



CITY OF KIRKLAND

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To: Dave Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
David Godfrey P.E., Transportation Engineering Manager

Date: November 30, 2006

Subject: Comments on Regional Transportation Commission Draft Report

RECOMMENDATION:

It is recommended that Council authorize the Mayor to sign the attached letter to the Regional Transportation Commission.

BACKGROUND:

In August, the Council sent a letter to the RTC outlining some ideas for the Commission to consider during its deliberations. Additionally, Councilmember Burleigh testified before the Commission.

On November 15, the Commission released its draft report. The first Chapter (findings, recommendation and questions) along with a key table from Chapter 9 are included in your packet. The table from Chapter 9 shows various factors that are to be considered if a Regional entity were to be established and choices for how those factors might be implemented. The entire report is available at the Commission website: <http://www.psrtc.wa.gov/>

Although some latitude was taken in responding to the Commission's findings, the draft letter is an attempt by staff to represent positions and tone previously expressed by Council on transportation issues.

Chapter 1

Findings, Conclusions and Questions to Date

This is a draft report of the Regional Transportation Commission that reflects three months of listening, research and discussion. The primary purpose of this report is to meet our statutory requirement to describe the Commission's progress, including what we have learned and concluded, and to give the public and stakeholders the opportunity to comment. Our final report will be delivered at the end of the 2066 and will include specific recommendations.

The Regional Transportation Commission was established for the purpose of providing citizen input on the vexing issues surrounding transportation in the Puget Sound region. While individual members were appointed from each of four counties and were experts on different issues affecting transportation and governance, we have worked hard to function as a regional body, bringing together our ideas and insights to address this important issue.

In our view, we have a transportation governance system that delivers inadequate results. The system consists of over a hundred agencies that employ thousands of people. We have found those people to be hard working, dedicated public servants. The issue is not the people. The issue is the structure that has evolved incrementally over decades with new agencies and new legislation added as solutions to problems as they emerged. No one agency we have heard from in the region has the ability to meet the overall transportation needs of the region. In order to meet *regional* needs, the system has to be structurally "re-knit" at the *regional* level.

The basic purpose of transportation is to support our economy and serve the citizens. The flaws in our transportation system are slowing down our economy and frustrating our citizens. Increased transportation activity is the inevitable consequence of economic success and population expansion and density. Creating a system that accommodates and ideally anticipates and facilitates growth and success is the challenge facing this region.

This section of the report attempts to simply and clearly illuminate the initial findings and conclusions of the Regional Transportation Commission. In addition, the RTC has posed two issues in this draft report as questions. On some topics, we will reach conclusions and make

recommendations in the final report. On other topics, we will not have time to adequately address topics (or in some instances, an issue is at least partly beyond our scope) and we will likely identify those areas in our final report as items for further consideration and study.

■ **RTC Finding:** *The Puget Sound region has a transportation crisis.*

- Commuter congestion and delay are increasing.
 - Growth and demographic trends exacerbate the problem.
 - Delays in freight/rail/port traffic, involving both global trade and the local delivery of goods, are increasing costs and adversely affect the regional economy. Further delays may limit our global competitiveness.
 - Quality of life issues are becoming more acute, including everything from missed family and cultural events to road rage to worsening pollution.
 - Although recently approved revenue packages are addressing immediate needs, more resources are needed to continue improving needed infrastructure.
 - There remains an ongoing unmet need for more options to single occupancy vehicles (SOV), including transit, high occupancy vehicle/high occupancy toll (HOV/HOT) lanes and carpools.

■ **RTC Finding:** *The crisis is caused by two primary factors: a history of under-funding transportation and the absence of a unified regional transportation governance system.*

- We have under-funded major transportation infrastructure in the Puget Sound region for the past 30 years despite steady population and economic growth.
- The under-funding has meant delays in constructing facilities while construction costs have risen rapidly, resulting in increased transportation costs.
- Transportation infrastructure has deteriorated during this period of under-investment, while road trips have increased materially.
- The public perception of the inability of government to spend tax dollars wisely and the perceived lack of public accountability has led to inconsistent public support for taxes which pay for transportation investment.
- We have an inconsistent and unclear system for governing transportation for the region.
- Disagreements among jurisdictions, particularly on certain large and multi-jurisdictional projects, have also caused costly delays in constructing new transit and highway systems.

- There is an inadequate connection between demand for transportation, land use, and transportation planning and permitting which causes still further delays and legal challenges.

