

Regional Transportation Plan Financial Strategy and Investments

Regional Staff Committee
June 17, 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

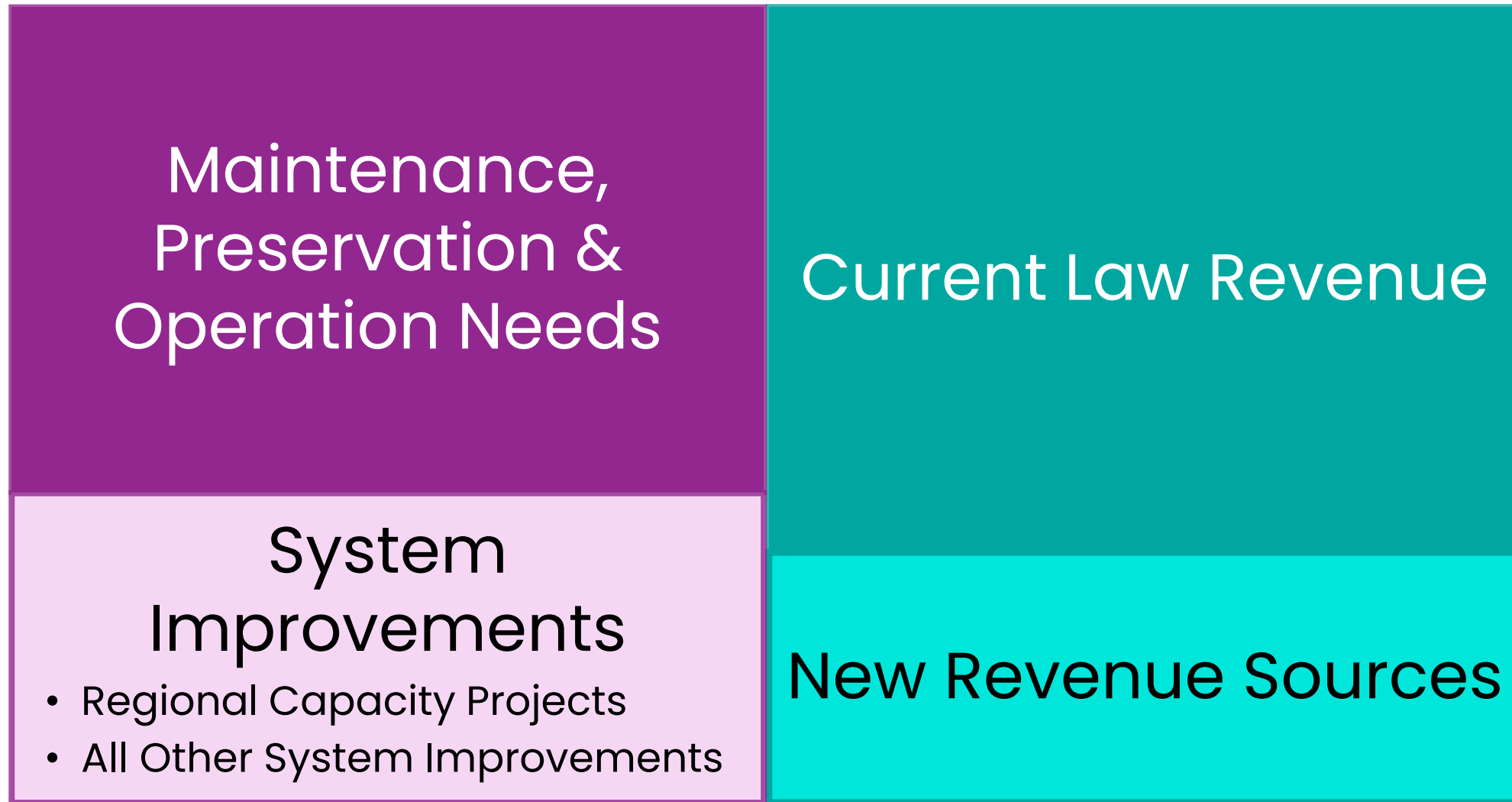
Today's Discussion

Regional Transportation Plan – Available Revenues vs. Proposed Expenditures, 2026–2050

- Overview of proposed investments and assumptions
- Updates and refinements since May
- Description of levers to address the gap
- TPB discussions and next steps



