



# Puget Sound Regional Council

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## Transportation 2040 Finance Working Group

June 8, 2017 • 12:30 p.m. – 2:00 p.m.

PSRC Conference Room • 1011 Western Avenue, Suite 500 • Seattle, WA 98104

### **Meeting Objective:**

- New Revenues Recommendations – Continued Discussion

- 12:30 1. **Welcome and Introductions** – *Mayor Becky Erickson, Chair*
2. **Public Comment**
- 12:45 3. **Discussion:**  
TPB Engagement Session Debrief – *Mayor Becky Erickson, Chair*
- 1:00 4. **Discussion:**  
May 25<sup>th</sup> Special Meeting Follow-up – *Ben Bakkenta and Benjamin Brackett, PSRC*
- 1:45 5. **Discussion:**  
FWG Roundtable – Opportunity for members to discuss issues or concerns
6. **Next Meeting:**  
June 16, 2017, 10:00 a.m.-12:00 p.m., PSRC Conference Room
- 2:00 7. **Adjourn**

### **Staff Contacts:**

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**Website:** <https://www.psrc.org/committee/transportation-2040-finance-working-group>



# Puget Sound Regional Council

## Transportation 2040 Finance Working Group

### Meeting Summary

May 11, 2017

**Members Present:** Mayor Becky Erickson, City of Poulsbo, Chair; Deputy Mayor Jay Arnold, City of Kirkland; Councilmember Bek Ashby, City of Port Orchard; Kim Becklund, King County Metro; Rob Berman, Seattle Metropolitan Chamber of Commerce; Rob Fellows, WSDOT Toll Division; Mayor Don Gerend, City of Sammamish/Executive Board; Jesse Hamashima, Pierce County/Regional Staff Committee; Peter Heffernan, King County DOT; Councilmember Rob Johnson, City of Seattle; Councilmember Kathy Lambert, King County; Mayor Pro Tem Debra Nelson, City of Arlington; Charles Prestrud, WSDOT Northwest Region; Commissioner Hester Serebrin, Washington State Transportation Commission;

**Guests and PSRC Staff:** Ben Bakkenta, Benjamin Brackett, Charlie Howard, Robin Mayhew, Kelly McGourty, Rebecca Frohning, Alex Krieg, and Pavithra Parthasarathi, PSRC

#### 1. Welcome and Introductions

Mayor Becky Erickson, Chair, provided the welcome statement and group members introduced themselves.

#### 2. Public Comment

There were no public comments.

#### 3. Discussion: Updated Expenditure Estimates

Benjamin Brackett, PSRC, reviewed the updated expenditure estimates for each of the program areas in the financial strategy. The estimates for each of the program areas was provided by time period (2018-2025, 2026-2040 & 2018-2040) and expenditure category (system expansion vs. maintenance & preservation). Benjamin noted that there were still few remaining tasks related to the expenditure estimates but the overall estimates were close to being finalized.

The discussion focused on better understanding the methodology and expenditure estimates for each of the program areas.

#### 4. Discussion: Current Law Revenue & Expenditure Estimates: Understanding the Gap

Benjamin reviewed the technical updates, funding packages and policy assumptions related to the latest Current Law Revenue (CLR) estimates, totaling \$151 billion (2018\$). Benjamin also reviewed the preliminary revenue gaps by comparing the CLR estimates and expenditure estimates for each of the program areas. As noted above, there are still few remaining tasks but the revenue gap estimates presented are close to being finalized.

The total revenue gap for the T2040 plan update is between \$44-\$50 billion (2018\$) with over 40% of the gap seen in city streets, county roads and local transit programs. Further the available CLR estimates for the city and county program areas aren't enough to cover the cost of maintaining and preserving the system.

The discussion focused on the issues facing local jurisdictions in terms of M&P, the rapid growth in the region and its associated impacts on the transportation system and how the financial strategy should address these gaps.

**5. Discussion: New Revenue Sources: Approaches & Directions to Staff**

Ben Bakkenta led this discussion on approaches to filling the identified (\$44-\$50 billion, \$2018) gap as part of the T2040 Financial Strategy update process. His presentation covered the principles framing the development of new revenue sources, evaluation criteria, and the menu of revenue sources to consider as part of the plan balancing. Ben also went into a detailed review of new revenues assumed in the current T2040 financial strategy, a comparison of the new revenue sources against the evaluation criteria, and the potential yield from these revenue sources.

The discussion focused on understanding the new revenue assumptions, the trade-offs/issues that need to be addressed in developing revenue sources, the need to focus more on the nexus between revenue sources and program areas and how we can educate the public on this topic.

FWG members requested PSRC staff to provide detailed information on each of the new revenue sources prior to the next meeting. FWG members also requested a special meeting/workshop prior to the June TPB engagement session to help prepare for the discussion. PSRC staff will follow up with FWG members to schedule the special workshop of the FWG.

**6. Next Meeting (Special Workshop): May 25, 2017, 10:00-1:00 p.m., PSRC Conference Room**

The meeting adjourned at 2:00 p.m.