

Regional Transportation Plan Financial Strategy and Investments

Transportation Policy Board
July 10, 2025



Puget Sound Regional Council



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Today's Discussion – RTP Financial Strategy

- Discussion of *Scenario Building Blocks* to address the 21% gap between available revenues and proposed expenditures
- Draft scenarios and discussion
 - Action directing staff to advance one or more scenarios into modeling and analysis



Today's Discussion – RTP Financial Strategy

Step 1: High level overview of each lever

- *Regional Capacity Projects*
- *Programmatic System Improvements*
- *Maintenance, Preservation & Operations*
- *New Revenues*

Pre-discussion board poll

Step 2: Overview of specific **Building Blocks** within each lever

Step 3: Review **draft scenarios** and/or develop new scenarios

Step 4: Identify scenarios for modeling and analysis (**Action**)



RTP Available 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\$



Overview of Levers

Proposed Investments

- **Regional Capacity Projects (\$72.7 billion total)**
 - Projects from cities, counties, ports, tribes, transit agencies and the state changing capacity on the regional system
 - Submitted from current local, regional and state planning processes
 - Wide variety of investments meeting needs across modes, communities



Overview of Levers

Proposed Investments

➤ Regional Capacity Projects

- Potential reductions from full submittals =
 - Projects with no funding yet committed
 - Projects not scheduled to start until after 2040
 - Projects with a plan consistency grade of 50% or lower
 - *Reminder – every project responds to specific questions related to 9 priority policy areas*



Overview of Levers

Proposed Investments

- **Programmatic System Improvements (\$92.5 billion total)**
 - Broad categories of investments from cities, counties, transit agencies and the state
 - E.g., local roads, sidewalks, bike lanes, signals, intersection improvements, etc.
 - Identified from current local, regional and state planning processes – *all needed / desired investments to improve the system, projected through 2050*



Overview of Levers

Proposed Investments

- **Programmatic System Improvements**
 - Potential reductions from total projection =
 - Some percentage of investment levels lower than the unconstrained needs



Overview of Levers

Proposed Investments

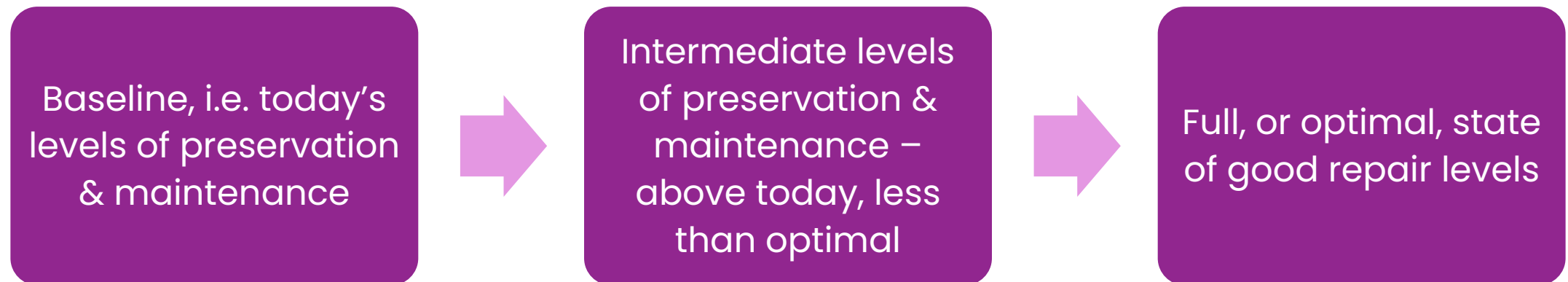
- **Maintenance, Preservation and Operations (\$200.1 billion total)**
 - Default assumption = all asset categories are maintained, preserved and operated in a *full* state of good repair through 2050
 - Represents wide variety of assets and operations from cities, counties, transit agencies and the state
 - Includes estimates to address all backlogs, then maintain into the future; also includes operations of current transit system
 - *Note - assumed growth in future transit service is contained in System Improvements*



Overview of Levers

Proposed Investments

- **Maintenance, Preservation and Operations**
 - Potential reductions from optimal levels =
 - Some percentage of investment levels lower than the estimate to achieve *optimal state of good repair*



Overview of Levers

New Revenues

- Parameters for potential new revenue sources =
 - Could be implemented consistently across the region; *and*
 - Would be more likely to generate higher levels of revenue
- Preliminary identified sources =
 - ❖ Road usage charge
 - ❖ Transit sales tax rates
 - ❖ Retail delivery fee
 - ❖ Increased vehicle fees
 - ❖ County road levy rate



Overview of Levers

New Revenues

- Considerations =
 - Higher level of gap for cities, local transit agencies
 - Nuances of funding sources that limit eligibility, amounts generated or feasibility



Addressing the Gap – Preliminary Feedback

Pre-Discussion Poll #1

- *What is your initial preference on levers to balance the RTP financial strategy?*
 1. *Identify potential new revenue sources*
 2. *Reduce investment levels*
 3. *Both*



Addressing the Gap – Preliminary Feedback

Pre-Discussion Poll #2

- *If a lower level of investment is required, should all three investment categories be on the table?*
 - *Regional Capacity Projects (yes/no)*
 - *Programmatic System Improvements (yes/no)*
 - *Maintenance, Preservation and Operations (yes/no)*



