Chapter 6
Finance

This chapter of the Regional Transportation Plan (RTP) details the financial constraints placed on the RTP. It provides an overview of the long-range forecast parameters and assumptions for both revenues and costs.

Financial Constraint

Legislation at both state and federal levels requires that the RTP be financially constrained. Financial constraint means that the RTP only includes projects the region can afford to complete with existing revenues or with revenues that are reasonably expected to be available.

The RTP must consider not only the cost of expanding the transportation system to meet future demand, but also the cost of maintaining the existing system. Costs must not exceed likely revenues. This requirement helps ensure the RTP serves as a grounded regional blueprint for transportation policy and investment rather than an unrealistic wish list. Financial constraint necessitates that the region's partners think strategically about transportation priorities.

Forecast Levels of Detail

The RTP forecast guides long-term policy and investment decisions in a much more general way than an operating budget governs day-to-day decisions. The forecast does not detail the budgeting and programming efforts at the local level, but rather serves as an aggregate check on likely revenues and expenditures throughout the region.

COVID-19 Pandemic and the RTP

In response to the outbreak of the COVID-19 pandemic, then-Governor Jay Inslee issued a series of proclamations and declarations aimed at reducing the spread of the virus in Washington State, including requiring all non-essential workers stay home and stay healthy. As a result, significant changes in how, whether, and when people travel in the Thurston region occurred, impacting transportation funding. The data and statistics used in this plan were developed during and in the years following the outbreak. Both the transportation model and financial forecast try to account for the radical changes in transportation choices occurred. The push and pull between flexible work schedules, opportunities to work from home, and return-to-office mandates means transportation patterns remain in flux.

Timeframe

The RTP forecast provides a long-range view of regional revenue and costs. It covers a planning horizon divided into two time frames: 2025 to 2034 and 2035 to 2050.

Included in the Forecast

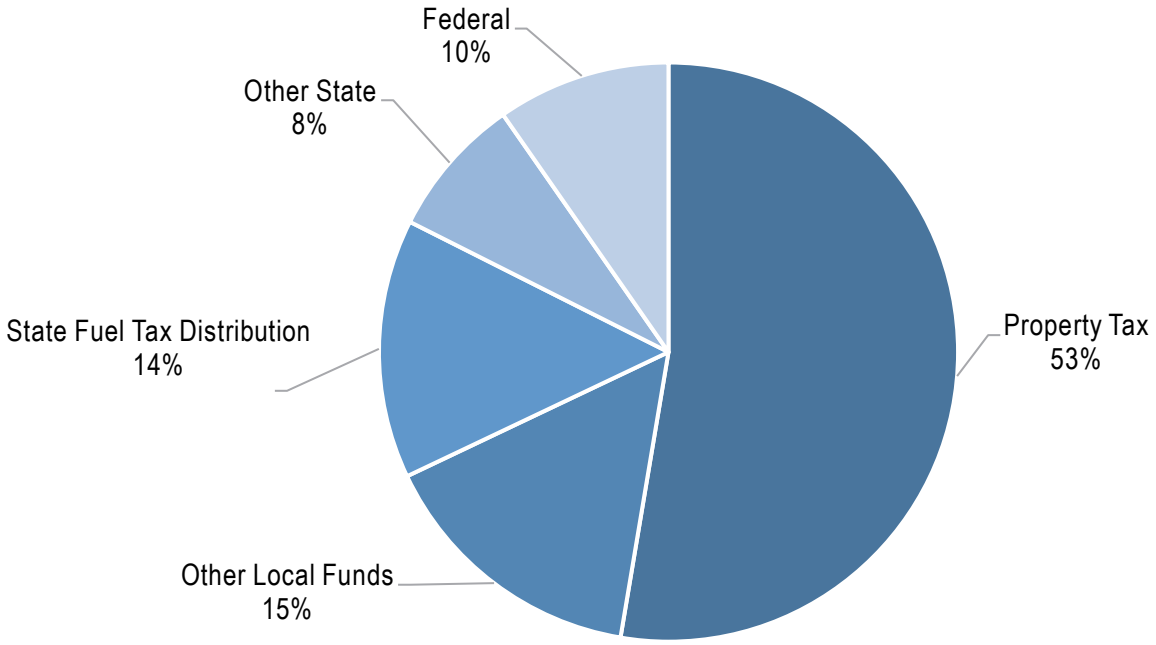
The RTP forecast considers various revenues and costs generated by cities, towns, and transit providers within Thurston County. It does not include forecasts used by the Washington State Department of Transportation (WSDOT), the Port of Olympia, tribal nations, or school districts to meet their transportation needs. Funding issues for these other partners are outside the bounds of the fiscal constraint requirements associated with the RTP.

