

Regional Transportation Plan Financial Strategy and Investments

Regional Staff Committee
July 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.

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Today's Discussion – RTP Financial Strategy

- Discussion of Scenarios to address the 21% gap between available revenues and proposed expenditures
 - Overview of levers and scenario building blocks
- Next Steps



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 (314 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

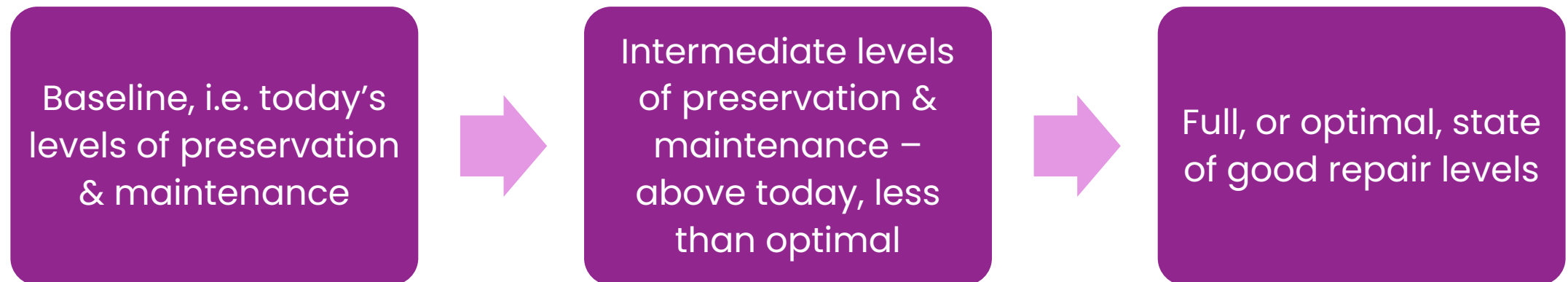
- **Maintenance, Preservation and Operations (\$200.1 billion total)**
 - Default assumption = all asset categories are maintained, preserved and operated in a *full* state of good repair through 2050
 - Represents wide variety of assets and operations from cities, counties, transit agencies and the 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



Board Feedback

- Majority interest to:
 - Consider both **investment levels** and **new revenues** to address the gap
 - Consider modifications to the investment categories of *Regional Capacity Projects* and *Programmatic System Improvements*
- Split opinions on considering a modification to *Maintenance, Preservation and Operations* levels of investment



Draft Scenarios for TPB Consideration

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

Scenario 1

Investments across
all categories
constrained to
Current Law
Revenues

Scenario 2

Additional
investments across
all categories
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

Regional Capacity Projects –

- Only those with some committed funding

Maintenance, Preservation and Operations –

- Current, baseline levels (~20% below optimal levels)

Programmatic System Improvements –

- 70% of full unconstrained needs

Growth in local transit service –

- 1.0% per year



Draft Scenarios

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

Regional Capacity Projects –

- Only those projects starting before 2040

Maintenance, Preservation and Operations –

- 10% below optimal levels

Programmatic System Improvements –

- 80% of full unconstrained needs

Growth in local transit service –

- 1.5% per year

New Revenues to fill the remaining gap



Draft Scenarios

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

Regional Capacity Projects –

- Full list of projects submitted

Maintenance, Preservation and Operations –

- Levels to achieve optimal state of good repair and system operations

Programmatic System Improvements –

- All identified needs projected through 2050

Growth in local transit service –

- 2.0% per year

New Revenues to fill the gap



Additional Board Feedback / Scenario

- From TPB member polling, interest in an additional scenario
 - Still in development, but some combination to include –
 - *Maintenance, Preservation and Operations* at optimal state of good repair levels
 - *Local transit service growth* at full planned 2.0% per year
 - Some lower investment levels in *Regional Capacity Projects* and *Programmatic System Improvements*, tbd
 - Will require increase in *New Revenues* above Scenario 2



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



An aerial photograph of Everett, Washington, showing the city, harbor, and surrounding mountains. The city is densely packed with residential and commercial buildings. The harbor is filled with boats and ships. The surrounding mountains are covered in forest and have some snow on their peaks. The water is a deep blue color.

Questions?



Puget Sound Regional Council