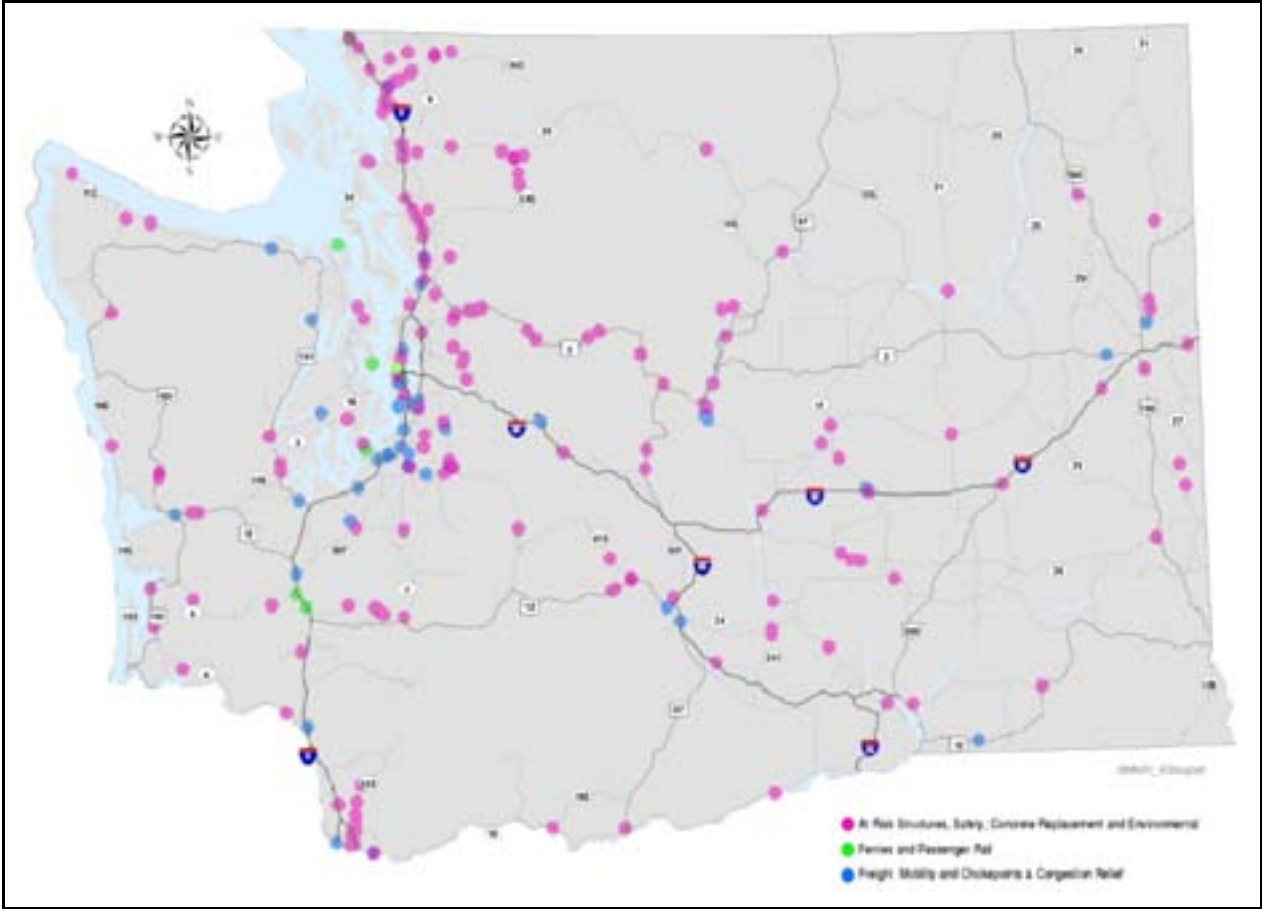


The Transportation Partnership Act of 2005

Saving Lives, Moving People, Delivering Goods

A sixteen year investment package to improve the safety of our roadways, to protect our investment in roads and bridges, and to improve the Washington economy.



As Passed by the Washington State Legislature
April 25, 2005

The Transportation Partnership Act of 2005

Saving Lives, Moving People, Delivering Goods

In 2000, the Blue Ribbon Commission on Transportation identified many faults with our transportation system, and recommended eighteen areas of improvement to rebuild public trust, engage the private sector in a transportation partnership, and get our state moving again.

Five years later, most of those recommendations have been adopted, and strict accountability standards are in place. Performance audits of the Department of Transportation and all significant projects are moving ahead. Workplace efficiencies have been implemented. There's a greater role for private sector investment. It's easier to get needed permits while still protecting the environment. And critical new transportation investments have been made across the state.

The 2003 Nickel Package was the first major transportation investment in 13 years. This \$4 billion package made sizable investments in congestion relief and projects addressing safety and preservation needs. We've already completed significant work on I-405, SR 500 in Vancouver, improved freight mobility on I-90 near Cle Elum, and scores of other projects are underway for the upcoming construction season.

But this was only intended to be a first step. Much remains to be done.

Earthquakes, population and economic growth, an aging infrastructure and safety problems contribute to huge unmet state and local needs. The Blue Ribbon Commission identified \$50 billion in unmet needs over the next 20 years; the Nickel Package addressed just \$4 billion.