Least Cost Planning

The state requires that the RTP consider least cost planning when developing its recommendations. Least cost planning means a project or recommendation should provide the greatest benefit to the greatest number of people for the longest time at the lowest ultimate cost. The Thurston region supports least cost solutions, taking incremental steps to:

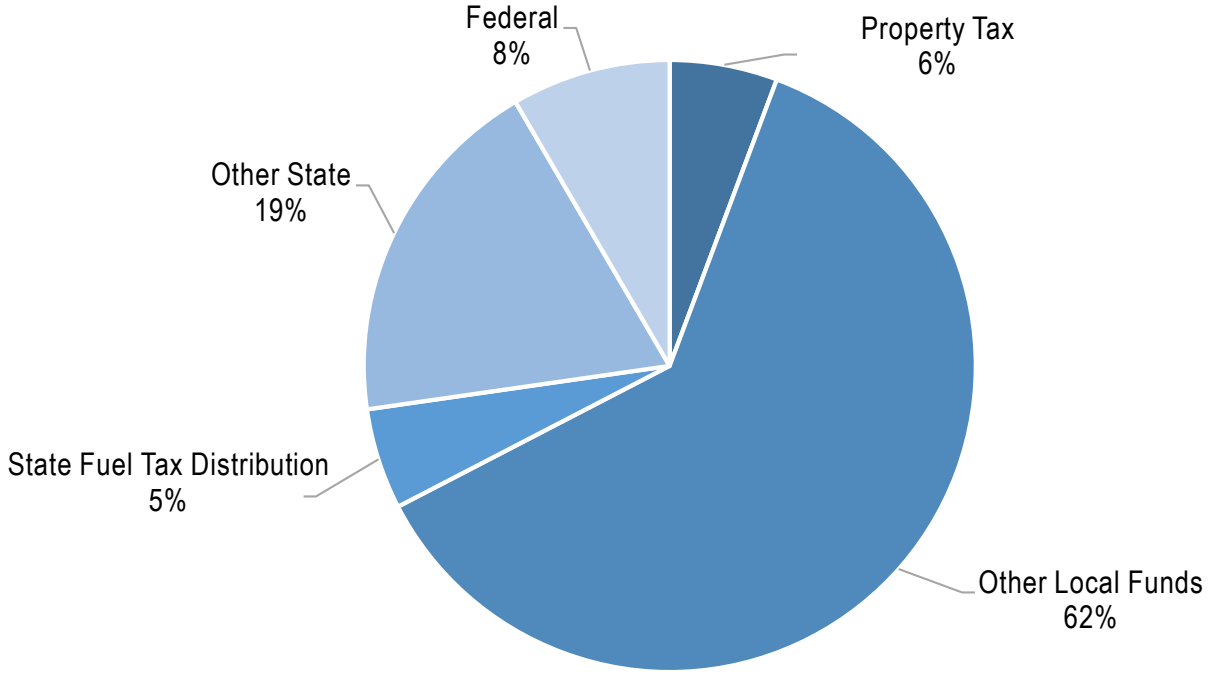
- Keep infrastructure's life cycle costs low by investing in optimal pavement management programs and restricting destructive utility cuts into above-average pavement.
- Improve safety performance by being proactive and investing in safety improvements, such as adding pedestrian crossings and lighting, and adding new facilities such as sidewalks, bike lanes, and transit facilities.
- Improve the overall operating efficiency of the transportation system before considering a widening project, including innovative intersection treatments that reduce delay and maintenance costs.
- Increase roadway capacity by supporting transportation demand management efforts.
- Coordinate technology investments to ensure emergency response vehicles have unhindered access across all jurisdictions. Improve coordination to minimize traveler delays and keep traffic moving on local streets and I-5 when major incidents close the freeway.
- Increase transit productivity by improving service frequency on high use corridors and promoting transit use through Commute Trip Reduction and Transportation Demand Management programs.
- Build more transportation-efficient communities that reduce out-of-pocket and indirect costs to individuals as well as the public sector costs associated with providing transportation and other services.

Figure 6-1: County Transportation Revenues, 2010-2021



Source: TRPC

Figure 6-2: City and Town Transportation Revenues, 2010-2021



Source: TRPC

As an agency, Thurston Regional Planning Council (TRPC) supports concepts inherent in least cost planning by investing discretionary Surface Transportation Block Program funds in projects that make the system safer and more efficient instead of bigger. TRPC's annual Unified Planning Work Program includes elements that target tough issues like land use, rural mobility, and Intelligent Transportation System needs. As needs and opportunities arise, more will be done incrementally. Keeping public and private costs as low as possible is inherent in this plan's recommendations and policies.

Implications of Financial Constraint

By state and federal law, regional transportation projects cannot be included in local comprehensive plans and capital facilities plans unless they are also in the RTP. If those projects are not included in local plans, then the jurisdiction cannot apply development fees, federal grants, and most state grants toward them.

The RTP must be financially constrained. If the proposed projects or service costs are more than the forecasted revenue, something must be cut. TRPC's top priority is to maintain the existing system, and any cuts come first from the Regional Project List. Projects dropped from this list are unlikely to be funded during the planning horizon.

Inclusion on the list of RTP Regional Projects does not guarantee funding. Some projects in this RTP have been included since the early 1980s. Local agencies have very little discretion over most of the money they use to fund big projects. Rather, granting agencies such as the Transportation Improvement Board (TIB), WSDOT, the County Road Administration Board (CRAB), and even TRPC make most funding decisions.

Over the next 25 years, the region will accomplish more than anticipated in some years and less in others. Revenue streams will also likely change. The longer the forecast horizon, the greater the likelihood of future shifting or refining of the assumptions. Periodically, we recalibrate base assumptions and revise forecasts. These are all factors to keep in mind when reviewing the long-range regional forecasts.

Year of Expenditure Accounting

Current federal policy references Year of Expenditure accounting. This is to ensure long-range forecasts account for inflation. This forecast converts historical data used for analysis into constant 2025 dollars, and projects both revenues and expenditures in constant 2025 dollars. To understand what a particular project might cost in the future, project costs must be inflated from constant 2025 dollars to the desired future year. Revenue assumptions for future years need to be inflated in the same way. The farther this extends into the future, the more speculative it becomes.

