

TRANSPORTATION FUTURES

Task Force Summary Notes

Meeting #6: Wednesday July 29, 2015, 4:00 – 6:00 p.m.

PSRC 5th Floor Conference Room • 1011 Western Avenue • Seattle, WA

Members Present:

Dow Constantine, King County

Norm Dicks, Former U.S. Congressman

Leonard Forsman, The Suquamish Tribe

Hilary Franz, Futurewise

Slade Gorton, Former U.S. Senator

Troy McClelland, Economic Alliance Snohomish County

Clare Petrich, Port of Tacoma

Shefali Ranganathan, Transportation Choices

Arthur Rubinfeld, Starbucks

Members Not Present:

Kimberly Harris, Puget Sound Energy

Jean Hernandez, Edmonds Community College

Jeff Johnson, Washington State Labor Council

Ed Murray, City of Seattle

Mike Sotelo, Consolidar LLC

Marilyn Strickland, City of Tacoma

Rich Stolz, OneAmerica

Matt Yerbic, Aviation Technical Services

Technical Presenters:

Lowell Clary, Clary Consulting

Ben Brackett, PSRC

The meeting was recorded. Click [here](#) to listen to a sound recording of the meeting.

- 1. Welcome and Meeting Overview.** Facilitator Brian Scott, BDS Planning & Urban Design, called the meeting to order at 4:08 p.m. and welcomed the Task Force. Topics and purpose for the meeting were reviewed.
- 2. Follow up: Current Transportation Package.** Ben Brackett, Senior Planner at PSRC, updated the Task Force on funding package that passed the Legislature in 2015 and how it fits into the Task Force decision-making process. Questions & Comments were recorded on a wall graphic (Appendix A: Figure 1) and included:
 - Is there a vehicle to pre-fund or accelerate state projects through contributions by local governments that is not bonding?
 - How are funds distributed locally? Timing? [this information is available from PSRC staff]
 - The package falls short for local roads & transit
 - Washington is now #2 in country for fuel tax – the ability to fund state projects and other identified priorities with state or local sources is a major accomplishment for WA, in the national context
- 3. Revenue Options & Guidance on Scenarios.** Lowell Clary, Clary Consulting, presented a “straw scenario” as a starting point for the Task Force’s discussion their recommendation for funding the \$36B gap in the T2040 plan. Comments about how the package aligns with the Task Force’s Funding Principles, Questions, and comments about Short-term and Long-term sources were recorded on a wall graphic (Appendix A: Figure 1) and included:

Principles: Fuel tax removal does NOT meet **Environmental** principle; Road Usage for people who can’t afford to live near job may not be **Equitable**; our current system is quite regressive because of reliance on sales tax to fund local and regional transit, as well as other projects.

Questions: Why phase out fuel tax? Why is carbon tax revenue shown as low? What is tolled? I-5? I-90? What does the scenario look like to an average person – in terms of what would it cost an average person or household? What are people currently paying to drive? It will be important to consider any scenarios in contrast to what a typical household currently pays. Will the cost of fuel ever be lowered to offset tax? Who will collect & disburse funds? As we consider scenarios in September, we should also talk about collection and distribution approaches.

Comments: Road usage charges can be very flexible; It doesn't seem realistic to propose a carbon tax as early as 2017 – and we have to consider that if one is created, it may not necessarily be tied to or benefit transportation; the Task Force's funding recommendation should be clear & prove the region's need for new funds; engage the State Transportation Commission in this discussion; a carbon tax could be poisonous to a recommendation; the Task Force should put out ideas that others will not – should be bold in its approach; congestion is getting worse – condition and function of the existing system should frame the recommendation; indexing the fuel tax & a transportation utility district are short-term solutions; don't phase out what we already have (especially gas taxes); road usage charges have the capability to solve all funding needs; behavior shifts for future generations is not necessarily going to be that difficult.

Scenarios:

1. Road Usage Charges (hi-tech to lo-tech)
2. Carbon Tax (add tax vs, no carbon tax)

4. **Round Table.** Task Force members discussed topics of interest. Recorded on a wall graphic (Appendix A: Figure 1) and included:
 - The consultant team should show the benefit of each scenario
 - The Task Force would like more information about public outreach
 - The consultants should work with Task Force members to engage coalitions the Task Force members are a part of
1. **Public Comment.** Members of the public had an opportunity to submit comments to the Task Force, through the project website.
 - Sonny Putter
 - Will Knedlik

Written comments submitted by members of the public are included as attachments to this summary.

2. **Adjourn.** There were no further announcements. The meeting concluded at 6:01 p.m.

