

# Washington Roundtable Transportation Proposal



# Background

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Over the last six months, the Washington Roundtable engaged in an effort to assess the condition of our state's transportation network and develop recommendations for moving the system forward to support a 21st century economy.

- ▶ We did not try to create a package that takes care of every interest group including transit and local governments.
- ▶ This is the consensus of the Roundtable Board and other business groups are beginning to adopt it as their legislative recommendation.

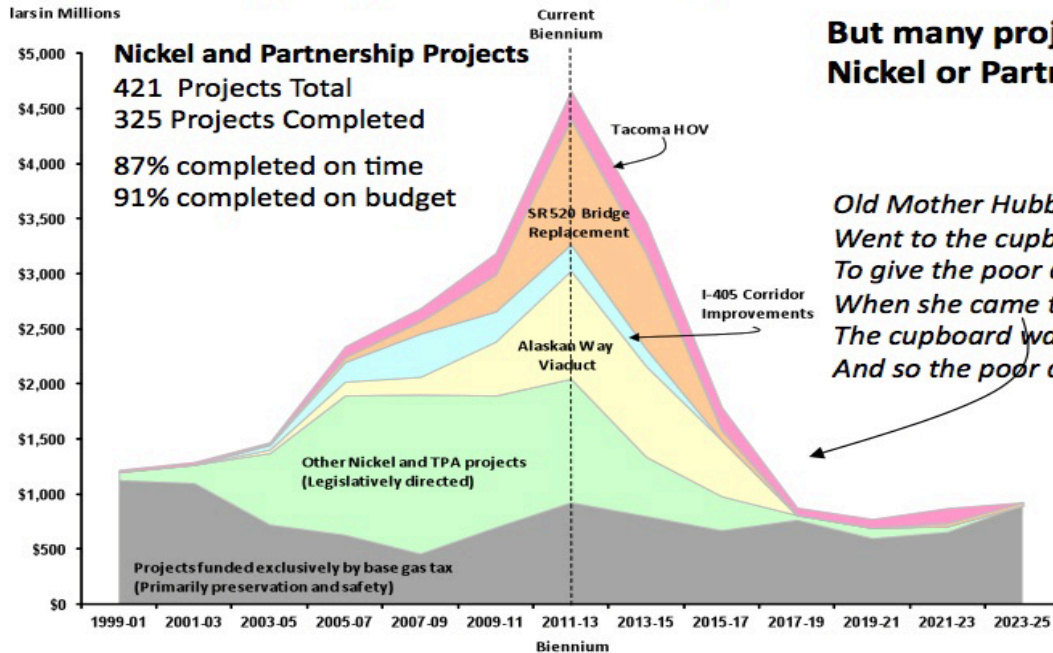
# Core Principles

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- 1) **Take care of the system we have.**
  - 2003 and 2005 packages were almost entirely bonded and now dedicated to debt service.
  - Roads and bridges are deteriorating to the detriment of shippers growers and a workforce of commuters.
- 2) **Finish what we started**
  - Previous packages made a down payment on projects throughout the state.
  - The next phase of these critical projects must be completed.

# Old Mother Hubbard

## Heavy Leveraging of the Nickel and TPA Fuel Tax Increases Funded a Huge State Highway Construction Program



**But many projects were not designated for Nickel or Partnership funding. So now an old story...**

*Old Mother Hubbard  
 Went to the cupboard,  
 To give the poor dog a bone:  
 When she came there,  
 The cupboard was bare,  
 And so the poor dog had none.*  
 --1805



