

# Transportation 101

## Moving People and Goods



Summer 2013



# What is the statewide transportation system?

18,046 miles of city streets

39,748 miles of county roads and four county ferries

Over 7,000 miles of state highways and 22 ferries

Reservation roads and Forest Service roads

39 transit agencies

75 port districts in 33 of 39 counties

Sidewalks and bike paths



Over 5.5 million licensed passenger vehicles, trucks and motorcycles

Amtrak, Sounder, Link light rail, streetcars

Freight trains and trucking companies

Airlines and maritime shipping lines

Bicycles

Barges



# The Past

## Federal

- 90% of the Interstate System was built with federal gas tax money.
- Congress increased the federal gas tax to 18.4 cents per gallon in 1994.



## State

- Tacoma Narrows Bridge, the two Lake Washington floating bridges, the I-5 bridge between Vancouver and Portland, all were toll bridges.
- State gas tax increases in 2003 and 2005 were bonded to build capital projects.

## Local

- Sales tax revenue is the primary fund source for city streets and transit systems.
- Property tax revenue is the primary fund source for county roads.

# The Present: Federal Transportation Funding

No federal gas tax increase since 1994.

Since 2008, over \$53 billion transferred from general fund to Highway Trust Fund and Mass Transit Fund.

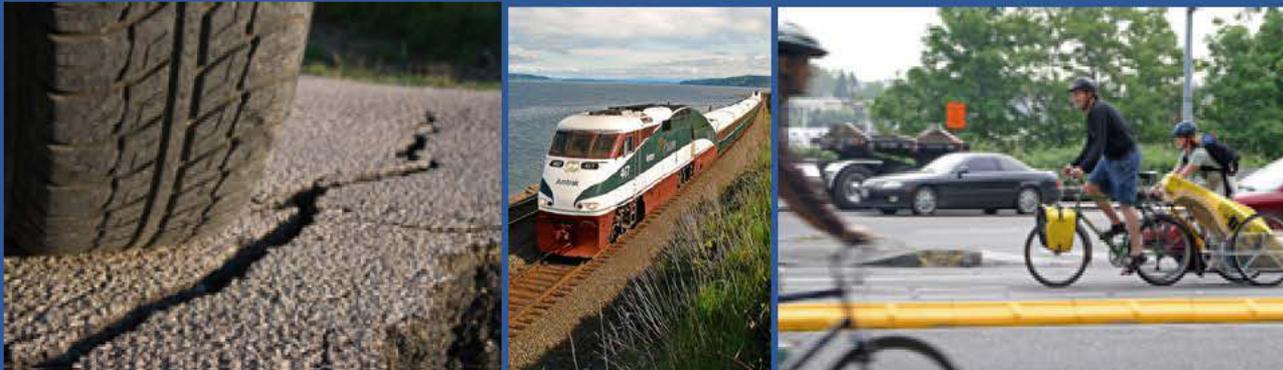
Highway Trust Fund projected in deficit by 2015.



# The Present: State and Local Transportation Funding

## How much is invested in transportation today?

- 2013-15 Washington State Transportation Budget: \$8.831 billion for the biennium
- Annual county, city and transit investment statewide from local sources: over \$3 billion



# The Present:

## Local Transportation Revenue

- 70% of cities' transportation funding comes from local revenue sources, primarily from sales tax
- About 62% of counties' transportation funding is locally generated, primarily from the county road share of the property tax
- 11% of cities' and counties' transportation revenue is federal funds
- 19% of cities' transportation revenue and 27% of counties' comes from the state
  - 2.96¢ of state gas tax is distributed to cities
  - 4.92¢ of state gas tax is distributed to counties
- Most local transit service revenue comes from:
  - Locally-approved sales tax
  - Fare box receipts
  - Federal grants
- Port revenue comes from user fees, leases, property tax and grants



# The Present: Your transportation spending

In 2009, Washington citizens and businesses spent over \$11.1 billion on gasoline and other transportation fuel.

