



Proposed 2008 Transportation Budget

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House Transportation Committee

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House Transportation Chair Proposed Budget Overview

Summary

The 2008 Supplemental Transportation Budget continues to maintain and balance the priorities established by the Legislature in the previous five years: preservation, safety, congestion relief, environmental stewardship, and efficiency of the transportation system. The 2008 Supplemental Budget provides a total of \$7.5 billion for the biennium, making adjustments to reflect emergency needs, mandatory workload increases, and technical adjustments necessary to implement the original 2007-09 budget.

In 2007, the decline of state and federal gas tax revenue forecasts and the failure of Proposition 1 placed new strains on the budget. Combined with additional cost increases, the 16-year transportation plan faced another almost \$1.8 billion budget shortfall. This amount represents \$800 million in reduced state revenues, \$700 million in reduced federal revenues, and \$300 million in increased costs.

The House Chair's proposed budget maintains the commitment to the Nickel and Transportation Partnership projects. The proposed budget plan uses a combination of approaches to solve the budget shortfall over the 16-year period:

- Issuing more bonds and reprogramming existing bonds (\$163 million);
- Adjusting maintenance and preservation budgets downward to reflect lost federal revenue to those programs (\$450 million reduction);
- Savings in both administrative and construction programs (\$575 million); and
- Improved cash management and more up-to-date bond interest rates (\$530 million in savings).

In 2008, the Legislature would also lay the foundation for tolling future projects with its passage of Engrossed Second Substitute House Bill 1773.

Operating and project savings

To provide a framework for balancing revenues and expenditures and sustaining the Transportation budget in the next biennium, the Chair's proposal looks to savings both in administrative and project costs. In addition to stabilizing the Nickel and Transportation Partnership programs, these approaches will also assist in shoring up funding for the baseline maintenance and preservation programs.

The February 2008 motor vehicle fuel tax revenue forecast is down by four percent from the 2007 forecast. The House Chair's budget reduces spending in the biennium by \$5.4 million in select operating program areas to parallel these reductions in revenue.

Project funding changes are recommended in the following circumstances:

- Delays are recommended if a project has never been fully funded, cannot be completed with the increased funds requested, if the alignment of the project has not yet been decided, or if a delay in a project allows better timing with future funding availability;
- Scope increases are not funded; and

- Lower cost enhancements are preferred if they can achieve transportation improvements.

The budget also directs the Department of Transportation to examine spending priorities for 2009-11 and to identify projects to reconsider in times of scarce resources.

Ferries

In the 2008 supplemental transportation budget, the ferry system's finances continue to show a future funding shortfall. The hard lesson learned in the past year is the importance of prioritizing safe vessels over improvements and enhancements to the landside terminals. The 2009-11 budget will face some key decisions about how to pay for the true costs of operating a safe and reliable system. The House Chair's 2008 supplemental budget proposal begins to address this problem by putting savings identified from headquarters' staffing vacancies and over-estimated terminal preservation costs back into the system.

Vessels. The House Chair's budget provides funding for three vessels to replace the Steel Electrics which had served Port Townsend-Keystone, up to three 144-car vessels, and the rebuild of the MV Hyak. Total funding for vessel replacement in the House Chair's budget plan is \$383 million.

Building six new boats cost-effectively in the current constrained bidding environment will be a challenge. As a result, the House Chair's budget continues to explore refurbishing the MV Hyak, while authorizing up to three 144-car vessels, in the event the bids for all six vessels come in too high.

- For the replacement of the Steel Electric vessels, the budget includes \$85 million for two vessels patterned after the Island Home, a vessel that currently provides service to Martha's Vineyard in Massachusetts, and one vessel patterned after the Steilacoom II, currently being leased from Pierce County. This plan balances the short-term need to resume service as quickly as possible with the long-term need to provide more reliable and comfortable service on the Port Townsend-Keystone route.
- To recognize the importance of replacing the aging vessel fleet, \$283 million is provided for up to three 144-car vessels.
- \$15 million is also provided to rebuild the MV Hyak while the conversation continues about the relative cost-benefits of bringing a new vessel in to replace the Hyak 15 years prior to the end of its 60 year life.
- During 2008, the Ferry System will continue its work developing a long-term vessel preservation and replacement plan for consideration by the 2009 Legislature.