Forecasting City and County Revenues

Revenue for the County and cities comes from a variety of revenue sources with significant differences between the jurisdictions' revenue streams. Of note, more than 50 percent of transportation revenue for the County comes from property taxes. In comparison, over 60 percent of transportation revenue from cities and towns in the Thurston region comes from other local funds, including development fees, permits, sales and use tax, business and occupation tax, real estate excise tax, service fees, parking and traffic fines, and intergovernmental services for transportation work.

The Future of Fuel Taxes

As vehicle fuel efficiency increases and/or electric vehicles gain a greater market share, fuel tax revenues (based on a per gallon tax at the gas pump) have slowed and declined. Washington state has been actively exploring potential fuel tax replacements to fund transportation, including road user charges. This forecast assumes that fuel tax revenues or a comparable source of revenue will be available in the future to fund transportation projects. It does not, however, assume such revenues will increase to make up for tax revenues lost due to historical declines.

The forecast consolidates the various revenue sources into three basic categories.

- **Local revenue** refers to those funds generated locally. This includes various sources ranging from city and county taxes, sales tax, and fees. Local revenues also include impact fees that jurisdictions charge developers and revenues generated by local Transportation Benefit Districts (TBDs).
- **State revenue** refers to those funds generated by state taxes or fees and passed on to local governments or transit by the state. Transportation functions generate these revenues — fuel tax or various license or weight fees. Local agencies receive small parts of this revenue directly through distributions but must compete for most state revenue through grant programs.
- **Federal revenue** refers to those funds generated by the federal motor fuel tax, other vehicle taxes, and some general fund sources and then passed on to local transportation projects, either through regional grants awarded by TRPC, through legislative processes, or statewide competitions.

While most revenue sources are held constant (keep up with inflation) for the forecast, three revenue sources are forecast to increase:

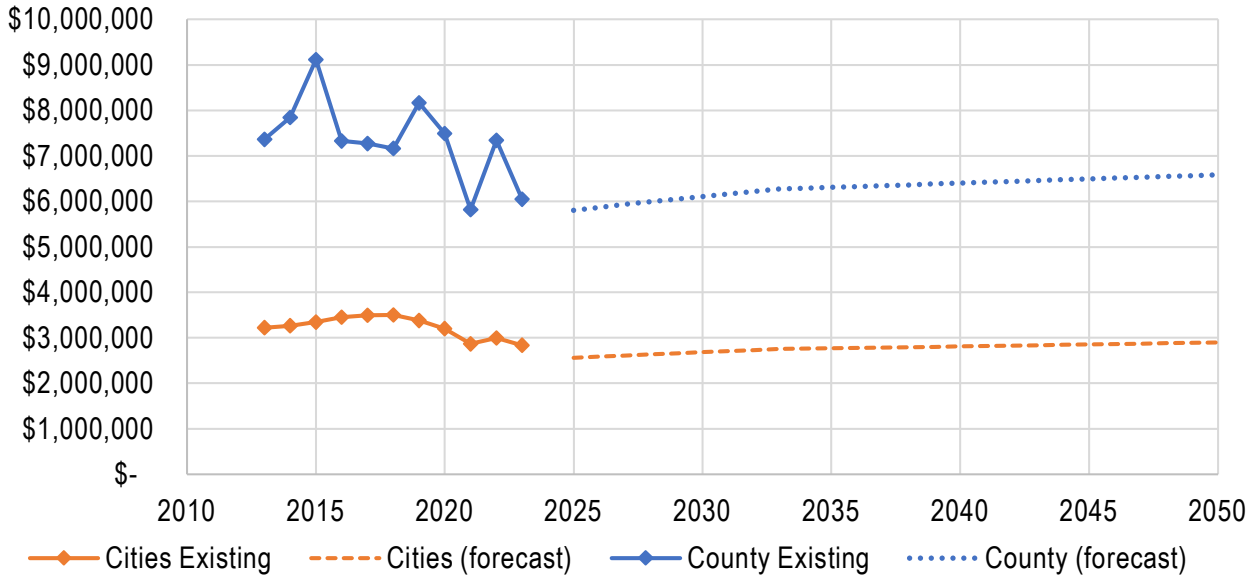
- State Fuel Tax distributions
- Transportation Benefit District (TBD) revenue
- An additional $180 million in state revenue approved through the legislative process for major infrastructure projects

State Fuel Tax Distributions

The State Fuel Tax distributions are based on revenue from the state fuel tax charged at the gas pump. As fuel usage increases, the rate distributed to cities and Thurston County increases. For cities, fuel tax distributions are based on a formula of overall state fuel tax collections. Counties receive two direct distributions (Regular and County Arterial Road Preservation funds) and are eligible for competitive funds from the Rural Arterial Program. Competitive funds account for the variability in the historical period (2014–2024).

The Transportation Revenue Forecast Council provides detailed forecasts of transportation revenue. The forecast used for the RTP extends to 2033 and projects a steady increase in fuel tax revenue. Thurston County jurisdictions are assumed to continue receiving the same share of the state fuel tax revenue. For the period between 2034 and 2050, state revenue is assumed to continue at the forecasted rate.