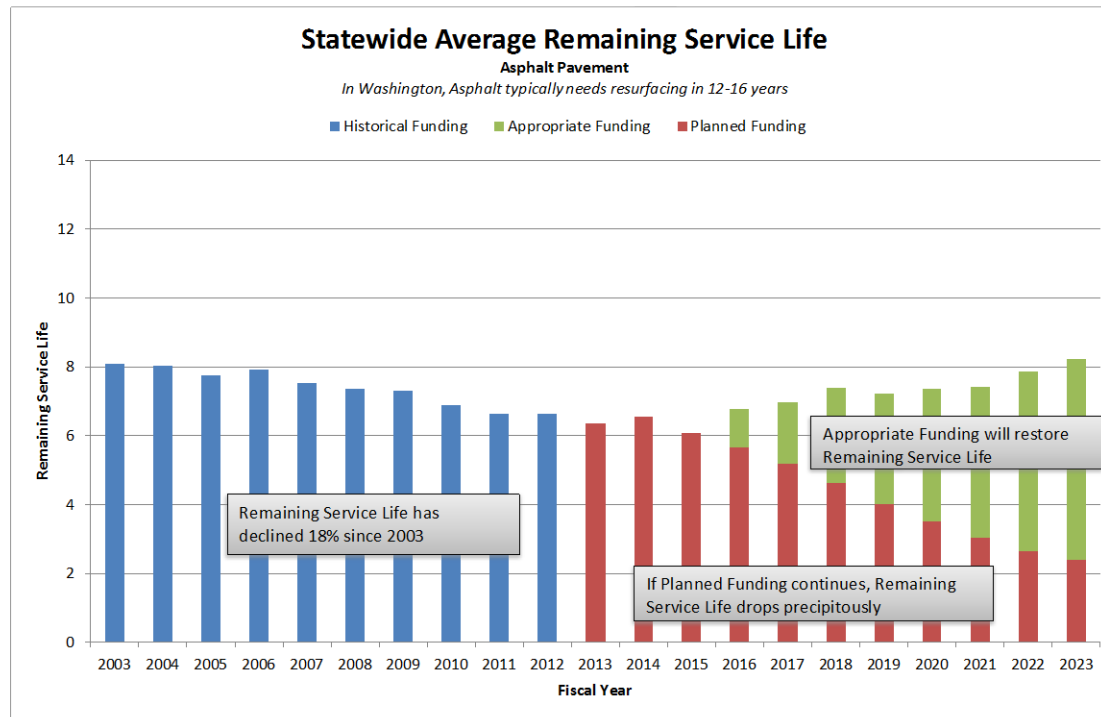
**\$6 billion of projects delivered with design/build big projects efficiencies**

**\$1.2 billion dollar hole in the legislature's estimated gas tax revenues**

# Pavement Conditions

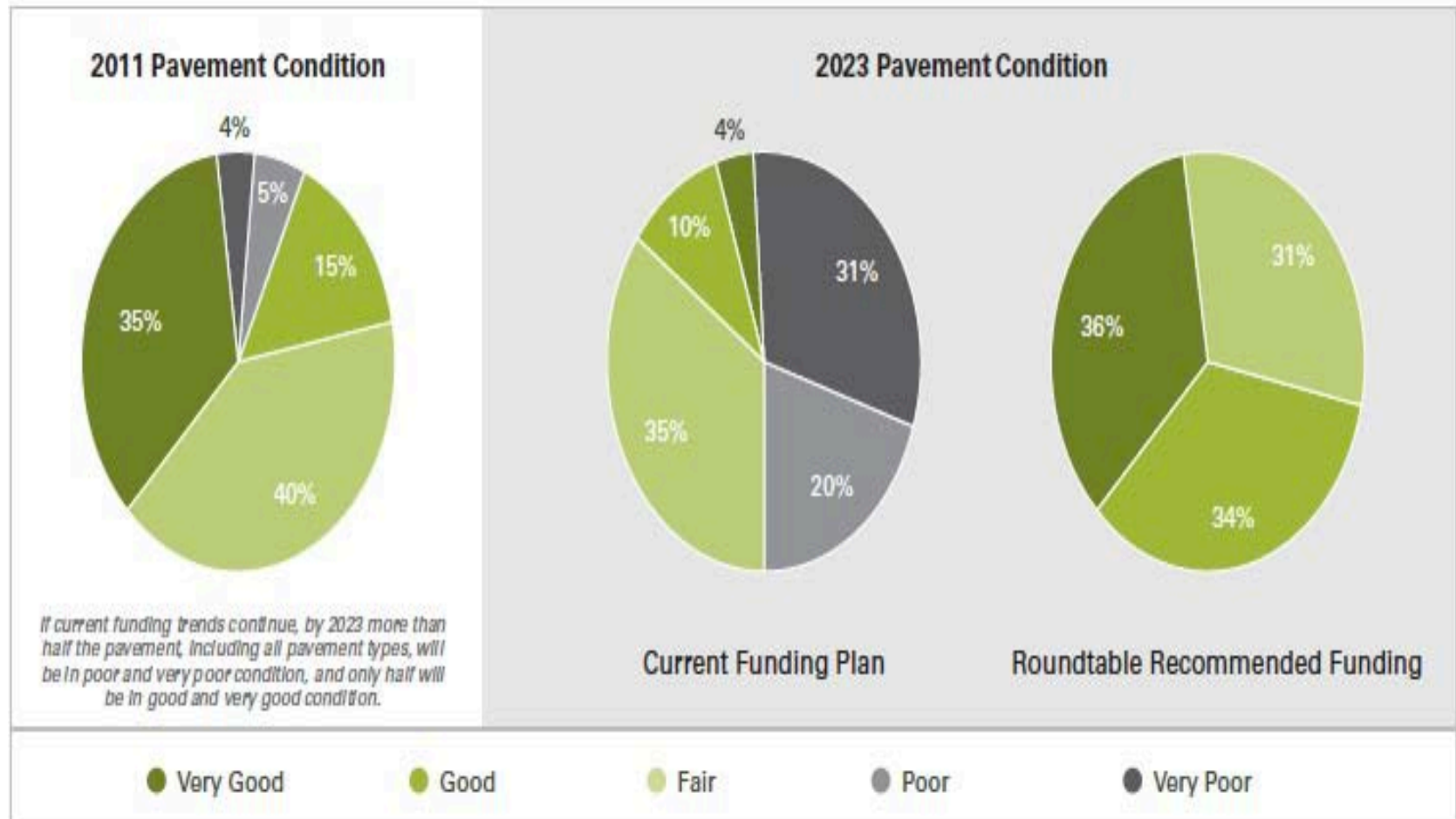
## STATEWIDE AVERAGE REMAINING SERVICE LIFE

