported Fuel Exemption	Fuel Collections
Road Usage Charge	Transportation Tax
Tax Increment Revenues	Taxes or Fees on Construction
Transportation Benefit Assessment	Special Assessment
Weight Mile Fee	Vehicle Fee

# Advisory Panel Roster

Association/Organization	Appointee	Title
Co-Chair	Judy Clibborn	Former State Representative and House Transportation Committee Chair
Co-Chair	Larry Krauter	CEO Spokane Airports
All Aboard Washington	Luis Moscoso	Government Affairs Director
American Council of Engineering Companies of Washington	Genesee Adkins	Infrastructure Initiatives and External Affairs Director at HDR
Associated General Contractors of Washington	Andy Thompson	Senior Program Manager Granite Construction Company
Association of Washington Cities	Cassie Franklin	Mayor City of Everett
Burlington Northern Santa Fe	Johan Hellman	Regional Director Government Affairs
The Affiliated Tribes of Northwest Indians (WA Delegation)	Kirk Vinish	Chair Transportation Committee
The Association of Washington Business	Mike Ennis	Government Affairs Director Transportation and Environment
The Washington Roundtable	Neil Strege	Vice President
Transportation Choices Coalition	Alex Hudson	Executive Director
Washington Economic Development Association	Michael Cade	Executive Director Thurston Economic Development Council
Washington Environmental Council	Rebecca Ponzio	Climate & Fossil Fuel Program Director
Washington Public Ports Association	Julianna Marler	CEO Port of Vancouver USA
Washington State Association of Counties	Rick Hughes	San Juan County Council member
Washington State Building and Construction Trades Council	Mark Riker	Executive Secretary Washington State Building & Construction Trades Council
Washington State Transit Association	Justin Leighton	Executive Director
Washington Trucking Associations	Brent Vander Pol	President Peninsula Truck Lines Inc.