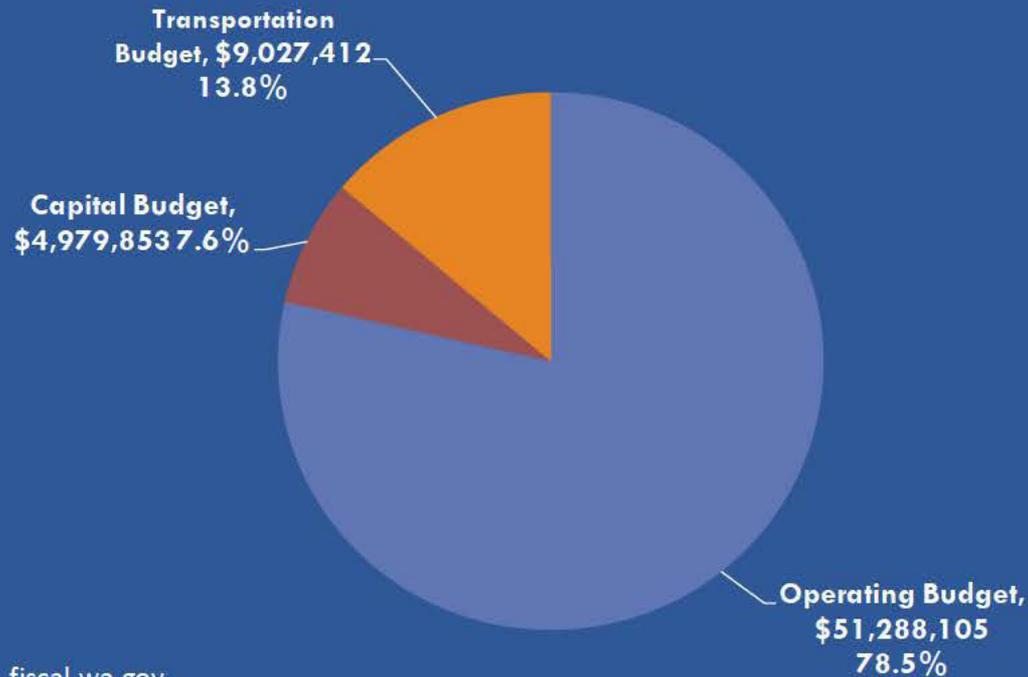
In 2010, new car sales in the state totaled \$9.4 billion.

Washington citizens and businesses spend 3 times as much on transportation as state and local government does.

The average Washington household spends \$2,987 annually on vehicle fuel, compared to \$607 for home heating.



# Transportation Infrastructure is Less Than 14% of the 2011 -13 State Budget\*



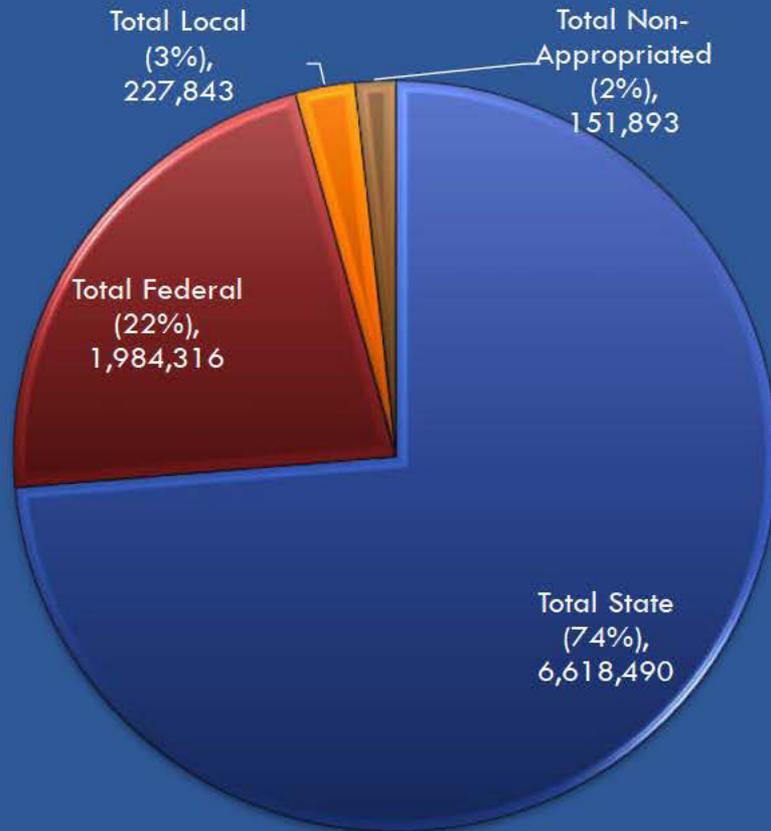
Source: [fiscal.wa.gov](http://fiscal.wa.gov)