Figure 6-3: State Fuel Tax Forecast



Source: Transportation Revenue Forecast Council; WSDOT Economic Analysis Office

TBD Revenue

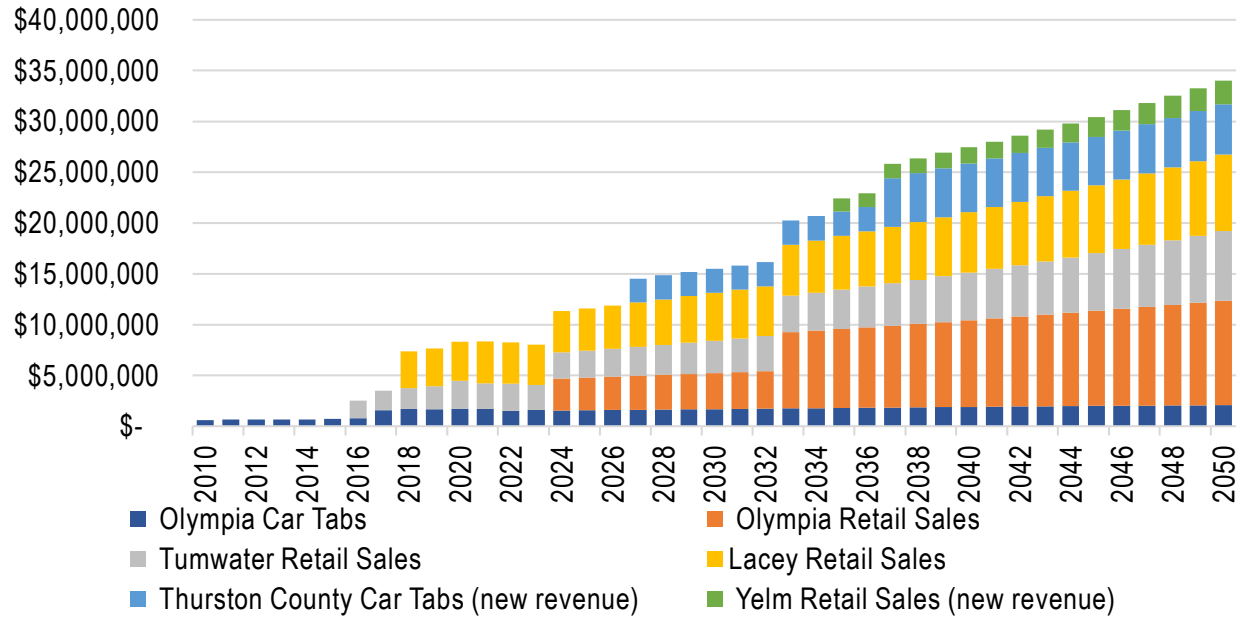
Washington State law permits local governments to establish a Transportation Benefit District and accompanying funding sources for the preservation, maintenance, and construction of local public roadways. The primary methods of collecting revenue for TBDs are through a sales and use tax (up to 0.2 percent), or through a license tab fee ($20-$100). Over the last ten years, TBDs have become a stable funding source for the north county cities in Thurston County. Olympia established a TBD in 2008 and began to collect revenue in the latter part of 2009 ($20 license tab fee), increased revenue in 2017 ($40 license tab fee), and adopted a sales and use tax at the end of 2023. Tumwater established a TBD in 2015 and began to collect revenue through the sales and use tax in 2016. Lacey established a TBD in 2017 and began to collect revenue through the sales and use tax in 2018. Thurston County established a TBD in late 2014 but has not collected revenue.

This forecast assumes:

- Yelm will establish a TBD and begin collecting revenue using the sales and use tax method by 2035.
- Thurston County will begin collecting revenue under the license tab fee in 2027 at $20/tab. Thurston County will increase this to $40 in 2040.
- Olympia will increase their sales tax revenue collection from 0.01 percent to 0.02 percent in 2035.

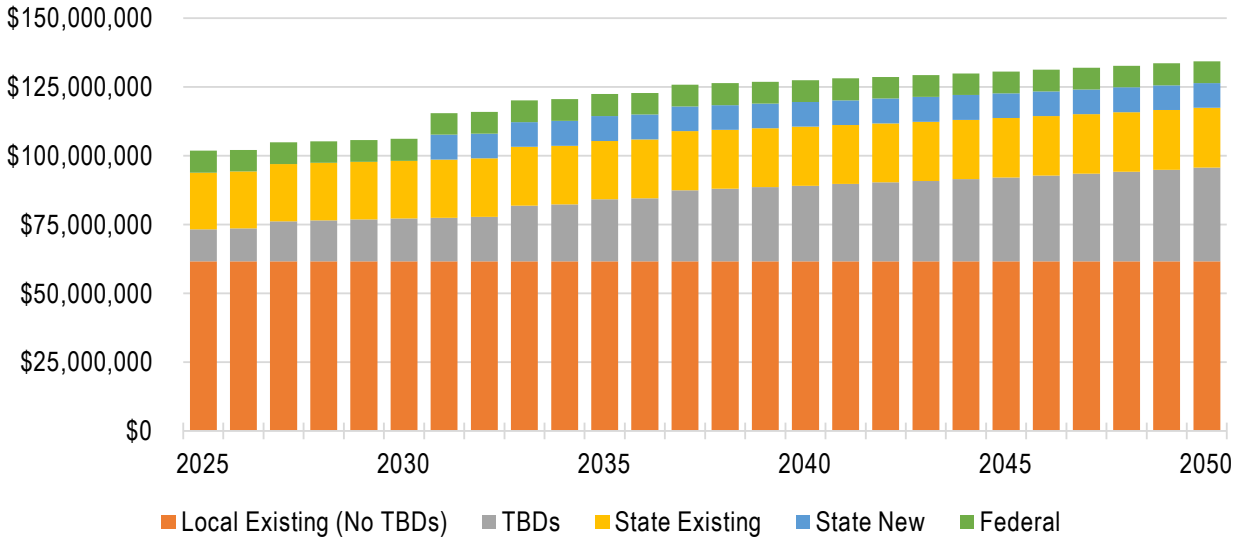
Figure 6-4 shows the region's projected increase in TBD revenue for the forecast period (2025-2050). Actual data is shown for 2009 to 2023; 2024 is estimated.