RTP Financial Strategy – Building Blocks



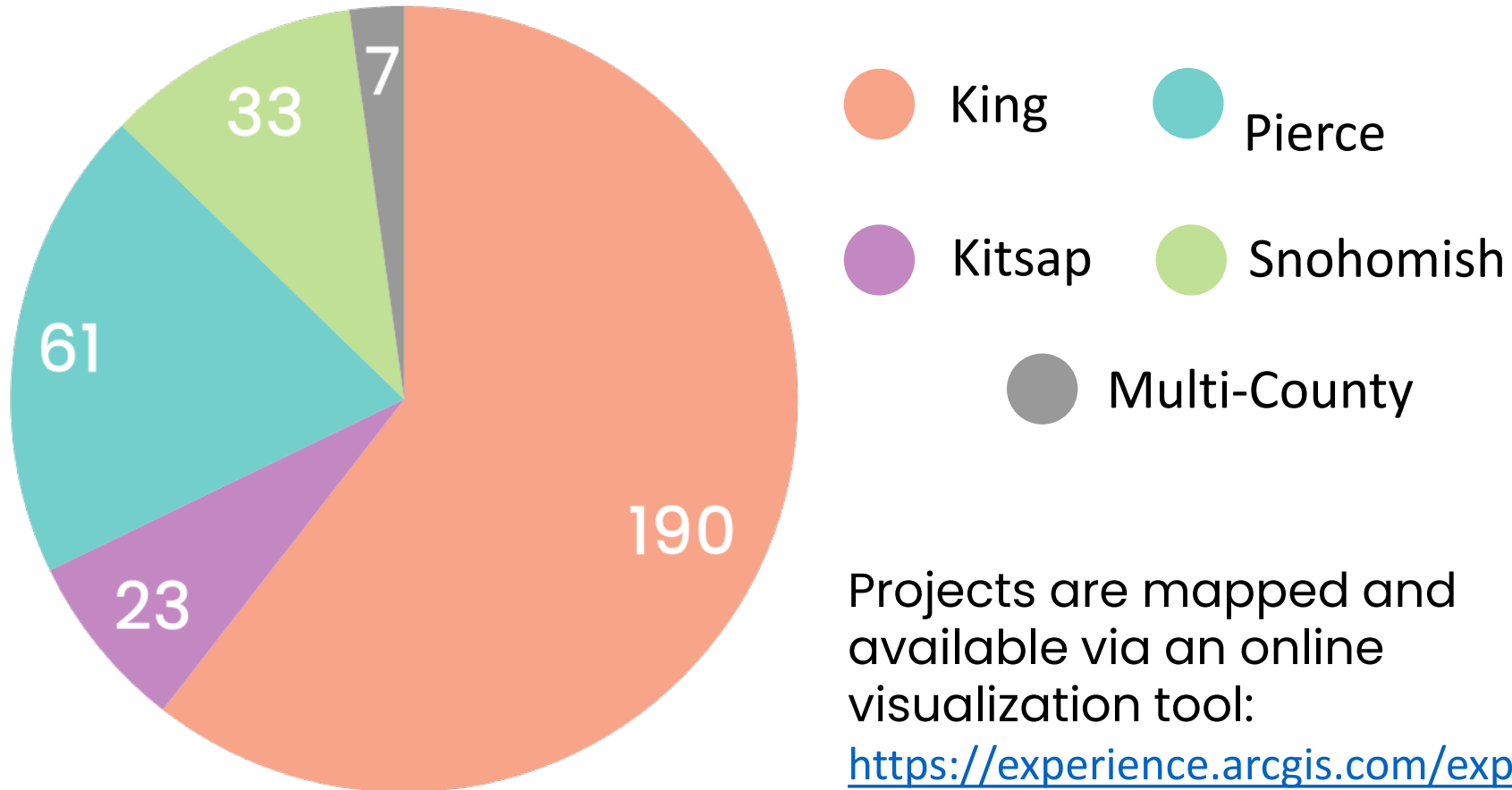
Regional Capacity Projects

- Projects *adding or changing capacity* on the regionally defined system (all modes)
- Projects must be derived from a planning process – comprehensive plan, corridor study, etc.
- Each sponsoring agency submits an application, addressing:
 - Description, cost and schedule
 - Funds committed to the project
 - Plan consistency framework



