Focus on Transportation

In this part of the plan, we recognize that the world is changing. Certain trends and circumstances are emerging that are likely to significantly affect Washington State's transportation system in several ways. In addition, emerging topics are explored. These topics are included in the issues addressed by the chapters of Part II. Part III discusses these topics in greater depth to provide the variables influencing transportation planning and policy.

Each topic raises new questions, highlights differing perspectives, describes new or potential relationships, and draws attention to variables that are beyond our control. The plan recognizes that in the coming two to five years, resolution of several issues will have a direct impact on shaping the update to the next WTP update, future transportation budgets, and the state's economic vitality.

Part III is organized as follows:

- Funding and Financing
- Transportation Policy Studies and Plans
- Governance and Partnerships
- Transportation and Land Use

Funding and Financing

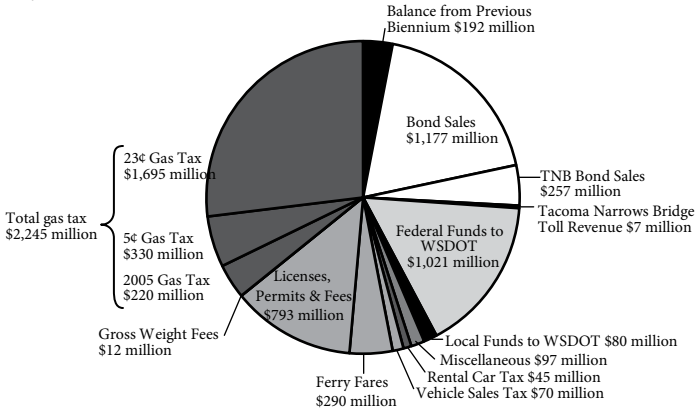
I-5 38th Street Interchange—Tacoma, WA

Funding Availability and Stability

A variety of sources have funded and continue to fund transportation systems in Washington State. The major sources of state transportation revenue are the gas tax, licenses, permits, and fees. The state budget is also funded from ferry fares and concessions, rental car taxes, a 0.3 percent sales tax on vehicles, and miscellaneous revenues, which include interest earnings. Funds also come from bond sales, federal funds, local funds, and remaining cash balances from previous years.

The state collects gas tax revenues, vehicle license fees, permits, and other fees. Portions of these funds are distributed (by statute) to cities, counties, and other state agencies. The chart below depicts projected transportation funds coming into the state for the 2005–2007 biennium. The next pie chart on the right shows how these funds will be distributed to cities, counties, and other agencies. In general, the pattern of collection and expenditure is expected to continue into the future.

Figure III-1
Total State Transportation Funds
(Reflects 2006 Legislative Supplemental Budget)
2005-2007
$6.3 billion

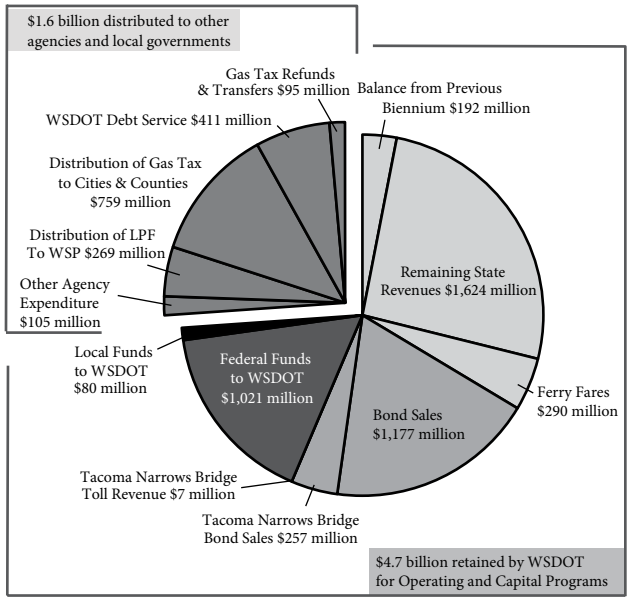


Source: WSDOT Financial Planning and Economic Analysis Office

Washington Motor Vehicle Fuel Tax History 1920-2005

The Motor Vehicle Fuel Tax (gas tax) is the most significant source of revenue for Washington State's transportation system. The state has had a gas tax in place since 1921. The 18th Amendment to the State Constitution, passed in 1944, dedicated revenue from the gas tax solely to "highway purposes," clarified in statute and case law as state highways, state ferries, county roads, and city streets. This provision is still in effect.

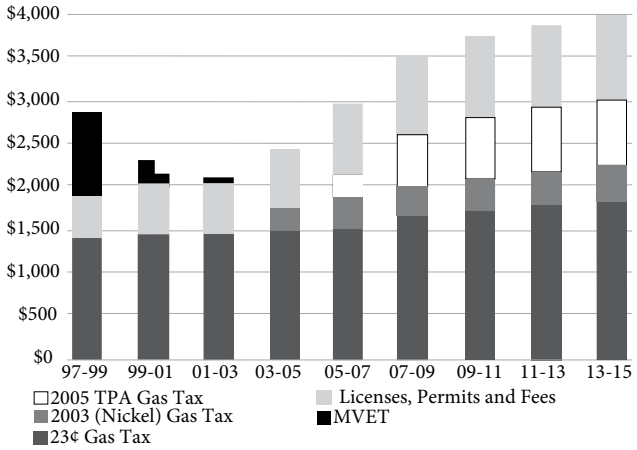
Figure III-2
Distribution of State Transportation Funds
(Reflects 2006 Legislative Supplemental Budget)
2005-2007



Source: WSDOT Financial Planning and Economic Analysis Office

As of July 1, 2006 the state gas tax is 34¢/gallon. The first tax on motor fuel in 1921 was 1¢/gallon, increasing every few years through 1949 when it reached 6.5¢/gallon. Less frequent increases brought the rate to 23¢/gallon by 1991. The rate then stayed constant for 12 years. In 2003, the legislature increased the gas tax by 5¢/gallon, bringing the rate to 28¢/gallon. The 2005 Legislature further increased the tax rate to ultimately reach 37.5¢/gallon by July 2008.

Figure III-3
Major Sources of Tax Revenue (millions of dollars)



Source: WSDOT Financial Planning and Economic Analysis

Vehicle Licenses, Permits, and Fees History 1915–2005

The state began collecting vehicle registration fees in 1915 to support state roads. Initially the fees were based on vehicle horsepower, but quickly shifted to vehicle weight. By 1957, some of the revenues began to be used by the State Patrol, with some of the funds distributed to a separate State Patrol account. Between 1971 and 1980 the State Patrol was funded directly through the Motor Vehicle account. Separate deposits for the State Patrol account resumed in 1981 and continue today. The current vehicle registration fee for new or used vehicles is $30.

Legislation passed in 2005 created a new vehicle weight fee on passenger cars. In addition to the $30 registration fee, vehicles weighing up to 4,000 pounds pay a $10 fee, vehicles weighing up to 6,000 pounds pay $20, and vehicles weighing up to 8,000 pounds pay $30.

Gross weight fees that apply specifically to trucks were established in 1937. Up until 1987, two fees were levied separately, a registration fee and a fee based on the weight of the truck. In January 1987, a new law went into effect that brought the two fees together to form the Combined License Fee. In 1994 the weight schedule was extended from 80,000 pounds to 105,500 pounds and fees increased for trucks over 40,000 pounds declared gross weight. The most recent fee increases for the combined license fee took place in 2003 and 2005.

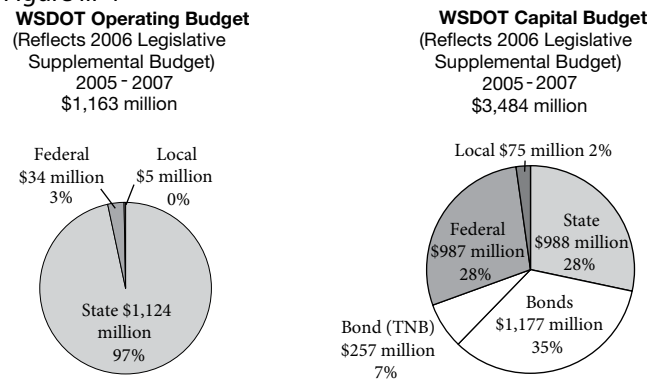
From 1977 until December 1999 a portion of the proceeds from the Motor Vehicle Excise Tax (MVET) helped to fund transportation systems. Enactment of legislation initially proposed in Initiative 695 eliminated much of this taxing authority. Sound Transit (the Puget Sound Regional Transportation Authority) still collects an MVET tax in the Puget Sound Region.

Current Financing Sources and Uses

WSDOT Sources of Funds

WSDOT projects are not appropriated by funding source. Revenues restricted by the 18th Amendment, such as the gas tax, are only available for "highway purposes." Gas tax and non-gas tax revenues such as licenses, permits, and fees are commingled and combined with federal and local funds and bond proceeds to provide the basis from which funding for highways is achieved. Non-restricted funds (rental car tax, 0.3 percent vehicle sales tax, vehicle weight fees, and certain license fees) are also commingled with federal, local, and general obligation bond proceeds for use on non-highway transportation projects. WSDOT develops a budget designating an amount to be used for capital expenditures and an amount to be used for operating costs. WSDOT's budget for operations and capital investment for 2005-2007 is expected to be $4.65 billion.

Figure III-4



Source: WSDOT Financial Planning and Economic Analysis Office

Bond financing is an important component of the capital program. It is important to remember that

this instrument obligates a portion of the tax revenues collected, making them unavailable for cash financing of projects. State transportation bonds are referred to as "double barreled" bonds. Bonds do not create new funds, they just make them available for projects sooner. They are obligation bonds secured by the full faith and credit of the state as well as the gas tax. Debt service is paid directly from gas tax receipts.

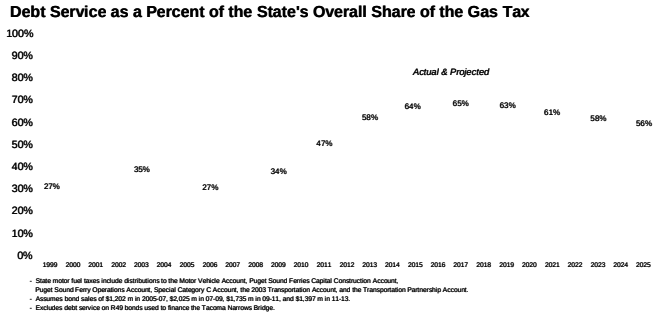
The use of bond financing for transportation follows a rigorous legal process. The legislature must enact a statute authorizing the sale of bonds for a specific purpose, and the bond proceeds must be appropriated before they can be spent. Bonds are sold through the State Finance Committee.