Figure 6-4: Transportation Benefit District Revenue Forecast



Source: TRPC

Figure 6-5: City and County Transportation Revenue Forecast, 2020–2045



Source: TRPC

Additional State Revenues

Periodically, the Washington State Legislature passes a funding package that provides supplemental transportation funding. These funding packages may emphasize different priorities, be for different amounts, and collect revenues over different and/or overlapping time periods.

Past legislative funding packages include:

- 2003 Nickel Funding Package, a 10-year program funding 158 projects. The Nickel Funding Package will continue to collect a five-cent per gallon gas tax until the 158 projects are built and the accompanying bonds are paid off.
- 2005 Transportation Partnership Program, a 16-year program funding 274 projects that make roads and bridges safer and ease choke points in the transportation system.
- 2015 Connecting Washington, a 16-year program committing to walking, biking, transit, and other public transportation options. Connecting Washington expires in 2030.
- 2022 Move Ahead Washington, a 16-year program supporting new and existing active transportation and transit projects and programs, especially those that support the state's goals to reduce greenhouse gas emissions.

Legislatively-Funded Projects in the Thurston Region

The Connecting Washington and Move Ahead Washington packages have funded or will fund more than $250 million in projects in the Thurston region. These include:

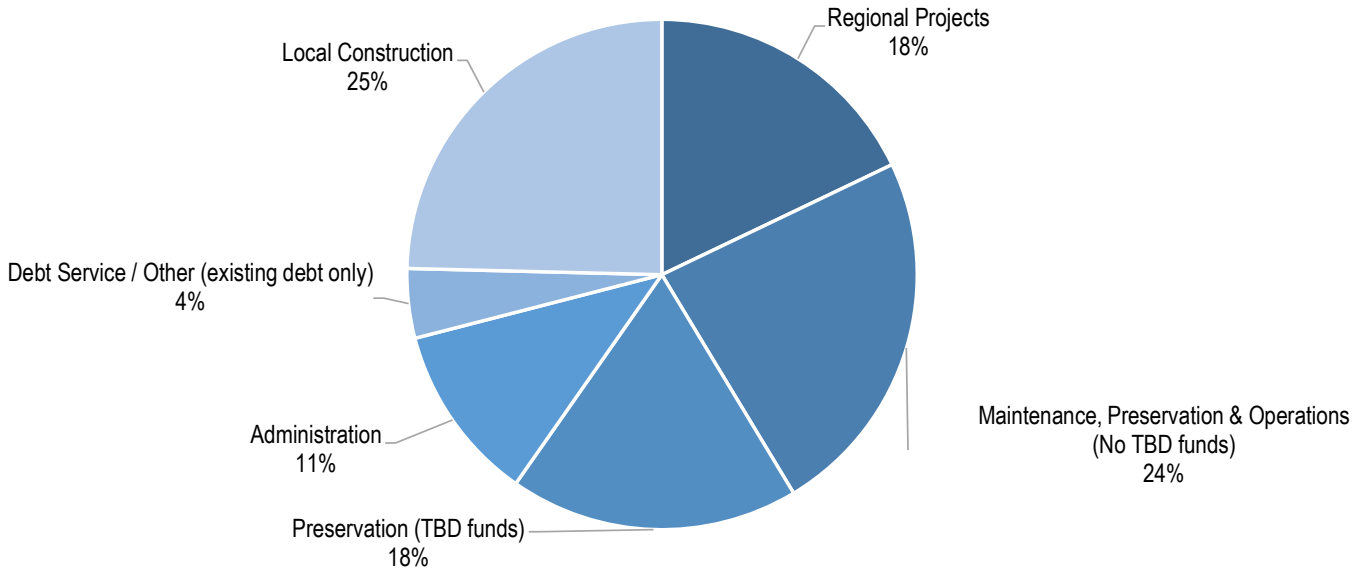
- I-5/Marvin Road/SR 510 Interchange (WSDOT): $46.9 million
- I-5 Nisqually Delta and SR 507 roundabouts (WSDOT): $75 million
- Intercity Transit Maintenance Facility Renovation (Intercity Transit): $5 million
- Mottman Road Pedestrian & Street Improvements (City of Olympia): $7.6 million
- Nisqually Rural Mobility Initiative – EV Captial Project (Nisqually Indian Tribe): $242,000
- Olympic Region Maintenance and Administration Facility (WSDOT): $61 million
- SR 510/Yelm Loop Phase 2 (WSDOT): $58.5 million
- U.S. 101 Interchange West Olympia Project (City of Olympia): $6 million

Forecasting City and County Transportation Expenditures

The RTP expenditure forecast considers a variety of expenditures that both maintain and expand the existing transportation system. They can be broken out into the following basic categories:

- **Local construction** refers to projects that expand the existing transportation network but are not considered regional in nature. Project-level details for these types of projects are generally located in local planning documents, including annual budget processes, Capital Facilities Plans (CFPs), six-year Transportation Improvement Programs (TIPs), and the 10- or 20-year transportation elements of comprehensive plans, sub-area plans, or other studies.

