Introductions

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Performance Plane, LLC

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Transportation Engineer
Presentation Contents

- Overview of study context, purpose, and scope
- Initial review and approach
  - Task 1 - Needs Assessment
  - Task 2 - Funding Options
  - Task 3 - Economic Impact
  - Task 4 - Facilitate Advisory Panel
- Next Steps
Study Context, Purpose, and Scope
Jurisdictions
- State
- Cities
- Counties
- Tribal Nations
- Port Districts
- Public Transit Agencies
What We Know: Significant Gaps Persist

- At the **state level**, there are challenges to implementing high impact projects or preserving the existing system

Adjusted using WSDOT March 2019 Cost Construction Index created by WSDOT from Global Insights Construction forecast.
What We Know: Significant Gaps Persist

- At the **local level**, we are investing about half of what’s needed in city streets

- Funding gaps reflected in:
  - Unmet needs for system capacity expansion
  - Longer, less efficient preservation cycles
  - Accumulation of deferred maintenance
  - Slower achievement of other related goals (e.g., ADA compliance, stormwater management)

Source: JTC Assessment of City Transportation Funding Needs, June 2019.
What We Know: Significant Gaps Persist

- **Transit** faces a nearly $600 million funding gap to restore transit service to pre-recession levels and $2.59 billion funding gap to meet planned expansion needs (2019-2028)

![Projected Status Quo Capital Funding](image)

**Study Purpose and Scope**

- 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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<tr>
<th>Task 1</th>
<th>Needs Assessment &amp; Costs</th>
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<tr>
<td></td>
<td>• Categorical estimates</td>
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<td>• Short list of high-impact investments</td>
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<thead>
<tr>
<th>Task 2</th>
<th>Menu of Funding Options</th>
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<tbody>
<tr>
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<td>• Existing sources</td>
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<td>• Potential sources</td>
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<th>Task 3</th>
<th>Economic Impacts of Transportation Investments</th>
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<td>• 10 to 12 case studies</td>
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<th>Task 4</th>
<th>Facilitation of Advisory Panel</th>
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<td>• Advisory Panel will make final recommendations to Legislature</td>
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(see proviso in Appendix)
**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)

**Phase 1: Needs Assessment**

<table>
<thead>
<tr>
<th>Task 1: Needs Assessment &amp; Costs by Jurisdiction &amp; Activity</th>
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<tbody>
<tr>
<td>Data compilation</td>
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<tr>
<td>Summary of needs</td>
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<tr>
<td>Identify statewide projects</td>
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</tbody>
</table>

**Task 2: Comprehensive Memo of Funding Options**
- Develop funding model
- Review, test, and integrate options
- Incorporate funding recommendations

**Task 3: Economic Impacts of Transportation Investments**
- Case studies (10-12)

**Task 4: Facilitate Appointed Body**
- Coordination with JTC Members
- Four to five meetings with Appointed Body
- Calls with Advisory Body Members

**Task 5: Coordinate with Staff Workgroup**
- Workgroup Meeting #1 10/15/19
- Workgroup Meeting #2 2/13/20
- Workgroup Meeting #3 4/30/20
- Workgroup Meeting #4

**Task 6: Presentations**
- Presentation #1 12/17/19
- Presentation #2
- Presentation #3

**Task 7: Draft & Final Reports**
- DRAFT Report
- FINAL Report
- DRAFT Report
- FINAL Report
Initial Review and Approach
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.
Categorical estimates of annual needs for 2022-2031 by:

- **Type of Jurisdiction**
  - WSDOT, WSF, cities, counties, port districts, public transit agencies, Tribal Nations, etc.

- **Mode/Type of Investment**
  - Highways/streets, bridges, rail, transit, airports, seaports, ferries, etc.

- **Expenditure Category**
  - Administration & operations, maintenance, preservation, capital improvement

- **State Transportation Policy Goal**
  - Crosswalk transportation needs with State Transportation Policy Goals
## Jurisdiction Types and Modes

<table>
<thead>
<tr>
<th>Type of Jurisdiction</th>
<th>Modes of Transport</th>
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<tbody>
<tr>
<td><strong>State</strong></td>
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<td><strong>Public Transit Agencies</strong></td>
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<td><strong>Tribal Nations</strong></td>
<td><img src="#" alt="Bus" /></td>
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<tr>
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<td><img src="#" alt="Rods" /></td>
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</table>

Modes of transportation cross jurisdiction types.
Approach for Estimating Need

Total Estimated Need (2022-2031)

Components:
- Projections of Historical Expenditures
- Cost Estimates for Preservation Needs
- Deferred Maintenance
- Capacity Expansion

Data Sources:
- SAO
- WSDOT
- Federal Transit Administration
- Historical expenditures
- Agency reports
- National Bridge Inventory
- Highway Performance Monitoring System
- Existing reports
- Agency staff
- Existing reports
- Plans and strategies (RTIPs, STIP)
- High-impact investments
Historical Trends

- Historical expenditures by types of jurisdictions and modes of transport
- Sources:
  - State budgeting and expenditure data
  - State Auditor’s Office / WSDOT budget data
  - Historical capital planning: RTIP / STIP project planning, modal plans, etc.

Example: Public Transit Expenditures – Bus (2019$)

Sources: FTA National Transit Database, 2019; BERK, 2019.
Additional Considerations

Some examples of key goals and obligations for the State and local agencies related to the transportation system:

- **Fish barrier removal:** Supreme Court decision, tribal fishing rights, ecosystem health
- **Safety:** Target Zero, Washington State Highway Safety Plan
- **ADA compliance:** State and local ADA transition planning, accessibility improvements
- **Non-motorized infrastructure:** walking and biking facilities
High-impact Investments

- A short list of high-impact transportation investments will be included with the needs assessment:
  - Projects that will require significant State participation due to extraordinary scale, scope, and/or cost
  - Difficult for local agencies to address with available resources
  - Important to achieving State Transportation Policy Goals

- JTC Executive Committee will identify projects for this list
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 policy makers with an order-of-magnitude estimate for receipts to weigh tradeoffs among revenue options.

