

Financial Constraints

Federal and state regulations for Metropolitan and Regional Transportation Plans require a financial analysis to show how the transportation improvements and programs can be implemented with reasonably expected funds within the horizon years. In addition, the regulations allow the Plan to identify how additional potential revenues could be generated to fund more projects or programs.

This financial analysis is based on historical trends for revenues and expenditures, and current rules and regulations controlling transportation funding programs. The estimates are used to establish a likely range of revenues for regional transportation improvements and programs. They are not intended to be precise forecasts, because forecasting exact funding levels is difficult due to the uncertainties of funding sources. The estimated revenues are only intended for planning purposes, consistent with the objectives of the M/RTP. Actual revenues will be sensitive to local, state, and federal policy decisions; economic and market forces; and individual choices. Additional detail for each revenue source is included in Appendix I.

To develop the fiscally-constrained M/RTP, estimated costs of regional transportation improvement projects and programs are compared to available revenues. Because total improvement project costs exceed the estimated revenues, a range of projects are not included in the fiscally constrained M/RTP. The projects that can be funded with the projected revenues are the region's highest priorities. They are presented as the fiscally-constrained projects in the M/RTP. The projects and programs that are not able to be funded with the estimated revenues are further divided into

two groups. The first group covers the region's second highest priorities and will be considered for funding if revenues increase (or total costs decrease). Although the costs of these second priority projects are not included in the fiscally-constrained plan, the projects are included in the M/RTP. The final group of projects are improvements that have been identified as supporting the region's transportation needs, but are of a lower priority. These third priority projects are not likely to be funded during the 20-year horizon without significant changes in funding programs. The third priority projects are not presented in the body of the M/RTP. They are, however, included in the full list of projects included in Appendix F.

Consistent with SAFETEA-LU requirements, the revenues and project costs have been projected for 2010-2030 in terms of "year of expenditure dollars." This provides an apple-to-apples comparison of revenues versus costs. Revenues are projected to grow at a slower relative rate than improvement costs providing for fewer dollars to cover future costs.

Estimated future revenues have been projected for the Plan's 2010-2030 time period, in year of expenditure dollars, according to the following categories:

- **Baseline Funding Projections** – these revenues are considered "most likely," and are conservative estimates based on recent historical revenue trends and the current context of each revenue source.
- **Potential Funds** – this category includes additional revenues that may be made available in the context of the individual jurisdictions' funding policies. These revenues are subject to market forces, and the relative emphasis and success of jurisdictions competing for state and federal grants.



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- **Other Possible Funding** – the revenues in this category may be available to the jurisdictions via policy changes. These are primarily changes in tax policy, which may be established by the individual jurisdictions. Some of these changes require voter approval.

In reality, individual jurisdictional transportation funding may comprise any number of combinations of baseline funding, additional “potential” funds, or “other possible” funding due to policy changes. The approach here is to demonstrate what actions may be necessary in order to produce different levels of funding. This may include more emphasis on pursuing grants, as well as making policy changes to increase tax revenues.

When available, project costs were developed from agency transportation plans. As appropriate, project costs were updated to reflect current plans and programs. These were reviewed with agency staff. The project costs were then inflated at a compound annual rate of 4 percent per year. This rate has been recommended by the Federal Highway Administration and Federal Transit Administration for use in preparing Metropolitan Transportation Plans.

The financial analysis is summarized into the following three time periods to illustrate the likely funding program based on current assumptions:

- **2010 – 2015:** Includes the base year of the M/RTP and the agencies’ Six-Year Transportation Improvement Programs (TIPs). This horizon year also is used in the air quality conformity analyses.
- **2015 – 2020:** This five-year period provides a mid-range outlook for the financial program. This is consistent with the focus of the SAFETEA-LU requirements. It also provides a 10-year horizon for the air quality conformity analyses.

- **2020 – 2030:** This period includes the final 10 years of the M/RTP. Projecting revenues and costs more than 10 years is less reliable because rules, regulations, economic conditions, and local priorities change. As the M/RTP is updated in the future, the data for these years will be refined.

The fiscal analysis is organized into three sections. The first section addresses State highway revenues and project costs. As noted in previous sections, state highways are the core of the regional transportation system. The financial analysis is limited to capital projects, because WSDOT addresses general maintenance, operations, and administration through other funding programs which cannot be directly tied to the Yakima Valley M/RTP.

The second section provides an analysis of revenue and project costs for the local jurisdictions within the Yakima County region. This analysis addresses potential revenues and improvement costs for the regional arterials and major collectors and non-motorized projects. Local agency revenues fund maintenance, operations, and administration of local agency facilities. They also are used for improvements to local roads and arterials and collectors that are not considered regionally significant. Therefore, these expenditures are accounted for to provide an estimate of revenues available to pay for the cost of regionally significant improvements in the M/RTP.

The third element addresses revenues and costs for other transportation services in the region. The analysis addresses public and non-profit transit services. It also provides an overview of air and rail funding programs.



Washington State Department of Transportation Funding

Spending for the Washington State Department of Transportation (WSDOT) is appropriated biennially by the State legislature. Future projects that are eligible for funding are documented in either the Washington Transportation Plan (WTP) or the State Transportation Improvement Program (STIP). However, funding for specific projects is not assured until it is appropriated in the biennial State budget.

The Washington Transportation Plan (WTP) and the Highway System's Plan (HSP) evaluate needs, priorities, and funding of state highway projects for a 20-year horizon. The HSP is updated every two years. The biennial updates build on prior appropriations and committed funding programs such as 2003 "Nickel" Gas Tax and the Transportation Partnership Act (TPA) approved in 2005.

The Yakima Valley M/RTP incorporates and builds on the WTP and HSP. The M/RTP project priorities and funding programs were closely coordinated with WSDOT staff. This section reviews WSDOT's historical expenditures in Yakima County and estimates future revenues based on the STIP and historical trends.

Estimated costs of WSDOT projects in the M/RTP are summarized following the discussion of revenues. While not all of the projects are fully funded (because they are beyond the biennial budgets), WSDOT has programmed funding within the current STIP or included many of the improvements as high priority projects in the working draft of its Highway System Plan 2011 - 2030. The highest priority projects in the HSP are intended to be

funded within 20 years. These projects and costs are assumed for the M/RTP. Other projects are lower priority projects in the HSP or identified as DRYVE or TRANS-Action priorities.

Historical and Forecast Revenues

Historical spending data and spending projections from WSDOT were analyzed to estimate future WSDOT spending in Yakima County. Context is important when considering the historical trend in WSDOT spending. Transportation projects funded by the state rely primarily on revenues collected through the State Motor Vehicle Fuel (MVF) Tax (also called the gas tax). A portion of these revenues is returned to local jurisdictions via direct allocations based on standard formulas, and through competitive grants; the remaining portion funds WSDOT transportation projects.