■ **RTC Finding:** *The present transportation governance system is broken and must be improved.*

- The present problems are the consequence of having too many well meaning cooks in the kitchen with no one empowered as a overall decision maker. No entity views the needs of the region or the entire transportation system as their primary responsibility.
- Numerous government entities have become involved in planning and prioritizing transportation projects and operations over time, and each has partial decision making responsibility. Overall decision making responsibility has never been unified and is not well coordinated.
- Our focus group research confirmed that the public feels that “no one is in charge” of transportation (see Appendix 1-1). The public bickering over the Alaskan Way Viaduct and other projects has reinforced the popular belief that the system is broken.
- The Puget Sound Regional Council (PSRC), Washington State Department of Transportation (WSDOT), Sound Transit (ST) and the Regional Transportation Investment District (RTID) have cooperated recently in part as a result of the forced combined 2007 ballot but their structures and institutional incentives create inherent, permanent divisions over prioritization and conflicts about funding.
- The perceived problems with responsibility and accountability produce voter discontent. This discontent has been evident in voter rejection of several transportation initiatives in the last three and a half decades that, if implemented at the time, would have substantially reduced the problems today.

■ **RTC Finding:** *The absence of a comprehensive regional approach to transportation demand and use results in inefficient use of the present road and transit systems.*

- Congestion is caused by a combination of factors including too much crowding of roads and bottleneck or “choke” points during traditional rush hour periods and under-use of transit, particularly during busy hours.
- Required transportation capacity is determined by measuring demand during peak use periods. Because roads are a “free good” for vehicles, demand for the roads is relatively

unaffected by the cost of constructing and maintaining those roads. Based on very recent studies, demand on key corridors is rising precipitously. More research is required to determine transportation user needs and patterns during peak periods.

- Transit systems provide some congestion relief on some routes during the busy hours, but transit agencies do not cooperate sufficiently to “incentivize” usage in such a way as to meaningfully shift demand.
- There is no effective, coordinated regional transportation demand management system and very little operating coordination between roads and transit operators or amongst transit operators.
- The region should examine demand shifting approaches such as dynamic use of tolling, faring and parking fees, and more work with large employers and institutions to shift user demand away from peak usage periods.
- Transit agencies should significantly increase cooperation on pricing, demand and capacity management, and route issues so that transit serves a significantly larger portion of peak time users.
- Parking fees or taxes could be used as a tool to shift demand, but are not viewed as a tool in transportation management.

■ **RTC Finding:** *There is no regional authority to prioritize regional transportation projects.*

- Numerous agencies and governments attempt to achieve what they individually consider to be their priorities. These priorities are at times in conflict.
- PSRC is charged with planning regionally, but it is an association of 83 local governments with very limited authority. Although it articulates a regional vision and attempts to plan for the region, the PSRC has limited power to approve or reject projects, and its governance structure precludes it from effectively prioritizing projects for the region.
- Sound Transit prioritizes regional transit projects, but has no authority over projects or operations of the five local transit agencies.
- The RTID Planning Committee is attempting to prioritize regional roads projects, but has been required to fund significant portions of state roads projects and has no authority over some other roads projects.
- The Washington State Legislature has taken an active role in prioritizing projects in the last decade through the unsuccessful R-51, the successful Nickel and TPA packages.

The Legislature has in effect become the primary regional decision maker for transportation projects.

- WSDOT has a thorough statewide prioritization process that advises the Legislature and improves the quality of legislative decision making.
- Local and county governments compete for prioritization of funding over limited state funding sources.

■ RTC Finding: *The policy of sub-regional equity introduces a sense of fairness, but is inconsistent with prioritizing regionally.*

- The concept of sub-regional (or sub-area) equity is a statutory requirement for RTID expenditures and a board policy for Sound Transit. Sub-regional equity was created as a fairness tool, at least in part, to gain voter support for transportation funding initiatives.
- For historic reasons, road and transit funds are segregated, and to a large degree have separate funding sources.
- The present system of subdividing transportation money geographically and by mode results in dollars being distributed into relatively small geographic and modal “silos” based generally on the ratio of revenue raised by that mode or area.
- A “silo” system cannot effectively meet the long term needs for transportation in the region, in part because many projects that reside in a sub-region have broad regional significance. Dollars would be allocated differently if sub-regional equity was not required and instead all projects were prioritized regionally.
- Because RTID and Sound Transit taxes are levied uniformly across their respective territories (which are significantly different from one another), and yet money is divided by sub-region, revenue generated does not match up with the project needs of the sub-regions. As a result, either some sub-regions receive more money (and presumably projects) than they require or other regions do not receive enough, or both.
- If geographic and/or sub-regional equity policies are changed, it is vital that users and voters perceive that decisions on transportation expenditures are fair and that projects benefit the entire region.