## 2011-13 State Budget -- \$65.3 Billion

\*Not all of the Transportation Budget builds infrastructure or moves people and goods. It also includes funding for the Washington State Patrol, the Department of Licensing and other transportation agencies.

# Where Does the State Transportation Budget Come From?

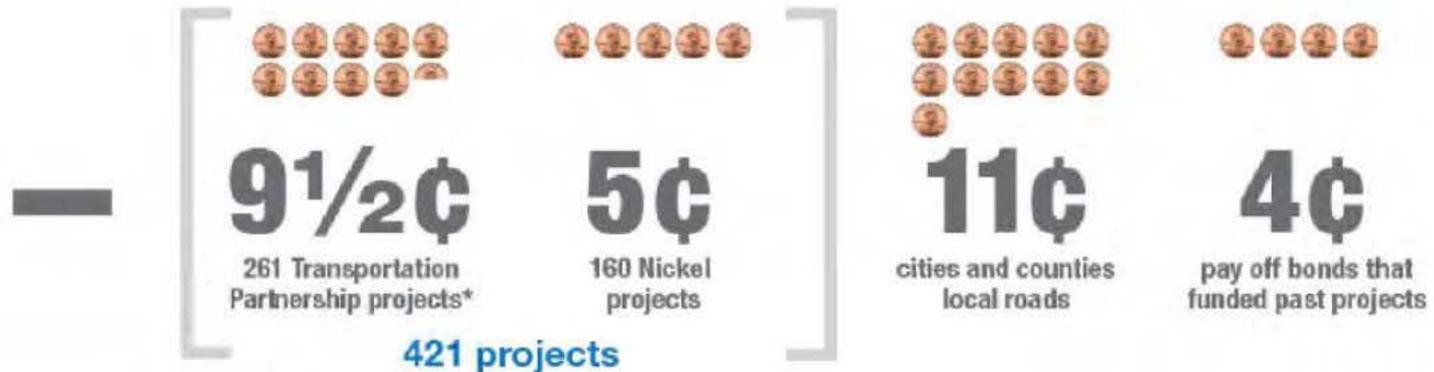
2013-2015 Enacted Transportation Budget \$8.831 billion



- Federal gas tax = 18.4¢ per gallon
- State gas tax = 37.5¢
- State car and truck weight fees
- Ferry fares pay for 65% to 70% of operating costs