In 2003, state transportation revenues were increased through a Legislative enacted five-cent-per-gallon increase in the gas tax. By voter approval, the gas tax was again increased incrementally in 2005, 2006, and 2007 and increased once more in 2008 before the approved tax package was completed.

Estimates of future WSDOT spending were analyzed for two groups of historical spending. In general, safety and preservation project spending tends to be more evenly distributed on a per-capita basis, while other types of projects (such as freight mobility and congestion relief) are more varied depending on regional needs and characteristics. Therefore, historical spending on safety and preservation projects is projected forward on a per-capita basis as a "Baseline" assumption. These estimated funds are most likely to be spent on WSDOT projects in Yakima County.



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Historical spending for all other types of WSDOT projects was projected based on recent historical per-capita averages. However, this future spending is considered “Potential” as it is less likely to be related to historical spending. It is important to emphasize, for all of these State spending projections, that funding is not guaranteed until appropriated by the State legislature and approved by the Governor. Further, as this spending is subject to some discretion, historical spending may not directly correlate to future spending.

Figure 14 shows per capita WSDOT spending in Yakima County for Safety/Preservation projects and Figure 15 shows Other Project spending on state facilities. Year of expenditure dollars are represented by a maroon line while inflation-adjusted dollars are shown as a purple line.

Holding the per-capita rate constant causes the inflation adjusted per-capita dollars to decline slightly over time, as indicated by the maroon line in years beyond 2010 in Figure 14.

WSDOT’s spending on projects within the Yakima Valley region

is expected to range from \$370 - \$675 million during the 20-year period. The low end estimate will focus on safety and preservation improvements. Additional spending could be applied to capital projects to resolve capacity issues and improve highways to serve the economic growth of the region.

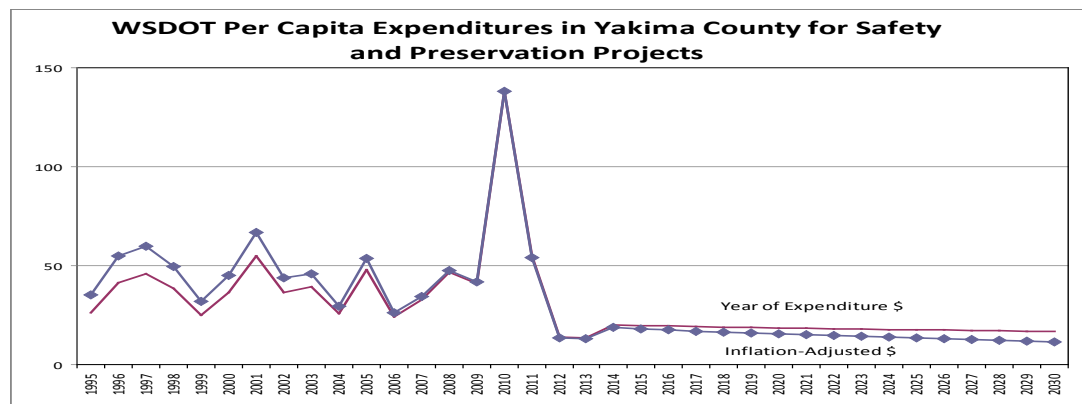
An estimated \$90 to \$200 million will be spent by WSDOT in the Yakima Valley region through 2015, with an additional \$85 to \$150 million invested in the region’s transportation improvements by 2020. The longer range spending could total up to \$325 million.

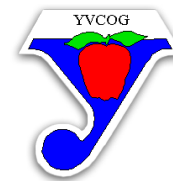
Project and Program Costs

Almost \$1 billion in desired state highway improvements have been identified in the Yakima Valley region if financial constraints were not a consideration. Approximately \$277 million in WSDOT project costs are included in the fiscally-constrained plan. The \$277 million represents 75 percent of the estimated baseline spending based on historical trends. The fiscally-constrained projects are either already funded or are listed as the highest priority projects in the Draft HSP 2011 – 2030. Completion of the I-82/South Union Gap interchange is also included as part of the fiscally-constrained plan even though it is not currently funded for construction. WSDOT has already initiated preliminary design studies for this improvement to complete the interchange ramp system.

Another \$220 million in year of expenditure project costs are identified for the other WSDOT high-priority improvements. These improvements could be partially funded with the remaining \$90 million in the projected Baseline funding. An additional \$130 million from the “Potential” funding revenues will be required to

Figure 14
WSDOT Per Capita Expenditures in Yakima County 1995-2030 for Safety and Preservation Projects





fund the other high-priority WSDOT projects.

The unfunded, high-priority projects include future widening of I-82 to six lanes through the Yakima metropolitan area. Construction of a new partial interchange at a new undercrossing of I-82 south of US 12 is also a regional priority, if additional state funding is secured. Widening of SR 24 between University Parkway and Moxee is included in the other high-priority projects that are not in the fiscally-constrained plan.

Approximately \$500 million in additional revenues will be needed to complete all of the identified state highway improvements. This funding is unlikely to be realized based on existing funding sources and historical revenues. Therefore, these projects are not presented in the M/RTP. They are, however, listed in the full project list in Appendix F.

Based on the projections of historical spending in the region, the highest priority M/RTP projects should be able to be funded by WSDOT during the 20-year horizon. Furthermore, the funding projections within each of the three planning horizons should be adequate, assuming the funds are allocated to the highest priority projects identified in the fiscally-constrained M/RTP. The 2010 – 2015 list of projects and associated costs are mostly identified as being funded, so those potential revenues are relatively secure. The 2015 – 2020 M/RTP project list requires approximately \$40 million in funding. This is well below the \$87 million Baseline revenues. This provides flexibility in constructing WSDOT improvements. It also may allow some of the long-range (2020 – 2030) WSDOT projects to be accelerated.

Local Agency Funding

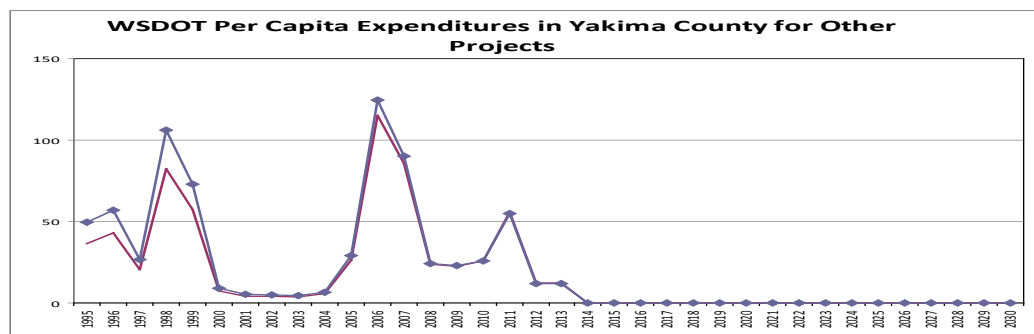
The local agencies, including Yakima County and the cities and towns, use a range of revenue sources to fund transportation systems within their jurisdictions. These local revenues pay for annual maintenance, operations, and administration as well as pay for capital improvements for both the regional corridors and for streets that primarily serve local community needs. Local agency revenues may fully fund transportation projects and programs or may be used as matching funds to leverage federal or state grants.