■ RTC Finding: *Identifiable transportation funding sources for future projects is inadequate for the needs of the region.*

- PSRC has identified \$134 billion in planned investments in transportation to support the Destination 2030 Plan, and \$72 billion in available funding sources, leaving a funding gap of \$62 billion.¹
- Over the next 24 years, revenue generated by state tax sources will only provide a limited amount of the funding for regional projects. As a consequence, PSRC estimates that the bulk of the funding for regional projects will have to come from regional taxes.
- We examined alternative financing strategies in Chapter 8 and believe that some additional revenue could be available from new regional taxes. If all possible new sources, including increases in sales, property, fuel and excise taxes, were enacted at maximum levels, the total revenue generated would still be less than 60% of the shortfall.
- Because of the shortfall and the absence of adequate incremental revenue from state sources, there is a vital need for a regional approach - new regional, non-tax sources, including, but not limited to tolling, fare adjustments, and parking fees that would be used as both a source of revenue and as tools for managing demand.

■ RTC Finding: *The six transit agencies in the region represent \$66 billion in transportation funding requirements over the next 24 years, and yet they operate relatively independently.*

- The five local transit systems and Sound Transit are largely financed by existing committed sales tax sources. This type of funding is insufficient and unsustainable in the long-term and unable to fulfill long-term transit needs.
- Transit pricing is largely uncoordinated. Transit agencies compete with one another and in some cases unintentionally encourage commuters to travel during peak periods, thereby increasing congestion and driving up capital costs. In some cases, capacity is wasted by running multiple partially filled buses on the same routes.
- The boards of transit agencies make pricing decisions, which causes those decisions to be subject to politics and not necessarily based on regional or local priorities.
- Transit ridership is in some cases discouraged by mixing regional and local routes. There is no clear regional scheduling system such as a hub-and-spoke system involving all six transit providers.
- A systemic, regional approach to transit and transportation will require viewing all of the components of the transportation network on a coordinated basis.

¹ PSRC numbers are preliminary and provided in Chapter 5. Our report does not include Washington State Ferries because they operate a part of a state wide system. If included, they would add \$1.7 billion to the funding shortfall.

■ **RTC Conclusion:** *We conclude that the Washington State Legislature should create a regional transportation governance entity which is empowered to, at a minimum, prioritize, plan and finance regional projects.*

- In order to effectively prioritize and plan, regional transportation decision-making should be shifted to the region.
- Regional governance should be based on regional goals and objectives and should stitch together existing agencies rather than create a new layer of bureaucracy.
- The body should have the authority to address the critical needs in planning and finance, including responsibility for certain elements of growth management and land use.
- A regional governance structure should be able to address all tax and usage based revenue sources as a part of a systemic financing strategy.
- The specifics of role, scope, powers, and manner of selection are the subject of the choices and alternative models included in Chapter 9.

We have two additional topics that represent questions at this stage on which we would like public input. We suspect that we will not be able to reach definitive conclusions, but believe the topics at a minimum deserve further study.

Question: *What would be the implications of combining the six transit systems into a single organization?*

- The local transit agencies are expected to expend \$30 billion on basic needs and system expansion over the next 24 years, and Sound Transit is expected to spend \$36 billion for those purposes. The total \$66 billion represents approximately half of our expected transportation expenditures.
- There is a lack of planning and coordination on pricing, capacity utilization, and economic integration, which we suspect materially increases the costs of the system.
- We believe it is worthwhile to thoroughly analyze the benefits and costs of merging or otherwise combining the six transit agencies into a single regional transit organization. We believe that a regional governance structure should play a significant role in determining a regional fare structure, scheduling, and routes, with local transit agencies in control of local service.
- We will not have the time or resources to adequately evaluate the pros and cons of a complete merger of all operating transit agencies.

Question: *What are efficiency implications of the presently-fragmented transportation system?*

- There is ongoing work by the state auditor and other agencies to determine opportunities for additional efficiency amongst agencies. We believe it is important to examine these studies when completed.
- An early mission for the new regional transportation governance entity should be to investigate and, if empowered, to implement a national “best practices” study to identify areas in which regional transportation operational efficiency can be accomplished.
- If our recommendations are not implemented, we believe that work should be done to identify systemic inefficiencies which may be inherent in the current fragmented organizational network.