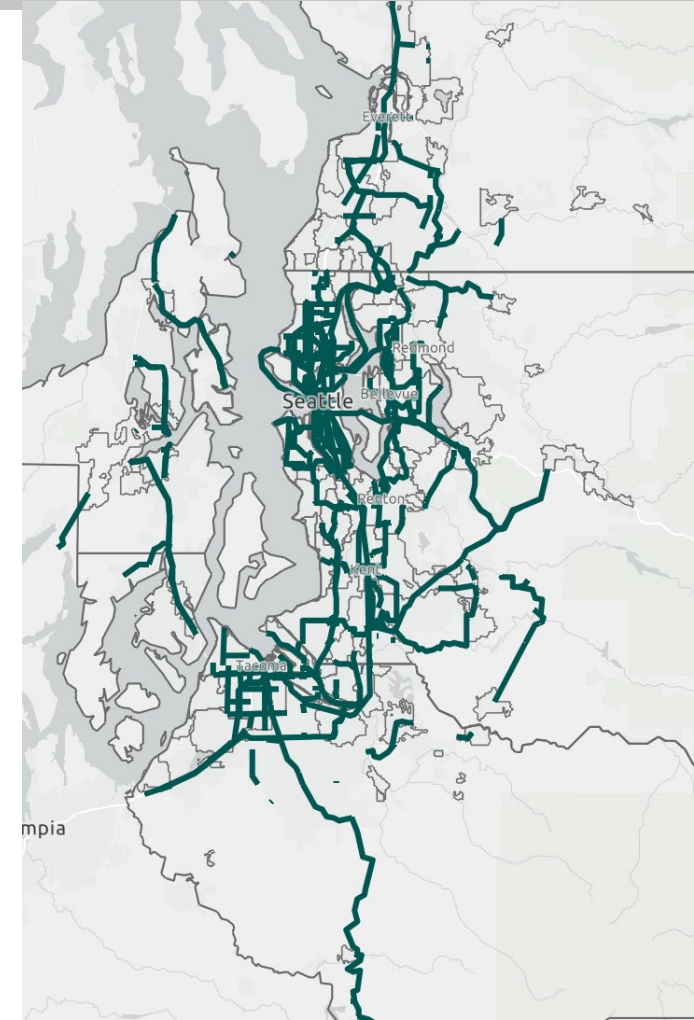
Regional Capacity Projects

314 projects submitted, totaling \$72.7 billion



Projects are mapped and available via an online visualization tool:

<https://experience.arcgis.com/experience/a6adb09dadfe4dc6b61394fac30ec3a6>



Regional Capacity Projects

Summary Statistics:

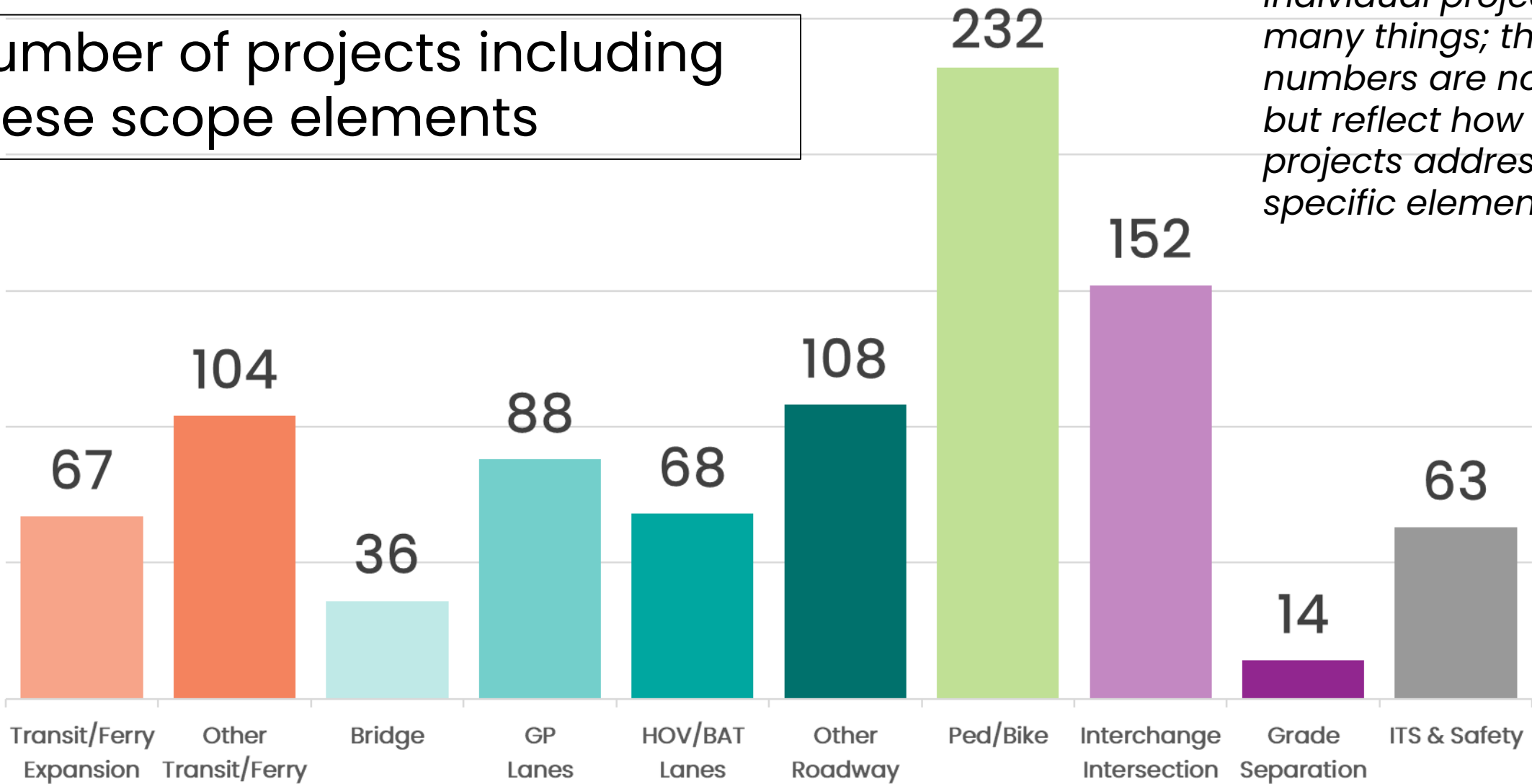
- Since 2022, **50** projects have been completed
- **87** projects in the current plan were not resubmitted – *canceled or deferred*
- **80 new** projects were submitted – *primarily transit and bike/ped related*
- **120** projects have some level of funding committed
- Of all projects submitted, 6 agencies submitted 66% of the projects representing 91% of the total costs