For purposes of the M/RTP, all revenues and expenditures for the local jurisdictions are combined. This approach builds on the goal to develop the region’s transportation system based on the highest priority needs. This approach will require member agencies to work together to secure grants and/or otherwise jointly fund some of the major regional improvements.

Revenue Projections

It is worth repeating that these estimates are intended to assist in project prioritization and planning, but are not considered “forecasts.” The figures presented in the M/RTP are estimates to be used for planning purposes; actual revenues are highly

Figure 15
WSDOT Per Capita Expenditures in Yakima County 1995-2030 for Other Projects





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sensitive to local, state, and federal policy decisions; personal choices of residents; and market forces. These estimates are expressed in year of expenditure dollars.

Baseline Funding Projections

Baseline projections include the main revenue sources currently used to fund local agency transportation projects. As mentioned previously, Baseline projections account for those revenues that are considered “most likely” considering recent historical revenue trends, limitations on use, and current practices by the local agencies for each revenue source. Eighteen years of historical expenditures (1988-2005) were analyzed for each source of revenue. These past trends have been projected into the future, taking into consideration current knowledge of how each revenue is collected, what circumstances caused changes in the recent past, and what, if anything, is likely to cause changes in the near future.

Baseline funding projections include the following revenue sources and assumptions:

Property Tax. Property taxes are used by counties and cities to partially fund transportation projects. Yakima County has a dedicated road levy. The local cities and towns use property tax receipts for a range of programs, including transportation.

The **Road Levy** is a property tax collected by Yakima County specifically for transportation funding and accounts for a large portion of the county’s transportation funds. It is important to note that these funds may be spent on transportation projects only in unincorporated Yakima County and are not available for city projects.

Since the passage of Initiative 747 in 2001, property tax increases are restricted to 1.0 percent of the previous year’s revenues. In inflation-adjusted terms, revenues from property tax are actually declining, because the 1.0 percent allowed increase does not keep pace with inflation (approximately 3.0 percent) or population growth. Because this tax is projected on a per capita basis, population projections directly impact the revenue estimates. Future incorporations or annexations will reduce unincorporated Yakima County population, leaving a proportionately smaller population to cover the 1.0 percent increase in property tax. In order to avoid overestimating revenues, only the property tax revenue trends since 2001 (when I-747 was instituted) have been considered. Future revenues are further reduced to account for likely decreases in unincorporated Yakima County population due to annexations.

Other Property Taxes are collected by cities and are available for any local purpose, including transportation. Similar to the Road Levy, I-747 had a significant impact on general property tax revenues. Because total revenues are now capped at 1.0 percent growth, these funds are growing much slower since 2001 than in prior years, and, when adjusted for inflation, are actually decreasing. When projecting future revenues, the rate of change for 2001 to 2005 has been continued into the future. The historical data analyzed include only that portion of property taxes spent on transportation. However, because this is a general government revenue, and the restrictions on growth result in fewer available dollars overall, this may result in the need to shift more of these funds to other immediate general government needs, and less to transportation in the future.

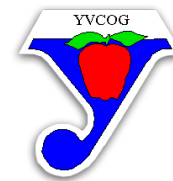


Figure 16 shows the historical per capita property tax spent on transportation from 1988-2010 (shown to the left of the dotted line), and the estimated future property tax contribution to transportation spending (shown to the right of the dotted line), for the study area as a whole. The maroon line labeled “Real property taxes per capita” shows the inflation-adjusted numbers in 2010 dollars. The blue line shows actual “Nominal property taxes per capita,” i.e., year of expenditure dollars. Figure 17 illustrates the recent historical decline in real, inflation-adjusted revenues, which is expected to continue.

Special Assessments. These include funds received through Local Improvement Districts (LID), and Road Improvement Districts (RID). Although these taxes may be levied by a city or county, they are applied only to local, clearly-defined areas in which the land owners are expected to benefit from a specific improvement project, rather than to an entire jurisdiction. The assessment comes in the form of an additional real estate property tax which pays debt service payments on the sale of bonds purchased to finance the project. LIDs may be used for transportation projects, but they may also be used for water, sewer, and storm sewer facilities. RIDs may only be used for road and street improvements. LIDs have been used in the Yakima Valley region consistently in the past, and the expectation is that they will continue to be used in the future. These funds are project-specific and therefore rise and fall over the years. The projections show the revenues as a smooth stream, which is likely to underestimate revenues in some years, and overestimate them in others.

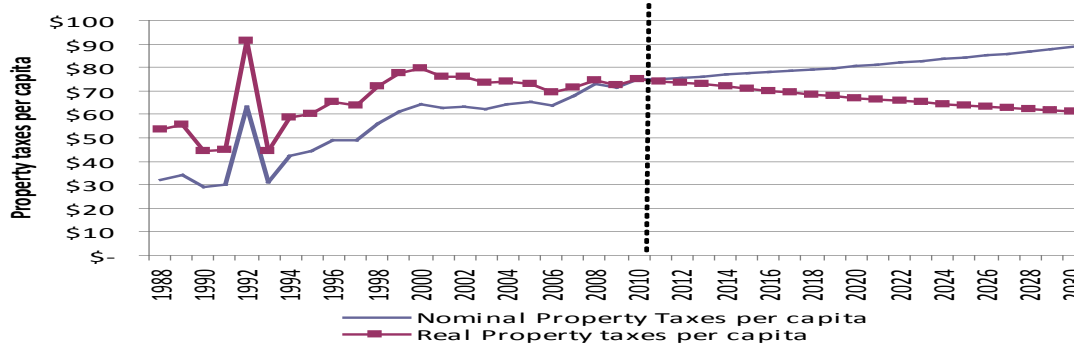
The historical per capita special assessment revenue spent on transportation from 1988-2010 is shown in Figure 17. The

estimated future special assessment revenue for the Yakima Valley region. Special assessments are relatively small on a per capita basis, and have been declining over time in the recent past. The project-specific nature of this revenue source is also clearly visible in the peaks and valleys of historical spending.

General Fund Dollars. Yakima County and the local cities and towns have historically contributed some general fund dollars to transportation projects and programs. However, general fund dollars are discretionary when it comes to transportation spending. General fund revenues may be used in numerous ways, and the level to which they have been used in the past for transportation was a decision made individually by each jurisdiction. Additionally, I-747 has resulted in a decrease in property tax dollars (a significant portion of the general fund) on an inflation-adjusted basis, decreasing the overall available funds.

