

MEMORANDUM

To: [RTID Executive Board](#)

From: Shawn Bunney, Chair

Date: April 11, 2005

Re: [Blueprint for Transportation Progress](#)

Because I have been under the weather and not able to talk with many of you in as much depth as I had planned, I am forwarding along some of my thoughts and the results of some of my conversations via this memo.

Let me begin by sharing some general observations:

1. All projects are in the PSRC transportation 2030 plan.
2. 100 % of the money raised will be invested in and stay in our three-county area.
3. The proposal will make significant improvements to traffic flow and mobility in key corridors in all three counties.
4. The investments will make significant contributions to future economic vitality and prosperity.
5. The proposal framework allows for integration of road and transit investments by corridor.
6. Significant funding is provided for high priority safety projects in each stage.
7. Construction in corridors is scheduled to anticipate traffic impacts resulting from major construction in other corridors.
8. The proposal creates the flexibility to incorporate future federal, state, and regional funding as they are needed and become available.

After our last meeting, I worked with our staff to develop some principles to guide their work in implementing our decisions and developing an initial chairman's proposal. A copy of the principles is attached.

We have several funding proposals to choose from using the two-funding sources strategy. I am open to a number of potential combinations. However, I am proposing the .6 MVET and the .2 cents sales tax for your consideration.

There are several reasons behind these recommendations. Both of these are deductible from federal income taxes. This lowers the total tax burden on our citizens and businesses, and in effect means we are securing additional federal participation in funding our transportation needs. The sales tax also generates significant contributions from tourists and other out of state users of our transportation system. The MVET provides a source of revenue from those who use our transportation system regularly.

The proposed level of taxes and revenues will cost the average family ___ cents per day or ___ per year. This is a fair request of the voters and tax payers given the very significant improvements in traffic flow, safety and enhanced economic prosperity which will result from these investments.

I realize that there are other potential combinations of revenue sources that could work for the region. I look forward to working with you, the rest of the Executive Board, and other leaders in the region to decide on the best revenue package.

Finally, I wanted to address the reasons behind minimizing bonding, at least for the early years of implementation. To the extent we minimize bonding, we maximize cash available for transportation projects.

It appears the state transportation funding will probably continue to use significant bond funding within the region. Therefore the initial funding for a very significant portion of major projects could come from that source. We could use the regional cash to fund other projects and have the flexibility to bond later if a project cash flow requires that to maintain construction schedules or to address unexpected but necessary costs.

Minimizing early bonding also allows flexibility to maximize use of future state and federal funding opportunities, and the flexibility to bond in the future during periods of low interest rates and/or low inflation. This is a change from our previous plan which required early and large bonding over long periods of time.

Finally, I would hope we could look at varying lengths of bonding from 10 to 25 years so that future funding will be available under the same revenue levels.

In summary, we all know that we have significant transportation needs now, but we also recognize that our region will need to make sustained progress over a long period of time to catch up with growth and provide for future growth.

We are still working to finalize the details of the proposed corridor investments and I look forward to working with you on Thursday.