Figure 6-6: City and County Expenditure Forecast, 2025-2050



Source: TRPC

- **Maintenance, preservation, and operations** includes all maintenance functions associated with the construction elements, as well as snow and ice control, street cleaning, plant maintenance and construction, and extraordinary operations. Pavement management programs fall within this category of expenditures.
- **Administration** includes general administration of the transportation network and transportation planning.
- **Debt service and other** takes into account other costs related to repaying interest and principal related to transportation debt, including loans and other costs.
- **Regional Projects** are those transportation projects that have a significant impact on traffic patterns throughout a large area. Project-level detail (including cost estimates) for these projects is found in Chapter 2, Recommendations, and Appendix J, Regional Project List Detail.

City and County Transportation Forecast Summary

The City and County Transportation revenue forecast (Table 6-1) estimates sufficient revenue to cover expected expenditures, including the Regional Projects identified in the RTP (Table 6-2). Table 6-3 shows remaining revenue.

Table 6-1: City and County Transportation Revenue Forecast (In millions of constant 2025 dollars)

Revenue Type	2025 – 2034	2035 – 2050	Total
Local Revenues			
Existing Revenues (No TBDs)	$617	$987	$1,604
Transportation Benefit District Revenues	$157	$461	$617
State Revenues			
Existing Revenues	$210	$344	$554
New Revenue	$36	$144	$180
Federal Revenues	**$79**	**$127**	**$206**
Total Forecasted Revenues	**$1,098**	**$2,063**	**$3,161**

Note: Numbers may not add due to rounding.
Source: TRPC

Table 6-2: City and County Transportation Expenditure Forecast (In millions of constant 2025 dollars)

Expenditure Type	2025 – 2034	2035 – 2050	Total
Locally Significant Construction	$304	$473	$776
Regional Projects	$125	$429	$554
Maintenance, Preservation & Operations (No TBD funds)	$285	$455	$740
Preservation (TBD funds)	$141	$438	$578
Administration	$137	$219	$355
Debt Service / Other (existing debt only)	$63	$76	$139
Total Forecast Expenditures	**$1,054**	**$2,089**	**$3,143**

Note: Numbers may not add due to rounding.
Source: TRPC

Table 6-3: City and County Transportation Forecast Summary (In millions of constant 2025 dollars)

	2025 – 2034	2035 – 2050	Total
Total Revenues	$1,098	$2,063	$3,161
Total Expenditures	($1,054)	($2,099)	($3,154)
Balance	**$44**	**($36)**	**$7**

Note: Numbers may not add due to rounding.
Source: TRPC

Public Transportation Forecast

The Public Transportation Forecast is developed by Intercity Transit (IT) for its service area, and TRPC for ruralTRANSIT (rT). The IT forecast is consistent with its long-range plan. The rT forecast is based on existing funding levels.

The public transit revenue forecast (Table 6-4) is sufficient to fund expenditures (Table 6-5), including an increase in operations and capital. The revenue/expenditure forecast is balanced for transit; it is assumed that capital and/or operations will be expanded commensurate with available funding. In the short term (2025–2034), any increase in revenue from additional sales tax will be necessary to fund existing service or needs identified in the strategic plan, prior to increasing capital investments and/or operations.

Climate Commitment Act

Signed into law in 2021, the Climate Commitment Act requires the state to implement a cap-and-invest program with the aim of reducing statewide greenhouse gas emissions.

Proceeds from the Climate Commitment Act allowance auctions must be invested in critical climate projects focused on improving clean transportation options.

Revenue Forecast (In millions of constant 2025 dollars)

Revenue Type	2025 – 2034	2035 – 2050	Total
IT Operating Revenue	$1,078	$2,369	$3,446
IT Capital Revenue	$115	$154	$269
IT Reserves	$0	$151	$151
rT Operating Revenue	$17	$42	$59
Total Estimated	**$1,210**	**$2,716**	**$3,925**

Note: IT refers to Intercity Transit, and rT refers to rural Transportation.
Source: Intercity Transit, TRPC

Table 6-5: Public Transportation Expenditure Forecast (In millions of constant 2025 dollars)

Expenditure Type	2025 – 2034	2034 – 2050	Total
IT Operations – Existing and Expanded Service	$904	$2,431	$3,335
IT Capital – Existing Strategic Plan	$224	$307	$531
rT Operations	$17	$42	$59
Total Estimated	**$1,145**	**$2,780**	**$3,925**

Source: Intercity Transit, TRPC

Table 6-6: Public Transportation Forecast Summary (In millions of constant 2025 dollars)

	2025 – 2034	2035 – 2050	Total
Total Revenues	$1,210	$2,715	$3,925
Total Costs	($1,144)	($2,781)	($3,925)
Balance	**$66**	**($66)**	**$0**

Source: Intercity Transit, TRPC

Forecast Assumptions

City and County Transportation Forecast

Revenues

Following are the key assumptions and factors underlying this regional revenue forecast for multimodal streets, roads, and bridges:

- **BARS Data.** The forecast assesses historical trends using Budget and Accounting Reporting System (BARS) data from the Washington State Auditor's Office, as compiled by the Economics Branch of WSDOT.[1] The period of historical analysis used for this forecast was 2000 through 2021.
- **Local Revenues.** Local revenues include property taxes, special assessments, general fund appropriations, and other local receipts like development fees, permits, sales and use tax, business and occupation tax, real estate excise tax, service fees, parking and traffic fines, and intergovernmental services for transportation work. As of the time of this forecast, the cities of Lacey, Olympia, and Tumwater collect revenue through a Transportation Benefit District; that revenue is included as existing local revenue.
- **State Revenues.** State revenues include state fuel taxes distributed directly to cities, towns, and counties, state grants, and miscellaneous state funds like the camper excise tax.
- **Federal Revenues.** Federal revenues include direct and indirect grants, block grants, Federal Emergency Management Agency revenues, and various revenues from the Surface Transportation Program Block Grant (STBG) fund.

