



CONNECTING WASHINGTON TASK FORCE

Meeting Notes November 29, 2011

General Administration Building, Olympia

Meeting materials are online at www.governor.wa.gov/priorities/transportation/connectwa.asp

Video of the meeting can be found at on TVW's web site at www.tvw.org

A. Call to Order and Introductions

The Connecting Washington Task Force meeting was called to order at 9:05 a.m. Task force members in attendance were:

Governor Chris Gregoire, Chair
Bob Adams, Vice President, Guy F. Atkinson Construction
Rep. Mike Armstrong, Ranking Minority Member, House Transportation Committee
Leo Bowman, Benton County Commissioner
Terry Brewer, Executive Director, Grant County Economic Development Council
Rodney Brown, Board Chair, Washington Environmental Council
Bill Bryant, Port of Seattle Commissioner
Rep. Judy Clibborn, Chair, House Transportation Committee
Scott Creek, on behalf of Stan Vanderpol, Washington Trucking Association
Richard Ford, Chair, Transportation Commission
Mike Fredrickson, Port of Walla Walla Commissioner
Charlotte Garrido, Kitsap County Commissioner
Paula Hammond, Secretary, Department of Transportation
Fred Jarrett, Deputy King County Executive
Jeff Johnson, President, Washington State Labor Council
Sen. Curtis King, Ranking Minority Member, Senate Transportation Committee
Alex McGregor, President, The McGregor Company
Don Meyer, Port of Tacoma Commissioner
E. Susan Meyer, CEO, Spokane Transit
David Myers, Executive Secretary, Washington State Building and Construction Trades Council
Janet Ray, on behalf of Kirk Nelson, President and CEO, AAA Washington
Laura Peterson, Vice President of State and Local Government Relations, Northwest Region,
The Boeing Company
Tom Rasmussen, Seattle City Councilmember
Paul Roberts, Everett City Councilmember
Nick Rocchi, Managing Director Pacific Northwest District, Federal Express
Tim Schauer, Chair-Elect, Greater Vancouver Chamber of Commerce
DeLee Shoemaker, Director State Government Affairs, Microsoft Corporation
Tom Trulove, Mayor, City of Cheney

Barbara Wright, Board Member, Transportation Choices Coalition
John Howell and Tom Byers, Cedar River Group, facilitators

John Howell welcomed task force members and reviewed the agenda. Several task force members voiced concerns about the need to discuss funding mechanisms and possible revenue packages, whether the task force will be developing a project list as part of its work, and the fact that only one meeting remains after the current one. Mr. Howell noted that the majority of the agenda for this meeting would focus on revenue sources and potential options. In addition, the investment principles and performance objectives are intended to provide guidance to the Governor and Legislature in making investments, rather than proposing a specific list of projects.

B. Agreement on Revised Investment Principles

Mr. Howell asked the group members if they were ready to adopt the revised investment principles document (see "Connecting Washington Task Force, Revised Investment Principles and Performance Objectives, Revised (11/16/11)"). These principles have been discussed at several previous task force meetings and by phone with members, and have been revised based on many task force members' comments. The document is intended to be forwarded as a whole to the Governor and the Legislature for their guidance in making decisions about a potential transportation package.

There was a brief discussion about the relationship between the principles and the performance objectives. Some task force members were concerned that the four investment principles do not track one-to-one with the four performance objectives. Others noted that each principle relates to all of the performance objectives. It was suggested that a statement be added to note that the investment principles apply to each performance objective.

Decision: Mr. Howell asked the task force members to indicate if they could support, live with, or did not support the Investment Principles and Performance Objectives document with the addition noted above. All indicated they could support or live with the document.

C. Findings from Washington State Transportation Commission Survey

Andrew Thibault of EMC Research presented a summary of a statewide survey recently conducted by the State Transportation Commission (see presentation slides, "2011 Statewide Transportation Survey: Report of Findings"). The goal was to survey residents' values and attitudes related to transportation needs and funding. The survey used the state's regional and metropolitan transportation planning organization areas (RTPOs and MPOs) as the organizing framework. It was conducted through a random sample of 100,000 households with follow-up contacts by phone and letter. More than 5,000 surveys were completed.

Mr. Thibault presented the findings and discussed some of the regional differences in the results. The key findings were:

- Most residents do not see an immediate need for transportation funding but do see a need for long-term investment in transportation. Only 1 in 5 strongly agreed with a

statement that there is currently not enough revenue for transportation. About the same percentage said they were not sure if there is a revenue problem.

- Across all RTPO's survey respondents felt that maintenance of the existing system is very important.
- Only three of the possible revenue sources tested got support in the survey—fees for electric vehicles, emissions fees, and tolling. Mr. Thibault pointed out that these fees might have been seen as more acceptable because they are fees on "someone else," not on all residents.
- Survey respondents were more swayed by discussion of the benefits of transportation than by messages about the urgent need for funding.
- Respondents gave high importance to maintenance and preservation.
- Tolling has majority support, and has more support for use in a corridor than for specific facilities.
- There is strong support for funding of passenger rail, transit and ferries.
- Most respondents gave the state's transportation system a "C" or better grade, although grades were lower in areas where there are problems with the local system.

