



BUILDING A BETTER FUTURE: INVESTING IN WASHINGTON'S TRANSPORTATION SYSTEM

Washington's transportation system forms the backbone of our economy. It provides the vital connections that link our homes to our work places and carry our products to market. State highways and ferries, rail networks, airports and seaports, county and city streets, and transit systems must all be well-coordinated and maintained so people and goods can move safely and efficiently throughout the state. The transportation system's scope is as wide as it is vital:



Freight

- » Freight-dependent businesses represent 43 percent of the state's jobs
- » Ports of Seattle and Tacoma handle 99.7 percent of the state's international container traffic
- » In 2010, companies moved \$37 million worth of freight on Washington roadways hourly

Ferries

- » 23 vessels, 19 terminals
- » 22.5 million passengers per year
- » 450 sailings per day

Freight and passenger rail

- » 3,600 miles of public and private freight railroad move 103 million tons of freight
- » More than 580,000 state-supported Amtrak Cascades passenger trips per year

Stormwater

- » State and local governments must address stormwater runoff from roads, highways, rest areas, ferry terminals and maintenance facilities

Highways, local roads and bridges

- » 18,642 state highway lane miles
- » 57 billion vehicle-miles driven per year
- » County roads comprise 46 percent of total lane miles in Washington
- » More than 7,743 state bridges and structures
- » Approximately 3,300 county bridges
- » Approximately 27 percent of all trips in the state occur on city streets and the number of lane miles in cities has increased 47 percent since 1990

Transit

- » Commute programs support more than 810,000 workers statewide, which cut 160 million vehicle miles traveled per year
- » 31 public transit systems reach 85 percent of the state's population and provide approximately 215 million annual trips
- » 2,744 vans form the nation's largest public fleet

CONNECTING WASHINGTON

In July 2011, Governor Gregoire convened the Connecting Washington Task Force to create a 10-year strategy to maintain and improve the state's transportation system. Composed of 30 leaders from the Legislature, local and tribal governments, port authorities, transit agencies, business, labor and the environmental community, the task force recommended an investment of \$21 billion over the next 10 years to make transportation investments that will strengthen our economy as well as protect and create jobs. Based on Connecting Washington's recommendations, the Governor advanced a \$3.68 billion transportation proposal to the Legislature in 2012 to maintain and adequately operate Washington's transportation system.

CHALLENGES

Our state's population is projected to grow by more than 28 percent during the next decade. This will place even greater demands upon our transportation system: The number of vehicle miles traveled each year in Washington is projected to reach 60 billion by 2020; annual freight volumes are expected to triple by 2035; and the number of passengers using transit in the central Puget Sound region is estimated to grow by 90 percent by 2040.

At the same time that demands on our transportation system are ballooning, we are losing the purchasing power we need to maintain and improve the system:

- » The elimination of the **motor vehicle excise tax**, or MVET, through legislative enactment of the provisions of Initiative 695 in 2000, slashed revenue by \$750 million annually. MVET provided 20 percent of Washington State Ferries' operating revenues and 40 percent of its capital revenues. Since repeal of the MVET in 2000, nearly \$1 billion has been transferred into the ferry system from other transportation accounts.

- » **Fuel tax revenue**, which accounts for nearly three-fourths of all state transportation funding, is shrinking. Washington residents are driving fewer miles per capita while vehicles are becoming more fuel efficient. New federal efficiency requirements and the emergence of electric vehicles will accelerate this trend. Between March 2007 and 2023, fuel tax revenues are projected to fall by more than \$5 billion.



- » The **sales tax**, which provides most funding for transit services, plummeted during the 2008 recession, and has yet to recover.
- » The **purchasing power** of fees and charges that help to fund the transportation system is steadily eroding because they are not indexed to inflation or adjusted annually.

» The 2003 and 2005 Washington state transportation packages were highly leveraged using **bonding** to accelerate project construction. Current revenue from these packages must now pay bond debt. There are no available funds for new projects and funding is insufficient for operating and maintaining the state system.