Because general fund revenues have few restrictions on how they are spent, individual jurisdictions may change the portion of these funds used for transportation each year. This means that in a given year general fund contributions to transportation spending may be increased or decreased depending on other financial constraints

Figure 16
Local Agency Per Capita Property Tax for Transportation Capital 1988-2030





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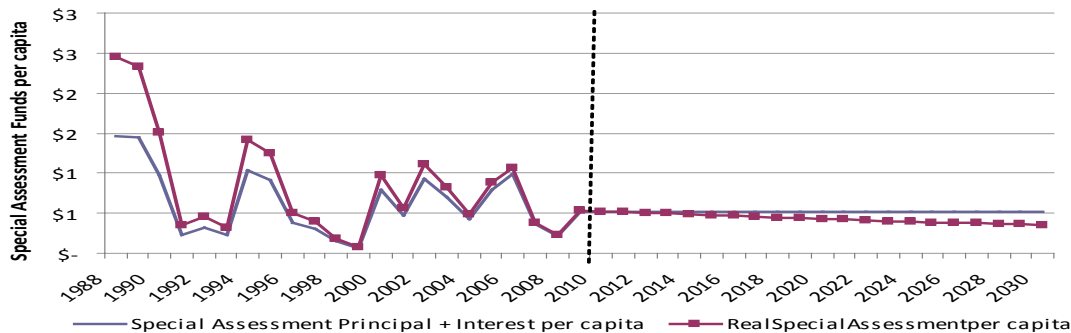


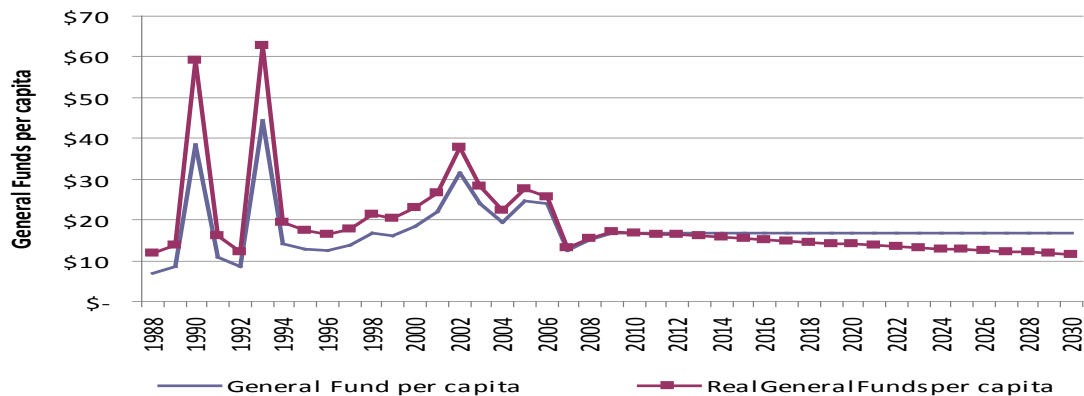
Figure 17
Local Agency Per Capita
Special Assessment Dollars
1988-2030

the jurisdiction is facing. A conservative estimate of general fund spending was created for expected future transportation funding based on historical trends.

Figure 18 illustrates historical per capita general fund revenues spent on transportation from 1988-2010, and the estimated future general fund revenue allocated to transportation, for the study area as a whole. General fund dollars are becoming constricted overall, and it is expected that, in inflation-adjusted terms, fewer of these funds will be available for transportation spending in the future.

Figure 18
Local Agency Per Capita
General Fund Dollars for
Transportation Capital
1988-2030

Other Local Funds. This category includes funds raised through impact fees and State Environmental Protection Act

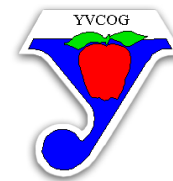


(SEPA) mitigation fees. These fees are collected on individual development projects as part of the permitting process and according to their estimated direct impact on specific public facilities. Impact fees may be levied by local governments specifically planning under the Growth Management Act. They may be used for public streets and roads, parks, public open space, recreation facilities, school facilities, and fire protection facilities in jurisdictions that do not belong to a fire district. SEPA mitigation fees are collected on development, but rather than be levied on the estimated impact to public facilities, they are collected as full or partial payment for a necessary improvement project.

These funds have different historical trends for individual agencies. Yakima County has had an average annual per capita increase in this category of approximately 6.0 percent since 1989. However, because these revenues tend to vary considerably from year to year based on development in the area, a conservative increase was assumed at the expected rate of inflation (3.0 percent) for the future.

Cities in the greater Yakima metropolitan area have seen only a 2.6 percent average annual increase in per capita revenues since 1988, and so this trend has been continued for future estimates. However, because the area is expected to see significant population growth, total annual revenues in this category are expected to increase at approximately 4.7 percent annually.

Cities outside of the Yakima metropolitan area have experienced fluctuating revenues from these sources in recent history. The recent trends have been fairly flat, therefore, the recent average per capita value from 2000 to 2005 was continued annually into



the future.

Figure 19 illustrates historical and estimated future per capita other local fund revenues for the study area as a whole. The chart illustrates the project-specific nature of these revenues in the variation in historical collections.

State Motor Vehicle Fuel Tax. As noted in the discussion of state transportation spending, counties and cities receive a portion of the State Motor Vehicle Fuel Tax (MVF) based on a reimbursement formula. These funds have been increasing on a per capita basis for all area jurisdictions at an average annual rate of approximately 1.0 percent. Revenues are therefore not keeping pace with the approximate inflation rate of 3.0 percent, and are declining on an inflation-adjusted basis.

Per capita revenues rates for Yakima County have been increasing at an average annual rate of 1.6 percent since 2000. For the cities and towns, these revenues have been nearly flat, growing annually at an average rate of less than 1.0 percent. After 2008, no increase in the state gas tax rate is expected again in the near future. Because of this, the recent average per capita value was projected into the future for all geographical groups, with no assumed growth. Jurisdictions may see some growth in total revenues due to population growth, but per capita revenues will remain constant, and when adjusted for inflation, will continue to decrease over time.

