

September 23, 2015

Members of the PSRC Transportation Task Force

I am pleased to present for consideration a new study of transportation finance pertaining to the entire region and especially to taxpayers of the City of Seattle.

The study presents an unprecedented lens on what typical Seattle households pay and can expect to pay in taxes, fees and charges to support public spending for their transportation systems.

It covers 28 discrete revenue streams paid to the federal government, our state, King County, the City of Seattle, Sound Transit and the Port of Seattle. It focuses especially on what the burdens of those revenues were on the typical household in 2014 – before four major transportation measures vigorous prime the pump of transportation revenues. And then will be in 2017/7, assessing the effect or likely effect of Seattle Proposition No 1(2014), the new State Transportation Revenue and Spending Package (2015), the proposed *Move Seattle* transportation levy (2015 ballot) and *Sound Transit 3* (headed for ballot in 2026).

Tens of billions of dollars of revenue are asked of taxpayers from these much-discussed measures. But this study assesses their impact in a new way – on the taxpayer, the consumer, the typical Seattle household. It shows that prior to such measures in 2014 the typical Seattle household likely incurred these taxes, fees and charges to a total of **about \$1975** as its contribution to transportation revenues. In 2016/7 that level will rise to **about \$2765**, an **increase of about 40%**.

The study shows the structure of these contributions – regressive sales taxes (a third of which are from gas taxes) by far the largest. It also shows where the revenues go, comparing side-by-side the six recipient jurisdictions. The summary charts are attached

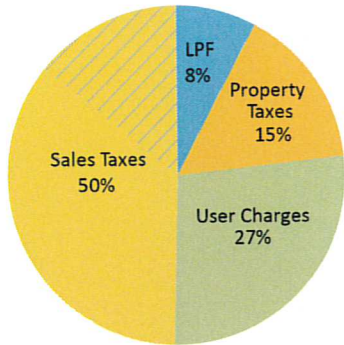
In light of the charter of the Task Force – *“a rigorous and comprehensive assessment of how best to ensure transportation and transit systems meet the challenges of a growing population and a dynamic economy for the next 30 years and beyond”* – perhaps (at this very late date) the biggest question the study raises is if, whether, when or how there is *any* integrated plan by which, taken together, these big taxpayer burdens and massive revenue/spending plans in fact meet regional (or city) needs and objectives with an eye to fiscal stewardship or transportation system performance results.

To the best of my knowledge, no study like this been conducted in our region. Surely it can be refined, improved and best utilized with your questions, suggestions and reactions, all of which I warmly welcome.

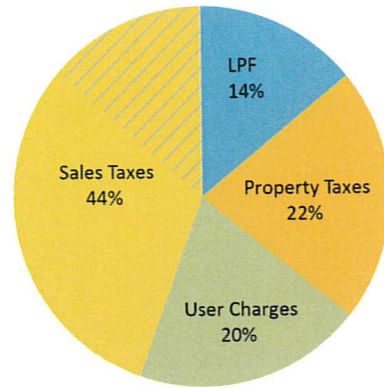
Douglas B. MacDonald, Seattle 98103.
Former Washington State Secretary of Transportation (2001-2007).

Transportation in Seattle: Where Does the Money Come From, Where Does the Money Go and What's Coming for Taxpayers in Big New Tax Packages.

What was | \$1975 per household
Current Taxes by Revenue Type



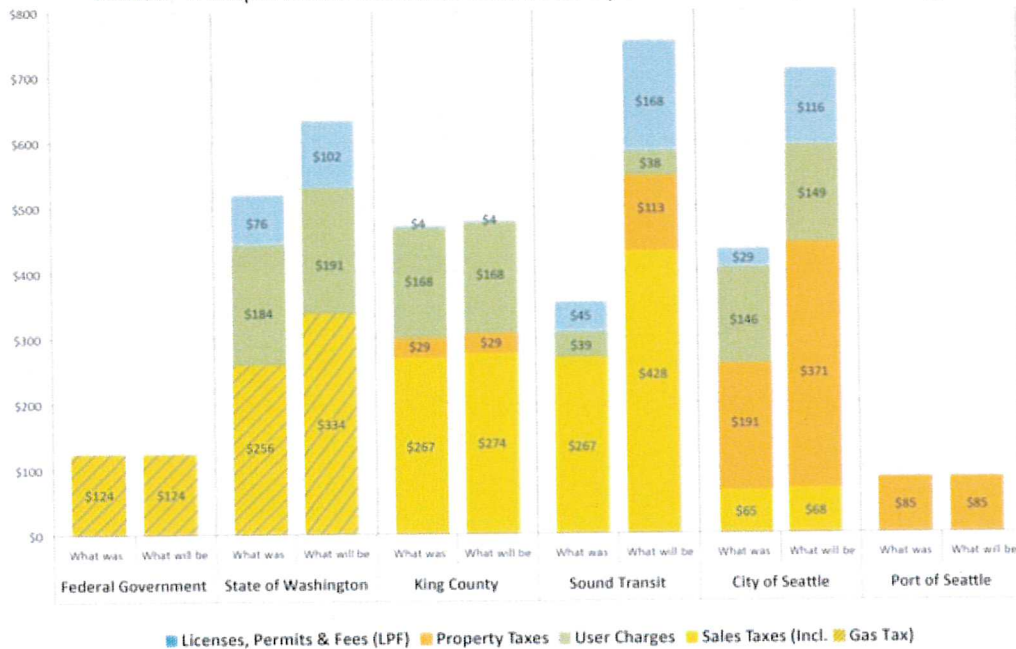
What will be | \$2762 per household
Future Taxes by Revenue Type



■ Licenses, Permits & Fees (LPF) ■ Property Taxes ■ User Charges ■ Sales Taxes (Incl. Gas Tax)

Where Does the Money Go?

Annual Transportation Revenues from Seattle per Household by Revenue Type



■ Licenses, Permits & Fees (LPF) ■ Property Taxes ■ User Charges ■ Sales Taxes (Incl. Gas Tax)

The study also comments on the poverty of performance measurement information with which these revenue measures have been presented and discusses needs in that respect.