Regional Capacity Projects

Number of projects including these scope elements

Individual projects do many things; these numbers are not additive but reflect how many projects address these specific elements



Regional Capacity Projects

Plan Consistency Framework

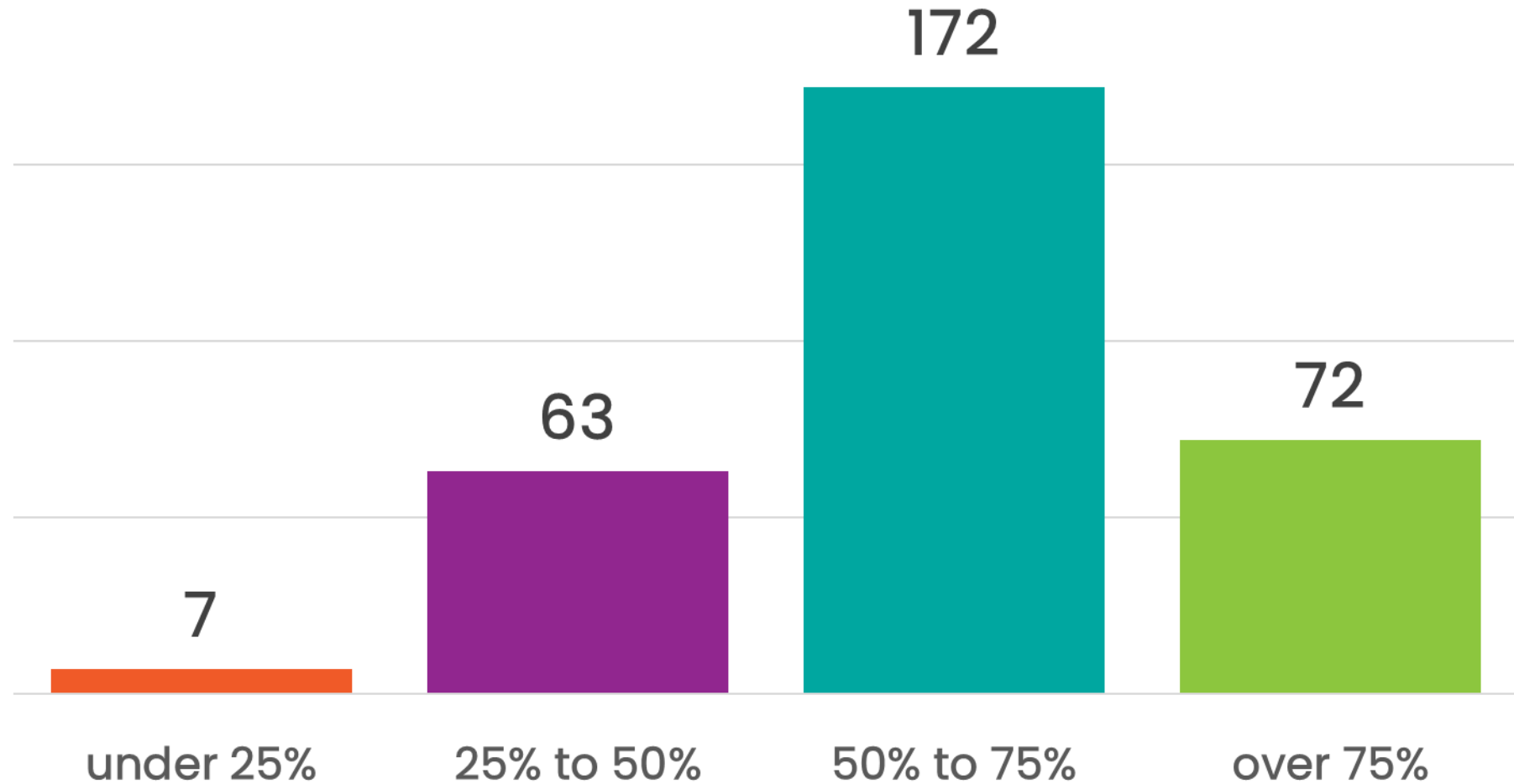
- Applicants respond to specific questions under 9 policy measures to evaluate the project's consistency with the regional plan
 - ✓ Supporting Freight Movement
 - ✓ Supporting Employment
 - ✓ Emissions
 - ✓ Puget Sound Land and Water
 - ✓ Transportation Alternatives
 - ✓ Travel Reliability
 - ✓ Support for Centers
 - ✓ Safety & System Security
 - ✓ Community Benefits