The 2003 and the 2005 transportation funding packages are dependent on bond financing. Ultimately the gas tax component for both of these packages will be completely leveraged to pay debt service.

The Tacoma Narrows Bridge project is nearly 100 percent bond financed, however, debt service (although backed by the gas tax and the full faith and credit of the state) is to be paid with toll revenues.

The chart below shows the amount of the gas tax leveraged against current debt service and planned debt service from future bond sales. Because the revenue stream to pay debt service on the Tacoma Narrows Bridge is from tolling, the debt service for this project is not included in the chart below.

Figure III-5



Source: WSDOT Financial Planning and Economic Analysis Office

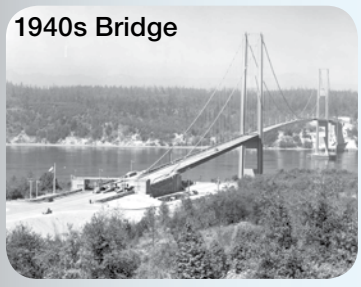
Figure III-6

Comparing Prices: Then and Now

Coffee (lb)
1940 = $0.21
1950 = $0.79
2006 = $3.16

Bread (lb)
1940 = $0.08
1950 = $0.14
2006 = $1.07

Comparing Tolls—Tacoma Narrows Bridge to 1940 "Galloping Gertie"



Toll in 1940 = $1.10 (Round trip, car and driver only)

Inflation adjusted to 2006 dollars = $15.94

Toll on bridge built in 1950 = $1.00

Inflation adjusted to 2006 dollars = $8.42

Proposed Toll on New Bridge = $3.00

Inflation adjusted to 1940 dollars = $0.21

Inflation adjusted to 1950 dollars = $0.36

Source: WSDOT Planning Office

Tacoma Narrows Bridge

The Tacoma Narrows Bridge project is currently WSDOT's single largest capital project, and is the world's largest suspension bridge currently under construction. Planning and financing major transportation structures is an ongoing, complex endeavor that requires innovative solutions.

The Tacoma Narrows bridge in 1940

Construction started on the bridge that would be known as "Galloping Gertie" on November 25, 1938. The state had estimated it would cost $11 million to build but Leon Moiseiff of New York said it could be done cheaper. Against protest from state engineers, the design went forward at $5.59 million. The bridge opened to traffic on July 1, 1940. Governor Clarence D. Martin paid the first toll and drove across. The bridge collapsed on Nov. 7, 1940 and remained closed until completion of a new bridge in October of 1950.

The 2003 Transportation Funding Package also authorized the sale of general obligation (GO) bonds to be used for multimodal projects. These bond proceeds will be used for rail projects and for multimodal transportation terminals relating to ferries. Debt service on the GO bonds will be paid from non-18th Amendment revenues.
Federal funding also leverages state revenues, however not in the same way as bond financing. Federal funds require a certain percentage of state matching funds to use them. Federal gas tax and several other federal transportation-related taxes are the basis for federal transportation funds. The newest federal transportation act enacted in 2005 is called SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users).

The Tacoma Narrows bridge in 1940

In addition to highway construction, SAFETEA-LU will provide funding for interstate maintenance, border crossing initiatives, transportation community and system preservation, real-time management information, projects of national and regional significance, national corridor infrastructure projects, truck parking facilities, roadway and work zone safety improvements, and other transportation improvements such as Safe Routes to Schools.

Some benefits from prior transportation funding will be lost without WSDOT's work to protect the state system from the potential impacts of land use and development. The department reviews proposed land use changes and developments and works through local governments to reduce and mitigate adverse impacts on state transportation assets. Mitigation funding obtained through local government, is extremely small in relation to other sources. However, WSDOT's participation in development and land use reviews is critical to preserving the benefits of prior investments for the traveling public.

2006 Under Construction

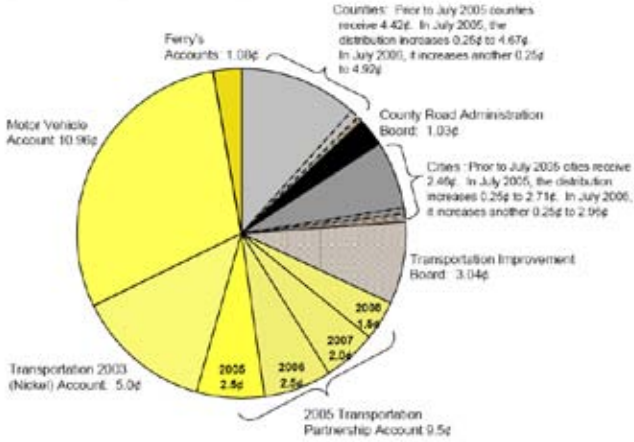
When all the new revenues are in place, how will the state's total gas tax amounts be distributed?
Collected at the state level, the gas tax is distributed by statutory formula. The gas tax is protected by the 18th Amendment of the State Constitution and can only be used for highway purposes (state ferries are considered highways).

Cities and counties receive a statutory distribution of the gas tax. The 2005 Funding Package provides an additional distribution to local governments. Cites and counties will each receive a quarter of a cent from the first 3¢ increase in 2005, and another quarter of a cent from the second increase in 2006 (totaling ½¢ for each). Like the state, cities and counties must use these funds for highway purposes.

WSDOT receives the remaining 2½¢ from the 2005 and 2006 increases, 2¢ from the 2007 increase, and 1½¢ from the 2008 increase (totaling 8½¢). The chart displays the new statutory distribution of the gas tax through 2008.

Figure III-7

Statutory Distribution of the 37.5¢ Gas Tax 2008
(31¢ in 2005, 34¢ in 2006, 36¢ in 2007 and 37.5¢ in 2008)

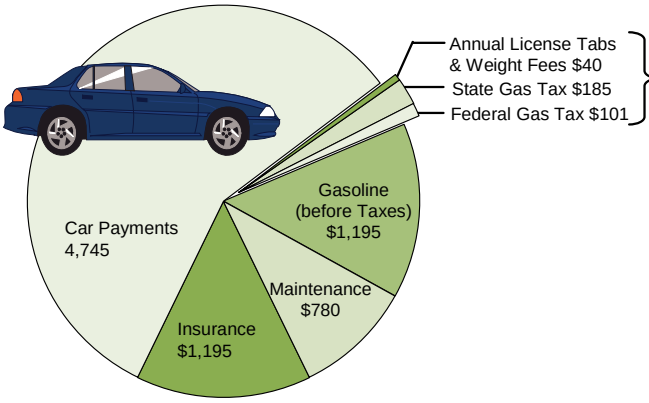


Source: WSDOT Financial Planning and Economic Analysis Office

Figure III-8

What does it typically cost for us to travel by car and where does the money go?

Average expenditures for traveling in a typical passenger car in Washington State by major category



Annual transportation tax and fee payments attributable to a car driven 12,000 miles per year in the last 12 months

State Gas Tax 34¢/gal	$185.47
Federal Gas Tax 18.4¢/gal	100.92
State License Tabs Fee/year	40.00
Total	$326.39*

* $20 tab fee goes to the State Patrol and aproximately 35% of the gas tax goes to local governments.

Note: Local option taxes for local transportation projects may exist over and above those listed.

Distribution of the $326 in taxes and fees for a typical car

State Gas Tax to Cities and Counties for Roads	$66.06
State License Tab Fees to the Washington State Patrol	21.12
State Gas Tax and License Tab Fees to WSDOT*	133.23
Federal Gas Tax Returns to the State for Federal Highway Programs**	105.98
Total Funds Distributed	$326.39

* The legistature appropriates some of these state funds to other agencies including; DOL, State Parks, etc
** Federal Highway Programs include monies for Local Governments as well as for the State.

The **$133** WSDOT retains of the state gas tax and license tab fees maintains the state highway system, pays bond debt service on current, past and future capital projects and more.

•Based on the average annual cost for fuel for Washington State in the last 12 months ($2.19/gal + 28¢ + 3¢ + 3¢ = $2.53/gal) Provided by the Energy Information Administration. www.eia.doe.gov

Source: WSDOT Financial Planning and Economic Analysis Office

Figure III-9

Where does the gas tax go today?

34¢ **per gallon** Washington State gas tax rate as of July 1, 2006*

- 6¢ Goes toward **274 specific transportation projects statewide** (2005 Transportation Partnership Projects)

28¢

- 5¢ Goes to **160 specific transportation projects statewide** (2003 Nickel Package projects)

23¢

- 11½¢ Goes to **cities and counties** for local roads and county ferry operations

12¢

- 4¢ Goes to pay off **bond debt** that funded past highway projects

8¢

- 4¢ Goes to **maintenance and operation** of state highways

4¢ is left for state highway **preservation, safety improvements**, and **congestion relief** projects.

How much will the new gas tax add-ons cost you?

Annual Cost of the 4 Year Phase-in of the New Gas Tax (12,000 miles/year)				
Miles per gallon	July 2005 3¢ Increase	July 2006 additional 3¢ increase (total 6¢)	July 2007 additional 2¢ increase (total 8¢)	July 2008 additional 1½¢ increase (total 9½¢)
10	$36	$72	$96	$114
20	$18	$36	$48	$57
30	$12	$24	$32	

Source: WSDOT

* As of WTP printing, $0.34 is the current state gas tax.

WSDOT Uses of Funds

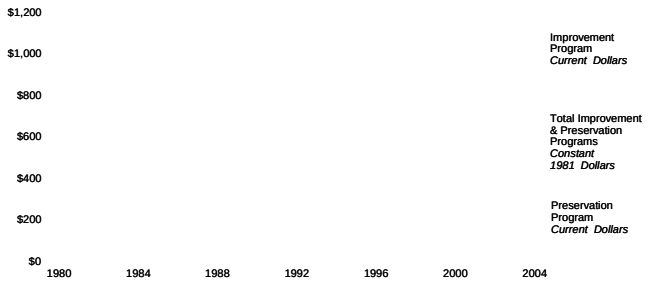
Highways and Ferries (18th Amendment Protected Funds)
Funding for all transportation systems is viewed as either a capital investment use or an operating use. Highways and ferries use funding for both purposes: capital uses include new projects or preservation of existing facilities and operations include maintenance, management and support, planning, data analysis, and research.

Operating Uses
Maintenance is the largest component of the operating budget. For the 2005-2007 biennium, $353 million is budgeted for highway maintenance and $376 million for ferry maintenance. State tax revenues, federal funds, and local government funds pay for operating costs. Ferry fare revenue is used exclusively for ferry operations and maintenance and currently covers approximately 70 percent of the costs.

