



Agenda Setting

Olympia's new faces must address transportation infrastructure funding.

January brings many new faces to Olympia. A new governor and an unusually large number of new members in the State House of Representatives and State Senate who have both volunteered and been elected to assume the mantle of leadership.

Unfortunately, many of the same problems will be there to greet them, including a projected \$900 million shortfall in the current biennium's budget and a State Supreme Court mandate to close the gap in basic education that is estimated to cost \$1 billion per year. Investment in infrastructure—particularly our transportation

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Investment in our state's transportation system is an essential component of economic development. Boeing cannot deliver airplanes to its customers if our roads, bridges and railway systems cannot deliver employees, parts and equipment to its facilities. Our high technology, life sciences and other knowledge companies cannot continue to locate and expand here if gridlock reduces both the productivity and the quality of life of their employees. Our ports cannot be competitive if the bottlenecks in and out of their facilities continue to worsen.

The conversation about the need to invest in transportation infrastructure started in 2011 with the work of former Governor Gregoire's Connecting Washington Task Force. It identified significant shortfalls in funding for both maintenance of the existing system and the capital investment needed to deliver critical projects. The gas tax, which historically has funded almost three-fourths of the state's transportation investments, is not indexed for inflation and is generating less revenue due to flat consumption and an increasingly

fuel-efficient vehicle fleet. Transit systems heavily rely upon a portion of the sales tax. In recent years, the slow economy significantly reduced the amount of sales tax revenue available to transit systems, resulting in sizable service cutbacks—ironically, at a time of growing demand for transit. The Washington State Department of Transportation (WSDOT) estimates that the revenue shortfall to maintain the existing system is in the range of \$375 million per year.

Thus, the new Legislature must grapple with three pressing challenges: finding revenue sources to maintain what we have already built, funding key corridor projects and providing a more stable and sustainable source of funding for transit. The Connecting Washington Task Force recommended a 10-year, \$21 billion plan to deliver necessary projects, including completing State Route 520, the I-405 corridor and the new Columbia River Crossing; improving freight corridors; completing the improvements across Snoqualmie Pass; and adding ferries and transit.

The price tag is high and the time frame may be too ambitious; however, we know that after a long period of stability, construction costs are beginning to rise. In other words, the cost will not be cheaper later. While WSDOT must find efficiencies and leverage investments in technology, a comprehensive solution is necessary. Last year, the Legislature took a few steps to authorize tolls for State Route 99 and Columbia River Crossing projects, and to continue work on the express toll lanes on I-405 between Bellevue and Lynnwood. What the governor and the Legislature can do is chart a course for prioritizing projects and identifying funding sources. Part of the solution may involve giving local governments—cities and counties—the tools to deliver some of the services, particularly transit services. Consensus will be challenging and a public vote on a transportation package may be an outcome.

One thing is certain: The status quo is unacceptable. It will weaken our competitive position and inhibit job creation.

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