Regional Capacity Projects

Plan consistency evaluation:

- Approximately **78%** of all project submittals graded 50% or higher



Regional Capacity Projects

Example from Project List:

Sponsor: **BAINBRIDGE ISLAND**

Project ID: **5646**

Title: **Agate Pass Bridge Replacement**

MTP Status: **Candidate**

Estimated Cost: **\$213,041,125**

Description:
Replace existing functionally obsolete Agate Pass bridge on SR 305 with new bridge with additional capacity for transit and pedestrian/bicycle facilities.

Location / Facility:	From:	To:
State Route 305	MP 6	MP 7
County:	Completion Year:	
Kitsap County	2035	

Plan Consistency Grade

Total Score: 67%					
Supporting Freight Movement:	60%	Puget Sound Land & Water:	90%	Support for Centers:	50%
Supporting Employment:	60%	Transportation Alternatives:	70%	Safety & System Security:	100%
Emissions:	30%	Travel Reliability:	40%	Community Benefits:	100%



All Other System Improvements

- Includes all other **system improvements** not meeting the threshold of a regional project
 - Improvements to minor arterials and local roads
 - Sidewalks and bicycle lanes
 - Safety improvements, signals, etc.
- Costs represent *planned* and *needed* investments through 2050 across all sponsor categories – cities, counties, transit, state



Maintenance, Preservation and Operations

- Overall assumption = full system is maintained, preserved and operated in a state of good repair through 2050
 - Key categories of investment:
 - **Pavement** – *funds backlog of \$9 billion and maintains full system moving forward*
 - **Bridges** – *includes maintenance, rehabilitation and replacement of all bridges at the end of their useful life*
 - **Culverts / Stormwater** – *includes fish passage corrections*
 - **Transit / Ferries** – *includes vehicle/vessel replacements and all operations*



Updates Since May

- Full review and vetting of Regional Capacity Projects, additional investment refinements
- Incorporation of newly adopted state budget in current law revenue forecast added ~\$5 billion to the regional estimate:
 - \$0.06 increase to gas tax and increasing the entire gas tax (\$0.54) by 2% a year beginning in 2026
 - Increased vehicle license & weight fees
 - Extension of retail sales tax to new services



