

House Transportation Chair Proposed 2009-11 Transportation Budget

Highlights

In 2003 and 2005, legislators and the voters had the foresight to invest in our transportation system. These revenue packages invested nearly \$13 billion over 16 years in 432 highway, rail, ferry, and transit projects across the state. 182 of those projects are now complete.

Compared to the 2008 enacted transportation budget, which laid out a 2-year budget and a 16 year spending plan, the state has seen transportation revenues drop by \$3 billion, and costs increase by \$2.1 billion. Much of the cost increase is related to recognizing the true capital costs of providing reliable ferry service, which is possible now with the completion of the ferry system's long-range plan.

Despite these challenges, the House Chair's proposed budget provides an economic stimulus for the State of Washington. The construction programs authorized in 2003 and 2005 will peak in the upcoming biennium, creating jobs for Washington contractors, laborers, engineers, and their suppliers.

Priorities of the House Chair's Proposed Transportation Budget

- Construct as many projects as possible in the 2009-11 biennium.
- Make every effort to keep Nickel and TPA projects on track.
- Keep the mega projects on track, including the Alaskan Way Viaduct replacement, the 520 bridge replacement, Tacoma I-5 HOV lanes, Snoqualmie Pass, and most of the I-405 project.
- Build ferry boats as quickly as possible: three 64-car vessels delivered by summer of 2012 and two 144-car vessels beginning construction in 2014.
- Take advantage of federal stimulus dollars for highway, rail, and ferry construction projects.
- Trim the bureaucracy through efficiencies, cost savings, and a hiring freeze (saving \$412 million over 16 years).

Highway Investments During the Upcoming 2009-11 Biennium

The House Chair's proposed transportation budget makes over \$4.6 billion in transportation project investments in the two years beginning July 1, 2009. Over 400 projects are funded and scheduled to move forward.

Some examples include:

- SR 195 and Cheney-Spokane Road intersection
- SR 522 widening from Snohomish River bridge to US 2

- SR 520/W Lake Sammamish Parkway to SR 202
- I-5/Grand Mound to Maytown
- I-5/SR 161/SR 18 - "Triangle" interchange improvements
- I-5/Mellen Street I/C to Grand Mound
- SR 14/Camas Washougal - add lanes and build Interchange
- SR 532/Camano Island to I-5 Corridor improvements
- SR 167/SR 509 to I-5 Stage One (Benaroya property purchase)
- Wrap up SR 519/ I-90 to SR 99 intermodal access project
- I-5/196th St (SR 524) interchange - build ramps
- SR 9/212ths St SE, Stage 3
- SR 9/Lundeen Parkway to SR 92 - add lanes
- SR 500/St Johns Blvd - build interchange
- SR 529/Ebey Slough Bridge replacement
- SR 9/SR 528 intersection
- SR 9/84th St NE
- City of Pasco overpass
- Yelm Loop
- SR 105/North River Bridge

In addition to these state investments, recent American Recovery and Reinvestment Act (ARRA) federal stimulus funding for state and local transportation projects totals nearly \$492 million. Combined with the state investment, almost \$5 billion in transportation construction spending is scheduled to take place throughout the state over the next 24 months.

Criteria for Prioritizing Transportation Investments

In light of the revenue and cost pressures on the transportation budget, not all projects could maintain the schedules enacted in 2008. After further prioritization, those 2003 Nickel and 2005 Transportation Partnership Act projects in the 16 year financial plan remain fully funded.

The prioritization criteria emphasized the importance of delivering the mega projects, including the Tacoma HOV project, I-90 Snoqualmie Pass East, SR 99/Alaskan Way Viaduct Replacement, SR 395 North Spokane Corridor, I-405 Corridor Projects, and the SR 520 Bridge Replacement. These projects are important to the state's economy, providing access to coastal ports and carrying freight throughout the state.

Additional criteria were used to identify project investments that yield a meaningful result within the financial planning time frame. As a result, candidates for delay included those projects that could not be completed within the 16 year time frame, and secondarily those which could not be completed within the shorter 6 year time frame.

