

Introduction to TWG Recommendations

Discovery Institute's Cascadia Center has been advocating improvements in the transportation system that unites and serves the Cascadia region for more than 12 years. Within the region, Cascadia Center has given particular attention to the need for major changes in the way that transportation is planned, funded, and governed in Central Puget Sound, which is home to the largest concentration of population in Cascadia.

Following the difficulties of recent years in securing voter approval for large packages of proposed transportation investments for Central Puget Sound, Cascadia Center in June of 2004 began to explore the possibility of assembling a group of leaders from business, civic organizations, government, labor, and the environmental community. The result was the Transportation Working Group, an independent group that was formed in July and August of 2004 with the objective of developing a set of recommendations to present to the Washington State Legislature for consideration in the Legislature's 2005 Session.

The TWG held its first meeting on September 7, 2004. That meeting served as both an organizational meeting and as a forum to provide the background for the TWG's efforts, including information and issues presented by Washington State DOT Secretary Doug MacDonald. Doug Beighle, who chaired the Governor's Blue Ribbon Commission on Transportation, chairs the TWG. The second meeting, on October 6th, continued the first meeting's format of providing information on the current and planned transportation system.

After initial meetings of the TWG in September and October that provided a broad and in-depth background on transportation issues facing the region, the TWG divided into two committees. One would address the short-term issues; the other would look at the long-term. Both committees drafted recommendations for consideration in a plenary session of the TWG, which was also charged to integrate the two sets of recommendations so that together they would provide a sound approach on which the region could move forward.

On December 13th, 2004, the TWG met and adopted an integrated set of short- and long-term recommendations designed to improve the way that regional transportation investments are planned, funded, and decided upon. The recommendations are framed as requests to the Washington State Legislature for action in its 2005 session recommendations.

Recommendations

This section sets forth the integrated set of recommendations TWG adopted under the separate headings of short-term and long-term requests to the legislature. The two components are presented separately because they are framed in different ways. The short-term recommendations are much more specific as to the projects, their sequencing, and the funding sources to be used, while the long-term recommendations take the form of principles for moving forward with necessary changes in planning, funding, and decision making.