# Transportation fuel tax is limited and committed

**37½¢ per-gallon state fuel tax**



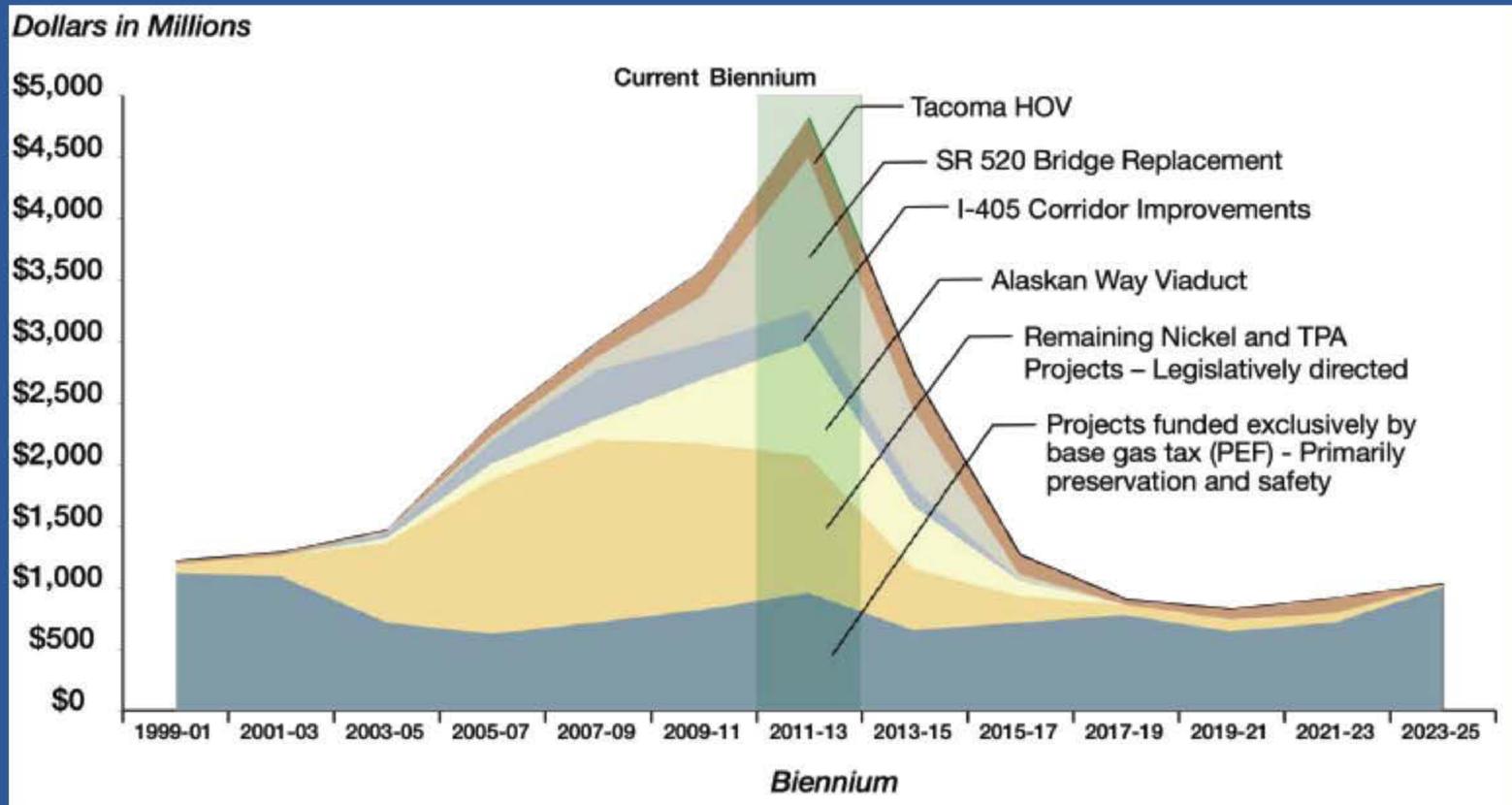
**= 8¢** Available for use on state highways, bridges and ferries:

- maintenance and operations
- preservation
- safety improvements

\* Of the 9½ cents, 8½ cents is used by the state for highway projects, 1 cent goes to cities and counties for street and road improvements.