  The Federal revenue forecast assumes some equivalent of the Intermodal Surface Transportation Efficiency Act of 1991 and its successors (most recently the Infrastructure Investment and Jobs Act (IIJA, also known as the Bipartisan Infrastructure Law)) will continue throughout the life of this forecast period. This forecast assumes that Congress will address the insolvency of the Highway Trust Fund.

[1]The 2023 Legislature amended RCW 82.33.020 through the passage of ESHB 1838. As a result, WSDOT was required to transfer the state's motor fuels, fuels price, vehicle license, plate, and fee revenue forecast activities and records to Washington's Economic Revenue Forecast Council (ERFC). The transition of forecasting activities from WSDOT to ERFC were completed by July 2024 and ERFC produced their first Transportation revenue forecast in September 2024. The BARS data used in this plan were compiled by the Economics Branch of WSDOT prior to the ERFC taking over BARS data reporting.

- **Traffic Policing.** Traffic policing is not included in this revenue forecast, although the State Auditor considers this as a specific transportation function.
- **Property Taxes.** The forecast uses a flat property tax rate for both incorporated and unincorporated jurisdictions, reflecting the increasing pressure on local budgets to pay for basic services. It is unlikely that transportation will suddenly garner a larger share of available property tax revenues. The forecast assumes other existing local revenue receipts will remain static, similar to the share of revenues associated with the 2000–2021 time period.
- **Transportation Benefit Districts.** The notable growth in local revenues is associated with Transportation Benefit District (TBD) revenues. Lacey, Olympia, and Tumwater have TBDs. Thurston County has a TBD but does not yet collect revenues. All TBD fees are identified as "New Revenues." This forecast assumes that:
    - Thurston County will pursue the $20 license fee, collecting revenues in 2027. This will increase to $40 per vehicle starting in 2037.
    - Olympia will increase their sales tax fee from 0.01 percent to 0.02 percent in 2033.
    - Yelm will pursue a 0.02 percent sales tax fee, beginning collection in 2035.
- **Fuel Tax Distribution.** State revenue forecasts were developed for motor fuel tax distributions, and all other state revenues, typically competitive grants. Direct fuel tax distribution assumes that the share of taxes received by the county and cities remains the same throughout the forecast period. Given that the share of statewide population is a major factor in these distributions, this is a reasonable forecasting assumption.

Road Usage Charge

By 2035, 100 percent of new cars sold in Washington state must be zero-emission vehicles. In 2023, the state collected nearly $1.3 billion in gas taxes, which provides funding for a large portion of the transportation system. By 2050, the state is expected to collect only $300 million in gas taxes.

In 2020, the Washington State Transportation Commission began a large-scale pilot program to look at replacing the gas tax with a road usage charge. The Commission's final report issued in January 2024 show a road usage charge:

- Provides a viable usage-based funding source for transportation infrastructure
- Can generate sustainable, long-term revenue
- Can be implemented in a simple, enforceable, and secure manner
- Is a more equitable way to fund the transportation system
- Is the most viable approach for funding the future of our transportation system

Forecasts of net county and city fuel tax revenues derive from the Transportation Revenue Forecast Council's June 2024 *Transportation Economic and Revenue Forecasts, Vol II: Detailed Forecast Tables* (2025 through 2033). This assumes fuel tax revenues grow at half the rate of increase between 2022 and 2033 for the 2034 to 2050 period to account for increased vehicle fuel efficiency and adoption of electric vehicles. The WSDOT Economic Analysis Office or the Economic and Revenue Forecast Council reports actual fuel tax distributions received by jurisdictions.

- **New State Funding.** The forecast assumes the state legislature will pass one or more new transportation packages like "Move Ahead Washington," with $180 million in revenue for Thurston County projects.
- **Other State Funding.** Assumptions for all other state revenues rely on average annual receipts rather than growth rates, reflecting the competitive nature of these revenues.

Expenditures

Following are the key assumptions and factors underlying this regional expenditure forecast for multimodal streets, roads, and bridges:

- **Streets and Roads.** Costs of streets and roads include their associated multimodal facilities — sidewalks, bike lanes, planter strips, etc. Previous analysis demonstrated that these types of facilities account for 30-60 percent of typical street and roadway costs (right-of-way acquisition, stormwater management associated with additional impervious surfaces, and construction are the primary expenses). The nature of project construction costs makes it infeasible to break these costs out separately for a regional forecast such as this, therefore this forecast reflects the aggregate costs of multimodal streets and roads.
- **Historical Trends.** Historical trends are assessed using Budget and Accounting Reporting System (BARS) data from the Washington State Auditor's Office, as compiled by the Economics Branch of

WSDOT. The period of historical analysis was 2000 through 2021, adjusted for inflation to reflect constant 2025 dollars.