Capital Uses
Highway capital program funding is comprised of a mix of state tax revenues, federal funds, and local government funds and bond proceeds.

Bonding is a significant funding component of the capital program. Both the 2003 and the 2005 transportation packages specified specific highway and ferry capital projects to be paid for with a mix of cash and bond proceeds. With the passage of these two funding packages WSDOT's construction program is now one of the largest in the country.

Figure III-10
Preservation and Improvements Investment
Dollars in millions



Source: WSDOT Financial and Economic Analysis Office

The two primary components of the capital program are the improvement program and the preservation program. The chart above shows the investment ratio between the improvement and preservation programs over time. In 1980 preservation was approximately 25 percent of the improvement and preservation budget. By 1998 preservation of the existing system had increased to 41 percent of the budget. With the passage of the Nickel gas tax (2003) and the start of the capital construction projects associated with the tax increase, the ratio returned the preservation program to 25 percent of the budget in 2004.

Other Sources and Uses—Multimodal Projects (non-restricted funds)
Multimodal projects generally are non-highway transportation projects and can include rail, aviation, multimodal ferry terminals, and public transportation. (Because funds are non-restricted, use of these funds can include highways.) Funding for these types of projects comes from the rental car tax, the 0.3 percent sales tax on vehicle sales, vehicle weight fees, and certain license fees. These taxes and fees are combined with federal and local funds, as well as some bonding, to provide the base for multimodal project funding.

Operating Uses—Multimodal Projects
Grants to public transportation districts and for rail operations are the biggest portion of the multimodal operating budget. The grant program for public transportation is administered by WSDOT; hence it is an operating cost in WSDOT's budget even though ultimately the funds are often used for capital expenditures by the individual public transportation districts.

Capital Uses—Multimodal Projects
Under the current budget, the major components of the capital program are Washington State Ferry terminal construction, rail capital construction, and funds to local programs. General obligation bonds will continue to be sold to support the construction of the Mukilteo Ferry Terminal and the rail capital program.

Aviation Division—Sources and Uses
Funding for pavement projects, signage, lighting and other facility maintenance and improvements at 139 public use, general aviation airports comes primarily from the tax on general aviation fuel. Funds are distributed in the form of grants (Airport Aid Grant Program) and leverage federal aviation dollars. Currently, the ratio of state funds to federal funds is about 1 to 10. The Federal Aviation Administration (FAA) has additional funding for airports listed in the National Plan of Integrated Airport Systems (NPIAS). Washington State currently has 67 NPIAS-listed airports, which receive $150,000 per year under the current Vision 100 Non-Primary Entitlement Program.

Local Roads and Streets—Sources and Uses

Funding for local roads and streets, public transit districts, and ports plays a crucial role in Washington State's transportation system. The following section describes the sources available and uses for these funds as they currently exist.

Revenues from local governments play an important role in transportation finance. General funds and property taxes have traditionally been the primary local revenues supporting transportation. However, since enactment of Initiative 747 in 2001, property tax revenue growth is limited to one percent annually without action by the county council or board of county commissioners. In cities, these funds are not reserved exclusively for transportation purposes and, therefore, must compete for other city priorities, such as public health and safety. In addition, increased pressure to produce revenue for transportation spending and for leveraging ever scarcer federal, state, and local funds has caused local governments to turn to such revenues as special assessments, development fees, and local highway user revenue. Local debt initiatives have also seen greater use.

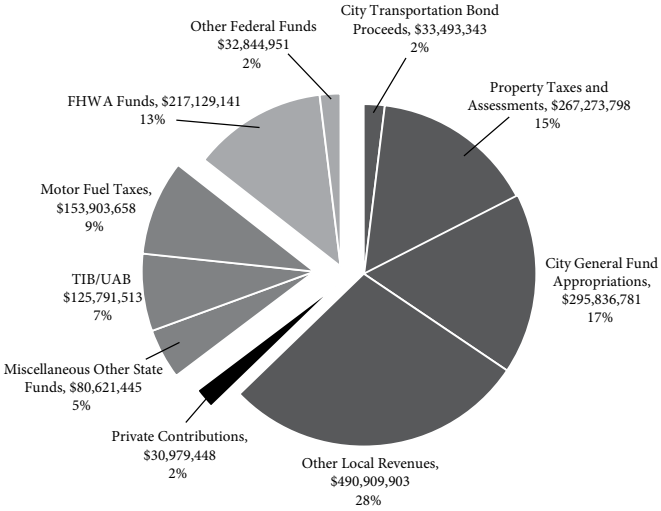
When a state highway travels through a city it may serve as the main street of that community. State routes through counties serve an important role as regional arterials in most cases. Improvements to these state highway segments bring multiple benefits to cities and counties. Conversely, cities make transportation investments on state highways within city limits, benefiting the statewide system.

Cities—Sources of Funds

While gas tax receipts are a significant portion of state transportation funding, the gas tax accounts for only 16 percent of transportation funding for cities. Cities use a mix of taxes and fees, along with state and federal funds and bond proceeds to fund transportation.

Figure III-11

Total Transportation Funding - Cities, 2004-2005
$1.730 billion



Source: WSDOT Financial Planning & Economic Analysis Office

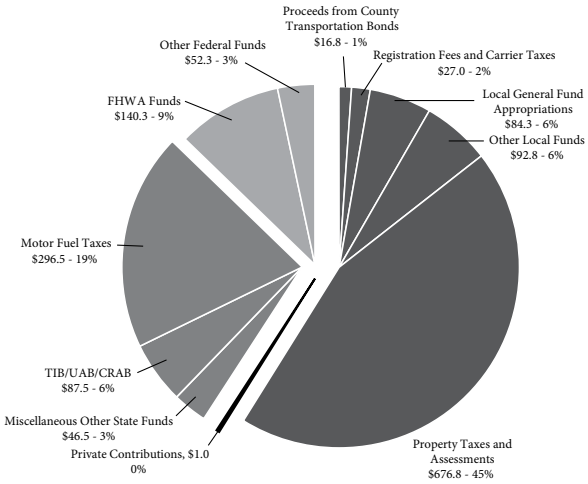
The recent Transportation Partnership Act resulted in an increase in the distribution of the gas tax to cities of approximately $16 million annually. This revenue is distributed among 281 cities. In addition, cities are eligible for grant funding. Combining the new gas tax distribution and grant programs is expected to result in a 2 to 5 percent increase in new transportation funds for cities.

Counties—Sources of Funds

The gas tax is a more significant source of funds for counties than for cities. The gas tax provides approximately 25 percent of transportation funding for counties. Property taxes make up the largest contribution at 45 percent. Bonding is not a significant transportation funding component for most counties.

Figure III-12

Total Transportation Funding - Counties, 2004 - 2005
$1.522 billion



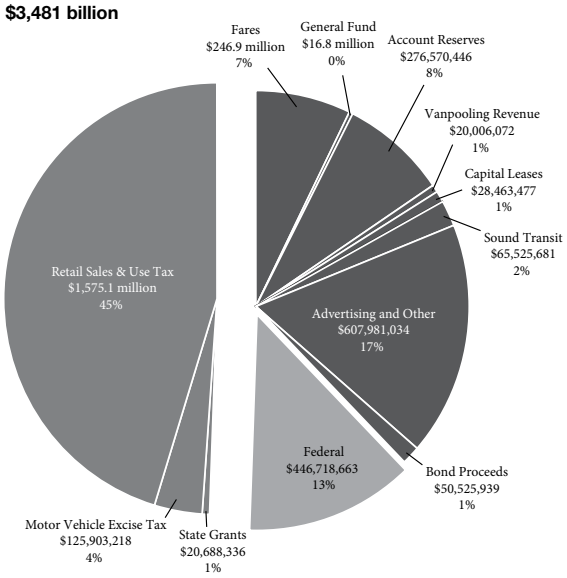
Source: WSDOT Financial & Economic Analysis Office

The recent Transportation Partnership Act resulted in an increase in the distribution of the gas tax to counties of approximately $16 million annually. This revenue is distributed among 39 counties. In addition, counties are eligible for grant funding. Combining the new gas tax distribution and grant programs is expected to result in a 2 to 5 percent increase in new transportation funds for counties.

Public Transit—Sources of Funds

The 28 transit districts in the state each have the authority to impose (with voter approval) an additional local sales tax. This locally-imposed sales tax is the major revenue source for transit districts. These tax revenues are combined with fare box revenues, federal funds, state grants, and a mix of various local funds to form the basis for the operating and capital public transit budget. State grants are not a significant component for either the operating or capital budgets of transit districts.

Figure III-13
Total Public Transit District Funds, 2004-2005
$3,481 billion

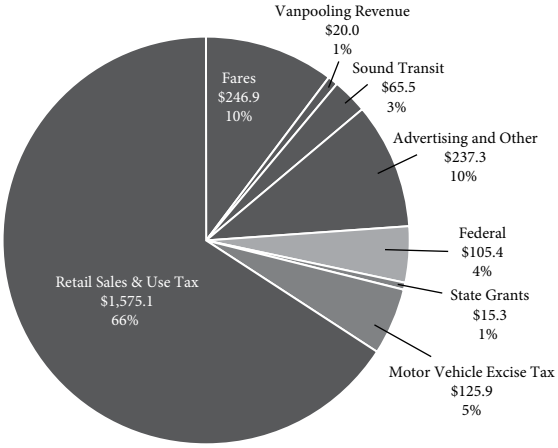


Source: WSDOT Public Transportation and Rail Division

Public Transit Operating Uses

Unlike the state and cities and counties, the operating budget for public transit is the more significant budget. sixty-six percent of the operating budget comes from the locally-imposed sales tax component. Sales tax for transit varies for each transit district and ranges from 0.1 percent–0.8 percent. Fares contribute another 10 percent and advertising and other fees make up an additional 14 percent. The operating budget balance is a mix of federal funds, grants, and distributions from other agencies.

