

Regional Transportation Plan Development

Transit Operators Committee
May 28, 2025



Puget Sound Regional Council



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Today's Presentation

- Reminder of work completed to date and upcoming milestones
- Summary of Regional Transportation Plan (RTP) financial strategy requirements and background
- Introduction to the 2026–2050 numbers: Revenues vs. Expenditures
- Next steps



Work Completed to Date

February 2024 – April 2025:

- Key priorities for the next plan identified
- Scope of work adopted
- Parameters for new potential revenue sources discussed
- Update of current transportation system inventory
- Briefings on “gaps” in the current system to where people and jobs are
- Planned investments and current law revenues estimated through 2050



Upcoming Work

May – July 2025:

- Review of revenues vs. expenditures
- Discuss new revenue sources and/or reducing investments to “fill the gap”
- Direct staff to analyze one or more draft plan scenarios over the summer

Results of analysis brought back to the board in the fall for further discussion, draft plan development



RTP Financial Strategy Requirements

The plan must identify reasonably available sources and revenues to fund all investments in the plan – capital, operations and maintenance – for a financially constrained plan

- The financial strategy is not an adopted budget – it is a general plan with reasonable assumptions
- Assumptions of new or increased revenues must include strategies for ensuring availability
 - This can include necessary local or state legislative actions



Financial Strategy Building Blocks



2026–2050 DRAFT Revenues vs. Expenditures

DRAFT FINANCIAL SUMMARY 2026–2050

(millions of \$2026 dollars)

Sponsor Type	NEEDS				REVENUES			Revenue Gap
	Maintenance, Preservation and Operations	System Improvements		Total	Current Law	New Revenue	Total	
		Regional Capacity Projects	Other Improvements					
Counties	\$18,208	\$5,416	\$2,832	\$26,456	\$16,620		\$16,620	\$9,837
Cities	\$45,887	\$9,508	\$21,596	\$76,990	\$41,825		\$41,825	\$35,165
Local Transit	\$52,660	\$2,709	\$19,248	\$74,617	\$50,275		\$50,275	\$24,342
Sound Transit	\$49,544	\$41,640	\$34,504	\$125,689	\$125,689		\$125,689	\$0
WSF	\$11,267	\$0	\$6,069	\$17,336	\$10,716		\$10,716	\$6,619
WSDOT	\$23,432	\$14,783	\$6,670	\$44,885	\$36,701		\$36,701	\$8,184
Subtotal		\$74,057	\$90,918					
TOTAL	\$200,997	\$164,976		\$365,973	\$281,826		\$281,826	\$84,147

Draft Gap between revenues and expenditures = 23%



2026–2050 DRAFT Revenues vs. Expenditures

Items still under review:

- Full review of Regional Capacity Projects submissions and coordination with sponsors
- Some cost figures will be updated after modeling commences
- FY25–27 State budget updates



2026–2050 DRAFT Revenues vs. Expenditures

Key changes and updates for this financial strategy:

- Impact of zero emission / more fuel-efficient vehicles on gas tax revenues
- Inclusion of electric vehicle fee, updated sales tax forecast
- Increased costs – maintenance, preservation, operations and construction
- Estimates in 2026 dollars



Summary

- Draft gap between current law revenue and planned expenditures is ~23% (*new state budget figures pending*)
- Available levers =
 - Potential new revenue sources
 - *2024 board discussion identified initial set of parameters*
 - Reduced levels of investment
 - *Maintenance and preservation assumptions (full system in state of good repair through 2050)*
 - *Regional capacity projects list*



Next Steps

- More details provided in June on:
 - Regional capacity projects
 - Updated figures
 - Details on scopes, locations, plan consistency grades
- Analysis of future system gaps to where people and jobs will be
 - Similar to current system analysis presented January – April
 - Board discussion on if / how to address in RTP
- Revisiting potential new revenue sources and levels of funding



Next Steps

- In July, board direction will be requested on one or more scenarios to move into modeling and analysis
- Analysis results, across varied performance metrics, will be provided in September
- Discussions to continue into the fall on finalizing the draft plan
 - Policy direction
 - Investments
 - Financial strategy
 - Action items



Reminder of Potential New Revenue Sources

- Board feedback in 2024 focused on those sources that could be implemented consistently across the region and that are more likely to generate greater potential revenue:
 - Road usage charge
 - Vehicle Fees
 - Sales Tax for Local Transit
 - County Road Levy

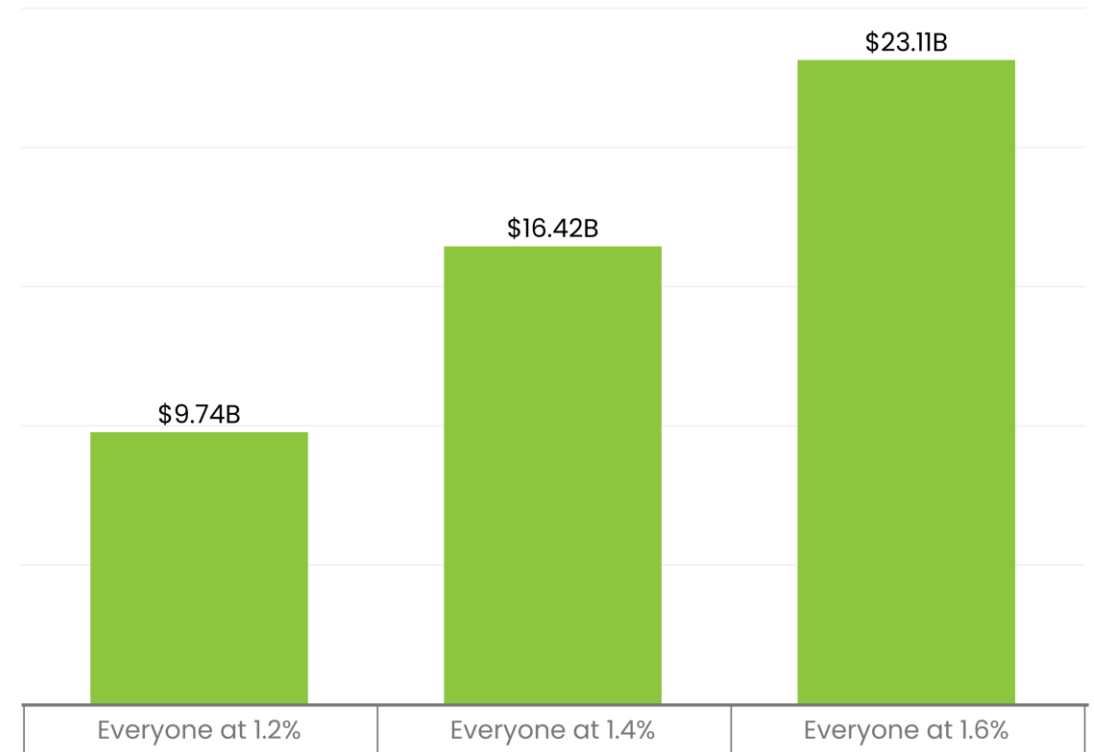


Sensitivity Test: Additional Sales Tax for Local Transit

Scenarios tested:

- All agencies at 1.2%
- All agencies at 1.4%
- All agencies at 1.6%

Increased Revenue Potential: 2030 to 2050



Source: Retail Sales from 2018–2050 Economic Forecast





Questions?



Puget Sound Regional Council