- **Tool purpose:**
  1. Display incremental revenues that respond to changing assumptions.
  2. Summarize revenues parallel to needs identified in Task 1 by:
     - Type of jurisdiction
     - Category of expenditure
     - Transportation Policy Goal

- **Revenues from:**
  - Existing sources with changing rate assumptions
  - New sources

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**Technical Team**

Representatives from Transportation Revenue Forecast Council and agencies including:

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

- **Objectives:**
  - Highlight **economic and fiscal impacts** of transportation investments to the State
  - Review other effects of transportation investment (e.g., local economic benefits, effects on State Transportation Policy Goals)

- **10-12 case studies** across:
  - Geographic regions
  - Jurisdiction types (e.g., city/county, port districts, WSDOT, etc.)
  - Mode/investment types (e.g., public transit, road/highway, bridges, rail, port)
Task 4: Facilitate Advisory Panel

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 and develop recommended investment priorities and revenue options for the Legislature to consider in the 2021 session

- **Membership**: Up to 16 participants; representation and nomination process under discussion by JTC Executive Committee

- **Schedule**: 4 or 5 meetings late spring to early fall 2020
Next Steps
Next Steps

- Continue work on needs assessment and funding options model
- Develop economic impact case studies
- Meet with Staff Workgroup in February and April
- Next JTC presentation June 2020
Questions

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Sherrie Hsu  sherrie@berkconsulting.com  (206) 493-2378
David Ward  David.Ward@leg.wa.gov  (360) 786-7327
Dave Catterson  Dave.Catterson@leg.wa.gov  (360) 786-7398
Appendix
Proviso: Engrossed Substitute House Bill 1160

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.
# Study Purpose and Scope

## 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
Staff Workgroup

- 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
- 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
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.
## Task 1 Output: Needs/Costs by Type of Jurisdiction

<table>
<thead>
<tr>
<th>Type of Jurisdiction</th>
<th>Preservation</th>
<th>Maintenance</th>
<th>Operations &amp; Administration</th>
<th>Capital</th>
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<td>Port Districts</td>
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## Task 1 Output: Needs/Costs by Mode of Transport

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### Task 2: Model Design

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Task 2: Potential New Revenues

- Partial list of potential revenue options we’ll model
  - New revenues from existing sources with changing rate assumptions
  - New revenues from new sources

### Potential New Revenues from New or Existing Sources

<table>
<thead>
<tr>
<th>New Revenue Sources</th>
<th>Existing Revenue Sources</th>
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<tbody>
<tr>
<td>· Carbon Pollution Fee</td>
<td>· Fuel Taxes</td>
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<tr>
<td>· Statewide Special Transportation Benefit Assessment</td>
<td>· Impose Weight Fee Increases Scheduled for 2023 in 2020</td>
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<tr>
<td>· For-Hire Vehicles and Transportation Network Company Fees</td>
<td>· Passenger &amp; Other Vehicle Weight Fees</td>
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<tr>
<td>· Road Usage Charges</td>
<td>· Vehicle Registration Fees</td>
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<td>· Cap and Trade Revenues</td>
<td>· License Fee by Weight for Light Duty Trucks</td>
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<tr>
<td>· Sales and Use Tax on Vehicles</td>
<td>· Freight Project Fees</td>
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<td>· Auto Repair Sales and Use Tax</td>
<td>· Increase in IFTA Decals (Interstate Trucks)</td>
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<td>· Hybrid Vehicle Fee</td>
<td>· Trip Permit Fees (3-day)</td>
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<td>· DOL Fees on Current No-Fee Services</td>
<td>· Motor Home Vehicle Weight Fee</td>
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<td>· Community Facilities Districts</td>
<td>· Automobile Parts Sales and Use Tax</td>
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<tr>
<td>· Tax Increment Revenues</td>
<td>· Enhanced Driver’s Licenses and Indenticards</td>
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<td>· Employee Excise Tax</td>
<td>· Electric Vehicle Fee</td>
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<td>· Local Option Rental Car Sales Tax</td>
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<td>· Transportation Utility Tax TBD Option</td>
<td>· Capital Vessel Surcharge</td>
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<td>· Freight User Fees</td>
<td>· Bicycle Sales and Use Tax</td>
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<td>· Capital Amtrak Surcharge</td>
<td>· High Occupancy Vehicle Lane Violations</td>
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<tr>
<td>· Public Infrastructure Access Fees for Developers</td>
<td>· DOL Vehicle/Driver Administrative Fees</td>
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<tr>
<td>· Apply Sales and Use Tax to Motor Fuel</td>
<td>· DOL Transportation Fees</td>
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<td>· Repeal Exported Fuel Exemption</td>
<td>· Development Impact Fees</td>
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<td>· Commercial Aircraft Fuel Taxes</td>
<td>· Deposit Tax on Highway and Ferry Construction in the Multimodal Acc</td>
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<td>· Increase Diesel Fuel Price to match Fed Gas/Diesel Differential</td>
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<td>· Aircraft Fuel Tax</td>
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<td>· Petroleum Products Tax</td>
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<td>· Oil Spill Tax</td>
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<td></td>
<td>· Local Option Tolls</td>
</tr>
<tr>
<td></td>
<td>· Transportation Benefit District Sales Tax</td>
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