Figure III-14
Total Public Transit Operating Budget, 2004 - 2005
$2,391 Billion

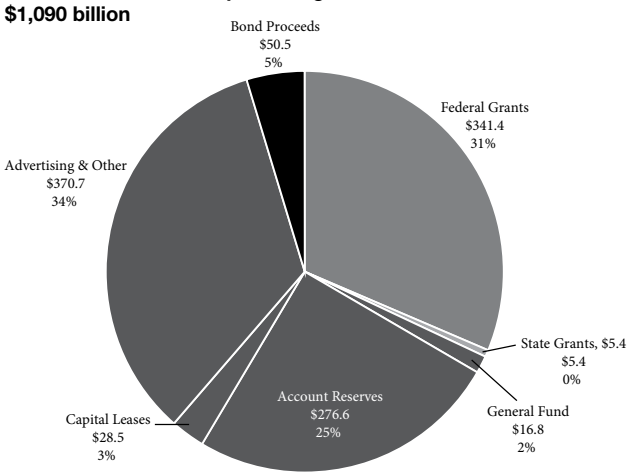


Source: WSDOT Public Transportation and Rail Division

Public Transit Capital Uses

The capital budget is the smaller component of the public transit budget. Federal funds make up 31 percent of the funds, while advertising, interest, and other miscellaneous fees and taxes make up 64 percent of the capital budget. Bond proceeds are not a significant component of the capital budget.

Figure III-15
Total Public Transit Capital Budget 2004 - 2005
$1,090 billion



Source: WSDOT Public Transportation and Rail Division

Options for the Future

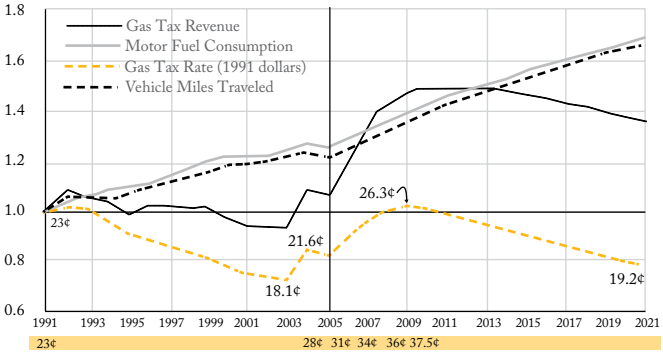
Assessing the Current Situation

Traditional funding sources have not kept up with the ever-increasing demands placed on publicly-financed transportation systems. These traditional revenue streams cannot substantially improve or expand transportation systems. For example, the tax on gas has been increased from one cent per gallon in 1921 to 34 cents per gallon in 2006. Gas tax increases were necessitated by many factors, most prominently, the effects of inflation diminishing the purchasing power of revenues collected, increases in vehicle fuel efficiency, increases in the size, scope, complexity, and diversity of transportation systems, and ever-increasing infrastructure costs from such things as stricter environmental regulations and increasing materials and land acquisition costs. Since these historical pressures are not likely to diminish in future years, traditional funding sources intended to address transportation system obligations will either need to continue increasing or new sources of revenue will be needed.

Because the fuel tax is levied on a volume basis rather than on value, changes in consumption patterns can affect receipts regardless of the price of the gasoline. If price increases reduce demand for fuel, tax receipts fall even if the total value of the gas sold goes up. The opposite may also occur.

Figure III-16

Growth Rates Compared: Vehicle Miles Traveled, Gas Tax and Gas Tax Rates



Historical, Current and Future Look at Gas Tax Revenue Components (in millions)

	1991	2005(Estimated)	2021(Projected)
Vehicle Miles Traveled	45,500	55,100	75,500
Fuel Gallons of Consumption	2,600	3,200	4,400
Gas Tax Revenue (1991 dollars)	$574	$681	$836

Sources: WSDOT Financial Planning and Economic Analysis

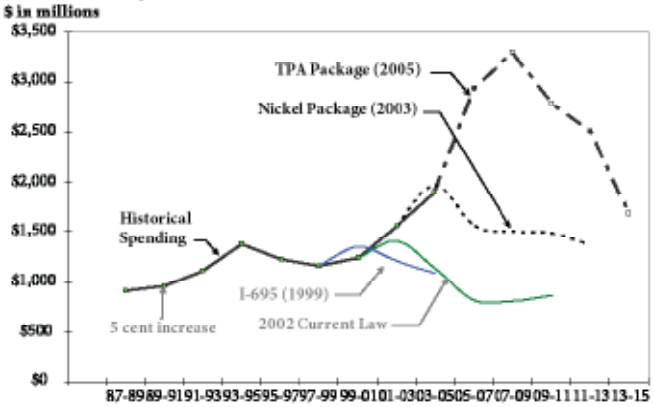
The Growth Rates Compared chart shows how inflation affects the ability to fund transportation systems. For example, looking at the gas tax rate from 1991 (when the gas tax was raised to 23 cents per gallon) out to 2021, the effect of inflation is clearly evident. The value (in 1991 dollars) of 23 cents dips to a low of 18.1 cents in 2003, rises to 21.6 cents when the Nickel tax is added in 2004, then starts to decline again until 2005 when the new tax is implemented. The value of this revenue is projected to continue to rise through 2009 when it will reach a high of 26.3 cents in constant 1991 dollars. The value will then start to decline again, reaching a projected 1991 purchasing power value of 19.2 cents in 2021. Revenues from the gas tax (expressed in 1991 purchasing power) follow the same trend line. However, motor vehicle fuel consumption and travel are projected to grow with population in the state.

It is evident that this approach to funding transportation systems has not kept pace with overall transportation needs. Specifically, non-highway transportation system needs (such as transit, rail, bike, pedestrian, marine shipping, and pipelines), which have the potential to increase system efficiencies and thus benefit the economy of the state and quality of life for citizens, cannot receive funding from 18th Amendment funding sources unless it can be demonstrated that doing so would benefit highways. As highway transportation systems become more and more congested, many of the most affordable and cost-effective gains in system efficiencies will need to come from new funding sources.

A further problem facing the transportation system is that of stability, or lack of stability in funding sources. Unpredictability in funding and delays in projects and programs translate into highly inefficient system management. Instability also frustrates citizens, tax payers, and users of the system who expect it to keep up with demand and support their businesses and communities.

The chart below illustrates the funding variability over time for just highway capital investments.

Figure III-17
Highway Capital Program Trends
Historical and Projected dollars and FTEs for 1987 - 2015
$ in millions



Source: WSDOT Systems Analysis and Program Development

Similar charts could also be drawn for other components of the statewide transportation system, such as the variability of funding for transit services. Local jurisdictions, transit agencies, and others have difficulty managing and planning for their facilities when funding is unpredictable and buying power diminishes.

Innovative Funding

New Funding Sources

The 2005 Legislature gave the Transportation Commission the task of conducting a statewide tolling study to consider how tolling could be used in the future, both to manage traffic on the highway system and to understand revenue-generating potential. The results of the study include:

- Potential tolling opportunities in the near-, mid-, and long-term
- Traffic analysis—how tolls will affect roadway use
- Fiscal analysis—assessing fiscal opportunities and strategies
- Technology analysis—technologies for facilities, vehicles, and financial systems
- Assessment of social and environmental impacts
- Legal and regulatory constraints
- Public attitudes—including current experiences elsewhere in the country
- Administrative arrangements—implementing and managing tolled facilities
- Project evaluation and selection—a screening process for how and where to apply tolls

WSDOT's Transportation Innovative Partnerships Program, currently being developed with Transportation Commission oversight, may result in new ways to make needed investments in the transportation system with both government and private partners.

Regional funding of projects and programs may also be more of an option in the future. The Regional Transportation Investment District (RTID) is a joint effort of King, Pierce, and Snohomish counties to identify specific road, transit, and light rail improvement projects of regional significance in the three counties. RTID also has the authority to propose ways to fund transportation projects in the region through local taxes and fees (as approved by voters). Recent (2006) legislation on transportation governance in the region will affect how RTID and Sound Transit together can pursue needed transportation improvements together.

Other revenue sources that the legislature and others should consider include:

- Implementing user fees based on a vehicle's miles of travel on the highway (sometimes referred to as an odometer fee)
- Connecting some existing taxes (such as the gas tax) to an inflation rate
- Advertising, such as transit agencies use in and on buses, bus shelters, transit stations, and other transfer points. However, revenues generated from such a source may be insufficient to cover the cost of administering or regulating an advertising program
- Special sales tax on vehicle parts, accessories, and services
- Sales tax on fuels
- Tolls and pricing strategies
- General sales tax increase
- Regional funding options
- Special assessments or taxes as part of a community facilities district
- Development impact fees
- Tax increment revenues
- Private sector contributions

These kinds of options, while few in number, could be expanded. They will all need further in-depth analysis to determine their usefulness and viability. Any funding source for the future must contribute to the significant needs of the transportation system and must assist in maintaining a level of stability in funding.

In 2005, the legislature provided funding for the Joint Transportation Committee to conduct an analysis of the long-term viability of the state's transportation financing methods and sources. Washington State currently levies a 31 cents per gallon tax on motor vehicle fuel, including gasoline and diesel. The fuel tax and related bonding provide approximately 57 percent of the revenues available for the 2005-2007 State Transportation Budget and varying percentages of local government transportation budgets.

The state motor fuel tax is not indexed to inflation, thus requiring periodic increases in the tax rate by the legislature to maintain real revenues. Resistance to increasing the tax rate resulted in the tax rate staying the same for 13 years, from 1991 to 2003, thus causing revenues in real dollars to decline significantly. Further, technological advances in vehicles are increasing fuel mileage and new vehicles are being developed to operate on alternative energy sources that do not require motor fuel. Additionally, future supplies of oil are uncertain, both from a supply and cost standpoint. All of these factors bring into question the viability of the fuel tax to provide sufficient revenues needed to improve, maintain, and operate the transportation system in the future.

- It should be recognized that projected transportation funds have not yet been collected and that actual collections may not meet current expectations.
- Actual receipts of transportation taxes (such as gas taxes, licenses, permits, and fees) may be lower than current projections.
- Federal receipts could fall short of projections.
- Ferry riders may be more sensitive to an increase in ferry fares than is currently predicted, causing a reduction in fare box collections.
- Revenues can be impacted by changes in the law, either through legislative action or through the initiative process.
- Project costs will increase due to cost escalation of petroleum based products.
- Higher than expected interest rates for bond sales may cause increases to debt service obligations.

The Joint Transportation Committee's study findings and recommendations will be used to inform decision makers of the viability of the motor fuel tax and alternative approaches for financing and operating transportation systems in the future.
The study will also propose an approach for the transition to those alternatives. The principle objective of this study is to provide steps that Washington State should take in the short- and intermediate- term to maintain a stable finance system and to develop and utilize alternative transportation finance tools for the long-term. This should include steps to position itself to take best advantage of federal transportation financing opportunities and private initiatives. The goal is to have tangible, specific options and recommendations for the legislature to consider and implement for future transportation funding. The final report is due to the legislature by January 1, 2007.