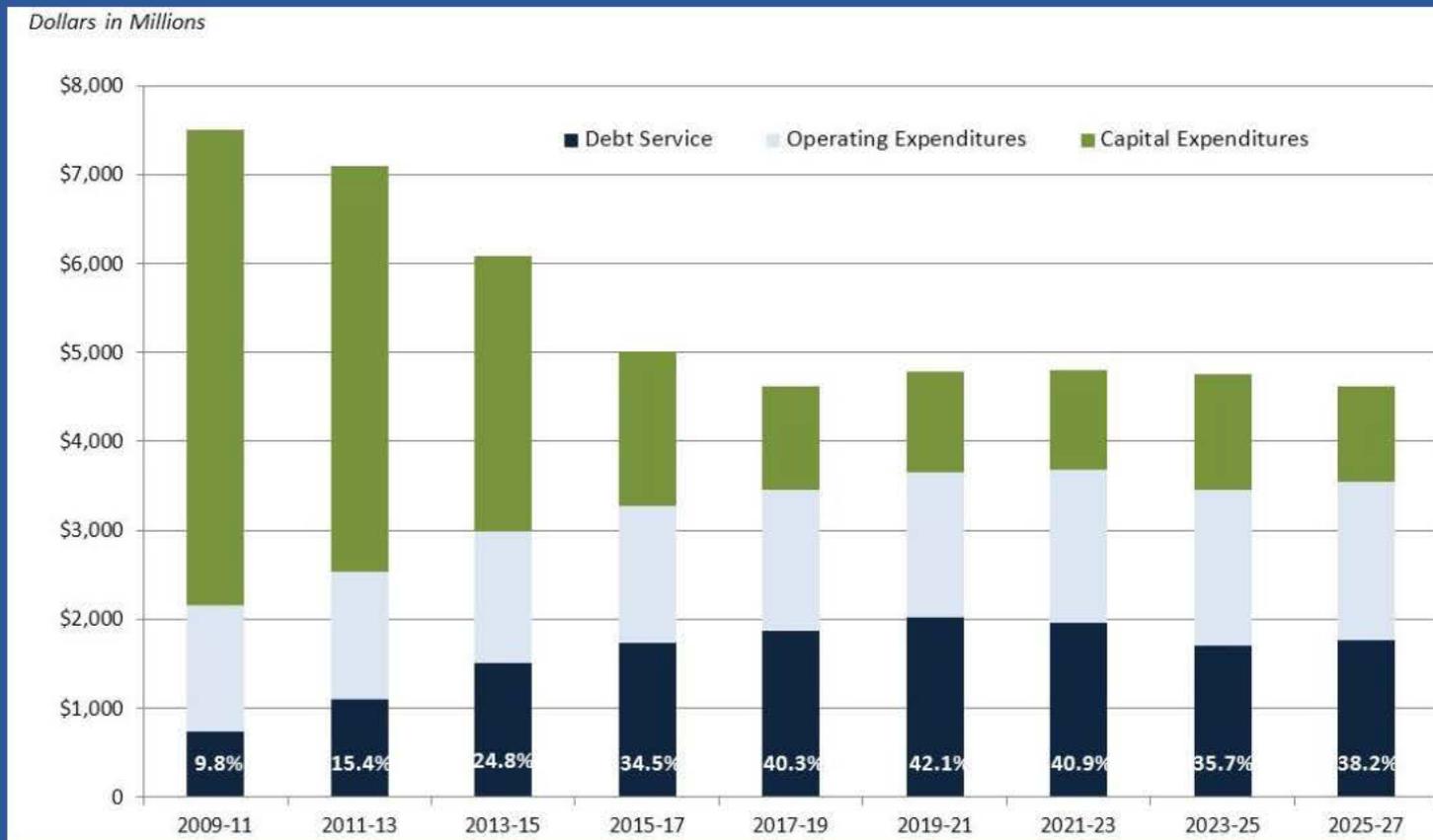
# What does the Future Bring?

State transportation spending peaks in the 2011-13 biennium then drops off quickly.