Next Meeting. The next Task Force meeting is **September 30, 2015, 4:00 p.m. – 6:00 p.m. at King County's King Street Center 201 S. Jackson Street.** The topic will be: Scenario Development

Questions: Please contact Ben Bakkenta, PSRC (206) 971-3286, BBakkenta@psrc.org
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ATTACHMENT A: Graphic Recording Transcription of Meeting #6

TRANSPORTATION FUTURES TASK FORCE	Meeting #6: Funding Scenarios	July 29, 2015
TRANSPORTATION PACKAGE <i>comments</i>		
Questions	Comments	
Is there a vehicle to pre-fund by local governments? How are funds distributed locally? Timing? [this information is available from PSRC staff]	Falls short for local roads & transit #2 in country for fuel tax – major accomplishment for WA	
STRAW SCENARIO <i>comments</i>		
Principles	Questions	
Fuel tax removal does NOT meet Environmental principle Road Usage for people who can't afford to live near job is not Equitable Flexibility Equity to general benefit Currently most regressive because of sales tax	Why phase out fuel tax? Why is carbon tax low? What is tolled? I-5 I-90? Where did \$36B come from? How long will technology take?	What does the scenario look like to an average person? (benefit) What are people currently paying to drive? (cost) Will cost of fuel ever be lowered to offset tax? Who will collect & disburse funds?
Short-term		Long-term
Road usage is very flexible No carbon tax in 2017 Carbon is not necessarily tied to transportation Political conversation Be <u>clear</u> with presentation of funding recommendation: <i>Prove we need the money, what it funds, technology</i>	Engage state transportation commission Carbon could be poisonous to recommendation Put out ideas that other will not Congestion is getting worse Index fuel tax, road usage & utility (short-term)	Don't phase out what we already have Road usage has capability to solve all funding Behavior shift: consider next generation behavior
Scenarios		
Road Usage: Range – odometer to hi-tech Large Carbon Tax vs. No Carbon Tax	General benefit Charges to Uber, etc.	Who Pays to General Benefit

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STRAW SCENARIO (cont.)	
Agreement	
Index fuel tax Public: Road usage charge to fuel tax Privacy issue of road usage Increase fees	Sources: Juxtaposition of fees, road usage, & tax Many choices & alternatives – menu of options, show benefit of each Road usage charge (short term)
ROUND TABLE comments	
Show benefit of each option More about public outreach	Engage coalition members by Task Force

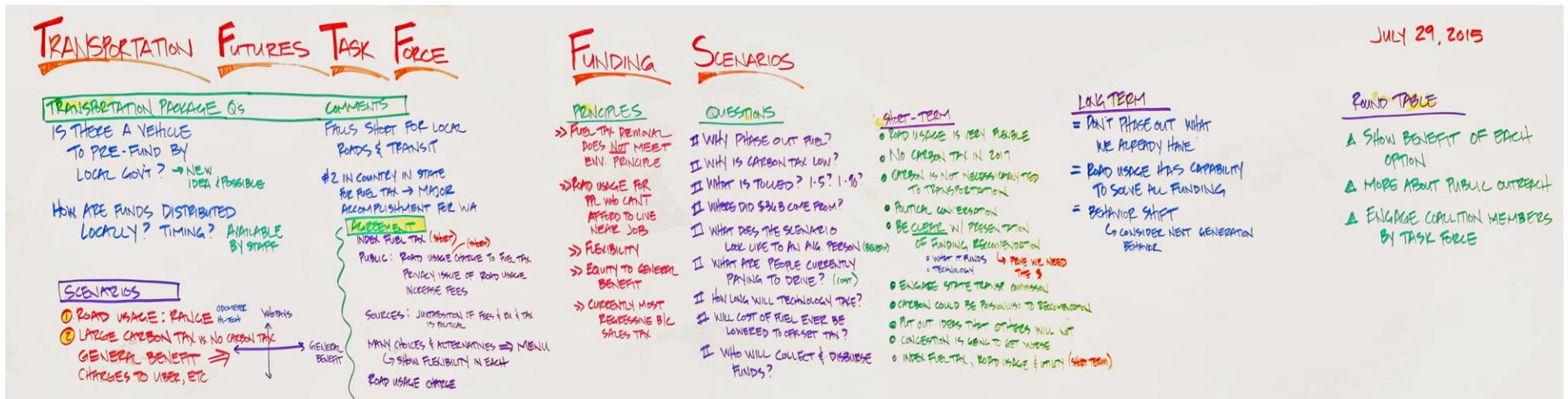


Figure 1: Wall graphic recorded during the meeting

Ladies and Gentlemen:

My name is Sonny Putter and I am a former Mayor and Councilmember for the City of Newcastle, Washington.