Updated Revenues vs. Proposed Expenditures

Gap between available revenues and proposed expenditures = 21%

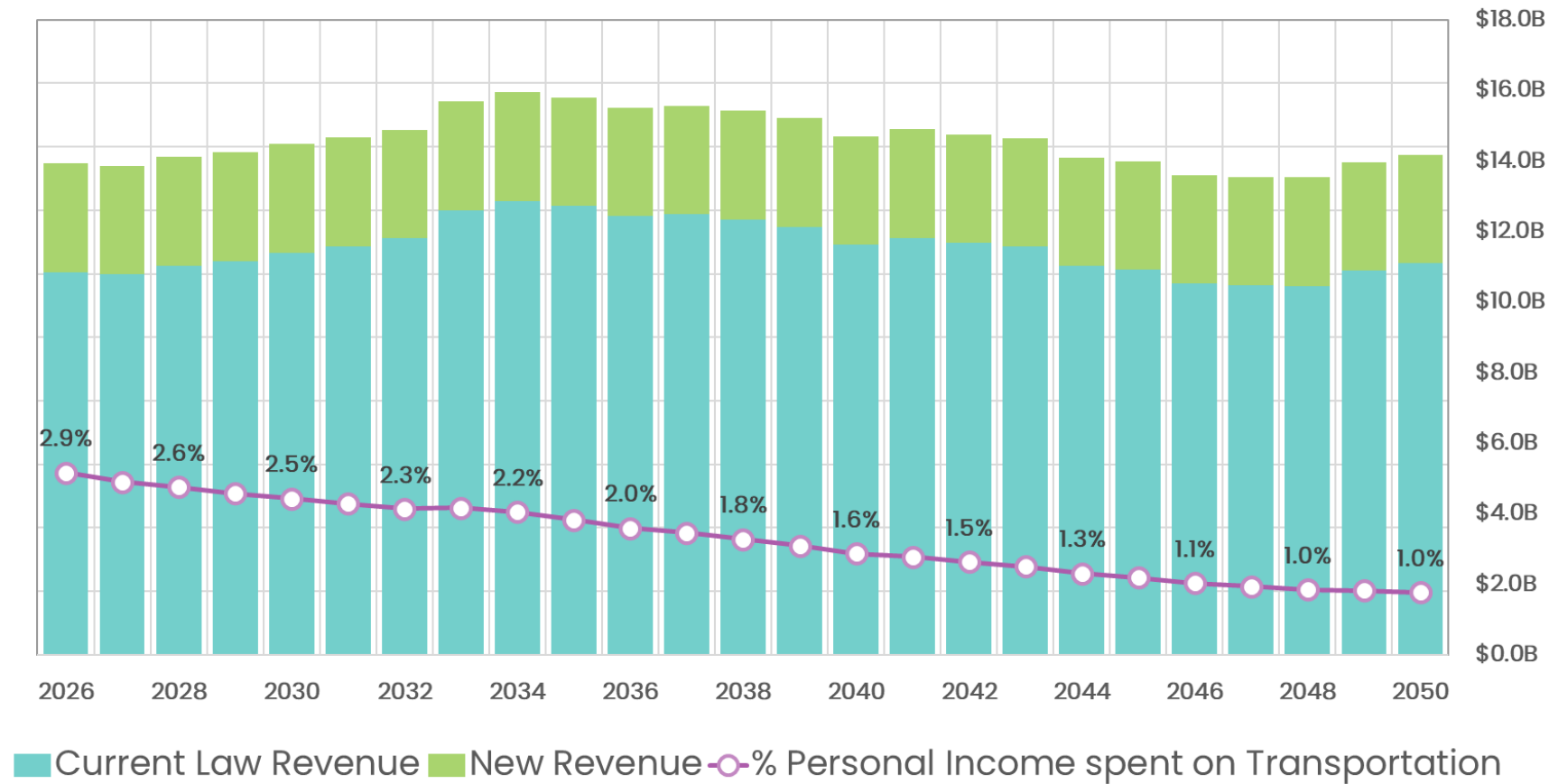
Sponsor Type	NEEDS				REVENUES			Revenue Gap	% of Revenue Gap
	Maintenance, Preservation and Operations	System Improvements		Total	Current Law	New Revenue	Total		
		Regional Capacity Projects	Other Improvements						
Counties	\$17,900	\$5,200	\$2,800	\$25,900	\$16,600	\$0	\$16,600	\$9,300	12%
Cities	\$45,300	\$8,500	\$23,200	\$77,000	\$41,700	\$0	\$41,700	\$35,300	45%
Local Transit	\$52,700	\$2,800	\$19,200	\$74,800	\$52,400	\$0	\$52,400	\$22,500	29%
Sound Transit	\$49,500	\$41,600	\$34,500	\$125,700	\$125,700	\$0	\$125,700	\$0	0%
WSF	\$11,300	\$0	\$6,100	\$17,300	\$11,400	\$0	\$11,400	\$6,000	8%
WSDOT	\$23,400	\$14,500	\$6,700	\$44,600	\$39,400	\$0	\$39,400	\$5,200	7%
Subtotal		\$72,700	\$92,500						
TOTAL	\$200,100	\$165,200		\$365,300	\$287,100	\$0	\$287,100	\$78,200	21%

All costs in 2026\$



Transportation Expenditures Over Time

In the past 40 years, approximately 2% of the *region's total wealth* has been spent annually on transportation. If the total proposed investments of \$365 billion moved forward, this figure would be approximately 1.6% over the life of the plan.



Levers to Address the Gap

- The gap between current law revenues and planned expenditures is ~21%
- Available levers to address the gap =
 - Potential new revenue sources
 - Reduced levels of investment



Levers to Address the Gap – Potential New Revenues

- Preliminary board parameters from the Fall were to consider sources that:
 - Could be implemented consistently across the region; *and*
 - Would be more likely to generate higher levels of revenue
- Fewer, more impactful sources for consideration in the RTP financial strategy
 - *The plan will also provide information on other potential new revenue sources that could be utilized by agencies across the region*



Levers to Address the Gap – Potential New Revenues

- Five specific sources were discussed for further consideration in the RTP financial strategy:
 - Road usage charge
 - Transit sales tax rates
 - Retail delivery fee
 - Increased vehicle fees
 - County road levy rate