Challenges to Addressing Emerging Opportunities

During the public outreach process the topic of partnerships and the flexibility of funding for new projects was raised. As unique partnership opportunities between the state, communities, and businesses arise, many challenges present themselves in the form of funding limitations. As the current budget is structured, funding is required to be expended according to defined criteria and specific projects. This leaves minimal flexibility for discretionary use when a partnership opportunity emerges that has not been budgeted.

Transportation Policy Studies and Plans

Statewide Transportation Studies

Many planning efforts are underway around the state that have influenced and have been influenced by the Washington Transportation Plan. In addition, various studies have influenced the plan, just as future studies will affect future transportation planning in the future. Given that these plans and studies occur at different times, it is expected that their relationships to each other will continue to evolve and help guide transportation policy.

This section of the WTP highlights some of the more recent policy and study efforts that are likely to influence transportation policy in the near future. In addition, routine updates to modal plans, regional transportation plans, and tribal plans will occur during the twenty-year period of this plan. Each study or plan connects and relates to the WTP; in many ways each contributing to the shaping of the others.

Washington Transportation Commission Tolling Study—September 19, 2006

The purpose of the tolling study is to help the state make policy-level decisions regarding if, where, when, and how to toll, by providing a practical, step-by-step tolling strategy for Washington State. Although the state had numerous toll facilities in the past, with the exception of the Washington State Ferries, there are none currently in operation. Two facilities, the Tacoma Narrows Bridge and the SR 167 HOT Lanes Pilot Project, are authorized as toll facilities and are currently under construction. WSDOT and the Puget Sound Regional Council have been reviewing 21 tolling proposals – each in various stages of study and demonstration.

This comprehensive tolling study outlines a broad strategy for advancing tolling in Washington. If the legislature accepts these recommendations, tolling and pricing transportation systems will become a more common travel experience.

Summary of study tasks

- Potential tolling opportunities in the near- mid- and long-term
- Traffic analysis; how tolls will affect roadway use
- Fiscal analysis; assessing fiscal opportunities and strategies
- Technology analysis; technologies for facilities, vehicles, and financial systems
- Assessment of social and environmental impacts
- Legal and regulatory constraints
- Public attitudes, including current experiences elsewhere in the country
- Administrative arrangements; implementing and managing tolled facilities
- Project evaluation and selection; how projects should be considered and implemented

The study analyzed the following specific topics:

- The possibilities for a more uniform and equitable distribution of the financial impact on those paying tolls and explore options for reducing the outstanding debt on the Tacoma Narrows Bridge.
- The use of value pricing by the Regional Transportation Improvement District to pay for needed transportation facilities within the districts.
- The potential for tolling SR 704 (Cross-Base Highway).

The study is due to the legislature by December 1, 2006.

Tolling Study Recommended Policies

1. Overall Direction

Washington should use tolling to encourage effective use of the transportation system and provide a supplementary source of transportation funding. That policy should evolve over time.

Short-Term (within 10 years)

- Accelerate implementation of high-cost/high-need projects, such as SR 520, the Columbia River Crossing at Vancouver, and Snoqualmie Pass.
- Use price differentials as appropriate to make the most effective use of the system.
- Convert HOV lanes to HOV/tolled express lanes to optimize performance and maintain free-flowing service for transit, vanpools, and carpools.

Medium-Term (within 20 years)

- Consider the potential for building additional capacity as tolled express lanes through more extensive study of long-term costs and benefits.
- Consider broader use of tolling to optimize system performance.

Long-Term (beyond 20 years)

Consider more extensive use of tolls as the ability to build more capacity is constrained, traditional revenue sources decline, and technology advances.

2. When to use Tolling

Tolling should be used when it can be demonstrated to:

- Contribute to a significant portion of the cost of a project that cannot be funded solely with existing sources; and/or
- Optimize system performance, such as with an HOV/Tolled Express lane.

Such tolling should in all cases:

- Be fairly and equitably applied in the context of the statewide transportation system.
- Not have significant adverse impacts through the diversion of traffic to other routes.

3. Use of Toll Revenue

Toll revenue should only be used to improve, preserve, or operate the transportation system.

4. Setting Toll Rates

Toll rates, which may include variable pricing, should be set to optimize system performance, recognizing necessary tradeoffs to generate revenue.

5. Duration of Toll Collection

Since transportation infrastructure projects have costs and benefits that extend well beyond those paid for by initial construction funding, tolls should remain in place to fund additional capacity, capital rehabilitation, maintenance, and operations, and to optimize performance of the system.

6. State Toll Authority to Set Toll Policy

Following broad statutory direction, the Washington State Transportation Commission, as the designated State Tolling Authority, should develop policies and criteria for selecting the parts of the transportation system to be tolled; propose the study of potential toll facilities; recommend toll deployments to the Governor and legislature; and set toll rates. The Authority should engage in robust and continuous coordination continuously with state-authorized regional or multi-state entities that may propose toll facilities to the Authority.

7. WSDOT to Implement Policy

The Washington State Department of Transportation should be responsible for planning, development, operations, and administration of toll projects and toll operations within the state.

8. Toll Collection Systems

Toll collection systems in the State of Washington should be simple, unified, and interoperable, and avoid attended tollbooths, wherever possible.

Washington Transportation Commission Rail Capacity and System Needs Study

Insufficient rail capacity within the State of Washington impacts the ability to improve passenger rail service and may result in a loss of business to the state. Therefore, the Legislature has asked the Washington State Transportation Commission to assess the rail freight and rail passenger infrastructure needs in this state, review the state's current powers, authorities, and interests in freight and passenger rail and recommend policies for state participation and ownership in rail infrastructure and service delivery, including planning and governance issues. The policy recommendations, including a methodology to evaluate benefits and impacts, will be submitted to the Legislature for consideration in the 2007 Legislative session.

Underlying principle of study

It is in the State's interest to increase and improve railroad transportation availability for both passenger and freight movements. The State should pursue a variety of options including focused communication with carriers, adjustments in permitting, and financial investment where warranted. To maximize state investments, state dollars should be leveraged with private and/or other public partner funding. That kind of leveraged financing can make larger projects more feasible and ensure the State has the local or private support necessary for ultimate success.

Preliminary Findings

Freight demand for use of the Washington State rail system is growing. Businesses within the state require more rail capacity, but much of the growth is driven by shippers and receivers outside of the state. Overall, the railroad industry is not keeping pace with demand.

Class I railroads are changing their business model to more of a "hook and haul" system which is available to fewer low volume individual shippers and reduces access by short line railroads to the main lines.

Short line railroads touch a large percentage of rail freight (30 percent of the Union Pacific traffic) and will continue to play an important role serving carload traffic in Washington State.Yet some short line railroads in Washington State will continue to have financial difficulties that will affect service quality and availability. The impacts will be most noticeable in the agricultural sector.

International trade growth will continue to dominate growth in rail traffic. Rail connections will be critical to port competitiveness. The future competitiveness of Washington's international trade ports will require resolution of a mix of main line capacity, access/egress, and intermodal terminal capacity issues. Solutions will require partnerships among the ports, the state, the Class I railroads, and local governments and may require the use of new financing mechanisms.

Addressing capacity issues alone may not be sufficient to ensure that state rail system is responsive to the needs of traditional carload shippers and receivers within Washington State. Carload shippers which generate small volumes of cargo are already finding that the BNSF and UP shift to longer trains and "hook and haul" strategies often results in service that is harder to obtain, more costly, and of lower quality—unless transload facilities are readily available.

Passenger rail ridership in Washington State is effectively capped by current capacity, bottlenecks, high freight volume and associated limitations on service frequency. Without changes to the system passenger rail will continue to be disadvantaged in competing for access to capacity on a strained rail network. The planned long-range investments in the passenger rail system have potential to improve overall rail capacity (both passenger and freight) in the Washington State rail system, but they need to be more clearly linked to a system-level strategy.

Emerging Policies and Processes:

- The benefit evaluation processes used by other states and organizations offer some guidance for Washington to evaluate benefits of state investment.
- Every project, package, or policy under consideration must be reviewed through the lens of each of the different key stakeholder groups.
- The Rail Study will recommend a benefit/impact methodology that provides a standard process and clear decisional criteria to comprehensively evaluate quantitative and qualitative public benefits to the State.
- Case studies will refine and test the methodology presented to decide if it is the correct approach to take.

Washington State Ferry System Finance Study

The 2006 Legislature instructed the Joint Transportation Committee to conduct a finance study of the Washington State Ferry system to facilitate policy discussions and decisions.

The study is expected to:
- Improve the predictability of cash flows
- Increase transparency
- Assess the organizational structure
- Verify that the Washington State Ferry system is operating at maximum efficiency
- Improve labor relations

The committee shall report the study results to the House of Representatives and Senate transportation committees by January 1, 2007.

The study must include, at a minimum, a review and evaluation of the ferry system's financial plan, including current assumptions and past studies, in the following areas:
- Operating program, including ridership, revenue, and cost forecasts, and the accuracy of those forecasts; and
- Capital program, including project scoping, prioritization and cost estimating, project changes including legislative input regarding significant project changes, and performance measures.

Washington State Long-Term Air Transportation Study

In 2005, the Governor signed into law Engrossed Substitute Senate Bill (ESSB) 5121, which authorizes a long-term air transportation and air cargo planning study for general aviation and commercial airports statewide. The legislation is also known as the Washington State Long-Term Air Transportation Study (LATS).

The purpose of LATS is to understand the current capacity of aviation facilities and what will be needed to meet future demand for air transportation. The bill requires WSDOT Aviation to conduct an airport capacity/facility assessment in Phase I and a demand/market analysis in Phase II.

In the final phase the Governor will appoint an aviation planning council. The council will review the data and make recommendations to the Governor, legislature, and Transportation Commission on how to best meet statewide commercial and general aviation capacity needs. The project will be funded primarily through Federal Aviation Administration (FAA) grants.

The statewide assessment, Phase I, is required to be submitted to the Governor, appropriate standing committees of the legislature, the Transportation Commission, and regional transportation planning organizations by July 1, 2006.

The statewide airport capacity and facilities market analysis, Phase II, is required to be submitted to the Governor, appropriate standing committees of the legislature, the Transportation Commission, and regional transportation planning organizations by July 1, 2007. High-speed passenger transportation facilities assessment is also required to be completed by July 1, 2007. The Airport Planning Council report and recommendations, Phase III is required to be completed by July 1, 2009.

Urban Areas Congestion Relief Analysis

The 2003 Legislature asked WSDOT to conduct a congestion relief analysis for the urban areas of Seattle, Spokane, and Vancouver, Washington. They required the study to include proposals to alleviate congestion consistent with population and land use expectations under the Growth Management Act and include measurements of all modes of transportation.