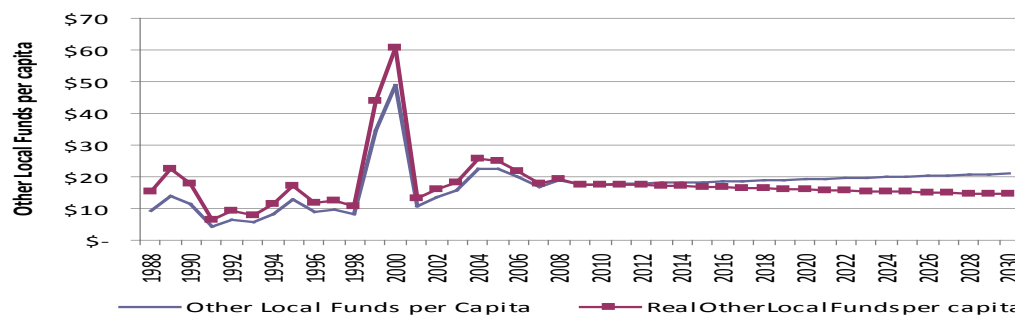
Figure 20 illustrates historical per capita state MVF Tax revenues received within the study area, and the estimated future revenues through 2030. This chart illustrates the real decline in inflation-adjusted revenues, evident by the maroon line. There is also a

slight decrease in the nominal per capita dollars over time for the study area as a whole, although per capita revenues were held constant for each individual geographical group. This is a result of the changing structure of the population. Yakima County receives a higher per capita reimbursement of MVF Tax dollars than the cities and towns. As the population grows at a faster rate in the cities and towns than in the unincorporated areas, the population in the incorporated areas becomes a larger percentage of the regional total. The lower per capita city rate of reimbursement therefore reduces the total per capita rate for the region as a whole.

State Grants. Grants are an important funding source for transportation capital projects; however, because these funds are distributed through competitive processes it is difficult to estimate future grant funding levels. For this analysis, recent historical grant revenue trends have been reviewed. However, because the current grant-funding climate is shifting, future revenues have been estimated to be considerably lower than recent trends. This is due, in part, to other financial forces.

One of those forces is the passage of I-747 in 2001. Because jurisdictions have had their property tax revenues capped at a rate (1.0 percent) lower than inflation (3.0 percent), inflation-adjusted

Figure 19
Local Agency Per Capita
Other Local Funds
1988-2030

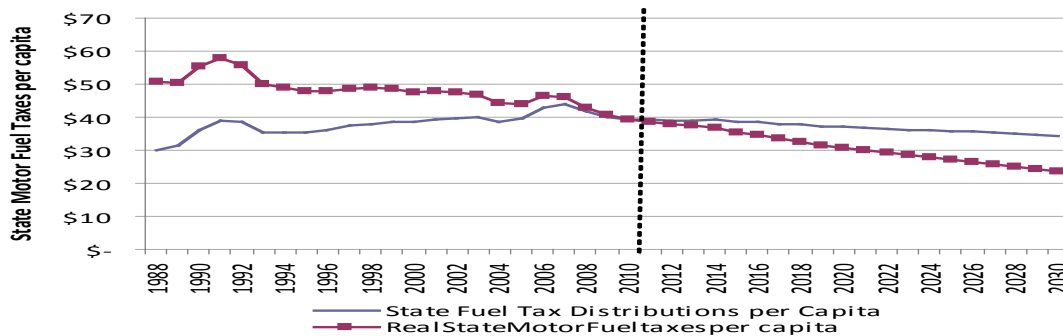




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revenues are declining each year. This impacts transportation spending in two ways: First, property taxes are collected for transportation purposes are able to purchase less each year. Second, property taxes that are non-restricted and are used for other jurisdictional necessities are also declining. Cities and counties must use non-restricted funds that have previously been used for transportation projects to put them towards other

Figure 20
Local Agency Per Capita
State Motor Vehicle Fuel
Tax Funds 1988-2030



immediate needs. This creates a second tightening of funds available for transportation.

In addition, as explained in the Motor Vehicle Fuel Tax discussion, per capita fuel tax revenue is declining in real terms and is able to fund less and less each year. The reduced tax revenue has a second effect on grant revenues. State grants are largely funded through a portion of the fuel tax revenue not directly distributed to jurisdictions, and are therefore affected by the diminishing funds. As the competition for grant funds increases due to the declines in other local funding, securing grant funding becomes more difficult and even less predictable.

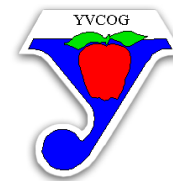
In recent years, there have been increases in the state fuel tax rate.

Many of these additional funds were earmarked for specific large projects; however, there was some allocation to local jurisdictions. The Transportation Partnership Act (TPA) of 2005 provided some additional funds to the Transportation Improvement Board (TIB) and the County Road Administration Board (CRAB), for a total of \$80 million to be disbursed to local jurisdictions as grants over a 16-year period. These increases in funds are very small relative to the demand, with requests to the TIB overreaching available funds by 800%.

Because of the increase in competition for grant dollars and the decrease in available state grant funds, grant revenues in the Baseline projections have been estimated at lower levels than recent historical rates. Per capita grant revenues for 2010 are projected at approximately one-half to two-thirds of what they have been for the past ten years and increased through 2030 at the rate of inflation. Grant revenues are project-specific and therefore tend to have large fluctuations from year to year. The future revenues in this analysis are projected on a constant trend, which is likely to overstate revenues in some years and understate them in others.

Figure 21 shows historical and estimated future per capita state grant funds. Future projections are noticeably less than recent historical numbers for the reasons discussed above. These revenues are also clearly project-specific as can be seen in the peaks and valleys of the historical data.

Federal Grants. As discussed above, grant funding is difficult to project because it is awarded on a competitive basis. However, recent historical trends and information regarding the context of grant revenue sources can inform the assumptions that are made



about available future grant dollars.

Federal transportation grants are funded through the federal portion of the Fuel Excise Tax. The current federal gas tax rate is \$0.18 per gallon. The majority of these funds are deposited into the Highway Trust Fund and disbursed to the states through the Highway and Mass Transit Accounts.

As with state grants, recent historical federal grant revenue trends have been reviewed for this analysis. Similar to state grants, the current federal grant-funding climate is shifting. Future revenues have therefore been estimated lower than recent trends. According to a presentation by the Receipts Forecasting Division of the Office of Tax Analysis, Department of the United States Treasury, gas tax revenues are expected to increase with diesel and other fuels increasing. Because this rate is lower than expected inflation, these revenues are declining in real, inflation-adjusted terms. It is likely that this trend will continue into the future, and possibly may worsen over time as gas prices and vehicle fuel efficiency are both expected to continue to increase, reducing the per capita gallons of gas purchased per year.

Figure 22 shows historical and estimated future per capita Federal Grant Funds. Future projections are less than recent historical numbers for the reasons discussed above. These revenues are also clearly project-specific as can be seen in the peaks and valleys of the historical data.