Levers to Address the Gap – Potential New Revenues

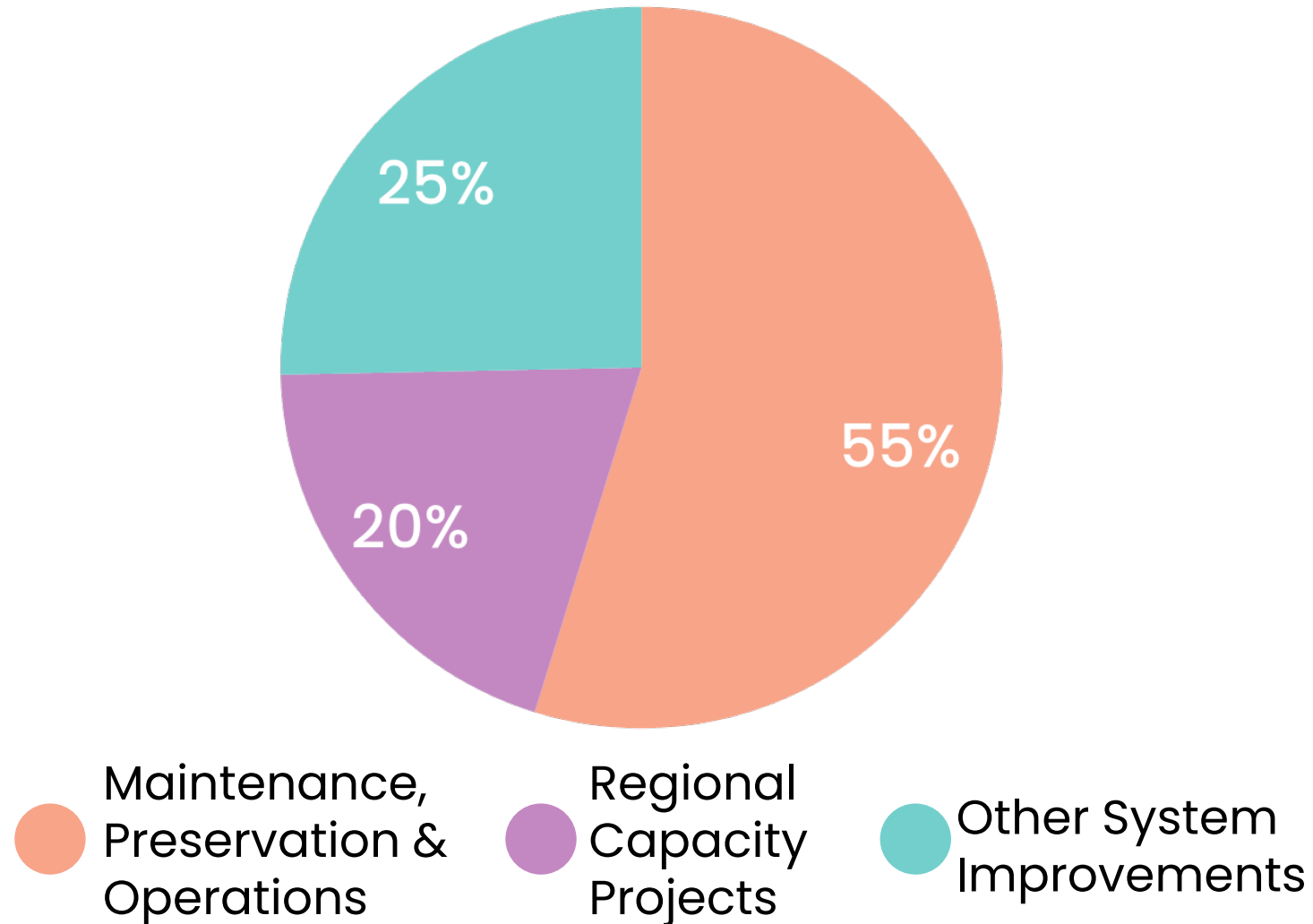
Low, Medium and High scenarios for consideration

Revenue Source	Low	Medium	High
Road Usage Charge	State RUC (\$0.027)	2 x State RUC	3 x State RUC
	\$15.15 billion	\$30.29 billion	\$45.44 billion
Vehicle Fees	\$50 additional	\$100 additional	\$150 additional
	\$4.80 billion	\$9.60 billion	\$14.40 billion
Sales Tax for Local Transit	All agencies at 1.2%	All agencies at 1.4%	All agencies at 1.6%
	\$11.08 billion	\$18.45 billion	\$25.82 billion
County Road Levy	2% per year	3% per year	6% per year
	\$1.78 billion	\$3.48 billion	\$10.52 billion
Retail Delivery Fee	\$40m per year Statewide	\$70m per year Statewide	\$100m per year Statewide
	\$0.60 billion	\$1.05 billion	\$1.50 billion
TOTALS	\$33.4 billion	\$62.9 billion	\$97.7 billion