At-risk facilities

Bridges and roads all over Washington pose a public safety risk if not fixed. The Alaskan Way Viaduct and the 520 floating bridge are a tremor away from shutdown or collapse. Should either of these structures fail, the loss of life and disruption to our economy would be devastating. Across the state, 139 bridges have load restrictions because they're old and damaged, and need to be replaced. Another 800 bridges need "seismic retrofits": they need to be shored up so their columns and foundations don't crumble in an earthquake. Other work is needed to preserve many of our bridges, rather than replace them later at a higher cost.

Safety improvements

Scores of simple safety projects across the state could save lives, if we had the money for them. These include improvements at dangerous intersections, cable guard rails on divided highways, pedestrian safety projects, and projects to reduce accidents in high accident locations.

Local transportation needs

The transportation crisis is also a local crisis. Cities and counties have seen expenses rise while state and local funding has been cut. Pavement is deteriorating and potholes are getting deeper. Basic repair and maintenance budgets are underfunded. Population growth and business development create additional pressures for new investments.

Ferry system

For people who live on islands and peninsulas, bridges and ferries are their state highways. Efficient movement of people across the water is part of the core mission of the state transportation agency. A multi-modal transportation system is just as important on water as it is on land, to ensure efficient movement of people.

Public transportation

Some congestion and access problems can be solved without building new roads or adding lanes; rather, improved public transportation often is the most efficient and cost effective solution. Incentives to encourage people to use public transportation is an effective way to address transportation problems.

The solution: New investments, innovative financing, and improved accountability.

Investments: *The Transportation Partnership Act of 2005 invests \$8.5 billion raised with a 9.5¢ gas tax increase, sensible weight fees, and small fee increases to reflect the cost of service provided. It's invested in at-risk projects, safety improvements, congestion relief and mobility improvements.*

Local governments: *Cities and counties will share a penny of the new gas tax. This will provide \$602 million over 16 years to address local maintenance, preservation and improvement projects. Another \$80 million is invested in grant programs for cities and counties, and \$108 million in local freight mobility projects.*

Innovative financing: *Traditional revenues alone cannot provide enough revenue to build, operate, preserve and maintain the system, now and into the future. HB 1541 authorizes innovative financing tools to augment traditional funding. Tolls will be part of the long-term solution.*

Accountability: *The solution also demands reform and increased accountability.*

- *The Governor will appoint the state's transportation chief, the Secretary of Transportation, so she can hold him accountable.*
- *The State Auditor is empowered to conduct performance audits of state transportation agencies.*
- *The regional transportation investment district is funded to allow it to bring to the ballot in the King, Pierce and Snohomish Counties, a regional tax package complementing state investments.*
- *New controls are in place that ensure projects are delivered on time and within budget.*

Over the last four years, the Washington Department of Transportation has demonstrated they can work faster and better with less money. The 2003 Nickel Package proved that the public will support new revenue if there are results. We must continue enacting reforms to improve accountability. And we must raise new revenue to invest in projects that save lives, move people, and deliver goods throughout the state.

FINAL
Transportation Revenue Package
(\$'s in Millions)

<u>Sources of Funding</u>	<u>16 Year Total</u>
9.5¢ gas tax increase (3¢ 7/1/05 ,3¢ 7/1/06 ,2¢ 7/1/07 , 1.5¢ 7/1/08)	\$5,547
Bond Proceeds	\$5,100
Vehicle Weight Fee (\$10 to \$30 per vehicle annually, applies to passenger cars)	\$908
Light Truck Weight Fee (under 8,000 lbs. , \$10 to \$30 annually)	\$436
Personal Trailer license (reduced from \$30 to \$15)	(\$95)
Motorhomes (\$75 additional annual fee)	\$130
Various Drivers License & License Plate Fees	\$405
Interest Income	\$38
Debt Service	(\$3,994)
Total Sources of Funding	<u>\$8,474</u>
<u>Uses of Funding</u>	
Alaskan Way Viaduct	(\$2,000)
SR 520 Bridge	(\$500)
I-405	(\$972)
Bridge Replacements	(\$391)
Ferries	(\$185)
Safety Projects	(\$279)
Local Government Distribution (1¢ distributed)	(\$602)
Seismic Retrofit Bridges	(\$87)
Local Freight Mobility Projects	(\$108)
Environmental (Fish passage barriers, noise mitigation)	(\$108)
TIB, CRAB (Local Government grant programs)	(\$80)
State Freight Mobility	(\$415)
Public Transportation, Rail, Other multi-modal activities	(\$740)
RTID Support, Performance Audits	(\$6)
Congestion Relief projects	<u>(\$1,981)</u>
Total Uses of Funding	<u>(\$8,455)</u>

Accountability

Taxpayers deserve to know their tax dollars are spent effectively and efficiently, for the right investments. The state has made great strides in accountability over the past four years, with regular performance audits; new workplace efficiencies; a greater role for the private sector; and streamlined permitting.

But more is needed to improve public confidence.

2005 ACCOUNTABILITY IMPROVEMENTS

- Governor appoints Secretary of Transportation, subject to Senate confirmation. Secretary serves at the pleasure of the Governor. (SB 5513)
- The state auditor may conduct performance audits on state transportation agencies (WSDOT, Transportation Improvement Board, Traffic Safety Council), and \$4 million is appropriated to cover the costs in 2005-07. The Auditor will contract with private firms to conduct the performance audits. (SB 6103)
- The State Auditor is a member of the Transportation Performance Audit Board (TPAB), which will conduct performance audits on state and local transportation agencies. At the state level, this includes WSDOT, Washington State Patrol, Department of Licensing, TIB, CRAB, and the Traffic Safety Commission. TPAB may contract with the state auditor or the legislative auditor to serve as contract manager of the reviews and performance audits.