- **Locally Significant Construction.** Locally significant construction costs include engineering, right-of-way, roadway, storm drainage, structures, traffic and pedestrian services, sidewalks, special purpose paths, street lighting, traffic control devices, parking facilities, roadside development, ancillary operations, and construction administration and overhead as reported to the State Auditor by each agency. These are the general costs for local projects and programs only. Analysis of these costs do not include regional project costs, which are deducted from the BARS totals using data from WSDOT and TRPC and analyzed separately. Regional project costs are included as a separate expenditure line item. Locally significant construction costs reflect the adjusted 2000–2021 average annual cost, inflated to constant 2025 dollars and projected over the term of the forecast. There is no discernible trend, from 2000 through 2021, in growth in these costs.
- **TBD Revenue Used for Locally Significant Construction.** In addition to locally significant construction noted above, the forecast assumes between 2025 and 2033 up to six percent of the revenue from Transportation Benefit Districts will be used on active transportation and access and safety improvements. This forecast assumes that:
    - The City of Olympia uses their current retail sales tax TBD funds on such projects that are locally significant between now and 2033.
    - The City of Olympia will increase its retail sales tax to 0.02 percent in 2033, with the funding used primarily for maintenance and preservation purposes.

- **Maintenance, Preservation, and Operations.** Maintenance, preservation, and operations costs include all maintenance functions associated with the construction elements, as well as snow and ice control, street cleaning, plant maintenance and construction, and extraordinary operations. Pavement management programs fall within this category of expenditures. Maintenance, preservation, and operations costs reflect the adjusted 2000–2021 average annual cost, inflated to constant 2025 dollars and projected over the term of the forecast. There is no discernible growth from 2000 through 2021 in these expenditures.
- **TBD Revenue Used for Preservation.** In addition to the maintenance, preservation, and operations expenditures noted above, the forecast assumes up to 91 percent of the revenue from Transportation Benefit Districts will be used for preservation between 2025 and 2033; this will increase to 95 percent for 2034–2050. This estimate is based on the need to restore existing pavements to lowest-cost life-cycle conditions region-wide, with pavement preservation being under-funded at existing levels.
- **Administration.** Administration costs include general administration. Project-specific administration and management costs are considered a construction cost. Administration costs assume a steady annual expenditure based on the 2000–2021 average annual cost, inflated to constant 2025 dollars.
- **Debt Service/Other.** Debt service/other costs include existing debt service as well as a myriad of small, non-recurring "other" project costs reported by local jurisdictions. Debt service/other costs recognize existing debt service through 2029 and an average annual "other" cost based on the 2000–2021 average, inflated to constant 2025 dollars.
- **Traffic Policing.** Traffic policing is not included in this expenditure forecast, although the State Auditor considers it a specific transportation function.
- **Regional Projects.** Regional projects expenditures reflect those project, program, and service recommendations included in Chapter 2 and Appendix J. Regarding the streets, roads, and bridges forecast, regional projects may be street and road projects, dedicated bicycle and pedestrian facilities (including shared use paths), or large-scale investments in transportation technologies. It does not include WSDOT projects. Cost estimates are planning-level estimates and will be refined as projects are designed.

- **Forecast Periods.** The forecast uses local expertise to develop the breakout between 2025–2034 and 2035–2050 expenditures for regional projects. This distinction is for illustrative purposes only. The actual progress of regional projects will largely depend on agencies' success in securing grants and completing the necessary work preparatory to constructing regional projects.

Public Transportation Forecast

General

Following are the key assumptions and factors underlying this regional forecast:

- The Thurston County Public Transportation Benefit Area (PTBA) will continue in its present configuration, providing a limiting factor on both costs and revenues.
- All costs and revenues are in constant 2025 dollars.
- The forecast assumes the implementation of transit elements contained in the Intercity Transit Long-Range Plan (October 2018), including on-demand service available to recognized innovative service zones in less dense areas.

Intercity Transit Public Transportation Forecast

Revenue

The following are key assumptions and factors underlying this regional Intercity Transit revenue forecast:

- Local Option Sales Tax, which is the primary revenue source for Intercity Transit, is forecasted to grow year-over-year at 2.5 percent.
- With the implementation of the Zero-Fare Demonstration Project beginning January 2020, all fixed route farebox revenues are removed from the revenue forecast in 2020 and not re-inserted. Vanpool fare revenues remain flat through 2030 and then are forecasted to grow year-over-year at 1.5 percent.
- State and federal operating grants will contribute approximately $1 million to $2 million per year toward special needs transportation, vanpool and other programs.
- State and federal capital grants will contribute approximately $5 million to $10 million per year toward vehicle replacement and facility enhancement.

Expenditures

Following are the key assumptions and factors underlying this regional Intercity Transit expenditure forecast:

- The forecast of operating and capital expenditures reflects increases in fixed route and ADA Paratransit (i.e., Dial-a-Lift) service represented in the Long Range Plan (as of October 2024) including the corresponding increases in staffing levels, fuel, facilities, and insurance with regular year-over-year inflation.
- The forecast assumes additional fixed-route and Dial-a-Lift resources year-over-year intended to parallel population growth and the corresponding schedule delays resulting from increased traffic congestion.
- The capital forecast assumes vehicle replacements at or beyond the federally accepted schedules in addition to regular and routine replacement of information technology and facility maintenance; the forecast of expenses does not include a direct change in fuel technology.
- The capital forecast assumes that the Intercity Transit Pattison maintenance facility will continue to be upgraded through 2026.

ruralTRANSIT (rT) Forecast Assumptions

Following are the key assumptions and factors underlying this regional rT forecast:

- rT will continue to be funded through a competitive grant process at a funding level commensurate with state fiscal years 2025–2027 funding.
- rT expenses will be equal to the available funding level.