The analysis examined a variety of congestion relief scenarios. Its purpose was to answer the questions, "What would it take to significantly reduce expected future traffic delay due to congestion in the state's major urban areas?" and "What are the associated costs and impacts?" The study was based on adopted regional growth management plans as required by the Growth Management Act of 1990.

Primary Focus of the Analysis

1. Existing system performance—baseline condition
2. The cost of doing only the funded projects by 2025
3. The price of meeting "unconstrained demand" by 2025
4. The transit/travel demand management (TDM) pricing effect on congestion relief including various highway approaches to congestion relief (answering the following questions):
    - With optimum TDM, transit and pricing strategies in place, how much highway improvement is needed to achieve a particular level of congestion relief?
    - How much will it cost?
    - What impacts will it have?
    - What benefits will it bring?

Primary findings of the Analysis

As the urban areas grow, congestion will grow too. A computer analysis showed that, without a substantial increase in transportation capacity or significant changes in travel behavior, by 2025 total travel delay could increase from three to five times current levels in the three major urban areas.

Large-scale roadway expansion could reduce travel delay on highways. However, future population and job growth would overwhelm the ability of the most extensive capacity expansion scenarios tested in this study to reduce total regional delay to below today's levels. Furthermore, due to man-made and/or natural environmental constraints, it is estimated that the cost to reduce travel delay in 2025 to below today's level could exceed $100 billion dollars in the Central Puget Sound region alone.

Major transit expansion in the three urban areas would provide an alternative to single-occupancy vehicles for people traveling congested corridors during peak periods. However, according to computer modeling, transit expansion alone is not shown to be effective in reducing total delay at the system level. The lack of supportive land use densities and the difficulty in serving non-commute travel limits the ability of transit to serve trips that are now customarily made by automobile.

Combining roadway and transit improvements to match the unique characteristics of particular corridors is shown to provide the potential for more practical congestion relief when compared to single strategies. The monetary cost for the combined improvements would be cheaper than the roadway improvement alone in order to achieve the same level of travel delay reduction.

Region-wide value pricing (roadway toll rates vary according to demand levels) is indicated to be very effective in reducing total delay. Roadway tolling helps to dampen travel demand, shorten trips, shift travel to non-peak periods, and encourage use of other travel options (transit, carpooling, biking, and walking) that are not subject to toll charges. Value pricing helps to maximize the efficiency of our transportation system. Value pricing is consistent with the way almost all other utility and transportation services are provided in market-based economies (for example, water, electricity, air travel, and telecommunications services). As with the use of prices to establish access to services in other utility areas, special provisions may be necessary to ensure adequate access by those unable to pay market prices for indispensable services. The special requirements need to be carefully considered.

Value pricing in the form of High Occupancy Toll (HOT) lanes is found to reduce corridor delay and make the corridor operate more efficiently. HOT lanes make corridor travel time more reliable, which benefits everyone, including occasional users.

The computer models suggest that a strategic combination of transportation supply and demand management will be effective in fighting the growing demand and capacity imbalance. When value pricing is added to a mix of highway and transit capacity improvements, the model analysis shows a large increase in benefits for a small additional cost. This combination of capacity improvements and value pricing should be given much greater attention as an implementation strategy.

Strategic Highway Safety Plan

A state-developed Strategic Highway Safety Plan (SHSP) is a new federal requirement of SAFETEA-LU, 23 USC 148. The SHSP will meet those federal requirements for Washington State.

The purpose of the Strategic Highway Safety Plan is to identify Washington State's traffic safety needs and guide investment decisions to achieve significant reductions in traffic fatalities and serious injuries. In developing this plan, Washington State seeks to build traffic safety partnerships throughout the state in order to align and leverage our resources to address Washington's traffic safety challenges.

Closely following the successful model adopted in the AASHTO Strategic Highway Safety Plan, Washington State's SHSP is strongly data driven. The AASHTO SHSP model was developed in cooperation with the Federal Highway Administration (FHWA), The National Highway Traffic Safety Administration (NHTSA), and the Transportation Research Board (TRB). At the core of Washington State's SHSP are traffic safety emphasis areas and proven strategies and countermeasures that target problems unique to Washington roadways. These emphasis areas and proven strategies are organized under the following five basic categories: Driver and Occupant Behaviors; Other Special Users; Roadways; Emergency Medical Services; and Traffic Information Systems.

The SHSP provides a comprehensive framework of specific goals, objectives, and strategies for reducing traffic fatalities and serious injuries.

> *"Like the Canoe Journey, transportation development involves years of coordinated effort charting a journey to destinations where high priority transportation projects become a reality, growing our communities into a better place to live."*
>
> ***Jim Peters,*** *Chairman*
> **Squaxin Island Tribe**
> **Tribal/State Transportation Conference**
> **October 17, 2005**

Statewide Transportation System Plans

The WTP is a multimodal transportation plan. The various transportation system plans developed by WSDOT and partner agencies directly connect with the WTP to improve statewide transportation planning and policies. The following plans are listed in alphabetical order:

Aviation System Plan
Airline passengers, mail and parcel services, emergency services, agriculture, and aviation-related businesses all depend on an adequate network of airports and connections to intermodal transportation services and facilities. The aviation system plan provides the framework for the preservation, enhancement, and public investment strategies of the state and federal government to meet current and future aviation needs. The plan determines the number, location, and type of aviation facilities required to adequately serve the state's aviation needs over the next 20 years.

State Statutory Authority: RCW 36.70, RCW 36.70A, RCW 47.06, RCW 47.68, RCW 47.80

Bicycle Transportation and Pedestrian Walkways Plan
Bicycling and walking are two modes that signify a dynamic transportation system. They not only provide environmental and health benefits, but also provide a strategy to reduce traffic congestion and have a positive economic impact across the state. The goals of the plan are to improve bicycle and pedestrian safety while increasing the number of people who bicycle and walk. The strategies for accomplishing these goals include: maximizing funding through partnerships; raising awareness of the needs for bicycle and pedestrian safety; and sharing information on bicycle and pedestrian issues between agencies, jurisdictions, and organizations in Washington State.

State Statutory Authority: RCW 47.06.100

Freight and Goods Transportation System Update

The Washington State Freight and Goods Transportation System (FGTS) is a classification of state highways, county roads, and city streets based on their average annual gross truck tonnage. The FGTS report is updated on a periodic basis, is data driven, and identifies the highways and roads most heavily used to move freight by truck. Projects that improve conditions for freight transportation serve as a resource for establishing project eligibility for Freight Mobility Strategic Investment Board grants, and designation as Highways of Statewide Significance, and fulfill federal reporting requirements for truck and traffic counts. In addition, the FGTS report also supports pavement upgrade planning, traffic congestion management, and other investment decisions, and allows preliminary assessment of statewide freight needs and impacts.

Last Updated: December 2005
Next Scheduled Update: 2007
State Statutory Authority: RCW 47.06.045, RCW 81.104.100

Highway System Plan

The Highway System Plan (HSP) guides WSDOT in prioritizing and budgeting for highway projects and is updated every two years. The HSP is a result of federal and state legislative action that introduced greater integrated and coordinated planning processes. Together with the WTP, the HSP assesses future transportation needs through a collaborative planning process with the goal of ensuring that the transportation system provides convenient, reliable, safe, efficient, and seamless connections and services.

State Statutory Authority: RCW 47.06.050, RCW 36.70A.70, RCW 47.80.030

Passenger Rail Plan

The Passenger Rail Plan, through multiple studies, addresses key areas, including but not limited to, ridership estimates; preliminary location and environmental analysis on new corridors; detailed station location assessments in concert with affected local jurisdictions; coordination with the air transportation commission on statewide air transportation policy and its effects on high-speed ground transportation service; and coordination with the governments of other states and provinces, when appropriate, on alignment, station location, and environmental analysis.

Last Updated: May 2006
State Statutory Authority: RCW 47.79.040

Planning Studies

Planning studies are comprehensive evaluations of specified routes conducted by WSDOT region planning offices. These studies assess highway corridors to evaluate future needs over a 20-year period. The studies identify what state system improvements are appropriate and what local system improvements are needed to keep the state system functioning. The approach to the studies varies depending upon the characteristics of the specific route. The general process for developing a planning study involves the following: define the study area, establish goals and objectives, collect data, conduct public meetings, coordinate with agencies and communities, conduct traffic analysis, and develop proposals for implementation and evaluation.

State Statutory Authority: RCW 47.06, 36.70A

Public Transportation Plan

Developed with the vision that people should be able to easily and efficiently move through congested intercity corridors using a variety of transportation options, the Public Transportation Plan guides the state in its public transportation role, describes the condition of public transportation, discusses significant issues, identifies future needs, and proposes realistic strategies and responsibilities for achieving the vision. It provides the framework for preserving the public transportation system while improving mobility for a growing population.

State Statutory Authority: RCW 47.06.110

Roadside Classification Plan
The Roadside Classification Plan provides policy and guidelines for the management of Washington State highway roadsides, including planning, design, construction, and maintenance activities. The intent of this plan is to provide a uniform framework for consistent, proactive roadside management statewide and to facilitate cost-effective restoration of roadsides. In coordination with the State Highway System Plan, it sets statewide goals and objectives for roadside management, establishes roadside character classifications, provides guidelines for roadside restoration, and advocates the use of native plants, integrated vegetation management (IVM), and a long-term approach to achieve sustainable roadsides.

Scenic Byway Corridor Management Plans
Planning studies take an in-depth look at how transportation needs to accommodate planned growth or other changes along a corridor or in an area. These studies often focus on vehicular use of roadways, but also need to take into account how people and goods can be moved better. They should include looking at transit services, use of commute trip reduction, and walking and bicycling as appropriate.

While somewhat different in purpose than a highway, route or corridor plan, Corridor Management Plans (CMPs) provide an analysis of a corridor over a 20-year planning horizon. CMPs are developed in coordination with the United States Department of Transportation and the Federal Highway Administration Scenic Byways program. These plans follow FHWA guidelines for a master planning process along a corridor, with a focus both within and outside of the highway right of way. CMPs establish community-based goals and implementation strategies along a corridor and describe how to use community resources efficiently, how to conserve intrinsic qualities of the corridor, and how to enhance its value to the community. For additional information, see the Scenic Byways map in Part IV. Chapter B.

State Statutory Authority: RCW 47.39

Sustainability Plan and Progress Report
A sustainability plan is an action plan that incorporates sustainable business practices. The governor-signed executive orders directing state government operations to apply principles of sustainability and to contribute positively to the quality of life of all citizens apply to all state agencies and their day-to-day operations.