A DETERIORATING SYSTEM

Current funding does not meet the need to operate, maintain and preserve the transportation system. Connecting Washington estimated that the 10-year maintenance and operation budget needed for transit, local and state systems is approximately \$10 billion. Mitigating circumstances include the one-fifth of county bridges that are either structurally deficient or functionally obsolete, *as shown in the photo above*. More than 200 county bridges have a sufficiency rating low enough to qualify for federal funding, but at the current level of that funding, it would take 20 years to replace them.

Today, 27 percent of all trips in the state occur on city streets, which often constitute the first and last mile of critical freight trips. Pavement conditions in most cities are deteriorating, and the number of lane miles that will require expensive reconstruction is growing statewide. In fact, cities will need an estimated \$3.4 billion in the next 10 years just to maintain and repair their streets and bridges.

Seventy-three percent of revenue for transit comes from the sales tax, and as these revenues have plummeted following the 2008 recession, transit systems have been forced to increase fares, defer or cancel capital projects, cut service and eliminate options for some transit-dependent people. Pierce Transit reduced service by 35 percent in 2011, Community Transit (Snohomish County) cuts will approach 37 percent by 2012 and King County Metro Transit has increased fares by 80 percent in the past four years alone.

Costs for county compliance with stormwater environmental permit requirements, as well as county fish barrier requirements, are approximately \$156 million over the next 10 years. Cities estimate their stormwater costs to be approximately \$390 million over the same period. State permit compliance costs, without retrofit investments, are approximately \$100 million over the same decade.

In total, the state operations and maintenance additional need over the next decade is approximately \$3.1 billion. Without additional funds, assets will decline and drivers will experience the following conditions:

- » **Rough and uneven roads** with cracking and ruts that damage vehicles.
- » **Less ferry service, less reliable boats and aging terminals** that could lead to decertification by the U.S. Coast Guard.
- » **More weight-restricted bridges** and detours for freight, school buses and emergency vehicles, adding to the length of commutes.
- » **More snow, ice and slush** on roads for longer duration, affecting traffic safety and commute times.

- » **Worn-out pavement markings** and faded signs that imperil safety.
- » **More road closures** from flooding and erosion as ditches and culverts aren't cleaned.

COMPLETING ESSENTIAL ECONOMIC INVESTMENTS

The voter-approved 2003 and 2005 transportation revenue packages supported \$16.3 billion of investments. Both support an average of 10,000 jobs annually, with 74 percent of the funding contracted to the private sector.

The start on the Alaskan Way Viaduct replacement, the State Route 520 replacement, North Spokane Corridor, Interstate 405 corridor, I-90 Snoqualmie Pass and the Tacoma HOV projects created, on average, about 10,650 jobs per year between 2006 and 2013. In addition, these projects address the issue of travel delay, which cost drivers and businesses \$1.14 billion in 2011. It cannot be overstated: Transportation projects put people to work and create a reliable system for businesses to transport both goods and employees.

To remain economically competitive, we must continue to invest in the following transportation improvements:

- » **Interstate 90, Snoqualmie Pass** – On an average day, 27,000 vehicles travel over Snoqualmie Pass. Nearly \$80 billion in cargo traverses this corridor every year. Additional investments are necessary to keep the only direct route for products flowing from Eastern Washington farms to Puget Sound ports open despite heavy traffic and frequent avalanches. The unfunded amount of this project is \$390 million.
- » **North Spokane Corridor** – This project includes multiple smaller projects along the corridor from I-90 to US 395 at Wandermere to improve traffic through metropolitan Spokane. The first portion of the new highway has been opened, providing a more reliable trip for both commuters and freight haulers. When completed, the North Spokane Corridor will be a 60-mile per hour, 10.5 mile-long facility that will cut travel time, fuel usage and congestion. The unfunded amount of this project is \$1.3 billion.