Potential Funds

Potential funds include additional revenues that may be available to the local jurisdictions in the context of their current set of policies, but will depend on market forces and the decisions

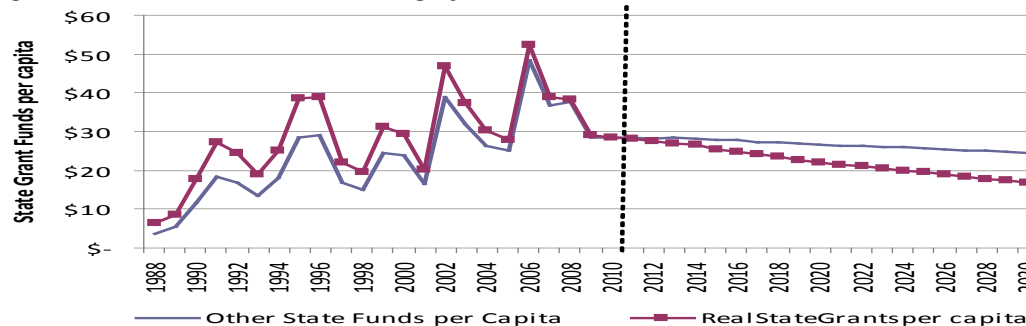
made by the local agencies. Potential funds for the local agencies include additional grants and use of bonds.

State and Federal Grants. As discussed in the Baseline projections, grants have been estimated to be considerably lower than recent historical trends.

For estimating Potential Funds, it is assumed that the jurisdictions included in the M/RTP will receive more grants than assumed in the Baseline projections and that the per capita level will be closer to the average recent historical levels. Much of the potential for these funds is out of the control of the jurisdictions. There are, however, actions that agencies can take to improve the chances of receiving grant revenues. This includes leveraging local funds, identifying and pursuing applications for emerging priorities (e.g. sustainable, “green”, livable communities.)

Bonds. Bonds may be used for capital funding in different ways. They may be used strictly as a financing function, allowing jurisdictions to move the same funding to an earlier construction period by borrowing money against future revenues. In this way a jurisdiction is able to pay for a project or set of projects at an earlier point in time and pay it off with future dollars. The interest paid on a bond adds to the cost of the project; however, that cost

Figure 21
Local Agency Per Capita
State Grant Funds
1988-2030





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may be off-set by completing the project in an earlier time period and avoiding increased future construction prices. And, because project costs have been increasing at a faster rate than inflation, projects may cost less if they are constructed earlier and financed over time.

Rather than being strictly a financing option, a bond such as a voter-approved General Obligation (G.O.) bond may be used by cities or counties as additional funding for specific projects, as it actually increases revenues to the jurisdiction. If approved by voters, a G.O. bond is used to finance a specific project and property taxes are increased for a set period of time to pay the debt service.

For the M/RTTP, the potential G.O. bond revenues have been estimated at the county level. To estimate the necessary property tax increase for various levels of transportation funding gained through a countywide G.O. bond, historical assessed property values were analyzed for the Yakima County region. Based on the historical trends, assessed value was projected to increase at a conservative rate of 3.0 percent. Two consecutive ten-year bonds were assumed to be financed with an increase of \$0.15 per

\$1,000 of assessed value, the first starting in 2012 and the second beginning in 2020. The \$0.15 increase will be the rate for the first year of each bond only. For the following years, the tax rate to cover the same debt service payment may decrease. In the tenth year of each bond, the rate will likely be closer to \$0.11 or \$0.12 per \$1,000 of assessed value.

Bonds of different amounts may be financed with different increases in the property tax rate. The above scenario is just one possible option presented to provide a sense of scale between the property tax increase and the bond it could support.

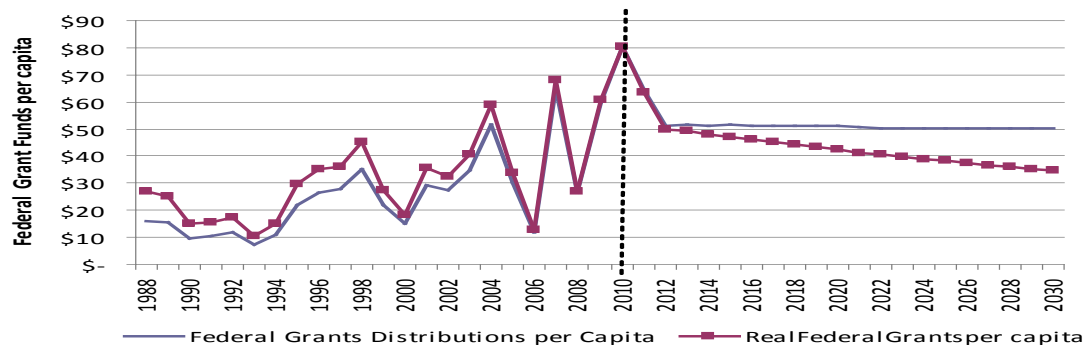
Local Agency Total Potential Fund Revenues. Local agency total potential fund revenue sources could result in an increase of up to 15 percent in transportation funding for local jurisdictions, compared to the \$1.1 billion in Baseline revenues.

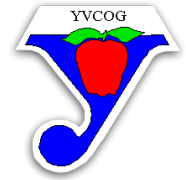
Other Possible Funding

Other Possible Funding for the local agencies includes additional revenue that jurisdictions may apply to transportation spending, but will require changes to current policy, and in some cases voter approval. These are primarily changes in tax policy, which may be established by the individual jurisdictions or countywide.

Local Motor Vehicle Fuel Tax. Established in 1998, the Local Motor Vehicle Fuel Tax allows Washington State counties to levy a local fuel tax, in addition to the state tax, upon approval from the County’s legislative body and a majority of voters. This tax may be levied up to a rate equal to 10.0 percent of the state fuel tax rate and may be used for transportation purposes as defined in RCW 82.80.070. This includes maintenance, preservation, and expansion of existing roads and streets, new transportation

Figure 22
Local Agency Per Capita
Federal Grant Funds
1988-2030





construction and reconstruction, other transportation improvements, implementation and improvement of public transportation and high-capacity transit programs, and planning, design, and acquisition of right of way for the aforementioned purposes.

For these projections, a County Local Motor Vehicle Fuel Tax at 6.0 percent of the Washington State Fuel Tax rate was assumed. The current state tax rate is \$0.375. It is assumed that the County tax could be established in 2012, allowing time for the voters to approve it (and assuming they do). Six percent of the current state fuel tax rate corresponds to a Yakima County fuel tax rate of \$0.023 per gallon.

Real Estate Excise Tax (REET). Cities and counties are allowed to levy two portions of REET each at 0.25 percent of the full sale price of real estate. The first 0.25 percent may be used for the general purpose of financing capital improvements, and the second may be used for only those capital projects listed in a comprehensive plan. Because this funding may be used for many types of capital and is not restricted to transportation capital only, it is up to the discretion of each jurisdiction as to how they choose to spend these funds. These funds may not be used for maintenance and operations costs.