State agencies are required by these executive orders to adopt targets and take action to use sustainable practices, phase out persistent toxic chemicals, and establish goals for sustainable operations.

The WTP recognizes that these approaches can be applied not only to state agencies, but also to private businesses and citizens of Washington State. Living and working in a more sustainable way benefits all citizens and all businesses, and contributes positively to their quality of life. Creative approaches to making transportation options available has a direct relationship to supporting sustainable practices.

Governor's Executive Order 02-03 (2002) *Sustainable Practices by State Agencies*
Governor's Executive Order 04-01 (2004) *Phase Out of Persistent Toxic Chemicals in Washington*
Governor's Executive Orders 04-06 (2004) and 05-01 (2005) *Establish Sustainability Goals for State Operations*

Washington State Ferries Long-Range Strategic Plan
The Washington State Ferries Draft Long-Range Strategic Plan guides future service and investment decisions of the Washington State Ferries through the year 2030. The primary goal of the plan is to prepare Washington State Ferries to provide ferry service that is best able to meet future customer demand. The plan guides key policy decisions in the following areas: long-term funding, role of fares in long-term funding, capital investments, and growth and service expansion. Ultimately, the plan attempts to minimize congestion delays on all routes and add service where it is needed most. See the Ferry Route map in Part IV. Chapter B. for further information

Last Updated: 1999
Next Scheduled Update: 2006
State Statutory Authority: RCW 47.06.040

Governance and Partnerships

The Washington Transportation Commission from left to right: Bob Distler, San Juan County; Elmira Forner, Vice Chair, Chelan County; Richard Ford, Chair, King County; Reema Griffith, Executive Director; Dale Stedman, Spokane County; Edward Barnes, Clark County; Dan O'Neal, Mason County; and Carol Moser, Benton County.

In 2005 and 2006, the legislature and the Governor redefined the roles and responsibilities of the Transportation Commission and the Washington State Department of Transportation. The legislature also changed how the Puget Sound region may make regional investments in transportation.

Transportation Commission Roles

The 2005 and 2006 legislatures changed the roles and responsibilities of the Washington Transportation Commission, which retained certain authority, including statewide transportation planning, bond issuance approval, serving as the state's tolling authority, and setting ferry fares. Additionally, the Commission received an expanded role as a public forum for transportation policy development.

The Commission's role in developing transportation policy was modified in a way that largely increased its role as a policy advisory body to the Governor and the legislature, with the following mandates:

- Propose policies to be adopted by the Governor and the legislature to ensure the development and maintenance of a comprehensive and balanced statewide transportation system.
- Provide coordination among federal, state, local, and regional transportation planning and programing agencies.
- Provide for public involvement in transportation planning.
- Prepare a statewide transportation plan based on existing state policies, as well as state and federal laws, while reflecting the Priorities of Government and addressing regional needs, including multimodal transportation planning.
- Conduct transportation-related studies and policy analysis as directed by the legislature and the Governor in the biennial transportation budget (refer to the tolling and rail study in the Policy Studies and Plans Chapter).
- Provide a public forum for developing transportation policies with regional transportation planning organizations, transportation stakeholders, counties, cities, and citizens.
- The commission may recommend to the Secretary of Transportation, the Governor, and the legislature, the means for obtaining appropriate citizen and professional involvement in transportation policy formulation and matters related to the powers and duties of WSDOT.
- The Commission may hold hearings and explore ways to improve the mobility of the citizens of the state.
- In addition to the monthly meeting required by statute, the Commission must convene regional forums on transportation at least every five years. The purpose of the forums is to gather citizen input on transportation.
- Every two years, the Commission will prepare a statewide multimodal transportation progress report and transportation priorities for the ensuing biennium, reporting goals, targets, and benchmarks.
- Offer policy guidance and make recommendations to the Governor and the legislature on key issue areas including:
    - Transportation financing
    - Preserving, maintaining, and operating the state transportation system
    - Transportation infrastructure needs
    - Promoting best practices for adoption and use by transportation-related agencies and programs
    - Transportation efficiencies that will improve service delivery and/or coordination

Improving planning and coordination among transportation agencies and providers
Use of intelligent transportation systems and other technology-based solutions
Reporting of performance against goals, targets, and benchmarks
Developing a 10-year investment program

- Provide oversight and make key decisions related to the implementation of the newly created Transportation Innovative Partnerships program within WSDOT.

- The Commission must review performance and outcome measures to ensure transportation system performance at local, regional, and state government levels.

New Roles for the Washington State Department of Transportation

In addition to the roles described in detail in the Laws section of the Appendix, legislation in 2005 and 2006 changed the Washington State Department of Transportation's (WSDOT) roles and responsibilities. The primary change for WSDOT is the moving of the agency to the Governor's cabinet. The Secretary of Transportation now is appointed by and serves at the pleasure of the Governor. The Secretary now proposes WSDOT's budget and authorizes departmental requested legislation. The Secretary will continue to serve as an ex officio member of the Transportation Commission.

The department now has the responsibility to determine if highway improvement projects proposed by and funded by the Community Economic Revitalization Board are appropriate. This was previously a responsibility of the Transportation Commission. Additionally, the department now has the responsibility of adopting the functional classification of highways. This was also previously the responsibility of the Transportation Commission.

> *"The coordination between the Washington Transportation Plan and our Regional Transportation Plan is critical to ensure proper prioritization and funding to maintain and improve the condition and accessibility of our city, county and state road system as we seek to maximize our agricultural and recreational economic development and safety opportunities."*
>
> **Paul Bennett, P.E.**
> Quad-County Regional Transportation Organization

Regional Partnerships

The 2006 Legislature created the Regional Transportation Commission to evaluate transportation issues in the Puget Sound region and to develop a regional transportation governance proposal. The Regional Transportation Commission is comprised of nine members, all private citizens appointed by the Governor, plus the Secretary of Transportation as a nonvoting member. The Regional Transportation Commission will:

- Evaluate a broad range of regional transportation governance issues, including transit agency boundary adjustments, consolidation options, and coordination of all agencies (including WSDOT) that have a role in regional transportation planning, funding, and operations
- Develop a proposal that includes an option for forming a permanent, directly-elected regional transportation governing entity, as well as the governing entity's finance strategy, authorized revenue sources, and planning authority
- Submit its governance proposal to the 2007 Legislature

The legislature modified the Puget Sound Regional Transportation Improvement District (RTID) in several respects:

- The RTID is allowed to change its boundaries to be contiguous with regional transit authority boundaries. The peninsula portion of Pierce County is exempted from inclusion in the RTID.
- The RTID must submit its finance plan as a common ballot measure along with a Sound Transit Phase 2 plan at the 2007 general election and is permitted to have a ballot title exceeding 75 words.

Regional Transportation Planning Organizations have been established by the legislature to further the coordination of transportation planning among local jurisdictions and the state. The duties of the Regional Transportation Planning Organizations include:

- Prepare and update a transportation strategy and plan for the region
- Certify that transportation elements of comprehensive plans of cities and counties within the region are consistent with the regional transportation plan
- Certify county-wide planning policies to be consistent with the regional transportation plan
- Develop a six-year regional transportation improvement program
- Designate a lead planning agency to coordinate the

preparation of the regional transportation plan
- Work with local jurisdictions and agencies and the state to develop level of service standards or other transportation performance measures

Coordinated Transportation Agencies

Three independent state agencies partner with local governments to develop and build street, road, and freight improvements.

Transportation Improvement Board—The Transportation Improvement Board (TIB) distributes grants to cities and counties for high priority transportation projects that foster state investment in quality local transportation projects. Its six grant programs provided over $98 million dollars of capital funds in 2006 to communities throughout the state. Over the past four years, TIB contributed funds to over 700 completed projects.

Specific TIB grant programs focus on transportation needs of small cities and towns, urban arterials and urban corridors, and sidewalks. Its 21 member Board includes 6 city members, 6 county members, two WSDOT officials, 2 transit representatives, a private sector representative, a member representing the ports, a member representing non-motorized transportation, a member representing special needs transportation, and a governor appointee. TIB funding comes from the revenue generated by three cents of the statewide gas tax.

County Road Administration Board—The County Road Administration Board (CRAB) works to preserve and enhance the transportation infrastructure of Washington State's counties by providing standards of good practice, fair administration of funding programs, visionary leadership, and integrated, progressive, and professional technical services. The legislature created CRAB in 1965 to provide statutory oversight of Washington State's 39 county road departments.

CRAB administers the County Arterial Preservation Program ($14 million annually) and the Rural Arterial Program ($19 million annually) and is a major technical resource for the Washington Association of County Engineers. It distributes the counties' portion of the Motor Vehicle Fuel Tax and is custodian of the county road log, a database of over 40,000 miles of roads. CRAB is funded from the portion of the counties' fuel tax that is withheld for state supervision and from a small portion of the two grant programs that it administers.

Freight Mobility Strategic Investment Board—Washington State's economy is the most dependent upon trade of all the states. Our ability to compete in a global economy depends to a great extent on the efficiency of the state's multimodal transportation network to move our products and goods efficiently. In 1998, the legislature created the Freight Mobility Strategic Investment Board (FMSIB) to facilitate freight movement between and among local, national, and international markets and find solutions that lessen the impact of the movement of freight on local communities.

FMSIB proposes policies, projects, corridors, and funding to the legislature. Its 2006 six-year project list anticipates $350 million of strategic state investment in freight mobility.

Transportation and Land Use

Historically, the type and availability of transportation has had a major influence in defining the physical structure of our communities. Communities have evolved from being oriented around ports, rivers, canals, and railroads, to a pattern now dominated by the roadway. In turn, where we live, work, recreate, and find goods and services all drive transportation demand. Community design, social, political, and economic activity, and transportation are intertwined.

Traffic congestion, travel delays, unreliable travel times, and reduced safety can occur when demand exceeds roadway or transit capacity.

Transportation problems can be exacerbated when:

- People perceive that the only available and apparently affordable housing they desire is miles, cities, and even counties away from jobs, schools, shopping, and recreation.
- Businesses relocate to the suburban fringe, creating "edge cities" and stranding their transit-dependent employees because traditional transit systems do not typically provide effective service in the "reverse-commute" direction or from suburb to suburb.

Transportation problems cannot be solved solely by building additional roadways, interchanges, transit lines and stations, or intercity and commuter railway capacity.

