

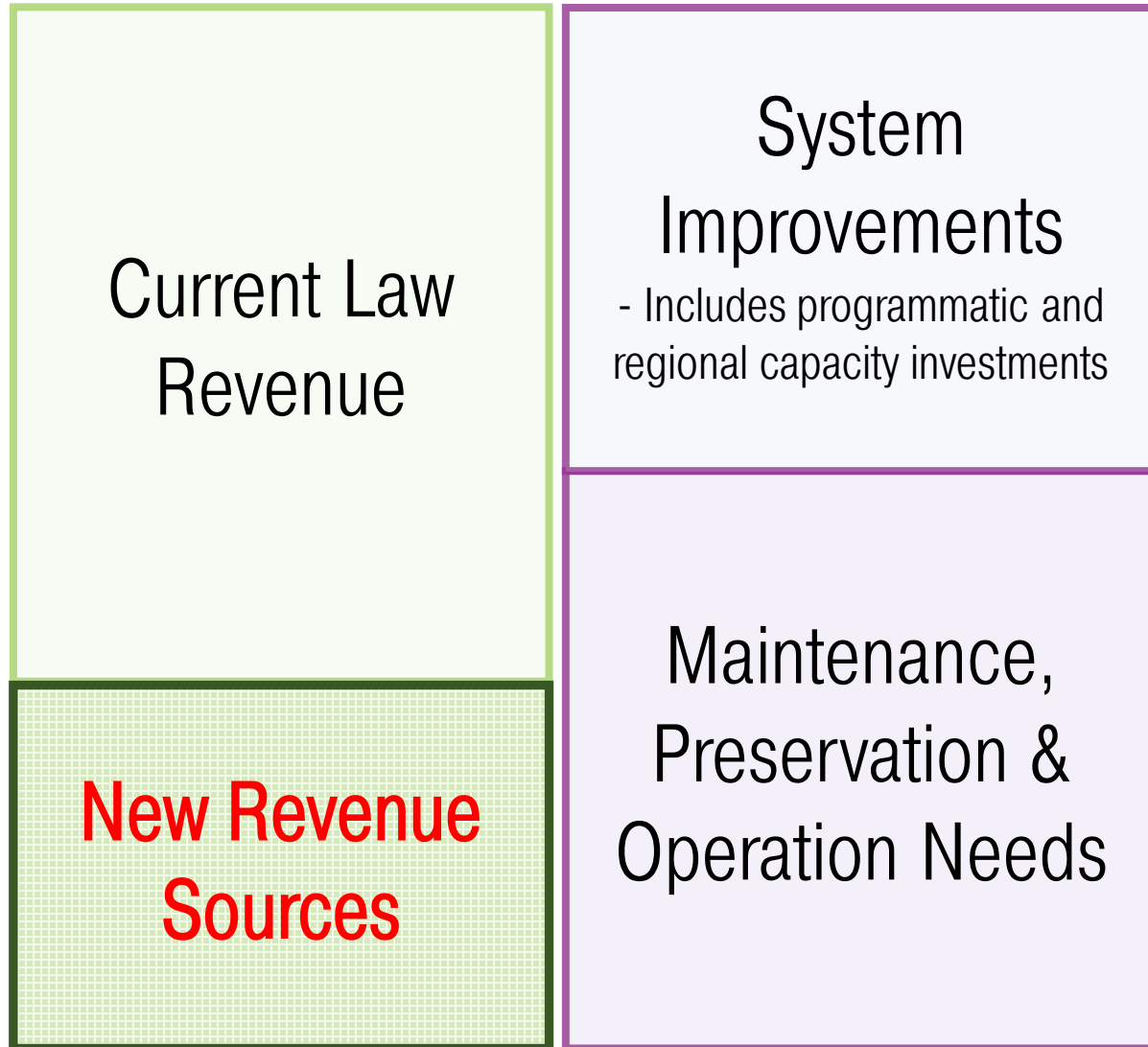
Regional Transportation Plan Financial Strategy

Transportation Policy Board
February 11, 2021



Puget Sound Regional Council

Overview of Discussion



Continued discussion of the Regional Transportation Plan financial strategy

- Background and current law revenues discussed in January
- Focusing efforts over next several months on potential new revenues



2018 Regional Transportation Plan Financial Strategy

	INVESTMENTS			REVENUES		
	Maintenance & Preservation	System Improvements	Total	Current Law	New Revenue	Total
Counties	\$ 11,600	\$ 2,600	\$ 14,200	\$ 9,900	\$ 4,300	\$ 14,200
Cities	\$ 22,400	\$ 16,000	\$ 38,400	\$ 20,700	\$ 17,800	\$ 38,400
Local Transit	\$ 25,800	\$ 16,100	\$ 41,900	\$ 35,000	\$ 6,900	\$ 41,900
Sound Transit	\$ 19,200	\$ 42,400	\$ 61,600	\$ 61,600	\$ -	\$ 61,600
State Ferries	\$ 7,200	\$ 300	\$ 7,500	\$ 5,000	\$ 2,500	\$ 7,500
State Highways	\$ 18,900	\$ 13,900	\$ 32,800	\$ 24,300	\$ 8,400	\$ 32,800
Other Regional	\$ -	\$ 400	\$ 400	\$ 400	\$ -	\$ 400
TOTAL	\$ 105,200	\$ 91,700	\$ 196,800	\$ 156,900	\$ 39,900	\$ 196,800