2003 ACCOUNTABILITY IMPROVEMENTS

- **SB 5748, performance audits of transportation agencies.** Created the Transportation Performance Audit Board. TPAB has completed five major audits: WSDOT's capital management program; environmental permitting; highway and ferry programs; and transportation programs in the Department of Licensing and the Washington State Patrol
- **SB 5279, permit streamlining.** The Transportation Permit Efficiency and Accountability Committee (TPEAC) is reauthorized for three years, to continue its work to develop one-stop permitting, programmatic permits, to integrate local permitting into the streamlined process, and to better coordinate state permit requirements.
- **SB 5248, workforce efficiencies.** Authorizes more contracting out of transportation construction and engineering services, prevailing wage process improvements; increased apprenticeships; and requiring local government transportation efficiencies as a condition of receiving state funds.
- **HB 1163, transportation appropriations.** Strict project appropriations tie the money down so WSDOT can't move money from one project to another without legislative approval.

ADDITIONAL ACCOUNTABILITY MEASURES

Quarterly reporting. Secretary of Transportation Doug MacDonald has put a sharp focus on accountability and efficiency since assuming the post in 2001. A quarterly performance report known as the *Gray Notebook* provides in-depth reports on agency and transportation system performance. Its purpose is to keep WSDOT accountable to the Transportation Commission, Washington state citizens, legislators and transportation organizations. It also is an important internal management and integration tool

WSDOT also publishes a quarterly report on the program funded in the 2003 Nickel Package, including detailed status reports on the key projects.

Financial audits by State Auditor. The state auditor independently serves the citizens of Washington by promoting accountability, fiscal integrity and openness in state and local government. State and local transportation agencies are audited yearly. Any problems are reported as findings. WSDOT and other transportation agencies are required to respond to audit findings, and report on actions taken to address deficiencies.

Joint Legislative Audit and Review Committee. The Joint Legislative Audit and Review Committee (JLARC) carries out independent performance audits, program evaluations, sunset reviews, and other policy and fiscal studies for the legislature and the citizens of Washington State. Recent transportation performance audits covered the aviation division, the Washington State Patrol, WSDOT's capital program, the ferry system, and the highways and rail programs.

Innovative Funding Sources

Traditional transportation funding sources are no longer sufficient to meet the entire transportation need throughout the state. The gas tax is not the robust funding source it once was. It cannot provide enough revenue to build, operate, preserve and maintain the system our state needs. And with the advent of clean cars and improved gas mileage throughout our vehicle fleet, the gas tax will become an even less reliable funding source. New financing tools are needed.

HB 1541 authorizes public-private partnerships for state transportation projects. It is premised on projects being built and financed by tollpayers. Tolls are likely to be an important revenue source for critical transportation projects in Washington, as they are in many states.

Transportation Innovative Partnerships Act of 2005 HB 1541

The **Transportation Innovative Partnerships Act of 2005** is a new public-private partnership law for state transportation projects.

This new tool is needed because traditional funding methods are no longer sufficient to meet the state's entire needs.

It is available for use on all modes of transportation – highways, buses, public transportation, ferries and the like. Any project funded under this act must be publicly funded.

This act builds on lessons learned during the last 12 years' experience with our previous public-private initiative law.

- Projects will be selected because they are important public priorities – not just because they have the potential to make money.
- WSDOT will undertake a full analysis of proposed projects before accepting one to be funded under this new law.
- WSDOT will use the power of competition to get the best possible pricing for a project.
- The bill expands the use of the design-build process to speed up project delivery.

Tolling is Part of the Solution

Tacoma Narrows Bridge commuters already know tolls are in their future. They'll pay off the \$800 million bridge debt with tolls for the next 25 years. If they have to pay tolls for their project, others should, too.

The legislature passed HB 1179, which authorizes tolls for solo drivers on nine miles of SR 167 who wish to pay for the opportunity to use the HOV lane between Auburn and Renton.

The Puget Sound region's transportation needs far exceed available funding, and tolls will figure into the solution. They're already part of the financing plans to replace the SR 520 floating bridge; \$700 million in tolls are anticipated. Tolls will also help finance the Alaskan Way Viaduct.

Tolling major highways and bridges has been suggested as a possible funding source for several major corridor projects in the region, and as part of the regional funding package, reducing the reliance on other funding sources. Projects funded under the Transportation Innovative Partnerships Act of 2005 will be toll-financed. Possibilities include a new bridge crossing the Columbia River into Oregon, and the SR 520 floating bridge.

Alaskan Way Viaduct

The Alaskan Way Viaduct and the seawall under it are at the end of their useful lives, and must be replaced. They survived the 2001 Nisqually earthquake, but just barely. Engineers have posted load limits on the Viaduct; the next earthquake could close it down for good.

Regional mobility

The Viaduct is critical to regional mobility and the state's economic vitality. Carrying more than 103,000 vehicles a day through Seattle -- a quarter of the north-south traffic -- it is a crucial link in the region's transportation system: a major commuter route, a freight corridor, a north-south highway through downtown Seattle, and a tie between neighborhoods and downtown.