Short-Term Requests to the Legislature

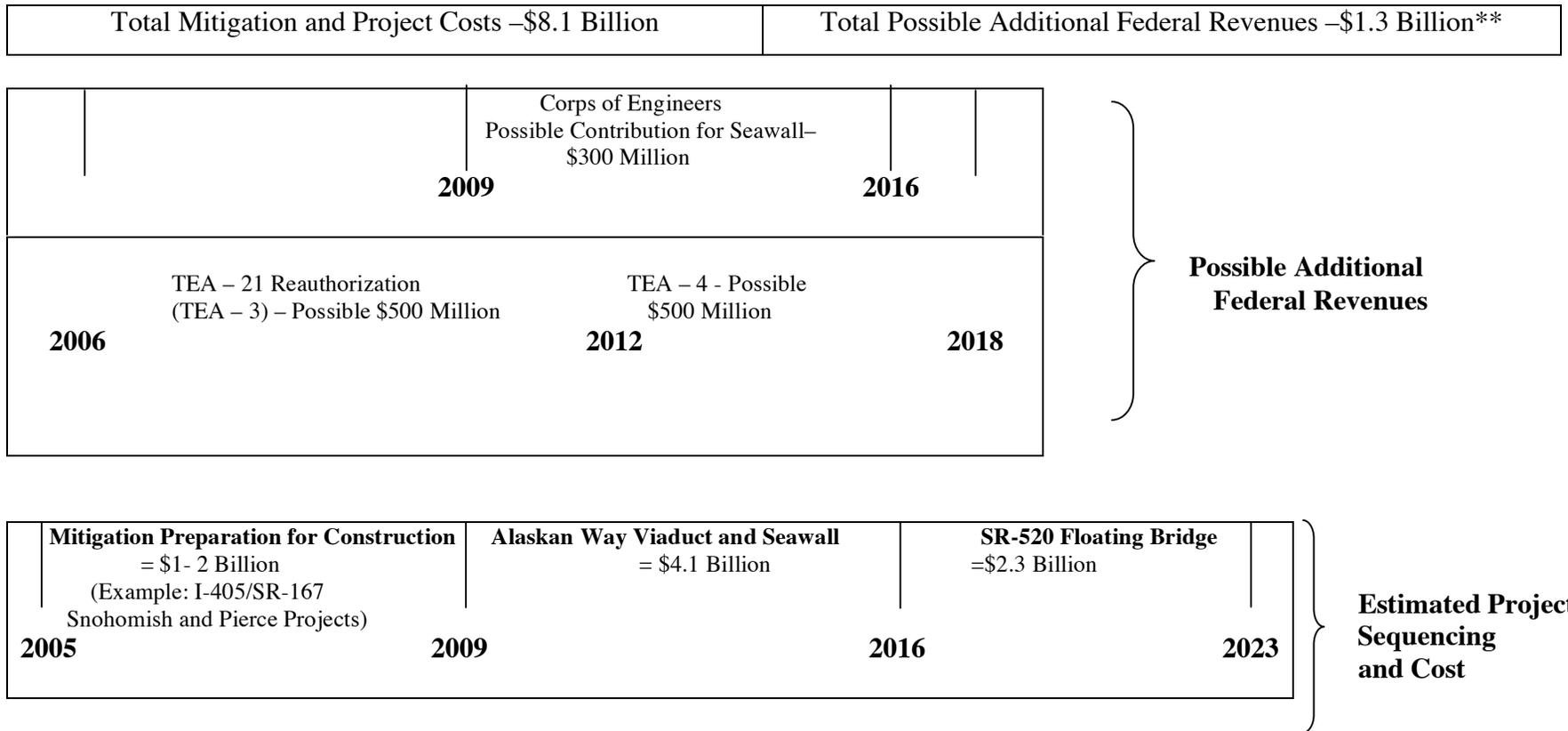
To address major transportation investment priorities facing the region and the state, the Transportation Working Group recommends that:

- The Washington State Legislature should fund a statewide package of transportation improvements to build on the momentum from the 2003-nickel package. The Legislature should adopt funding measures that will raise, including bond proceeds, funds sufficient to deliver projects statewide. The TWG recommends raising approximately \$8 Billion over the next ten years.
- Within the region, the Legislature and the Puget Sound area place the highest priority on replacing the Alaskan Way Viaduct/Seawall and the SR-520 Bridge, including approaches. Both will have reached the practical end of their useful lives by the time that they can be addressed. A failure of either would lead to catastrophic impacts on the state's economic viability.
- The WSDOT should plan for and the Legislature should fund a major traffic mitigation program associated with each of these preservation projects. Construction will significantly reduce the carrying capacity of these vital corridors. Improving the capacity of alternate corridors, such as I-405, SR-167, and diverting trips onto modes other than single-occupancy vehicles, will be essential to maintaining economic viability. To that end, we suggest that a portion of a potential state revenue package be from sources not restricted by the 18th amendment so that they can be used for projects other than roads.
- WSDOT and other transportation agencies should coordinate planning and accelerate the implementation of traffic mitigation programs prior to construction of the Viaduct and SR-520. This should include corridor improvements on I-405, SR-167 and I-5 in Central Puget Sound.
- Preservation of highways of statewide significance has traditionally been a state responsibility. The TWG believes that the Viaduct (SR-99) and the SR-520 projects and the associated mitigation programs appropriately fall primarily within the state's role. The TWG accepts, however, that the region must shoulder a significant portion as well. We suggest that the state fund no less than the replacement cost for the current vehicle-carrying capacity of the Viaduct and the SR-520 Bridge. If capacity improvements are desired, the planning and financing should be put in place now, not later, which would entail a higher cost.
- Tax increases to raise the necessary funds, including adoption of a ten-cent increase in the gas tax, should be enacted and phased in over two years. Other taxes that could be used to raise the \$8 Billion could include increases in license fees and weight fees. The TWG endorses dedicating a portion of the new state revenues for city and county road programs.