All of the local jurisdictions in the region currently levy the first 0.25 percent tax. In addition, Yakima County and the City of Yakima currently levy the second 0.25 percent portion; the rest of the cities in the region do not. For this analysis, it is been assumed that the remainder of the cities in the region will begin to levy the second 0.25 percent REET tax allowed beginning in 2012. It is also assumed that this additional revenue will be spent solely on

transportation capital improvements.

Business and Occupation (B&O) Tax. Business and Occupation tax is a locally-levied tax applied to the gross receipts of business activity within a jurisdiction. These taxes may be levied by cities and towns only, except in the case of financing a municipal transportation system, in which case the levying entities may include counties, a county transportation authority, or public transportation benefit area. Revenues from a B&O tax contribute to the General Fund, and may be used for multiple purposes, including transportation spending. Because there is no history of B&O tax collections in the jurisdictions within the Yakima Valley region, and because it has been difficult to get voter approval, specific revenues have not been estimated for the M/RTP. However, it is a potential revenue source that local jurisdictions may consider in the future.

Utility Taxes. Utility taxes are a form of Business and Occupation tax levied on utilities, and a revenue source that is currently used by the cities within the study area. These revenues, like general B&O tax revenues, contribute to a municipality's General Fund. Washington State sets the maximum rate of tax on electrical, natural gas, steam energy, and telephone businesses at 6.0 percent, unless a higher rate is approved by voters. There is no tax rate limit on other utilities such as water, sewer, and garbage services.

For the M/RTP, no additional potential revenues from utility taxes to fund transportation improvements were estimated. Local jurisdictions may, however, consider this as a revenue source in the future.

Local Agency Total Possible Fund Revenues. These revenues will require changes in current policies and/or require voter



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approval. These funds represent approximately 5 percent of the estimated Baseline revenues estimated for the local agencies and do not include potential additional funds from new B&O or utility taxes.

Project and Program Costs

The local agencies that are within the Yakima Valley M/RTP use their transportation revenues to fund maintenance and operations activities, as well as capital improvements. The M/RTP identifies preservation and safety as key priorities, so the M/RTP accounts for these annual costs as the first priority for funding.

Transportation improvements include roadways that serve regional travel, as discussed in Section 6. Agencies also need to fund improvements to arterials, collectors, and local roads that are not included as part of the M/RTP projects and programs. Allowances for these costs were estimated to assure that local agencies will have funding for other priority, non-regional projects and programs.

The revenue projections that were previously discussed must accommodate maintenance, operations, and administration and necessary local transportation projects not covered by the M/RTP. After these costs are accounted for, the remaining revenues are available for regional capital projects. Similar to the analysis of WSDOT projects, these regional transportation improvement projects for the local agencies were assigned to three categories: The first category includes M/RTP projects that are feasible with the Baseline revenues, discussed above; the second category includes other high-priority regional improvements that could be funded with expanded revenues through the Potential or Other

Possible Fund categories; the third group includes other projects that agencies have identified in their plans, but are not likely to be funded within the 20-year M/RTP.

Maintenance, Operations, and Administration Costs.

Transportation system maintenance, operations, and administration spending is directly related to the size of the system and the service expectations established for each community. Therefore, jurisdictions must continually make decisions regarding available funds, desired level of service, and other financial priorities.

Future transportation system Maintenance, Operations and Administration (MO&A) costs have been estimated based on historical spending trends. These historical expenditures include maintenance for roadways, storm drainage, structures, traffic and pedestrian services, sidewalks, street lighting, traffic control devices, parking facilities, snow and ice control, street cleaning, and others, as well as general administration and overhead.

Three scenarios were analyzed and are presented in Appendix I. These include maintaining current trends, increased MO&A spending, or maintaining the same per capita spending. The current trends analysis was used for the M/RTP funding analysis because it provides MO&A spending at the same level in the future in year of expenditure dollars. Higher or lower levels of spending on MO&A will affect capital spending, discussed below.

Maintenance, Operations, and Administration costs naturally increase over time as the transportation system expands and ages along with increases in population. The historical per capita MO&A spending trend has been analyzed and the same



trend forecast to continue into the future. This assumes that the increase in transportation capital attributable to this plan is in line with the historical annual increases on a per capita basis. It also assumes that maintenance, operations, and administration costs will continue to rise at a per capita rate similar to recent history. MO&A costs are assumed to increase at a rate comparable to their recent historical level.

Although actual dollars per person are expected to increase annually, real, inflation-adjusted dollars expended are projected to remain relatively constant.

Local jurisdictions will spend nearly \$640 million to cover MO&A between 2010 and 2030. This represents 55 percent of the local agency Baseline revenues. The M/RTP assumes that MO&A funding at this level will be a priority, leaving approximately \$500 million for capital transportation improvements, including regional M/RTP projects and non-regional projects.

Non-regional Capital Spending. The local agencies in the MPO/RTPO do not specifically differentiate between regional and non-regional transportation improvement projects. They select projects based on their comprehensive plans, current needs, and local priorities. To develop an estimate for expenditures for non-regional capital transportation projects, the agencies' current Six-Year Transportation Improvement Programs (TIP) have been analyzed. Capital projects from each TIP have been categorized as being regional or non-regional. The combined costs of these projects were used to define the percentage of capital costs used for local or non-regional improvements.

Based on the current TIPs, Yakima County and cities in the

greater Yakima metropolitan area are currently allocating approximately 25 to 30 percent of their capital transportation expenditures on non-regional projects. The jurisdictions outside of the metropolitan area allocate approximately 70 percent of their TIP funds to local, non-regional projects. The higher percentage of local project funding for the non-metropolitan area jurisdictions reflects the relatively small proportion of regional roadways, which are not state highways, in these communities. Lower levels of total funding also limit their spending on major capital transportation projects.

For purposes of the M/RTP, one-third of the capital expenditures were assumed for non-regional transportation projects. This is based on a weighted average of all of the agency TIP projects. This assumption is skewed toward expenditures by Yakima County and cities in the greater Yakima metropolitan area, because they represent over 95 percent of the capital expenditures in all of the TIPs combined. This results in two-thirds of the local jurisdiction capital transportation funds being used for high-priority projects in the M/RTP.

This method for allocating local agency revenues results in \$170 million in funding for non-regional transportation improvement projects between 2010 and 2030, in year of expenditure dollars. This results in approximately 30 percent of the total Baseline revenues available for regional roadway projects under the jurisdiction of local agencies. Fifteen percent of Baseline revenues is used for local, or non-regional improvements and 55 percent for maintenance, operations, and administration. The application of these funds is discussed below.

Over \$1.5 billion is needed to fully fund all regionally significant



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capital projects identified by the local agencies. Approximately 22 percent of the project costs are included in the fiscally-constrained M/RTP. This represents nearly \$335 million during the 20-year M/RTP planning period. The available capital revenues for the fiscally-constrained plan match with the M/RTP project costs in year of expenditure dollars.