Economic vitality

The Port of Seattle identifies the Viaduct as critical to the state's economic vitality. Freight moves through the corridor daily, serving the Port of Seattle, our nation's 6th largest container port. The Viaduct plays a critical role in providing mobility both for freight and other vehicles, as demonstrated after the Nisqually earthquake, when its closure left traffic a complete mess. Unable to use the Viaduct, traffic moves to I-5 and I-405 and other routes, clogging them to the point where neither freight nor commuters can reach their destinations.

Project Cost – Up to \$4.1 billion	
2005 state contribution	\$ 2.0 billion
2003 Nickel Package	\$177 million
Regional and federal contribution, including seawall	Up to \$ 1.9 billion
TOTAL	Up to <u>\$4.1 billion</u>

Funding

Hopes that the federal government would bear a major share of the Viaduct and seawall replacement costs were dashed recently; it's now clear the state and region will pay most of these costs. Federal funds are still expected to finance most of the seawall portion of the project.

State funds will finance replacement of the existing structure, at a cost of \$2.0 billion. Tolls will be part of the funding package. The City of Seattle wants the project to be tunneled; if so, they will finance the extra tunneling costs.

Project Timeline	
2006	Issue final Environmental Impact Statement
2007	Obtain final environmental approvals. Utility relocation begins.
2008	First phase design complete. Continued utility relocation.
2009	Begin construction.
2016	Project complete.

Other At-Risk Structures Across the State

SR 520 floating bridge – \$500 million

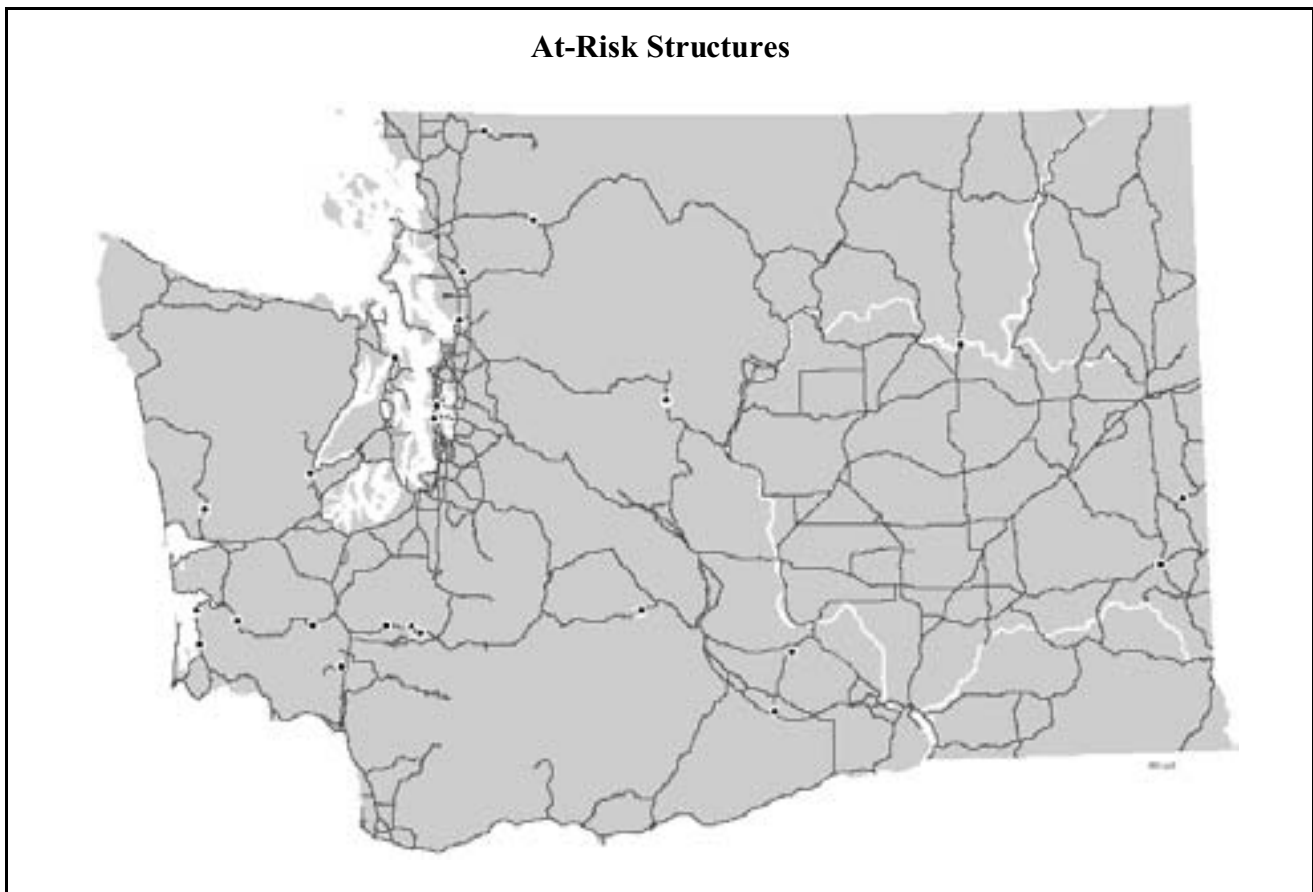
The Evergreen Point Floating Bridge is in as precarious a situation as the Alaskan Way Viaduct. It is vulnerable to both earthquakes and storms. This \$500 million investment is part of what's needed to complete its replacement. The balance will be made up from tolls (currently estimated at \$700 million), and a regional contribution.