- The Legislature should authorize user fees, such as tolling on major preservation projects such as the Viaduct and SR-520, and on High Occupancy Toll (HOT) lanes proposed for SR-167, to provide supplementary regional revenues. Public private partnerships, tax increment financing, and local improvement districts should also be considered as alternate methods of financing.

The diagram on the following page sets out potential sequencing and costs of the Viaduct/Seawall and the SR-520 Floating Bridge, as well as the major mitigation program that should be implemented before their construction is begun. As the diagram sets out, current estimates of construction schedules would take approximately 18 years for the two major projects and the mitigation that precedes them. The diagram also identifies potential sources of future federal funds that could contribute to defraying the construction costs.

**Diagram of Estimated Sequencing and Costs of Projects that Would Replace
THE DAMAGED WATERFRONT SECTIONS OF THE ALASKAN WAY VIADUCT (SR-99),
The SR-520 Floating Bridge, and Provide Related Mitigation Efforts ***



This diagram is a product of the Cascadia Center of Discovery Institute, Seattle, WA, December 2004

*The TWG determined that the replacement of the Viaduct and the SR-520 Bridge are the highest priority projects because of the high risk their failure would pose to the regional and state economy.

**These funds are in addition to normal federal disbursements under the federal-state surface transportation program.

Rationale for Short-Term Recommendations

The driving force behind the short-term recommendations for the 2005 Washington State Legislature's session is to begin the process of addressing the most urgent safety and replacement needs in the region – the Alaskan Way Viaduct and the SR-520 Floating Bridge – in the context of a reasonable financing package. The Short-Term Committee first considered \$15 Billion, then \$10 Billion, and finally settled on approximately \$8 Billion as an amount that would both address these vital needs and fit within a reasonable tax levy. A levy of \$8 Billion is the mid-point amount of the three revenue scenarios developed by the State DOT's revenues analysis for the State Transportation Commission in November 2004. WSDOT's illustration utilized assumptions of a low of \$4.6 Billion over ten years, a high of \$11.7 Billion and a midrange of \$8.1 Billion. At the lower figure, WSDOT projected only \$1.56 Billion available to tackle the viaduct and SR-520 Floating Bridge, an amount well short of the cost of replacing current capacity. At the midrange figure, \$3.3 Billion would be available. While still requiring a regional contribution, the TWG considered this a reasonable state contribution on two highways of statewide significance.

The reconstruction of each of those projects will place a tremendous burden on the region's transportation system. It was deemed vital to use the four years remaining until the prospective 2009 start date for replacement of the Viaduct for an intensive period of implementing mitigation measures. Viaduct construction will be followed shortly thereafter (approximately 2016) by the replacement of the 520 Bridge. Because of the major role that the Viaduct and 520 play in the region's transportation network, these mitigation efforts will be unprecedented in scope and will address both transit and road works, as well as demand management measures.

Transit projects will include not only ensuring the completion of projects that can reasonably be finished by the beginning of construction in 2009, but will also put in place major expansions of express bus services and improvements to intermodal terminals to facilitate the flow of commuters. Road projects will focus on improvements to remove bottlenecks on I-5, I-405, and other major roadways, and should include the approval and implementation of the SR-167 HOT (High Occupancy/Toll) Lanes project. Demand management efforts should include a major initiative to improve the region's successful commute trip reduction program.

Long-Term Requests to the Legislature

While the long-term recommendations are not as immediate as the short-term recommendations, we thought it important to establish principles that will lead to well defined long-term recommendations.