There were some regional differences, primarily between urban and rural areas.

In response to a question, Mr. Thibault said that the survey was not set up to provide results below the RTPO/MPO level. Regarding the survey question on indexing transportation fees, he said that residents do not distinguish between different levels of fuel tax and oil companies' decisions to raise prices. Because of the volatility in gas prices, residents do not support more variation in pricing. Regarding why there was not more support for a benefit message around transit when the respondents said they supported transit, Mr. Thibault said that the strongest benefit messages were those that showed the most direct use of transportation funds, such as preservation.

D. Geographical Distribution of Statewide Transportation Infrastructure

Transportation Secretary Paula Hammond presented a set of maps to help the task force visualize how the principles the task force has been developing might start to apply to transportation investments. The maps showed: (1) all Washington roadways; (2) rail and waterway corridors for freight; (3) state economic corridors; (4) Puget Sound area economic corridors; (5) employers with 100+ employees and transit boundaries. Secretary Hammond said that the maps help strategic thinking about where further connections are needed to move goods and people to support the economy, and the needs for preservation and demand management.

In discussion, task force members suggested adding an overlay of major industry clusters, especially in relation to the freight corridors. Other suggestions were to consider also areas of congestion in relation to major employers, intermodal connections, and special needs transportation. A task force member noted that the Columbia River basin is an example of a successful worldwide corridor because of the inter-connection of water, rail and road transportation and the connections into and out of the state.

E. Estimated 10-Year Transportation System Unfunded Needs

Jennifer Ziegler of the Governor's Office presented information on unfunded needs (see presentation slides, "Estimated 10-Year Transportation Unfunded System Needs.") She suggested looking at unfunded needs as a way to think about the level of transportation investments needed without having a specific project list. She reviewed needs in two major categories: (1) maintenance and operation of the system; and (2) system improvements. Regarding the maintenance category, she reminded the task force of three important factors: a) there is no bonding option available for this category of investment; b) because the need is constant, it does not make sense to incur debt for this purpose; and c) delaying maintenance will cost more in the long run. Ms. Ziegler provided a graph showing 10-year unfunded needs in four categories (state-owned highways, bridges, rail and ferries; county roadways and bridges; city streets and bridges; and public transit services), with a 10-year cumulative total of \$10 billion. The amounts estimated would maintain the facilities at their current condition, and for transit, would fill the amount of lost revenue transit agencies have incurred since 2008 because of lower sales tax revenues.

Improvement categories shown in the graphs are: state improvement projects for the most important next set of investments (including megaprojects, ferry terminal construction, and additional passenger rail routes); local improvement projects (from the Transportation Commission's list of regional transportation priority projects); transit improvement projects; stormwater retrofit; and fish passage barriers. In the chart, the bar that includes all the estimated needs (labeled Tier 3) totals \$50.3 billion. The bar that represents just maintaining and operating the system (Tier 1) totals \$10 billion. A medium approach, with all of Tier 1 maintenance and half of Tier 3 improvements would total \$30.1 billion. In response to a question, Ms. Ziegler said that for the state system alone, operations and maintenance total \$3.1 billion and improvements total \$17.5 billion.

In the discussion, there were suggestions to use these numbers as an indicator of the capacity to solve problems, and the need for suggesting priorities to the legislature. One suggestion for priorities was to focus on: preservation and maintenance, industry clusters, transit, corridor improvements, and local jurisdictions' maintenance needs. Other task force members noted that it will be important to frame the recommendations in terms of the benefits to the public.

F. Current Revenue Sources and Potential Options Identified in JTC Study

Kathy Scanlan of Cedar River Group presented the results of a study for the Joint Transportation Committee (JTC) of the Legislature, which analyzed mid-term and long-term transportation funding mechanisms (see presentation slides, "Implementing Alternative Transportation Funding Methods"). The study was conducted in 2009 and has not been updated. The study reviewed trends affecting transportation funding; transportation funding sources for the state, counties, cities and special purpose districts; and potential funding methods. Ms. Scanlan noted that the most important funding source for state transportation has been the motor vehicle fuel tax. The highest risk scenario for revenues from the 2009 study is now close to the state's latest forecast for fuel tax revenues, because of improvements in fuel economy, more hybrid and electric vehicles on the road, and no adjustments for inflation.

The study recommended a variety of actions to consider and estimated the potential revenues from each. The medium-term (five to 15 year) recommendations included: imposing a sales tax on fuel, indexing the fuel tax, adding tolling, expanding local sources, and adding container charges.

G. Discussion

Several members suggested possible revenue sources: the hazardous substance tax; a tax on industrial feedstocks and pesticides; the freight mobility tax suggested in the JTC report; creating a corridor redevelopment district to secure funding through real estate transactions and appreciation within half a mile of the corridor; commercialize highways, such as rest stops on state-owned public rights of way; revisit the motor vehicle excise tax (MVET) with a statewide percentage; consider a vehicle miles traveled (VMT) at the state level and let local jurisdictions use it for transit benefit districts (TBD).