Ferry capital expenditures are supported by sufficient revenues for 6 years. During that time frame, three 64-car vessels will be built to replace the Steel Electric class ferries which were pulled from service in 2007, and investments will be made in only the highest priority terminal

projects. Programs supported by pre-existing gas tax funds (preservation, transportation agency operations) are also fully funded throughout a 6 year period.

Projects delayed by the House Chair's proposed budget include the following:

- I-5/NE 134th St Interchange (at I-5 and I-205)
- SR 502/I-5 to Battle Ground
- SR 28/Jct US 2 and US 97
- SR 161/36th to 24th widening
- I-90 R8A two-way transit and HOV improvements
- SR 20, Sharpes Corner new interchange
- SR 3 Belfair bypass
- SR 704/Cross Base Highway
- SR 3 Fairmont Ave to Goldsborough Creek bridge replacement
- SR 167 HOT lane extension
- SR 109/Moclips River Bridge
- I-5 14th Avenue/Thompson Place noise wall
- US 195/Spring Flat Creek Bridge
- SR 28/E Wenatchee access control
- US 101/Dawley Road
- US 101/Gardiner vicinity
- US 26/West of Othello
- US 97/S of Chelan Falls

SR 520 Evergreen Point Bridge

The SR 520 Evergreen Point bridge provides an east-west link across Lake Washington for about 155,000 trips every day. Built in the 1960s without the benefit of today's design standards, the Evergreen Point Bridge is vulnerable to windstorms and is at risk of failure if it is not replaced. A failure of this bridge or its approach structures could cause serious injury and loss of life, and would congest all major regional highways with re-routed traffic.

Unlike other mega-projects in the region, the replacement of the SR 520 Evergreen Point bridge was not fully funded with the passage of the Transportation Partnership Act (TPA) in 2005. Rather, it was expected that the local counties would form a taxing district to contribute to the completion of the finance plan of this facility. With the failure of that vote in 2007, the replacement of the bridge now depends on the imposition of tolls.

House Bill 2211 imposes tolls sufficient to provide \$1.2 billion in bond revenue. This funding, together with other available funds, is more than enough to replace the floating bridge. The construction program for the replacement of the floating bridge includes pontoon construction and construction of the pontoon site in Grays Harbor county. With these investments under way, the state finally begins to address one of its highest priority safety issues.

Ferries

In 2007, the Legislature froze ferry fares for two years and substantially reduced ferry capital construction while evaluating a new plan for Washington State Ferries (WSF) operating and capital needs. Reforms began with the 2007-09 biennium, and the House Chair's 2009 proposal funds and implements key recommendations from the Joint Transportation Committee (JTC) study including: beginning new ferry construction, ferry service and operations efficiencies, and recognizing the need for ongoing system improvements.

- **New Ferry Construction**

- The House Chair's proposed budget provides capital funding for the purchase of a total of three Island Home class (64-auto) ferry vessels to replace the Steel Electric vessels pulled from service in 2007. These vessels will be delivered in 2010, 2011, and 2012.
- Her budget also begins construction of two 144-auto vessels in 2014, with delivery expected in 2016 and 2018.

- **Terminal Construction**

- The House Chair's budget funds very limited terminal improvements, in order to focus resources on vessels.
- The Mukilteo terminal will be moved and built at a new location, due to significant constraints on the ability to make operational and safety improvements to the terminal and the connecting intersection at the existing site.
- The Anacortes terminal building will be rebuilt only if federal stimulus dollars are received for the project.
- No other major terminal improvements are funded.

- **Ferry Service and Operations**

- Operating funding is provided for all routes, including maintaining the service to Sidney, B.C.
- The budget limits fare increases to 2.5%, the first increase in two years.
- Fuel costs and overhead are reduced to reflect recommendations of the legislature's Ferries Finance Study.
- Funding is provided to begin a WSF pilot reservation system after a pre-design study is submitted to the Legislature in 2010.