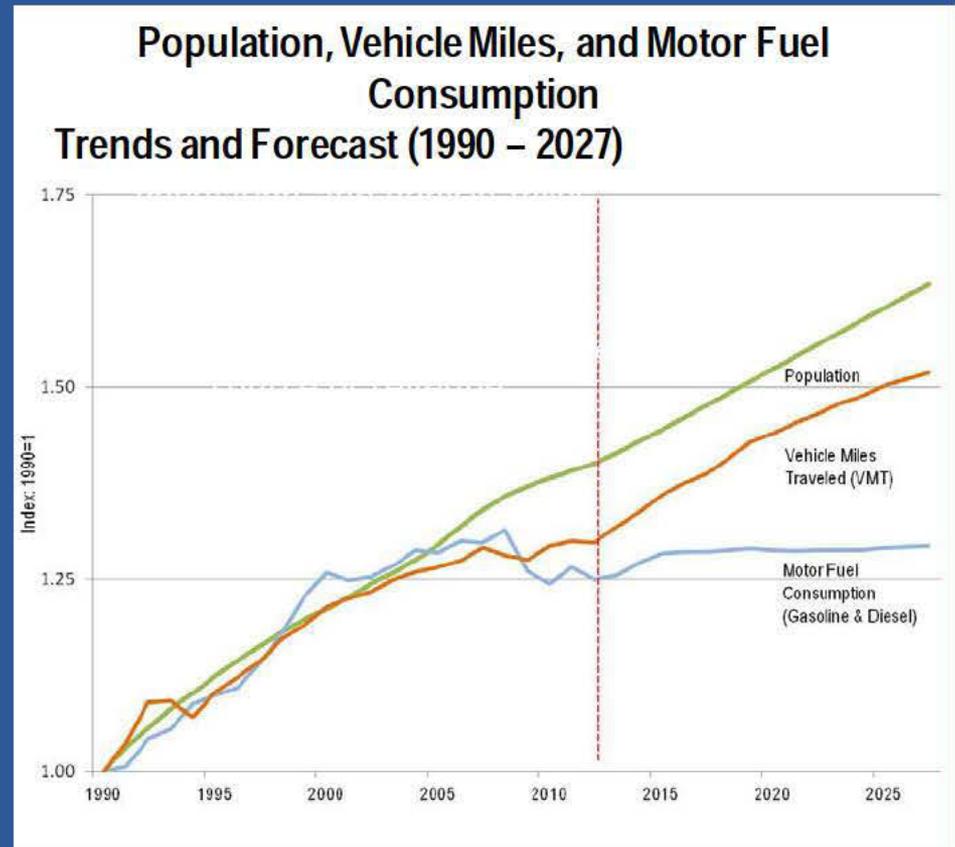
# What does the Future Bring? More Debt Service

## Debt Service is a Significant Share of the Transportation Budget and the Legislative 16-year Financial Plan



# The Motor Vehicle Fuel Tax is Not Sustainable

- The gas tax is levied as a fixed amount per gallon, so it:
  - Does not rise and fall with the price of fuel;
  - Does not keep pace with inflation; and
  - Declines on a per-mile basis as vehicles become more fuel-efficient.
- Better fuel economy in light-duty vehicles will be the primary cause of lower fuel consumption over the next 15 years.
- Population and vehicle miles will continue to increase but will consume less fuel – this translates into less revenue to fund transportation.



# What does the Future Bring?

Washington is at a transportation funding crossroads.

Challenges of preserving and maintaining the system:

- Transportation infrastructure is aging and \$175 - \$200 billion in transportation system investments are needed statewide in the next 20 years.
- Long-term needs vs. short-term revenue solutions.
- Population to grow by 28% in the next decade.
- Elimination of MVET cut transportation revenue by \$750M annually.
- Fuel tax, primary source of transportation revenue, is eroding.

**The motor fuel tax represents the largest share of state transportation funding, supporting 76 percent of all state transportation investments.**

# Blueprint for the Future: the Washington Transportation Plan

Six transportation policy goals.

- ❖ **ECONOMIC VITALITY**
- ❖ **PRESERVATION**
- ❖ **SAFETY**
- ❖ **MOBILITY**
- ❖ **ENVIRONMENT**
- ❖ **STEWARDSHIP**

RCW 47.04.280



## Washington Transportation Plan 2030

- A comprehensive and balanced statewide transportation policy plan reflecting the multi-faceted needs of the state's transportation system.
- WTP 2030 is intended to guide investment and other transportation decisions.
- A transitional plan, crafted at the beginning of a new era.
- Federal transportation policy is evolving and fuel tax revenue is declining.