I generally concur with the overall approach of the Straw Man Scenario, segregating revenue sources by short-term and long-term utility. I do, however, have a number of serious concerns about the details of the proposal.

The Draft Principles that you adopted for funding the 2040 Transportation Plan ask that the revenue sources be Stable and Predictable, that they be Equitable, and that they be Feasible. The levels of projected revenues from the Carbon Tax on Vehicle Emissions and the Small Transit Fare Increases fail to meet these Draft Principles.

The Carbon Tax on Vehicle Emissions is not a funding source which is consistently dedicated to transportation. It is also not a predictable and feasible source of transportation funding. In fact, recent State legislative proposals presumed that a carbon tax would fund education and general government as well as transportation. Proposed carbon tax Initiative 732, now collecting signatures, is revenue neutral; the initiative intends to reduce sales taxes while increasing carbon taxes. Moreover, today's Seattle Times reports of another initiative under consideration by "a powerful coalition of Democratic Party-allied environmental, labor and other groups" which would use carbon taxes to fund "schools, affordable housing and other state needs". No mention of transportation funding at all! In view of these concerns, I suggest that the level of transportation revenues expected from a Carbon Tax on Vehicle Emissions be substantially reduced and the difference replaced by an increase in the proposed rate of the Road Usage Charge.

The Small Transit Fare Increases proposed in the Straw Man Scenario substantially underestimates the transportation revenues that should be achieved from this source. Transit agencies in the Puget Sound region only return about 15%-30% of operating costs from current fares, whereas comparable transit systems in Canada return 50%-65% of operating costs from fares. Now that regional low-income transit users have a new, lower fare option in the Orca Lift program, substantially more revenues should be expected from larger fare increases for the majority of transit users that can afford to pay higher fares.

One revenue source that you have not considered to fund transit is an employer payroll tax. Most transit in the region is used to get people to work during peak commute hours. A payroll tax on employers, as is used in the Portland, Oregon metropolitan area, more directly ties transit service to the generators of the transit need.

The proposed revenue sources in total fail to meet the Equity test in your Funding Principles. Virtually all of the new \$36 billion in transportation revenues raised would come out of pockets of vehicle drivers. Users of other transportation modes escape virtually untouched.

The start dates for the proposed new revenue sources – Carbon Tax, Road Usage Charge and Road Utility Fee – are unrealistic and not feasible. Delaying the beginning dates of these new sources would reduce the actual revenue yield from these sources.

Another issue that you have not considered is the cost side of the 2040 Transportation Plan. Not all proposed projects in the Plan are vital to the region’s transportation needs. Some local projects were included only to accommodate adoption of the plan by local political interests. A scrupulous prioritization of the projects in the Plan - and a thorough vetting of their costs using practical design and least-cost planning - will undoubtedly result in cost savings and in a reduction of the revenues that need to be generated by the Plan.

Finally, out of an abundance of caution, I suggest that the level of revenues expected from new county and city impact fees be double-checked. Most local cities have already adopted transportation impact fees on new development. Some jurisdictions have also adopted transportation benefit district flat fees on vehicles. Shouldn’t these fees be included in the proposal?

Thank you for the opportunity to comment.

Sonny Putter, [REDACTED] Newcastle, WA 98059 [REDACTED] [REDACTED]

I have a conflict with the next Transportation Futures Task Force meeting on 7/29, and thus will likely not attend.

In the event that I do not attend, could I ask you to read the following into the record (or otherwise distribute it) on my behalf?

Thanks

Donald F Padelford
Seattle

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Part of the transportation plan for this region is Bus Rapid Transit on I-405.

The only way to make freeway BRT work is to ensure that at least one lane each direction remains congestion-free, even at the height of rush hours.

Otherwise buses will at times be caught in congestion along with everyone else, and there's nothing 'rapid' about that.

While expanding 405 is in the offing, that in itself does not ensure congestion-free travel at all times.

The only way to do that is to either convert the HOV lanes to bus-only status OR to convert them into HOT lanes, with the bar as to who-travels-free set high enough so that these lanes are never congested.

For reasons I won't go into here, the best place to place that bar is at "vanpools or better".

Once you've done that, you have ensured congestion-free freeway Bus Rapid Transit in perpetuity.

This should be done on I-405.

And not just on 405, but on all freeways in the region.

Doing so would help you to meet your goal of achieving a surface mobility solution which the region can afford.

Don Padelford
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