- » **Columbia River Crossing** – The northbound lanes of the I-5 Columbia River Bridge were built in 1917 for horse and buggy travel. Today, 135,000 daily trips across the Columbia River are delayed by up to six hours of congestion. Crash rates are more than two times higher than statewide averages for comparable highways in both states. One million more people are expected in the greater Portland-Vancouver area by 2030, and without improvements, congestion will swell. Additionally, \$850 million in federal funding for the project is at risk without state contributions from Oregon and Washington in 2013. The governor of Oregon recently introduced a budget proposal that provides Oregon’s share of the project funding. The total unfunded amount of this project is \$3.3 billion and the planned Washington contribution is \$450 million.



- » **State Route 520** – We have made great progress on replacing this vulnerable structure, but completion of the west side is necessary to develop a fully functioning corridor. The unfunded amount of this project is \$1.4 billion.
- » **State Route 167 Tacoma to Puyallup new corridor** – This project represents a critical missing link in the state highway network. Completion of the existing SR 167 will move freight faster and more economically as well as relieve congestion on local roads and other highways through new travel options. The unfunded amount of this project is \$1.5 billion.

- » **State Route 509 Des Moines to SeaTac new corridor** – Extending SR 509 will ease congestion on I-5, add a southern access to Sea-Tac International Airport and enable up to 9,000 trucks daily to bypass I-5, SR 99 and local streets. This corridor is a key component of the Seattle and South King County transportation network. The unfunded amount of this project is \$1.3 billion.
- » **Interstate 405 Corridor** – I-405 provides the only parallel alternative to I-5, serves an estimated 1.1 million trips per day and experiences congestion lasting up to 10 hours per day. Providing additional capacity and addressing critical chokepoints are vital to prepare for the 1.5 million trips per day anticipated by 2030 in the corridor. The unfunded amount of this project is \$1.8 billion.
- » **Interstate 5/Joint Base Lewis-McChord** – With nearly 15 percent of statewide freight traffic using this corridor, I-5 is a critical economic lifeline for Washington and the Pacific Northwest. It is the backbone of connectivity to the ports of Tacoma, Seattle and Olympia, so freight delay has local and global economic implications. Each day, 15,000 freight trucks travel north and south on I-5 through the project area, accounting for 13 percent of the total volume on this route. The combination of area and Joint Base Lewis-McChord population growth has contributed to nearly 10 hours of congestion per day. This threatens regional economic vitality and Joint Base Lewis-McChord’s primary mission. Focusing on strategic chokepoints in the corridor will provide congestion and safety benefits. The unfunded amount of this project is \$820 million.

MOVING FORWARD WITH A TRANSPORTATION PROPOSAL

The Legislature enacted minimal transportation revenue increases in 2012. It is indeed concerning that after the 2013-15 biennium, there will be negative balances in many major transportation accounts.

Legislative action in 2013 is essential for maintaining and boosting Washington's economic competitiveness. Transportation advocates must come together to provide the Legislature with a multi-faceted transportation proposal that addresses operations and maintenance of the system and of critical economic corridors.

Essential investments must include:

- » Sufficient funds to operate, maintain and preserve the state's transportation system.
- » Funding for transit operations and maintenance.
- » Funding for stormwater permit compliance and retrofit projects.
- » Funding to make progress on key economic corridors.
- » State contributions for local government operations and maintenance needs.
- » Local-option revenue authority for local governments and transit agencies to address their system needs.

Viable potential sources of funds include:

- » A fuel tax increase.
- » A statewide motor vehicle excise tax.
- » An increase in the weight fee for heavy trucks dedicated to freight investments.
- » An increase in the hazardous substance tax dedicated to stormwater improvements.
- » Tolling.

The business community is coming together to support transportation funding as cities and counties are working toward a consensus in Seattle and King County. Continued commitment of transportation stakeholders to work together is essential to achieve legislative action on a comprehensive transportation package in 2013.

We must be responsible stewards of the investments we have made with the taxpayers' money. And we must finish what we've started for the safety of our commuters and the future of our economy. Too much rides on these decisions for us not to take decisive and timely action.