# Big Ideas in WTP 2030

- Our top priority must be to **maintain the capacity of the existing transportation system.**
- **Mobility** of people and goods is critical to our economy.
- A **stable funding mechanism** is essential to continued mobility and the economic health and quality of life that come from an integrated and connected transportation network.
- Ensure **environmental sustainability** by reducing emissions and mitigating transportation-related impacts to maintain quality of life.
- Measure **performance outcomes** to ensure value for dollars spent.



# The Next WTP



- A comprehensive and balanced statewide transportation plan.
- Build on WTP 2030 and the current federally compliant state transportation plan.
- Keep what we have and fix it first
- Sustainable funding and prioritize
- Project rightsizing and practical design
- Deliver Phase I to Governor and Legislature by December 2014 and complete federally compliant plan by December 2015.

# 2013 Revenue Proposal

## \$8.4 billion package

- *Increase the motor vehicle fuel tax by 10 cents*
- *15% gross weight fee on trucks*
- *Increase passenger car weight fee*
- *Increase registration and title transfer fees*



# The Future: More Tolling

## Supplement Gas Tax Revenues with Tolling

- Build a project
- Manage traffic
- Build a project and manage traffic
- Manage a transportation corridor



# Tolling To Fund a Project



## Tacoma Narrows Bridge

Project Cost: \$735 million

Toll Revenue makes bond payments and finances maintenance and operations.

Toll Rates for car (July 1, 2013)

*Good to Go:* \$4.25

*Cash:* \$5.25

*Pay by Mail:* \$6.25

Transit not exempt from tolls.



# Tolling To Manage Traffic

## SR 167 HOT Lane Pilot Project:

- High Occupancy Toll (HOT) Lanes use dynamic tolling.
- Rates reflect current traffic in HOT and general purpose lanes.
- Speeds have increased by 11% in GP lanes.
- Average toll: Less than \$1.00.
- HOV & transit exempt from tolls.