Seismic retrofits for vulnerable bridges – \$87 million

The Nickel Package funded seismic retrofits for a number of the state's most vulnerable bridges, whose columns need to be encased in steel to keep them from collapsing in an earthquake. But nearly 800 more bridges remain on the retrofit list. This package provides \$87 million to speed up work on 157 of the most vulnerable bridges in earthquake zones.

Bridge replacements – \$391 million

There are 139 bridges across the state that need to be replaced; load restrictions are posted on them due to structural deficiencies such as deteriorating columns, exposed and corroding steel rebar, and crumbling concrete beams. This package provides \$391 million to replace the 26 bridges that the Department of Transportation has identified as the highest priority. The others will be addressed in the coming years within existing revenues.

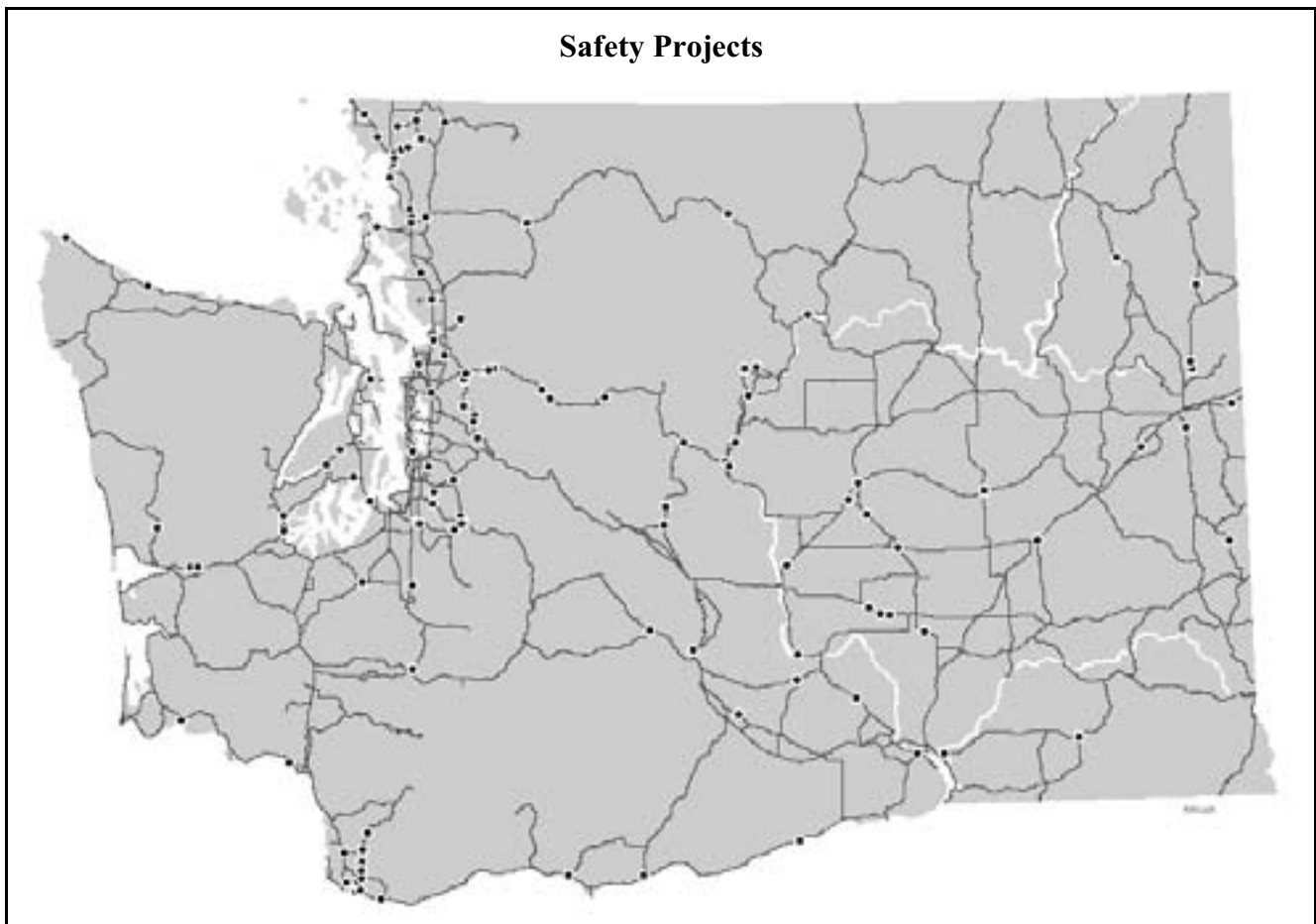


Additional Safety Projects

Nearly 600 people were killed on Washington roadways last year, and many more suffered debilitating injuries. The Transportation Partnership Act of 2005 invests \$340 million in safety projects, in an effort to make our roadways safer for all travelers.

Two-lane rural roads have been found to be the most dangerous traffic situations in the state. In 2002, there were nearly 2,000 fatal and disabling injury collisions on rural roadways, three times the rate per miles traveled as on urban roadways. This proposal spends \$280 million to address these safety concerns, by fixing dangerous intersections, removing deadly fixed objects along roadways, flattening slopes, building passing lanes, realigning dangerous curves, improving intersection lighting, and similar safety improvements.

Sometimes small investments can make a big difference in reducing serious accidents. This package provides \$9.7 million to install more than 80 miles of cable guard rails, which are designed to keep cars from crossing over divided highways and crashing into oncoming traffic. Pedestrian safety projects along state highways are funded at \$16 million. Another \$58 million will be invested in safe routes to schools and transit stops, and bike path projects.