These actions can address some congestion in the short-term and are very important, but developing a transportation system to improve Washington State's mobility that is sustainable, environmentally sound, socially equitable, and economically viable requires recognizing that:

- Transportation problems are symptoms of underlying individual and community decisions.
- "Sprawl" development has infrastructure cost implications and travel cost and time implications that can directly affect housing affordability and quality of life. No one actually wants to commute several hours a day in congested traffic or considers the event life-enriching. People do it to gain other real and perceived benefits.
- Many metropolitan area issues, including transportation and affordable housing, are regional and sometimes interregional in nature. Addressing these issues requires unprecedented levels of government cooperation and shared vision.

Transportation funds are collected from the public with the expectation that they will be used to meet transportation needs. There are more transportation needs and desires than there are funds to support them. Any expenditure of transportation funds must have a reasonable link to improving mobility and access for people, goods, services, and information.

However, since transportation and community development are interconnected, the availability and location of housing, especially affordable housing, can have a positive impact on reducing overall transportation demand and increase the use and effectiveness of the transportation system. The appropriate investment of transportation funds in projects and services can foster affordable housing and yield a long-term transportation benefit.

Transportation investments can support the vitality and redevelopment of urban areas and first-ring suburbs. This includes brownfield and grayfield areas, where infrastructure already exists and affordable housing can be developed. Such redevelopment can serve to increase transit usage and efficiency. It can also promote walking and bicycling.

Local agencies can use their discretionary transportation funds, such as Congestion Mitigation and Air Quality and Transportation Enhancement and Regional Surface Transportation Program funding, to help support transit-oriented development, redevelopment, and affordable housing development. Local agency-provided transportation improvements can offset some of the total cost of transit-oriented development or other development that includes affordable housing.

State transportation investments can be prioritized with the intent of targeting areas where local investments in transportation facilities, transit services, and local decisions on development help to increase the long-term return on the state's transportation investment. Transportation planning funds can be used to jointly plan transportation services and community development to maximize return on future investments and ensure the transportation system complements community growth and vitality.

Transportation and Land Use—Key Challenges

Washington State citizens often talk about the challenges facing the transportation systems in the next twenty years, including sprawl, quality of life, and the threats to natural ecosystems and salmon.

Confronting these issues is central to creating forward-looking programs for transportation investment. There is no question that efficient transportation systems are essential to economic vitality. There is no question that individualized free market choices about housing, work, and lifestyles are influencing transportation and land use with greater force than either independently influences the other. And there is no question that failure of transportation systems to meet the needs of growing communities can trigger social and environmental costs, including poor land use outcomes.

Although since implementation of the GMA the state as a whole has begun to coordinate growth and transportation and address congestion more effectively, there remains much to learn about what mix of incentives and disincentives will improve the mobility of people and goods. It may take more serious efforts at partnership between governments and businesses to address land use and the everyday decisions people make about where to work, live, and recreate.

> "Encourage development in areas where public facilities and services exist or can be provided in an efficient manner."
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> ***Palouse RTPO***
> *2005 Regional Transportation Plan*

Growth Management

Transportation systems are costly public investments. Land use decisions made by local jurisdictions are key determinants of how the state's transportation system serves people, communities, and the economy. Transportation, in turn, helps define the physical structure of our communities.

When passed in 1990, the Growth Management Act included 13 far-reaching goals to guide local comprehensive plans and development regulations. (A fourteenth goal for shorelines was added later.) The basic principle of the Growth Management Act is that new development should be allowed only at a pace that public agencies providing public services such as roads, water, and sewer systems can keep up with. Local jurisdictions planning under the Growth Management Act implemented these statewide goals with flexibility to make their own choices about growth and development.

Transportation investments must be made in support of growth management strategies or growth management cannot succeed.

Our state's Growth Management Act (GMA) created a framework rooted in local government for reconciling the pressures from growth on the uses of land with the consequent demands for public infrastructure investment. Since the GMA passed, we have seen improved consistency and public engagement in our local land use decisions as a direct result of the coordinated planning required by the law. Major elements of the GMA are:

- Comprehensive Plans
- Urban Growth Areas
- Concurrency

Comprehensive Plans

Fast-growing counties and the cities within them are required to create comprehensive plans that include several plan elements addressing projected changes in land use and public facilities. Cities and counties have discretion in their comprehensive plans to make many choices about how to plan for and accommodate

growth. The local transportation system is part of the infrastructure needed to support the land use element of the comprehensive plan. Regional Transportation Planning Organizations certify the transportation element of local comprehensive plans for consistency with regional goals.

Urban Growth Areas
Jurisdictions preparing comprehensive plans are also required to designate Urban Growth Areas (UGA) where future population growth and infill development is to be encouraged and outside of which growth should occur only if it is rural in character. The purpose of the UGA is to attract and funnel growth to certain core areas, increasing density there while maintaining the rural character of the land outside the UGA.

Vancouver and surrounding area. Source: Vancouver GIS.

Development Encroachment
Washington's Growth Management Act (GMA) also requires local jurisdictions to discourage incompatible development adjacent to public use airports through comprehensive plan policies and development regulations. The airport may no longer be able to function if nearby development creates an unsafe setting for planes taking off and landing. Incompatible development can affect both the short-term and long-term operational capabilities of the airport, impact airport capacity, cause safety implications for people in the air and on the ground, impact noise sensitive uses, affect navigation, and impair the utility of the airport as an economic resource. Airports are recognized under GMA as Essential Public Facilities.

Growth Management Goals

- Focus urban growth in urban areas
- Reduce sprawl
- Provide efficient transportation
- Encourage affordable housing
- Encourage sustainable economic development
- Protect property rights
- Process permits in a timely and fair manner
- Maintain and enhance natural resource-based industries
- Retain open space and habitat areas and develop recreation opportunities
- Protect the environment
- Encourage citizen participation and regional coordination
- Ensure adequate public facilities and services
- Preserve important historic resources
- Manage shorelines wisely

WSDOT encourages ports, special districts, airport sponsors, aviation interests, and local jurisdictions to form partnerships and to work together to discourage incompatible development. The Aviation Division provides research documentation and best management practices and tools that can be used by local jurisdictions and airports to address land use compatibility adjacent to airports.

Similarly, Washington's seaports, highways, rail lines, and distribution centers are vital links to the global economy. The compatibility of these facilities with neighboring communities can affect Washington State's ability to move products for export and serve as a gateway for imported goods.

Concurrency

Transportation and land use decisions continue to shape Washington State's quality of life. In 1990, when the legislature passed the growth management act, transportation planning across regional boundaries and the topic of concurrency were included.

Concurrency refers to the timely provision of public facilities and services relative to the demand for them. To maintain concurrency means that adequate public facilities are in place to serve new development as it occurs. The Growth Management Act (GMA) gives special attention to concurrency for transportation. The GMA requires that transportation improvements or strategies to accommodate development impacts need to be made concurrently with land development.

"Concurrency" is defined by the GMA to mean that any needed improvements or strategies are in place at the time of development or that a financial commitment exists to complete the improvements or strategies within six years. Local governments have many choices about how to apply concurrency within their plans, regulations, and permit systems.

If concurrency cannot be demonstrated, then local jurisdictions are required to enforce adopted ordinances, which prohibit development approval unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development.

Most local governments have comprehensive plans that include level of service (LOS) standards. If levels of service fall below those described in the transportation chapter of the local comprehensive plan, then corrective action is needed. Concurrency is managed at the local level through ordinances consistent with the standards and policies in the locally adopted comprehensive plans. Sprawl happens in several areas for various reasons. Counties fully planning under the GMA have concurrency requirements as well the cities and their LOS standards are often lower in urban areas. To reduce inconsistency between neighboring jurisdictions and to consider regional implications of comprehensive plans, local plans are reviewed and certified by metropolitan planning organizations and regional transportation planning organizations.

Because state highways serve as primary arterials for many local governments, establishing and maintaining a comprehensive level of service for local governments and the state continues to be an ongoing challenge. In 1998, the Washington State Legislature passed HB 1487, relating to transportation and growth management planning. House Bill 1487, known as the Level of Service (LOS) Bill, was passed to enhance the identification and coordinated planning for major transportation facilities identified as "transportation facilities and services of statewide significance." LOS for Highways of Statewide Significance (HSS) is set by WSDOT, however, these facilities are not subject to local concurrency requirements under the GMA. Non-HSS facilities have LOS set by WSDOT in consultation with the RTPOs. The GMA does not address whether or not these facilities are subject to local concurrency requirements. Applicability of concurrency to state highways and ferry routes continues to surface as a policy discussion.

Two legislative studies underway in 2006 address concurrency. These studies include an examination of whether the concurrency goal should apply to state-owned transportation facilities and how multimodal systems such as transit contribute to concurrency goals. These studies present a timely opportunity to discuss the Growth Management Act's concurrency requirement as it relates to statewide transportation needs. Both projects are in development and will be submitted to the Legislature by December, 2006.

Multimodal Concurrency Study

The multimodal transportation concurrency study requires WSDOT and the Puget Sound Regional Council (PSRC) to coordinate efforts to deliver a study that examines multimodal transportation improvements and strategies to comply with the concurrency requirements of the Growth Management Act (GMA).

The study request calls for analyzing approaches to concurrency that better integrate roadway and transit planning, maintain the ability to attain development objectives of growth centers, and allow for tailoring of Level of Service standards to different growth centers and travel periods. Technical assistance is provided by the Washington State Transportation Research Center (TRAC). For more information, see www.wsdot.wa.gov/planning/concurrency/MultimodalStudy.htm.

State-Owned Transportation Facilities Analysis

The state-owned transportation facilities study directs WSDOT to conduct an analysis of expanding the statewide transportation concurrency requirements. It includes development impacts on LOS standards applicable to state-owned transportation facilities, including state highways and state ferry routes. The analysis will examine gaps in law and practice that strengthen state and local transportation planning. The Legislative objective of the analysis is to ensure that jurisdictional divisions do not defeat growth management concurrency goals.

Growth Management Act Planning Goals

The following goals are adopted to guide the development and adoption of comprehensive plans and development regulations of those counties and cities that are required or choose to plan under RCW 36.70A.040. The following goals are not listed in order of priority and shall be used exclusively for the purpose of guiding the development of comprehensive plans and development regulations:

(1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

(2) Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.

(3) Transportation. Encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans.

(4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

(5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

(6) Property rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.

(7) Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.

(8) Natural resource industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands, and discourage incompatible uses.

(9) Open space and recreation. Retain open space, enhance recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities.

(10) Environment. Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.

(11) Citizen participation and coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.

(12) Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

(13) Historic preservation. Identify and encourage the preservation of lands, sites, and structures, that have historical or archaeological significance.

(14) Manage Shorelines wisely