Terminals. Based on early recommendations of the Joint Transportation Committee ferry finance study, \$107 million in preservation costs are saved over the course of the 16-year terminal capital plan by updating the ferry system's life cycle cost model.

During 2008, the Washington State Ferries will continue their work redesigning terminal projects to reflect new ridership forecasts, levels of service, and market survey results, and submit a revised long-term capital plan for consideration by the 2009 Legislature.

Headquarters. To reflect the downsizing of the terminal improvement program as well as the wrap-up of vessel design activities, the House budget proposes reductions of \$4.9 million in headquarters' costs for the second year of this biennium.

Customers. With the passage of Substitute House Bill 2455, ferry customers will be able to use their multi-fare discount cards for up to 120 days, instead of the current 90 days. In addition, the Supplemental budget directs the ferry system to allow multiple drivers to share discounts by “passing back” multi-fare cards.

Safety

The House Chair’s budget invests new funds strategically to address critical safety issues.

- **US 2 safety improvements, \$9 million.** The House Chair’s budget provides \$5 million to improve safety on US 2, which has experienced a number of cross-over and head-on collisions. The safety project would add a westbound passing lane west of Sultan. The House Chair’s budget also provides \$3.95 million for a collision prevention and safety improvement project requested by the Governor. The project will remove roadside hazards, install rumble strips and apply new, high visibility reflective striping over 40 miles in the corridor from Monroe to the vicinity of Stevens Pass. This project is currently in the design stage with construction scheduled to begin in summer 2008.
- **Marysville concrete barriers.** The June 2007 Cable Median Barrier Report requested by the Governor included specific recommendations on the use of concrete barriers on Interstate 5 near Marysville to prevent crossover accidents that have resulted in a number of head-on collisions in recent years. The report recommended installing a concrete barrier on a 10-mile stretch of I-5 near Marysville. The \$26.9 million project will be completed in the 2009–11 biennium. This project will construct a cast-in-place concrete barrier in the northbound direction, with an inside shoulder widened to 10 feet to prevent head-on collisions.
- **Suicide prevention fence on the Aurora Avenue Bridge.** The Aurora Avenue Bridge has the second highest suicide rate in the nation, behind the Golden Gate Bridge. Installation of an 8-foot suicide prevention fence with illumination will help make the bridge safer and can help prevent suicides. The \$7.5 million project will be completed in the 2009–11 biennium.

Environmental Stewardship

Fish Culverts. The House Chair’s budget builds upon the existing efforts to replace and repair fish passages by providing \$15 million for nine projects to restore fish rearing and spawning habitat in critical fish-bearing streams. This new investment brings the total amount dedicated specifically to culvert replacement and restoring fish passage to over \$100 million in the 16-year plan.

Stormwater treatment. \$7.3 million is provided to comply with new stormwater permit requirements mandated by the Department of Ecology under the National Pollution Discharge Elimination System in the spring of 2008. The funds will pay for Stormwater Pollution Prevention Plan (SWPP) development and inspections, staff training, an inspection database, catch basin maintenance, best management practice inspections and maintenance, a vector truck, and six vector decant facilities.

Vessel diesel retrofits. To save fuel and reduce emissions from state ferries, the budget provides \$6.3 million for nine vessels to have their engines retrofitted. This will save \$1.4 million per year in fuel costs.

Climate Change and Reducing Vehicle Miles Travelled. The WSDOT is provided with staff resources to work with the Climate Advisory Team, prepare vehicle-miles-travelled reduction goals, and coordinate with executive branch efforts to implement greenhouse gas reductions.

To support efforts for commuters to shift and eliminate trips, the Supplemental budget also funds a telework pilot project in Kitsap County. The Kitsap Regional Coordinating Council will recruit employer participants, identify telework sites, and develop an employer's toolkit of telework resources.

Mega-Projects

To begin laying the building blocks for financing the Columbia River Crossing project in Vancouver and the North Spokane Corridor project, Engrossed Substitute House Bill 3051 provides a rebate on the sales tax paid on construction by these projects. This proposal recognizes the cost challenges faced by both projects and the hurdles still to be overcome in financing these projects through tolling and regional partnerships.