Interstate 405

Interstate 405 is a key part of the state's roadmap for improving safety and relieving congestion on our highways. Congestion on I-405 lasts up to 12 hours a day. It will only get worse if nothing is done to accommodate the transportation needs of an additional 1.5 million people and over 800,000 new jobs projected for the state over the coming years – and the extra traffic that will be diverted when the Alaskan Way Viaduct is under construction.



The Puget Sound region wastes an estimated \$500 million to \$600 million every year in lost wages and fuel due to extreme traffic congestion.

By completing I-405 improvements, we gain a critical link to move people and freight around the region.

Why should we care about I-405?

- 600,000 people use I-405 every day.
- I-405 improvements will take 20,000 cars off I-5 every day.
- Twice the tonnage of goods flow through I-405 than are shipped through the Port of Seattle.
- I-405 is a major center for Microsoft, Boeing, PACCAR, and many other major employers.

The Nickel Package approved in 2003 earmarked \$485 million for I-405 improvements in Renton, Bellevue and Kirkland. The 2005 package will complete those improvements earlier -- by 2009 -- so they will be done before the Alaskan Way Viaduct construction gets underway.

In addition, the 2005 package appropriates another \$972 million to fund eleven improvement projects that address the worst bottlenecks and chokepoints. These include

- An extra northbound lane between SR 522 and SR 527 to ease backups into Bothell
- Widening from SR 520 to SR 522, and adding a new NE 132nd interchange
- A new overpass at Bellevue's NE 10th St. To provide direct access to Overlake Hospital Medical Center
- A northbound braided crossing that connects Bellevue's NE 8th to SR 520
- Widening between SR 169 to I-90
- Widening between I-5 and SR 169



April 22, 2005

Economic Development Projects

Transportation's link to economic development is vital. Roadways, airports, ferries, transit, ports, and railways are all necessary for a strong economy, providing access to businesses, jobs, and world markets, as well as moving freight, commerce and commuters.

The Transportation Partnership Act of 2005 will create thousands of construction jobs and foster economic development throughout the state that will lead to many more jobs and better quality of life throughout the state.

Alaskan Way Viaduct

The Viaduct plays a critical role in providing mobility both for freight and other vehicles, as demonstrated after the Nisqually earthquake, when the Viaduct closure left traffic a complete mess. Access to the Port of Seattle is as important for eastern Washington's economic vitality as it is for western Washington commerce.

Snoqualmie Pass

I-90 is a major freight and transportation link connecting the Puget Sound to eastern Washington and the rest of the nation. Avalanches close the route several times each year. This package will fund a major project to improve safety and help keep the route open throughout the year, including a snowshed (\$388 million), concrete pavement replacement, improved roadway alignment, and truck climbing lanes.

Freight mobility

In addition to the Snoqualmie Pass project, the Transportation Partnership Act of 2005 invests \$130 million in 27 state and local freight mobility projects, including Lincoln Avenue grade separation at the Port of Tacoma, the city of Yakima's grade separated rail crossing, Walla Walla's US 12/SR 124 interchange, and Renton's Strander Blvd/SW 27th Street connection.

Freight rail

Nearly \$24 million is invested in seven freight rail projects including the Geiger spur connection in Spokane County, and a critical junction in the Chehalis and Centralia area. Another \$200,000 is provided as start-up funding to develop a new refrigerated produce rail car program that will improve the quality of Washington produce shipments.

Statewide rail study

State government is increasingly being asked to finance investments in private rail lines throughout the state in order to keep our freight rail system moving. This is a new endeavor for the state, and we need to better define the public sector's role. A \$1.2 million study will help ensure any public investment in rail results in public benefits, and not solely private gain for rail companies.

Chokepoints and Congestion Relief

In addition to its focus on safety and at-risk structures, the Transportation Partnership Act of 2005 also invests \$3 billion to address serious traffic to address chokepoints and congestion relief. These investments build on the 2003 Nickel Package, which earmarked \$3 billion of the \$4 billion package for congestion relief.

I-405 – \$972 million

Funding is provided so that three Nickel projects in Renton, Bellevue and Kirkland can be completed earlier than previously planned – by 2009, rather than as late as 2013. This will help address some of the state's worst congestion, and relieve I-5 overflow when the Alaskan Way Viaduct construction gets underway.

Another \$972 million will address the worst bottlenecks and chokepoints. Lanes are added and intersections improved throughout key locations. By completing I-405 improvements, we gain a critical link to move people and freight around the region.

HOV lanes -- \$505 million

Two major projects are funded: I-5 HOV lanes in Pierce County between SR 16 and SR 167 (\$425 million), and an \$80 million project on SR 167 between SR 410 and 15th Street SW.

Congestion relief – \$1.5 billion

More than fifty congestion relief projects are funded in the Transportation Partnership Act of 2005. Some of the major projects include the following:

- I-5/SR 161/SR 18 Triangle improvements in South King County – \$100 million
- Widening I-5 south of Olympia -- \$160 million
- New lanes on US 12 near Walla Walla – \$36 million
- Widening SR 14 from Camas to Washougal, and building a new interchange – \$40 million
- A new alignment for SR 510 – the Yelm Loop – \$33 million
- The Cross-Base Highway in Pierce County – \$15 million
- SR 167 extension project (new freeway, right-of-way purchase) -- \$70 million
- The Columbia River Crossing in Vancouver – \$50 million
- US 395, the North-South Freeway in Spokane – \$152 million
- SR 9 in Snohomish County – \$123 million
- SR 28, Junction US 2, 97 to 9th Street – \$47.3 million

Chokepoints and Congestion Relief



Public Transportation Investments

Efficient investments in public transportation can reduce congestion and improve the passenger capacity of our state highways and local roads. The state can and should provide valuable assistance to local transit agencies; HB 2124 enhances the state's role in planning and service coordination. New investments also are needed.