Asphalt Pavement



# Pavement Conditions

## Combined Pavement Conditions



# A Note About Building the Package

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- ▶ Started with the operations, maintenance and preservation need.
- ▶ Created a list of high priority corridors: SR 520, I-405, I-90 (Snoqualmie Pass), I-5 (Vancouver), SR 395 (Spokane), SR 167 (Tacoma) and SR 509.
- ▶ Decided on a tax level tolerance.
- ▶ Adjusted for variable assumptions (tolling, financing costs, federal funding, etc).
- ▶ Not everything could be funded with our assumptions but reasonable people can disagree.
- ▶ This is a snapshot in time. Numbers and assumptions will change as we go along.

# Maintenance, Operations and Preservation Investment

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## **Highway Maintenance and Operations - \$914.5 million**

*28% increase over available resources to be used for: critical maintenance deficiencies; stepped-up delivery for safety and reliability; and limited catch-up in equipment and facilities backlogs*

## **Highway Preservation - \$1.882 billion**

*Over ten years, an 83% increase over currently available funding planned for this purpose. Most of the increase would go to pavements and the rest to bridges.*

## **Ferry Terminal and Vessel Preservation - \$305.7 million**

*28% increase over available resources. Funds Mukilteo terminal, Coleman dock improvements, existing vessel preservation, and up to six LNG conversions.*

## **Total - \$3.102 billion**

\*All totals represent investment over a 10 time horizon



# I-5 Central Puget Sound

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Concrete on I-5 is at the end of its useful life. WA has no comprehensive strategy for addressing and modernizing this important freeway.

- ▶ Our package recommends that WSDOT create an I-5 project similar to the other mega-projects.
- ▶ Of the \$1.8 billion for highway preservation, \$500 million is dedicated to begin repairs.

# Highest Priority Corridor Projects

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## **SR 520 West Side - \$1.300 billion**

- ▶ *The SR 520 eastside and Lake Washington bridge replacement project now underway must be extended across Portage Bay and connected to I-5.*

## **I-405 Bellevue to Renton - \$700 million**

- ▶ *I-405 between I-90 and Renton is the most congested section of highway in Washington state. Improvements are planned but unfunded and must be completed.*

## **I-90 Snoqualmie Pass East - \$540 million**

- ▶ *Finishing the work begun with past funding commitments in this critical cross-state link is essential to eastern Washington's economic vitality and benefits the entire state.*

# Highest Priority Corridor Projects

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## **Columbia River Crossing (CRC) - \$465 million**

- ▶ *Move the CRC project from planning into construction for this congested and failure prone corridor to improve regional road and rail transportation and rail, river, and ocean shipping.*

## **SR 395 North-South Freeway – Spokane - \$365 million**

- ▶ *Recommended funding will extend already-opened sections to the Spokane River for positioning the eventual critical connection to east-west I-90.*