We hope that these observations and questions are useful in stimulating additional thinking and comments prior to the RTC’s development of its final recommendations. We look forward to suggestions from the public and from various transportation entities at the RTC’s upcoming public hearings, listed at the back of Chapter 9. All suggestions will be carefully considered as we move forward to a final report to the state’s elected policymakers.

Figure 9-1: Choices for RTC consideration

Planning Scope

<i>Least Scope</i> ←			→ <i>Most Scope</i>		
Just transportation following PSRC guidelines	Just transportation with PSRC transportation planning folded in to new agency.	Transportation and land use, with all PSRC functions absorbed.			

Authority

<i>Least Authority</i> ←					→ <i>Most Authority</i>				
Planning Only	Planning & Prioritize Funding.	Planning, Prioritize Funding, & Infrastructure Construction	Planning, Prioritize Funding, Infrastructure Construction & Preservation	Planning, Prioritize Funding, Construction, Preservation & System Operations					
	Planning, Prioritize Funding, & Taxing	Planning, Prioritize Funding, Taxing & Infrastructure Construction	Planning, Prioritize Funding, Taxing, Infrastructure Construction & Preservation	Planning, Prioritize Funding, Taxing, Construction, Preservation & System Operations					

Revenue Sources

<i>Least Revenue Sources</i> ←									→ <i>Most Revenue Sources</i>								
Current State & Fed \$	Previous box + cost efficiencies	Previous box plus merging of mode funding silos	Previous box + Regional Taxing Authority spends with current sources	Previous box + Regional Taxing Authority spends with maximized sources	Previous box + Regional Taxing Authority also receives local taxes	Previous box + Infrastructure Tolls	Previous box + Congestion Price Tolls	Previous box + new taxing mechanisms including public/private partnerships, Trans. Impact Fees, etc.									

Authority over Roads

<i>Least Authority</i> ←					→ <i>Most Authority</i>				
Planning Only & No Prioritization of Funding	Planning & Prioritization Recommendations	Prioritization of Funding over State Roads	Prioritization of Funding over SRs and "Roads of Regional Significance." (RRS)	Prioritization of Funding over all roads within region					
		Planning & Prioritization of Funding over SRs	Planning & Prioritization of Funding over SRs and RRS	Planning & Prioritization of Funding over all roads within region					

Authority over Transit Agencies

<i>Least Authority</i> ←								→ <i>Most Authority</i>							
All transit agencies operate independently	All transit agencies operate independently, but regional (hub to hub) routes set by regional body	All transit agencies operate independently, but fare standardization and regional routes set by regional body	Run all bus transit. No ferries, No Sound Transit, No regional bus routes	Run all bus transit & regional bus routes. No ferries, No Sound Transit light rail or Sounder.	Run all transit but ferries	Run all transit agencies within boundaries includes ferries									

Representation

Most directly chosen by voters ←

→ *Not chosen by voters*

Elected		Elected and Appointed		Appointed					
Direct Election by District	Direct Election At Large	Some Directly Elected by District	Some Appointed by Legislature	Local Officials Appoint Local Elected (Federated)	County Officials Appoint Local Elected (Federated)	Legislature Appoints Local Elected (Federated)	Legislature Appoints at its discretion	Legislature and Governor Appoint at their discretion	Governor Appoints at her discretion
		Some Directly Elected at Large	Some appointed by Governor						

Membership by government entities inside regional boundary

Least Commitment ←

→ *Most Commitment*

No membership	Voluntary Membership	Voluntary Membership for local governments, mandatory for county governments	Mandated membership for all governments.
		Voluntary Membership for county governments, mandatory for local governments.	

Boundaries

Narrowest Boundary ←

→ *Widest Boundary*

Sound Transit	Sound Transit & part of Kitsap	Sound Transit & SRs in four counties	Three counties (RTID)	King, Snohomish, Pierce & part of Kitsap	All four counties
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December 13, 2006

D R A F T

Mr. Norm Rice, Mr. John Stanton, Co-Chairs
Regional Transportation Commission
PO Box 53010
Bellevue, WA 98015

Dear Mr. Rice and Mr. Stanton:

We are pleased to have the opportunity to comment on the Commission's November 15 Draft Report. We want to commend the Commission for completing the draft report in just a few short months. This letter represents a follow up to our August letter where we responded to the Commission's request for comments early in its work. Our comments on the Commission's findings follow, with comments on the Commission's recommendation at the end of the letter.