The House Chair's budget proposal for the SR 520 Bridge directs WSDOT to develop plans for improving traffic flow from the eastern Lake Washington shoreline to 108th Avenue Northeast in Bellevue during the period of pre-construction tolling. Short-term, low-cost enhancements will relocate the high occupancy vehicle lanes to the inside of the alignment. More extensive improvements through the corridor will be advanced by almost three years to deliver benefits to early toll payers. The Department will work with the Joint Transportation Committee during 2008 to review and refine these proposals.

For the Alaskan Way Viaduct, WSDOT is working with the City of Seattle and King County to develop a new strategy to find a solution to the central waterfront section of the project. Instead of focusing solely on the State Route 99 corridor, the project partners are developing guiding principles and measures for evaluating solutions within a broader area. A final design decision is expected to be made by December 31, 2008.

Work is already under way to repair or replace about half of the seismically vulnerable viaduct. Six "Moving Forward" projects will improve public safety and keep traffic moving no matter what replaces the viaduct in the central waterfront section. The projects include:

- Mechanical and electrical upgrades and seismic retrofitting of the Battery Street Tunnel. Construction is scheduled to begin in 2009 and last for two years.
- Replacing the viaduct from Holgate Street to S. King Street with a new surface roadway that connects to the existing viaduct.
- Providing new access from State Route 99 directly to downtown by creating access to and from Alaskan Way near King Street.
- Creating a crossing for freight coming to and from the Port of Seattle. Construction will occur between 2009 and 2012.
- A comprehensive traffic mitigation package (transit and capital enhancements) that will be in place before roadway closures begin in 2009.
- Repairing four columns in the Pioneer Square area to ensure the viaduct is safe for the next five years, before its scheduled removal in 2012. The repair work started in October 2007 and should be complete by April 2008.
- Relocating the utility lines to protect downtown Seattle's power supply in the event of an earthquake. This first phase of utility relocation will start in late 2008 and should be complete in late 2009. The second phase is still in the early planning stages.

Other Changes of Note

Tacoma Narrows Bridge (TNB) Toll Operations. As the state's first tolled facility in decades, the TNB is also the proving ground for tolling administration. To establish best management practices, the House Chair's budget proposes \$3.7 million in savings in the toll operations budget. In addition, the budget directs DOT to create incentives for the contractor to reduce costs to the state and requests the Transportation Commission to review toll management costs and practices.

Enhanced Driver's License. In response to the Western Hemisphere Travel Initiative, the Department of Licensing received \$8.9 million in 2007 to implement an alternative, voluntary driver's license and identocard with enhanced security features for crossing the Canadian border. The supplemental budget provides \$3.6 million to advance the implementation date from May to January 2008 and to pay for additional costs of federal requirements for the license.

Palouse-Coulee City Railroad (PCC). The PCC railroad is a network of three freight rail lines located in Eastern Washington. The state recently purchased these short line railroads. The 2008 supplemental budget provides \$14.2 million to complete the acquisition and rehabilitate the lines. \$8.6 million of this amount is to be provided once a local intergovernmental entity is formed to take over operations of the lines.

State Patrol Enhancements. The House Chair's budget provides transportation's share of the expansion of the crime lab and the hiring of a dedicated state toxicologist. The budget also includes funding for technology upgrades to continue the expansion of electronic traffic citations and collision reports along with upgraded software for the State's radio communication microwave system. Funding is also provided to replace the ten year old technology to improve local law enforcement access to Washington State Patrol data.

I-90 technical review. WSDOT, under the supervision of the Joint Transportation Committee, will contract for an independent evaluation of the Homer Hadley Floating Bridge (I-90 bridge) to confirm the feasibility of installing and operating light rail on the bridge. Partnering with Sound Transit, the evaluation will analyze stray current mitigation, impacts of light rail installation on the bridge, the operational "storm" limitation, impacts of weight mitigation measures on the life of the bridge, effects of light rail loads on the transition span expansion joints, and the proposed rail expansion joint design.

Snow removal and avalanche control. The winter of 2008 is surpassing many snowfall records. The House Chair's budget proposal provides an additional \$3.3 million toward the costs of labor to clear the snow and to ensure that drivers can safely drive our mountain passes. The maintenance budget will have to be revisited after the winter of 2009 to determine if additional funding for this purpose is needed.