A task force member suggested developing a package with the maintenance and preservation needs and the projects that provide an economic benefit. Others suggested doing an overlay of all the major industry clusters to see what those clusters need in order to generate jobs and economic benefits. Several task force members emphasized the need for transit to help people reach jobs. Another suggestion was to look at how best to use the resources we have, rather than prioritizing projects.

Several task force members stated that the public would not support new fees and taxes unless they see clear benefits. Some members suggested that to show clear benefits and tell a compelling story the package should take a corridor approach, or focus on industry clusters and the jobs they would create. Another suggestion was to do legislatively what can be accomplished that way (such as indexing and the weight fee), then make the request to the public simple, emphasizing jobs.

A task force member suggested that the issue to consider is not funding but governance. He suggested treating transportation as a utility, with one body to assess the fee and another to distribute the funds. Increases would be similar to utility rate increases, and would not require a public vote. Another member suggested looking for a way to fund operations and maintenance sustainably, as ports do, and using other sources to fund capital projects.

Other task force members urged making sure the funding mechanisms are streamlined and not unduly burdensome. One member said that industries that use the transportation system are willing to pay into the infrastructure they use, but need to see fairness in the mechanism. A task force member suggested developing straw proposals to discuss at the next meeting that would provide recommendations and dollar amounts for the major areas of maintenance and preservation, transit, and local funding needs.

Governor Gregoire said she appreciated the task force members' comments. She suggested the task force's recommendations be guided by what is doable. She said she liked the concept that

transportation is like a utility with funding needed to maintain the assets we have. Several of the revenue sources discussed would need to be vetted. But it is important to identify what can be done to support the transportation system the state needs.

Mr. Howell said that he and Mr. Byers and the staff would draw upon the task force members' comments to develop options to consider at the next meeting, which is only two weeks away. Another piece of the task force's work plan is to provide recommendations on accountability. They will develop draft recommendations based on what task force members have said at past meetings.

H. Public Comment Period

Nine individuals offered comments in the public comment period.

- Bob Abbott is with the Washington and Idaho District Council on Labor. He said they liked the focus on maintenance and operation, but also encouraged attention to freight mobility, congestion relief, transit, and the needs of cities and counties. He encouraged the task force to focus on jobs and to keep the message simple for voters.
- Linda Anderson is with the Amalgamated Transit Union, Local 587. She said she was happy to see that there is strong support for transit as well as for roads. She noted that many transit systems have incurred reductions, yet transit is directly related to jobs and getting goods to ports and markets. She encouraged the task force to consider equity for low-income households, people of color, seniors and the disabled. The whole state benefits from investments in transit.
- Josh Kavanaugh is Director of Transportation, University of Washington. He noted that the university provides 20,000 plus jobs and has a \$1.9 billion economic impact. He urged the task force to look at transportation in terms of industry clusters and corridors. Many of these relate to higher education, since universities prepare people for jobs in these industries. He also encouraged the task force to make investments in making the transit system whole. Sixty percent of university employees ride transit for at least some of their commute, and 39 percent ride daily.
- Michelle Zeidman-Hogling is a member of Community Transportation of the Northwest. She spoke about the importance of public transportation and community transportation for special needs populations. The state has made successful investments in community transportation and paratransit that have been matched by federal and private sources. She provided copies of a booklet, *Life in Motion*, with examples of how community transportation is important for the economy.
- Sarah Franklin is a member of Amalgamated Transit Union, Local 587, and has been a King County transit operator for 25 years. She sees a growing need for reliable and accessible transportation for all residents to get to jobs, shopping, medical appointments, etc. She said that riders want reliability and accountability, and will support funding for transit but want to be sure the funds go toward transit.
- Sarah Round, Miles Hernandez and Jack Rand are University of Washington students. They asked the task force to prioritize transit in their recommendations. They spoke about how they use transit to reach the university's campuses, jobs and internships. Recently the U-Pass, which students can use with several forms of transit, was becoming

too expensive for many because of rising transportation costs. However, it was so important to University of Washington students, that they voted to tax themselves to keep this service. They encouraged the task force to include in its recommendations more funding for transit and paratransit, and empowering transit agencies and local governments to raise other revenue.

- Adam Brockus is a city councilmember in Bremerton and a member of the Ferry-Community Partnership. He pointed out that ferries serve as both highways and transit for jobs and commerce in Seattle, Vashon and Kitsap County. The ferry system operates some of the oldest transit vehicles in the state, the 1955 *Evergreen State* being one. There is a need to produce a vessel and put it in service every two years.

Mr. Byers noted that the meeting packet includes a printout of all public comments that have come through the web site since the last task force meeting.

I. Meeting Adjournment

The Connecting Washington Task Force meeting was adjourned at 3:30 p.m. The next task force meeting will be on December 12, 2011 in Olympia.