RTC finding: The Puget Sound region has a transportation crisis

We support the finding that our quality of life could be improved by improving our transportation infrastructure. We do not look at the main symptom of our transportation woes as simply too much congestion however. History shows us that the most vibrant cross roads of culture and trade have always had congestion. Rather, the main difficulty is a lack of mobility options. Therefore, of particular interest is the finding concerning the need for more options to single occupancy vehicles.

RTC finding: The crisis is caused by two primary factors: a history of under funding transportation and the absence of a unified regional transportation governance system.

More resources are helpful in solving almost all problems that face government, including transportation. We also agree that there is a lack of understanding on the part of the public about government in general and specifically about the broad range of agencies that touch transportation. In our earlier comments to the Commission we expressed our interest in clarifying the public's understanding of the responsibility of various agencies. Also, just as we cannot understand any current crisis in transportation without considering the land use choices of the past 70 years and their effect on transportation system's development, we cannot move forward without considering the effects of future land use decisions.

RTC finding: The present transportation governance system is broken and must be improved.

We agree that our region is hindered by institutional incentives and histories that work at cross purposes. In order to address the "no one is in charge" syndrome, we restate our interest in a regional report that would show construction activity, completed projects, system enhancements, performance measures from the freeways and mass transit systems, and other information to let the public know how the entire system is performing.

RTC finding: The absence of a comprehensive regional approach to transportation demand and use results in inefficient use of the present road and transit systems.

This finding is particularly helpful since its implications are often overlooked. We agree that only when a larger fraction of the true cost of constructing, operating, and maintaining the street system is borne by its

users, will demand begin to come in line with supply. The findings on parking fees and demand management strategies will bring added attention to these important tools.

RTC finding: There is no regional authority to prioritize regional transportation projects.

The findings of the Commission are well stated.

RTC finding: The policy of sub-regional equity introduces a sense of fairness, but is inconsistent with prioritizing regionally.

Kirkland has consistently supported a regional view that avoids compartmentalization of funds. Systems that track the origin and spending of each dollar on a subarea basis add overhead costs and move focus from the goal of a system that best serves the region.

RTC finding: Identifiable transportation funding sources for future projects is inadequate for the needs of the region.

We wholeheartedly support this finding. It is time to look beyond gas tax and sales tax for the funding of our transportation system. As stated above, we support the examination of user based fees to support transportation projects.

RTC finding: The six transit agencies in the region represent \$66 billion in transportation funding requirements over the next 24 years and yet they operate relatively independently.

Our region is fortunate to have quality transit agencies. Their services to the public should be seamless and highly integrated. Fares, schedules, route planning and operations should be coordinated such that the result is a regional transit system including rail, busses, bus rapid transit and van pools.

The RTC concludes that the Legislature should create a regional transportation governance entity which is empowered to, at a minimum prioritize, plan and finance regional projects. In concept, we support this minimum role. We reserve final judgment because determining the exact structure and authority of a regional body is a complicated matter yet the details of a regional body are what will determine its usefulness. The analysis laid out in Chapter 9 (Table 9-1) provides a helpful way of examining the trade offs to be considered in creation of such an entity. If a regional entity is created, it is our belief that the following principles should guide its creation:

Simplify. Any change in the existing regional governance structure should build upon and or consolidate existing entities, while seeking simplification wherever possible. For example, a regional agency determining regional transit routes to be implemented by local transit agencies may violate this principle.

Local agencies control local streets. Projects on state routes and other roads of state wide significance might well be prioritized by a regional agency, but local streets should remain under the control of local jurisdictions.

A regional agency should have relatively broad control of funding mechanisms. Control should include tolling and other forms of pricing to manage demand. The funding field should be leveled for non-auto modes.

Boundaries should be broad. Any structure should include, at a minimum, King, Pierce and Snohomish counties.

Letter to RTC Co-chairs

December 13, 2006

Page 3

Representation should be Federated. Local officials should appoint local elected officials, similar to the current PSRC model. Membership should be mandated for all jurisdictions within the boundaries.

To conclude, we appreciate the opportunity to comment, and look forward to further opportunities to participate in the work of the Commission.

Sincerely,
Kirkland City Council

James L. Lauinger
Mayor