Transit grant program -- \$330 million

This new program will provide grants to transit agencies for capital and operating needs. The new Regional Mobility Steering Committee created in HB 2124 will prioritize the grants and submit them to the legislature for approval. The grants will focus on areas such as "rush hour transit"-- moving more people through congested corridors; system connectivity; preserving, replacing or improving capital assets; park and ride lots, and similar activities.

Special needs grants for transit systems and non-profits – \$55 million

This investment builds on the special needs grant program created in the 2003 transportation package. It finances local transit service for the elderly and disabled who depend on transit from public or non-profit transit organizations.

Commute trip reduction tax credits – \$12 million

Commute trip reduction (CTR) tax credits encourage employers to create programs that reduce drive-alone commuting. The tax credit leverages public resources to encourage employers to invest more in alternative transportation for their employees. This proposal modifies the current tax credit law to make it accessible to small and medium-sized employers. Coupled with the increase in the total credit, these changes will make it attractive for more employers who are not participating in the state's CTR program to join in that effort.

Safe routes to schools and transit, and bike paths – \$58 million

Bicyclist and pedestrian fatalities are 14% of all transportation-related fatalities in Washington. In almost half of these fatalities, marked crossings were not available. Many were along transit routes or involved children walking or biking to school. Between 1995 and 2000, there were 1,800 collisions between motor vehicles and pedestrians, with 175 pedestrians killed and nearly 400 others disabled.

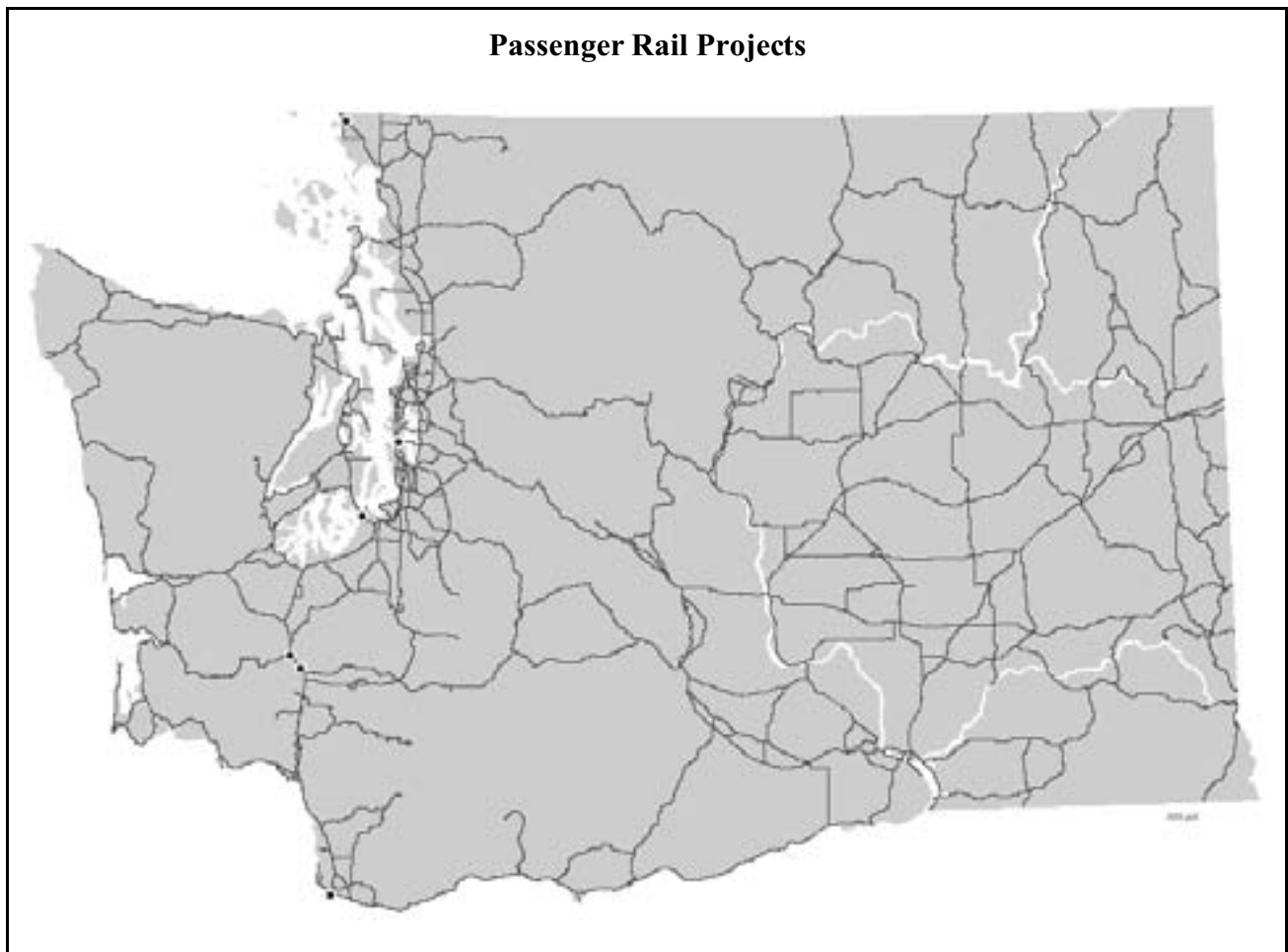
The Transportation Partnership Act of 2005 will increase investments in the Safe Routes to Schools program, providing grants to school districts to improve walking and biking routes. These investments will help prevent tragic accidents. They also will encourage students to get more exercise; reduce car trips; and create public amenities that enhance quality of life and make neighborhoods more attractive places to live and raise families. Safe routes to transit investments will address roadway deficiencies to make them safer for pedestrians and bicycle riders. Grants will also be available for bike path projects.