# Tolling to Build a Project and Manage Traffic

## SR 520 Replacement/HOV Lanes

- New floating bridge
- Extends HOV lanes from I-5 to SR 202

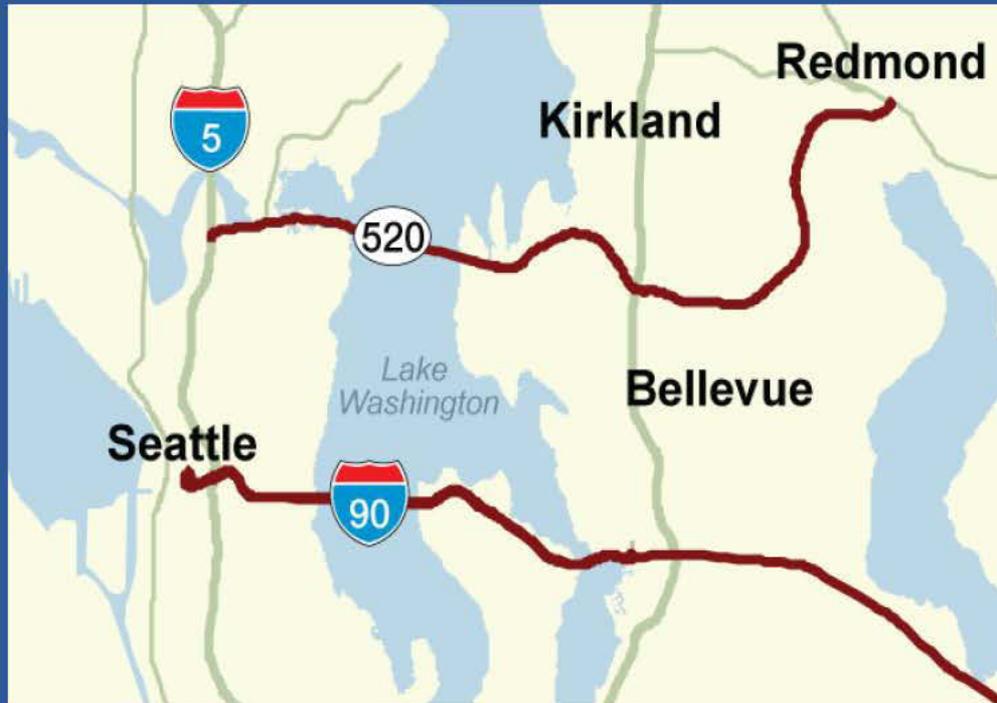
Project Cost: \$4.2 billion

## Variable Tolling

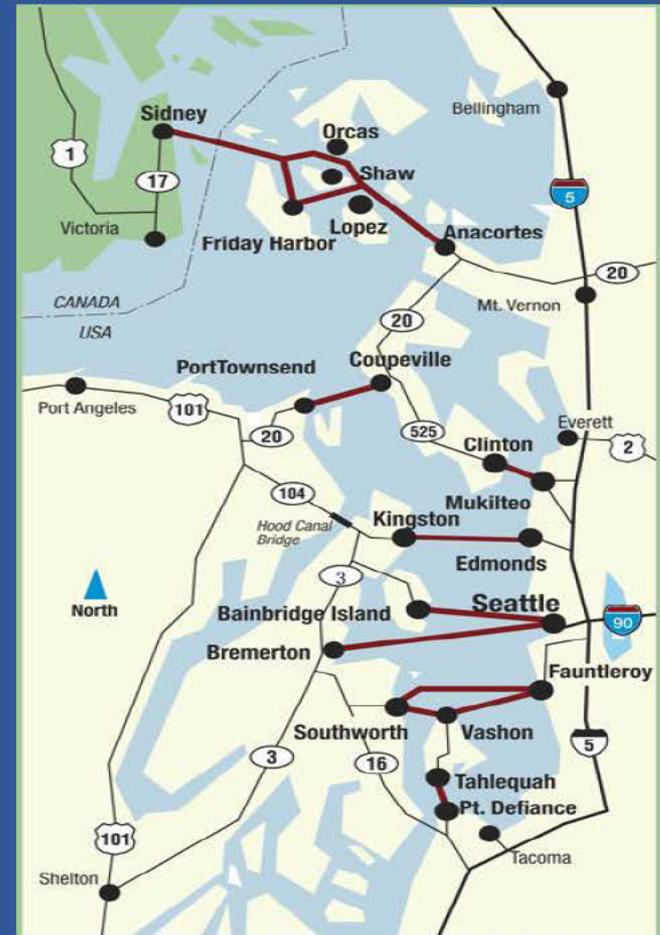
- Weekday Peak Car Toll Rates (July 1, 2013)
  - *Good to Go!* \$3.70
  - Pay by Mail \$5.25
- No tolls 11 pm – 5 am
- Registered vanpools and transit are exempt from tolls.



# Tolling to Manage a Transportation Corridor



Although SR 520 and I-90 function as a Cross-Lake Corridor, currently tolls are charged only on SR 520. Fares charged on the Bainbridge-Seattle and Bremerton-Seattle ferry routes are set the same to balance demand on the two routes.





# Road Usage Charge Assessment



*Gas tax revenue is declining as cars become more fuel efficient. By 2025, the new vehicle fleet must achieve an average fuel economy of 54.5 mpg.*

- The Commission established a 20 member Road Usage Charge (RUC) Steering Committee, including a legislator from each caucus of the House and Senate.
- The Steering Committee met four times in 2012 and determined that a Road Usage Charge is feasible in Washington.
- The Legislature has directed the Commission to develop, by December 2013, preliminary policies and operational concepts for a potential Road Usage Charge system.

# Tell Us What You Think:

[www.voiceofwashingtonsurvey.org](http://www.voiceofwashingtonsurvey.org)