Scenario Building Blocks

- Staff has identified multiple “building blocks” within each lever by which scenarios may be crafted to achieve a financial balance

Levels of Proposed Investments

- *Regional Capacity Projects*
- *Programmatic System Improvements*
- *Maintenance, Preservation and Operations*

New Revenues



Scenario Building Blocks

*Reductions
from
maximum
proposed
investments*

Regional Capacity Projects (RCP) – \$72.7 billion

RCP Building Block 1

Projects with no
committed funding

194 projects
\$18.5 billion

72% from 6 largest
agencies
Broad mix of
investments

RCP Building Block 2

Projects starting after
2040

37 projects
\$4.1 billion

86% from 6 largest
agencies
Broad mix of
investments

RCP Building Block 3

Projects with a plan
consistency grade
below 50%

70 projects
\$4.3 billion

Majority from cities and
counties (49% from 6
largest agencies)
34% regional trails



Scenario Building Blocks

Reductions
from
maximum
proposed
investments

Programmatic System Improvements (SI) – \$83.9 billion*

SI Building Block 1	SI Building Block 2	SI Building Block 3
No extension of investments 2045–2050	30% lower level of investment than full unconstrained needs	15% lower level of investment than full unconstrained needs
\$16.8 billion	\$25.2 billion	\$12.6 billion
80% of identified needs projected through 2050	70% of identified needs projected through 2050	85% of identified needs projected through 2050

* Future transit service on upcoming slide



Scenario Building Blocks

*Reductions
from
maximum
proposed
investments*

Maintenance, Preservation and Operations (MPO) – \$200.1 billion

MPO Building Block 1

Current levels of
maintenance /
preservation

~20% lower than
optimal conditions
\$23.9 billion

System maintained
at today's levels

MPO Building Block 2

Intermediate levels of
maintenance /
preservation

~15% lower than optimal
conditions
\$18.0 billion

System maintained at
levels 5% higher than
today, but not to
optimal conditions

MPO Building Block 3

Intermediate levels of
maintenance /
preservation

~10% lower than
optimal conditions
\$12.0 billion

System maintained at
levels 10% higher than
today, but not to
optimal conditions



Scenario Building Blocks

*Reductions
from
maximum
proposed
investments*

(Operations) Growth in Local Transit Service – \$8.6 billion

MPO Building Block 4

1.5% growth in local transit
service hours per year

\$2.5 billion

Local transit service grows, but
at 0.5% less than currently
planned

MPO Building Block 5

1.0% growth in local transit
service hours per year

\$4.7 billion

Local transit service grows, but
at 1.0% less than currently
planned



Scenario Building Blocks

New Revenues, such as:

- Road usage charge
- Increased vehicle fees
- Transit sales tax rates
- County road levy rate
- Retail delivery fee

<i>Illustrative potential</i>		
Low \$33.4b	Medium \$62.9b	High \$97.7b
\$15.2b	\$30.3b	\$45.4b
\$4.8b	\$9.6b	\$14.4b
\$11.1b	\$18.5b	\$25.8b
\$1.8b	\$3.5b	\$10.5b
\$.6b	\$1.1b	\$1.5b



Draft Scenarios

Draft scenarios for discussion -- using the building blocks to address the \$78.2 billion gap between available revenues and full levels of proposed expenditures

Scenario 1

Investments
constrained to
Current Law
Revenues

Scenario 2

Additional
investments above
Current Law
Revenues, with
some new
revenues assumed

Scenario 3

Maximum
investments
portfolio plus new
revenues to bridge
the gap



Draft Scenarios

Scenario 1 – Investments constrained to Current Law Revenues

RCP Building Block 1

Projects with no
committed funding

SI Building Block 2

30% lower level of
investment than full
unconstrained needs

MPO Building Block 1

Current levels of
maintenance /
preservation

MPO Building Block 5

1.0% growth in local
transit service hours
per year



Draft Scenarios

Scenario 2 – Additional investments above Current Law Revenues, with some new revenues assumed

RCP Building Block 2

Projects starting after
2040

SI Building Block 1

No extension of
investments 2045–
2050

MPO Building Block 3

Intermediate levels of
maintenance /
preservation
(15% below optimal)

MPO Building Block 4

1.5% growth in local
transit service hours
per year

New Revenues



Draft Scenarios

Scenario 3 – Maximum investments portfolio plus new revenues to bridge the gap

Regional Capacity Projects

All submittals

Programmatic System Improvements

All identified needs projected through 2050

All new revenues to bridge the full gap

Maintenance, Preservation and Operations

Full system state of good repair

Fully planned transit system operations and growth in future service



Discussion and *ACTION TO PROCEED*

Discussion of scenarios presented (handout)

- *Are these the right scenarios to move forward into modeling and analysis?*
- *Are there additional scenarios, or modifications, to propose?*



Next Steps

- Analysis results, across varied performance metrics, will be provided in September
 - *Modeling tools can capture changes to projects and transit service levels, but not changes in levels of programmatic system improvements or maintenance and preservation*
- Discussions to continue into the fall on finalizing the draft plan
 - Policy direction
 - Investments Portfolio
 - Financial strategy / new revenue details
 - Action items / future work



Discussion and *ACTION TO PROCEED*

ACTION

Direct staff to advance agreed upon scenarios into modeling and analysis