Passenger rail – \$95 million

Since 1994, the State of Washington has worked closely with Amtrak to develop regional intercity service between Portland, Seattle and Vancouver, B. C, commonly known as Amtrak *Cascades*. The state finances the costs of these regional runs, which provide dependable service to ten intermediate communities. Ridership on Amtrak *Cascades* has grown by more than 600% in the past decade.

The Transportation Partnership Act of 2005 invests \$95 million in capital improvements to overhaul trainsets and speed train service by building Phase 1 of the Point Defiance by-pass near Tacoma, and making track improvements at King Street Station and in the Chehalis area, near Newakum and near Blaine.

Another \$2.75 million will finance a fifth daily run between Portland and Seattle, beginning July 1, 2006, making this already popular service even more accessible to the traveling public.



The Ferry System

For people who live on islands and peninsulas, bridges and ferries are their state highways. Efficient movement of people across the water is part of the core mission of the state transportation agency. A multi-modal transportation system is just as important on water as it is on land, to ensure efficient movement of people.

Washington State Ferries (WSF) is the largest ferry transit system in the country, serving 24 million passenger and vehicle trips per year on 10 ferry routes that run nearly 500 sailings a day. Service is provided to eight Washington State counties and the province of British Columbia. The system includes 20 terminals spread across the Central Puget Sound, the San Juan Islands, and Sidney, B.C.

Ferry capital improvements -- \$185 million

The Transportation Partnership Act of 2005 makes investments in the ferry system to preserve terminals at Fauntleroy, Bainbridge Island and Port Townsend that have serious deficiencies, and to replace the worn out Hyak vessel, built in 1967.

Passenger-only ferries

This budget keeps the state in the passenger-ferry business for at least another two years, because it is in the taxpayers' and the state's best interest to do so.

Ferry unions have agreed to a part-time schedule that provides more flexibility and cost efficiency than the current schedule and will significantly improve the cost-effectiveness of passenger-only service.

After an in-depth study of how best to maximize efficient delivery of marine transportation service, WSDOT has concluded that a combination of public and private ferry operations can meet the public's needs. Recent study findings include:

- The private sector should continue to operate passenger-only ferries from Bremerton and Kingston to Seattle.
- Washington State Ferries should provide passenger-only service on a triangle route connecting Seattle, Vashon Island and Southworth. This generates the most fare revenue for the state system, keeps more cars out of downtown Seattle, avoids burdening already-overcrowded Fauntleroy, and increases the likelihood of state taxpayers benefitting from federal ferry capital and operating grants.

However, this budget does not fund the triangle service. Too many questions remain about how best to provide this passenger-only service. Instead, the state will continue its Vashon-Seattle service for two more years. A one-year moratorium on any more private ferry start-ups will give the legislature time to study how best to use public and private operators, and state, county or transit agency service providers.

Local and Regional Investments

Washington's transportation crisis is also a local crisis. Cities and counties have seen expenses rise while funding has been cut drastically through initiatives and the resulting loss of state funds.

- Larger economic centers need major improvements for congestion relief, freight mobility, and earthquake protection.
- Many mid-sized and smaller cities serve as a through corridor for commuting workers, resulting in extraordinary congestion.
- Small rural communities are unable to fund the most basic resurfacing projects and cannot afford even modest improvements to their streets without state assistance.
- Eastern Washington cities face freeze/thaw cycles that accelerate street deterioration.

Counties are in no better shape, and need funding for preservation, maintenance, safety improvements, construction and local freight improvements in order to maintain and improve the system.

In short, local governments need new money.

A penny for local governments -- \$602 million

The Transportation Partnership Act of 2005 provides a new direct funding stream to local governments to help finance local transportation needs. They receive a penny of the fuel tax increase.

Local grant program – \$80 million

The Transportation Improvement Board (TIB) funds high priority transportation projects in communities throughout the state to enhance the movement of people, goods and services. Typically these grants are partnerships, and TIB grants are matched by other funds from local government and other sources. This is a highly popular program, but requests outpace funding by 800% (8:1).

The County Road Administration Board (CRAB) operates two grant programs for county roads that improve freight haul and access to local markets. Mobility and safety needs also are addressed.

The Transportation Partnership Act of 2005 appropriates \$56 million to TIB for grants to local governments and \$24 million to CRAB for grants for county roads. These grants will generate local matching funds, thereby maximizing the state's investment.

Local freight mobility grants – \$108 million

A total of \$108 million is appropriated for nearly 30 local freight mobility projects prioritized by the Freight Mobility Strategic Investment Board. These projects facilitate freight movement between and among local, national and international markets, enhancing trade opportunities. Typically these grants leverage considerable additional investments; the state's \$108 million will be matched 5:1, for a total transportation investment approaching \$600 million.