4.6 Operation and Maintenance Funding Options

4.6.1 Highway O&M Revenue and Finance Plan

The finance plan assumes that routine annual facility/tolling O&M costs and facility/tolling periodic R&R costs would be paid with toll revenues. This helps ensure that the revenue-generating asset is maintained in a condition that allows for uninterrupted operation. The cost of periodic R&R of the facility and tolling equipment/systems would also be paid with toll revenues, but with different levels of priority. Similar to routine annual O&M costs, toll revenues pledged for debt repayment would exclude the amount of toll revenues needed to pay for rehabilitation and replacement of tolling equipment/systems. However, only toll revenues remaining after debt service is paid would be used to pay facility R&R costs. Thus, facility rehabilitation and replacement (such as resurfacing) would be deferred if there were insufficient toll revenues after debt repayment, unless other state or federal funds could be identified. If tolls are terminated, the highway O&M costs would be divided between the states and funded through the respective highway trust funds, as is the practice on the current bridge.

4.6.2 Transit O&M Revenue and Finance Plan

C-TRAN

C-TRAN currently receives about $35.2 million in continuing annual revenues. C-TRAN currently levies a 5/10th of 1 percent sales and use tax; it could impose an additional 4/10th of 1 percent tax under its Public Transportation Benefit Area (PTBA) authority with voter approval.[27] The sales and use tax is C-TRAN's largest revenue source, estimated to account for about $22 million in 2011, reflecting a significant decline due to the recent economic downturn. Passenger fares are C-TRAN's second largest revenue source, estimated to account for about $7 million in 2011. Grants, interest income, and other operating revenues comprise the remainder of C-TRAN's existing revenue sources.

C-TRAN's existing revenues are required for meeting C-TRAN's fixed-route and paratransit service costs. Existing C-TRAN resources are generally not available for meeting the additional O&M costs of system expansion. In order to fund the additional O&M costs of the CRC project, C-TRAN could seek voter approval to increase the sales and use tax under its basic PTBA authority. In 2011, with the effect of the economic turndown still lingering, each 1/10th of 1 percent sales and use tax is estimated to generate about $4.4 million within the full C-TRAN district.

Implementation of the CRC project would make C-TRAN eligible for the additional funding authorities provided by the State of Washington's High Capacity Transit (HCT) Act,[28] which includes a supplemental sales and use tax not to exceed 9/10th of 1 percent. This is separate from and in addition to the 9/10th of 1 percent sales and use tax allowed, with voter approval, under C-TRAN's PTBA authority. Under the HCT Act, a transit agency must receive voter approval of a "high-capacity transportation system plan and financing plan." Voter approval of a system plan that includes a tax increase

27 RCW 36.57A authorizes the creation of Public Transportation Benefit Areas (PTBA), and RCW 82.14.045 authorizes PBTAs, such as C-TRAN, to levy a sale and use tax, subject to voter approval.

28 RCW 81.104.