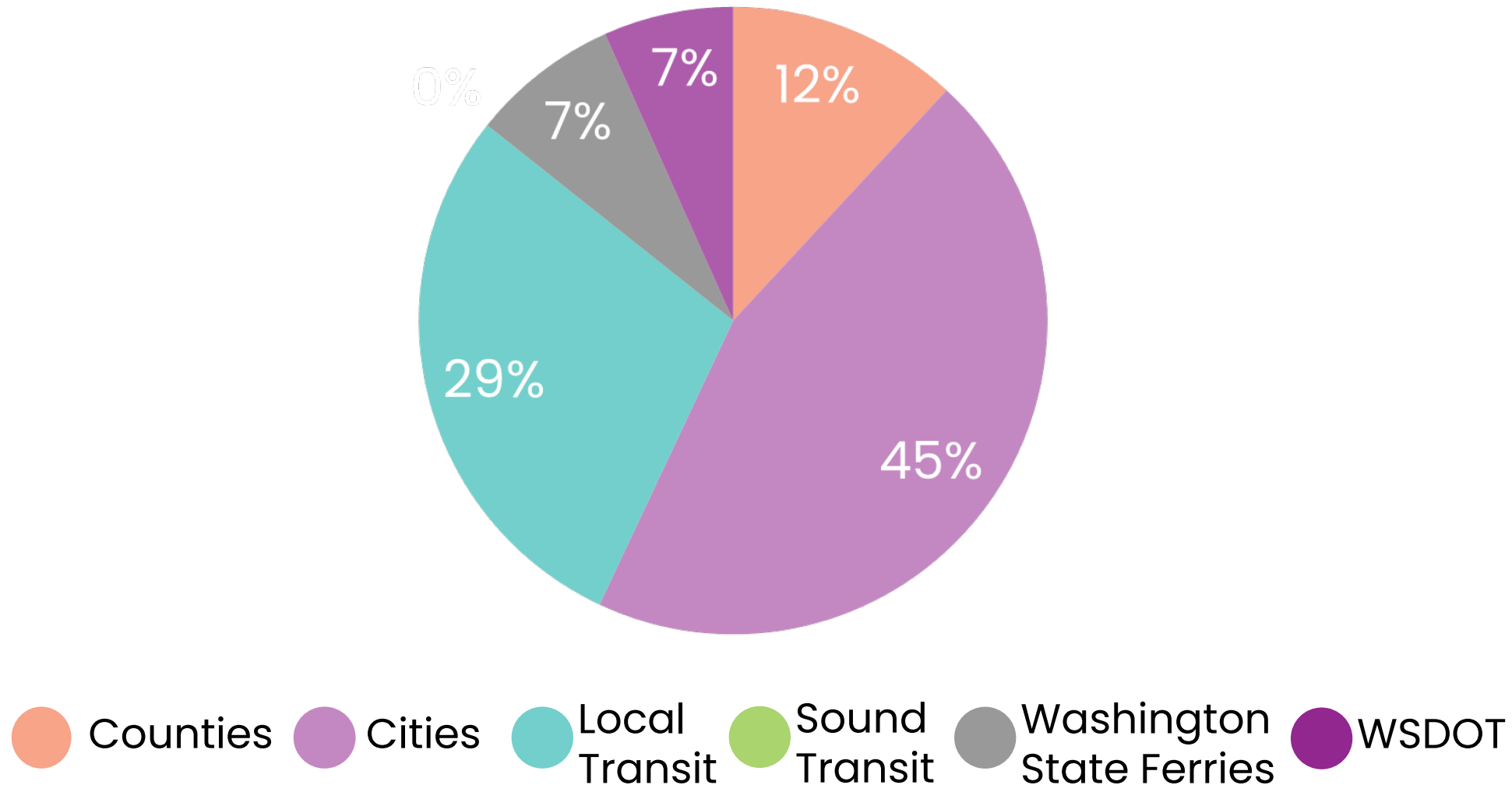
Levers to Address the Gap – Levels of Investment

Plan Investment Categories



Levers to Address the Gap – Levels of Investment

Revenue Gap by Sponsor Type



Levers to Address the Gap – Levels of Investment

Levers: Regional Capacity Projects

314 projects,
\$72.7 billion

- 194 projects have no current committed funding
 - Combined total of ~\$19 billion in project costs
- 37 projects are scheduled to begin after 2040
 - Combined total of ~\$4 billion in project costs
- 70 projects have a plan consistency grade below 50%
 - Combined total of ~\$4 billion in project costs

Could
consider
some
combination
of these
criteria



Levers to Address the Gap – Levels of Investment

Levers: Other System Improvements

Combined total of
\$92.5 billion

- No line-item figures to draw from – i.e., costs represent the planned needs across all categories through 2050
- *Option: if a reduced level of investment was suggested, the RTP would clearly note that the full amount of need was not able to be funded*
- *An Action Item could also be proposed calling on future work to address these funding gaps, particularly for local agencies*



Levers to Address the Gap – Levels of Investment

Levers: Maintenance, Preservation & Operations

Combined
total of
\$200 billion

- Multiple asset categories with complex assumptions to achieve a full system in a state of good repair through 2050
- *Option: if a reduced level of investment was suggested, the RTP would clearly note that the full amount of need was not able to be funded*
- *An **Action Item** could also be proposed calling on future work to address these funding gaps – in particular, to identify future dedicated funding sources for maintenance & preservation*



TPB Discussions and Next Steps

In June and July, TPB is providing feedback on the information presented and the levers to fill the gap --

- Consider only new revenue sources?
- Consider only reductions in investments? or
- Consider a mix between the two levers?

Direction will be requested in July on one or more plan scenarios to move forward into modeling and analysis





Thank you!



Puget Sound Regional Council