In millions of \$2018

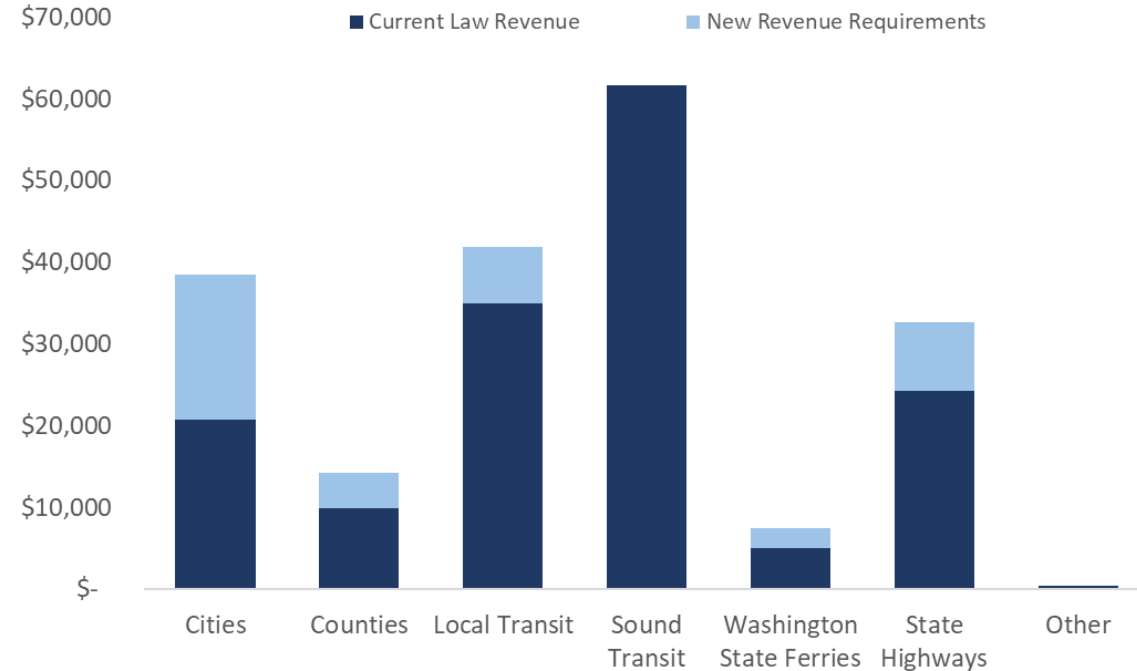


2018 Regional Transportation Plan - New Revenue Needs

	Expenditures	Current Law Revenue	New Revenue Requirements
Cities	\$ 38,400	\$ 20,700	\$ 17,800
Counties	\$ 14,200	\$ 9,900	\$ 4,300
Local Transit	\$ 41,900	\$ 35,000	\$ 6,900
Sound Transit	\$ 61,600	\$ 61,600	\$ -
Washington State Ferries	\$ 7,500	\$ 5,000	\$ 2,500
State Highways	\$ 32,800	\$ 24,300	\$ 8,400
Other	\$ 400	\$ 400	\$ -
	\$ 196,800	\$ 156,900	\$ 39,900

In millions of \$2018

(in millions of \$2018)



New Revenue Sources – Policy Principles

- Developed from the work of the 2015-2016 **Transportation Futures Task Force**
- Convening of regional leaders to discuss the future of transportation funding
- Final report and series of recommendations for region to pursue
- Influenced financial strategy in 2018 RTP

- ❖ Sufficient
- ❖ Diverse, Stable, and Predictable
- ❖ Support the Region’s Vision
- ❖ Equity
- ❖ Feasible

Example application:

Revenue Source	Sufficient	Diverse, Stable, and Predictable	Support the Region’s Vision	Equity	Feasible
Regional Parking Charge/Tax	Revenue potential can vary widely based on the types of parking charges or taxes	Stable and predictable source	Encourages non-auto trip making, flexible source	Users pay, potentially regressive for lower incomes	?



New Revenue Sources – Menu of Options

- New Revenue Potential Sources:
 - Increases to various existing sources – taxes, fees, fares
 - New taxes and fees – e.g., paid parking, carbon, street utility, employee, vehicles
 - Facility tolls
 - Road usage charge



New Revenue Sources – Menu of Options

New Local Sources

- Index Existing Fuel Tax
- Carbon Tax on Fuel
- Paid-Parking Surcharge
- Vehicle License Fees
- Transportation Impact Fees
- County Road Levy Lift
- Street Utility Tax
- Motor Vehicle Excise Tax (local share)

New Transit / Ferry Sources

- Employee Tax
- Local Transit Sales Tax Increase
- Transit Fare Increase
- Ferry Fare Increase
- License Service Fee Increase
- Motor Vehicle Excise Tax

New State Fees

- License & Registration Fee Increase
- Weight Fee Increase

Facility Tolls & User Fees

- Facility Tolls
- Road Usage Charge



Next Steps

Proposed Schedule

- March 2021:
 - Road Usage Charge status report
 - continued discussion of new revenue sources and strategies
- May 2021:
 - review of Legislative activity
 - addressing uncertainty and outcomes
- June 2021:
 - updated estimates of plan investments
 - balance the financial strategy
 - plan recommendations



Guidance for Developing the Financial Strategy

Guidance from the 2018 RTP:

- Maintain the framework of increasing current revenue sources while transitioning to new sources.
- Address local revenue shortfalls earlier in the plan.
- Transition away from the gas tax.
- Pricing can be a demand/system management tool and assist with GHG reduction, as well as a revenue generator.
- Address equity.