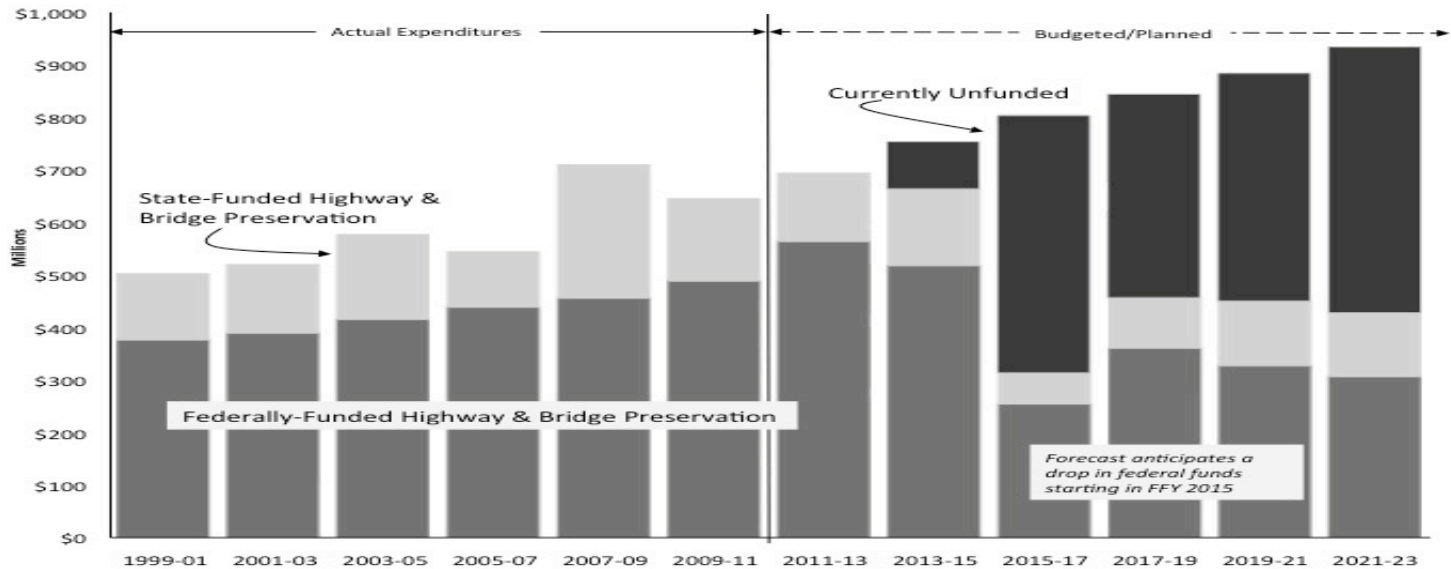
**Total - \$3.376 billion**

**SR 167 extension to the Port of Tacoma and SR 509 extension to I-5**  
– *These are extremely important projects for freight mobility and commerce. Funding is assumed for these projects from continued federal funding and savings from other projects.*

\* Project funding is net of any tolling assumptions.

# Variables

WA highway preservation is highly dependent on federal funding. The continuation of MAP-21 funding at existing levels would free up around \$800 million over 10 years, which could be bonded to produce almost \$1.5 billion.



# Variables

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- ▶ Tolling is assumed on I-90, I-405 (HOT lanes) and I-5 at the Columbia River Crossing based on the most recent assumptions from WSDOT.
- ▶ Financing estimates are conservative.
- ▶ There are no assumptions of federal funding including TIFIA loans beyond what is already in process.

# Revenue

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<b><i>Taxes</i></b>	<b><i>10-Year Totals</i></b>
➤ Fuel tax increase (5 cents in 2014, 4 cents in 2015)	\$2,692.55
➤ Value based vehicle license fee (.6% rate dedicated to O, M & P)	\$2,309.15
➤ <u>Gross weight fee on trucks (15% rate dedicated to O,M &amp; P))</u>	<u>\$ 104.97</u>
Total	\$5,106.68
<u>Operations, Maintenance and Preservation (cash)</u>	<u>(\$3,102.64)</u>
Net cash available for projects	\$2,004.04
<b><i>Bonding</i></b>	
Debt service	(\$ 777.36)
Cash minus debt service	\$1,226.68
<u>Bond proceeds</u>	<u>\$2,150.00</u>
Total bonds and cash for projects	\$3,376.68
<b>Total package</b>	<b>\$6,479.32</b>

\* The value based vehicle license fee and the gross weight fee would be dedicated to operations, maintenance and preservation.

# Questions ?

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