Principles to guide reform of our region's transportation structure

The region must:

- Improve efficiency by further integrating regional planning and prioritization and the provision of intermodal connections for roads, transit, rail, freight, air, ferries and other travel modes.
- Improve effectiveness by prioritizing by corridor the combination of road, transit, and productivity strategies that optimize return on investment for peak hour capacity.
- Improve accountability by requiring an implementation program that includes a system plan, project plans, and a financing plan that sets priorities and sequences projects.
- Improve effectiveness and increase our success in garnering funds, both federally and with the voters, by agreeing on one strategy, one voice in funding requests.
- Make financing less complex and easier to explain to the public with emphasis on more productive sources.
 - Introduce user fees, such as tolls or vehicle miles traveled charges, to supplement general excise taxes for the purposes of adding capacity, providing more choices to the traveling public and helping to improve management of peak hour demand on the roadways.
 - Make innovative financing easier, such as local improvement Districts, flexible funding, public/private financing or tax increment financing.
- Recognize that general excise tax increases at the state and local level will be needed to fund preservation, capacity, replacement and safety improvements to existing transportation infrastructure.
- Whether enacted through legislative act or public vote, funding strategies should support multi-modal solutions rather than single mode.
- Consolidate regional authority to make decisions and enhance the opportunities to bring multi-modal transportation packages to the ballot and rely less on separate funding decisions for each modal 'silo.'
- Improve political accountability by giving the public clear indication of who is responsible for planning, prioritization and funding decision-making.

- Seek to achieve the best return on investment from our current regional agency spending patterns in operations and capital investments.
- Act to reduce the delivery time and cost of major projects by enlisting local jurisdictions in corridor planning and regional decision-making.
- Motivate jurisdictions to share priority projects, instead of rewarding go-it-alone efforts.
- Assist our congressional delegation in gaining federal resources by presenting to them a single, comprehensive and prioritized approach that has unified state and regional support.
- Establish mechanisms amongst the various transit and transportation management (van pool, rideshare, special needs transportation, commute trip reduction) agencies to assure that each carries out its responsibilities for achieving the goals of our regional transportation systems and to improve regional transportation corridors.

With these principles in place we offer the following long-term recommendations to begin to address the long-term issues facing the Puget Sound Region and the state.

Recommendations

- New regional resources should be a major part of the financial contribution for improving regional transportation corridors. The TWG is calling for a continuation of our efforts to consider and negotiate regional funding and long-term changes in regional government reorganization. A dialogue with state and local elected officials will be essential to achieving these needed steps. A broad-based group could present working agreements on how to implement changes before the 2006 legislative session. The TWG understands that legislators may see an urgent need to adopt governance changes during the 2005 session. The TWG stands ready to work with the legislature.
- In considering the principles that should inform regional governance improvements, the TWG believes that ideally a consolidated regional governance structure would be responsible for regional prioritization in the context of resource availability, for regional systems planning and regional funding, and support of the region's growth management strategies. TWG believes that such a regional governance structure with those responsibilities can work in close coordination with state and local planning efforts and institutions. In addition, such a consolidated structure could better gain state and federal resources by presenting a single, comprehensive, prioritized approach that has unified regional support. This governance structure needs to be transparent and accountable in its planning, its funding, and its decision-making. It should also provide continuing oversight of funded projects.
- There should be a single designated implementing agency on each project to ensure each project is delivered on budget and on time.

- The state, regional, and local governments should do a better job of integrating their transportation systems, and their project planning and funding of corridor improvements. The TWG believes that long-term solutions in every major corridor should be multi-modal and consistent with economic, land use, and environmental objectives.
- Regional efforts are inextricably linked with state and local planning, funding, and operational responsibility for transportation corridors. Therefore, regional decisions should be made in close coordination with WSDOT and other transportation agencies. Further, transportation planning decisions should be made in the context of the region's growth management strategies.
- To meet necessary regional financial contributions, the legislature should authorize tolls and other "user fees." Other innovative sources such as local improvement districts, benefit districts, public/private financing, and tax increment financing should also be considered.