Environmental Investments

- Stormwater treatment -- \$14 million is provided contingent upon the passage of Substitute House Bill 1614 (addressing petroleum pollution in stormwater), for compliance with the new stormwater requirements mandated by the Department of Ecology under the National Pollution Discharge Elimination System. Activities include a stormwater information management database, water quality monitoring, and the inspection and maintenance of existing stormwater facilities.
- Relating to the stormwater runoff from our highways, the transportation budget directs DOT to work to develop model procedures and make recommendations to increase the use of

permeable concrete and asphalt on road construction and preservation projects, at the state and local level.

- Climate Change at DOT -- \$500,000 is provided to support the DOT's continued work to meet the state's goals for reducing greenhouse gas (GHG) emissions, including strategies to reduce vehicle miles travelled.
- Safe Routes to Schools Grant program -- \$7.5 M of projects are funded that increase safety for students walking and cycling to school in twenty-one communities.
- Bike/Pedestrian Grant program --\$7.2 M is provided for pedestrian and bicycle safety projects around the state.

Public Transportation Investments

- Special needs transportation grants -- \$26 million is provided to support transit agencies and nonprofit providers of transportation services to persons who, due to disabilities, age, or income, are unable to transport themselves.
- Rural mobility grants -- \$20 million is provided to support public transportation in small cities and rural areas, and to support providers of rural mobility services in areas that are not served or are underserved by transit agencies. Funding includes \$1 million for vanpool grants for rural transit agencies to cover the capital costs of adding vans.
- Vanpools -- \$11.6 million is provided for the statewide vanpool grant program, so that transit agencies may purchase vans.
- Regional mobility grants -- \$15 million in new funding is provided to assist local governments with projects that improve transit mobility and reduce congestion, such as intercounty connectivity service, park and ride lots, bus purchases, and express transit service.
- Commute trip reduction/GTEC -- \$5 million is provided to help small and medium sized employers in urban areas find alternatives to driving alone for their employees
- Flexible car pooling -- \$400,000 is provided to implement a pilot project in the 520 corridor for a membership-based, carpooling program that allows drivers and riders to carpool without pre-arrangement.

Rail/Freight

\$123.8 M is provided in the 2009-11 biennium for freight and passenger rail projects. Funding for shortline rail systems include \$2 million for the North Columbian Basin railroad and \$1 million for the Chelatchie Prairie railroad. The project plan sponsored by the Freight Mobility Strategic Investment Board is fully funded.

To recognize the challenges of financing the ferry system, \$96 million of multi-modal bond capacity is shifted from the rail program to the ferry system. As a result, the House Chair's budget proposal delays some rail projects. Of the three projects required to add a daily Amtrak trip between Seattle and Portland, two are delayed one biennium (Pt Defiance Bypass and Kelso to Martins Bluff). The DOT is applying for rail federal stimulus grants, and these projects are expected to be highly competitive.

Looking Forward

To prepare for a more financially constrained future, the House Chair's budget endorses the Governor's proposed hiring freeze and associated savings. In addition, 9 driver's license offices will be closed, with on-line services allowing drivers to renew their licenses without making the drive to the next closest office. Finally, transportation agencies and programs are directed to prepare for a more constrained financial future by managing their organizations to save 5% through operating efficiencies. Together these initiatives will save \$412 million over 16 years.

The gas tax as a primary funding source for transportation is based on the notion that gasoline consumption is a good measure of road use. With increasing vehicle fleet fuel efficiency, this revenue source is no longer reliable or sufficient to finance Washington's transportation system. To continue the work of making the transition to new funding sources, the House Chair's proposed budget directs:

- Facility-based tolling studies at the Department of Transportation. For the 405 corridor and the Columbia River Crossing, the studies will include a public outreach component similar to the process followed for the SR 520 Tolling Implementation Committee. Tolling feasibility studies of SR 167 and SR 509 port connections to identify opportunities for tolling in these corridors, recognizing their value to freight movement.
- Research and analysis by the Joint Transportation Committee of alternative comprehensive transportation funding strategies for the mid- and long-term and their implementation issues.