The funding is reasonably allocated to the three planning horizons. The M/RTP 2010 – 2015 short-range projects will require approximately \$5.8 million more in revenues than currently estimated. The mid-range projects (2015 – 2020) will require an additional \$1.6 million in revenues. The costs for the short- and mid-range M/RTP projects are approximately 4 percent higher than the estimated revenues. This is a reasonable range for planning purposes. To address this shortfall, some of the short- and mid-range projects may need to move to later years, unless grants or other revenues can be accelerated. As noted above, grants were estimated to occur in a uniform manner, but there will typically be peaks and valleys in the funding program.

The long-range (2020 – 2030) M/RTP project costs are approximately \$12 million less than estimated revenues during that time period. This estimated extra revenue will provide a cushion if some of the short- or mid-range projects are delayed.

The other high-priority M/RTP projects under the jurisdiction of local agencies total \$280 million. Over 85 percent of these costs are allocated to projects that will likely not be constructed until 2020 – 2030. As discussed above, local agencies could generate up to \$235 million if additional grants, taxes, and bonds are approved. Over \$140 million of this could be in the form of additional federal or state grants. Approximately one-half of

the other high-priority project costs may be able to be funded if additional grants are available. This will also require additional local matching monies. It is reasonable to assume that some of the other high-priority projects can and will be funded during the 20-year planning period. Selection of these projects for the M/RTP fiscally-constrained plan will be based on the established regional priorities.

Other Regional Transportation Funding

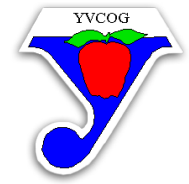
The above analyses of state and local agency funding programs focus on highways and roadways. They also cover non-motorized transportation improvements. To meet the overall transportation needs of the region, the M/RTP supports expansion of fixed-route bus service, demand-responsive transit service, and special-needs transportation programs within the Yakima Valley region. Funding programs for Yakima Transit, Union Gap Transit, Pahto Public Passage, and People-for-People are summarized in this section. Funding for these programs is assumed to be independent of the roadway funding programs.

Air and rail transportation systems are generally funded separately from the state and local roadway projects or transit. An overview of current and known funding for these transportation systems is provided.

Yakima Transit

Revenues

Yakima Transit funds are available for the transit capital and service enhancement projects included in the M/RTP. Yakima Transit is a division of City of Yakima government and currently operates within the boundaries of the City of Yakima. In 2006,



Selah residents approved a 0.3 percent transit sales tax to support transit service in their city. Projections of those funds are not included in this analysis. Union Gap residents passed a similar tax measure in 2008 to provide transit service in their city. Future increases in transit service will typically be funded through the same combination of sales tax, fares, and grants.

Local transit sales taxes, fare revenues, and grant funds are the primary funding sources for Yakima Transit and are assumed to be available for transit capital improvements only within the City of Yakima and Selah. Union Gap Transit provides fare free service and is supported entirely by City sales tax revenues.

It is important to keep in mind that although the total transit funds may be available for capital expenditures, the only capital funded with the current budget are regular bus replacements to continue the same level of service. The remainder of the transit budget is spent on operations and maintenance. Currently, Yakima Transit allocates between 5 and 10 percent of their annual revenues for standard bus replacements and other routine capital purchases. It currently requires all available funds to provide the present level of service. In inflation-adjusted terms, transit revenues are declining each year. Therefore, it will either be necessary to find new sources of funding, or levels of service will necessarily decline in the future. Union Gap and Pahto Public Passage offer fare-free service.

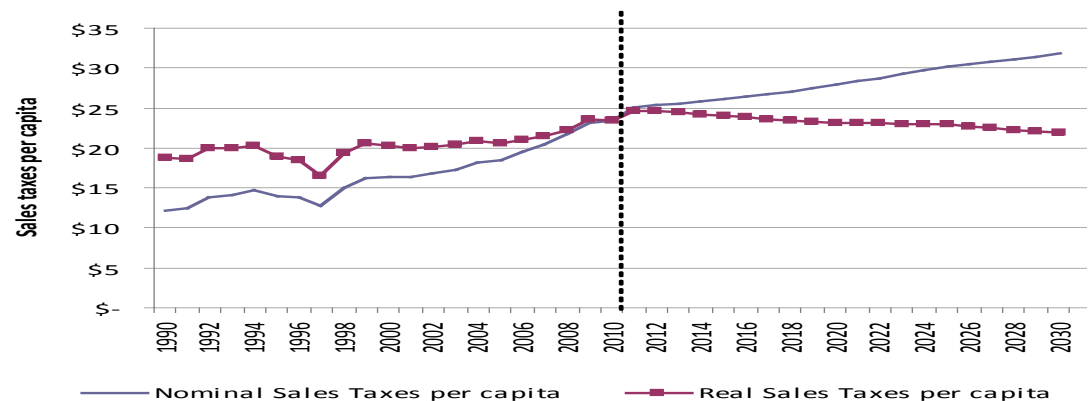
Sales Tax. Cities, counties, and Public Transportation Benefit Areas (PTBA) are allowed to levy a local sales/use tax of 0.1 percent to 0.9 percent to be used to finance local transit systems with voter approval. An additional sales/use tax of up

to 1.0 percent is allowed for high capacity transit. In January 1981, City of Yakima residents approved a 0.3 percent sales tax specifically for transit use. Per capita sales tax revenues have been approximately \$50.00 for the past 11 years, increasing at an average annual rate of only 0.4 percent. This trend was assumed to continue into the future. Because this rate is lower than inflation, real per capita revenues in this category are declining.

Figure 23 illustrates the relatively static per capita transit portion of the sales tax revenue over the last 20 years (as seen in the blue line), and how this trend is expected to continue into the future. The declining inflation-adjusted revenues are shown with the maroon line.

Fare Revenue. Fares collected from riders in Yakima and Selah are used by Yakima Transit to fund operations of the system. Per capita fare revenues have been increasing at an annual average rate of 1.0 percent for the past 20 years. This rate of increase is expected to continue into the future. Again, this is a revenue source that is not keeping pace with inflation and shows a decline in inflation-adjusted per capita revenue over time.

Figure 23
Yakima Transit Per Capita Sales Tax Revenues 1995-2030





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Figure 24 shows the slight increase in historical per capita nominal fare revenues, and the decline in inflation-adjusted per capita revenues, expected to continue in the future.

Grants. Yakima Transit receives annual grants from the Federal Transit Administration (FTA). These grants are formula-based for small urban transit systems and are a reliable source of annual funding. Historical revenues in this category are considerably variable, and contain other recent grant funding that skews the total higher than usual. To provide a conservative projection for the future, the average per capita funding was analyzed, excluding the high 2005 number. On an average annual rate, these

Figure 24
Yakima Transit Per Capita
Fare Revenues 1995-2030

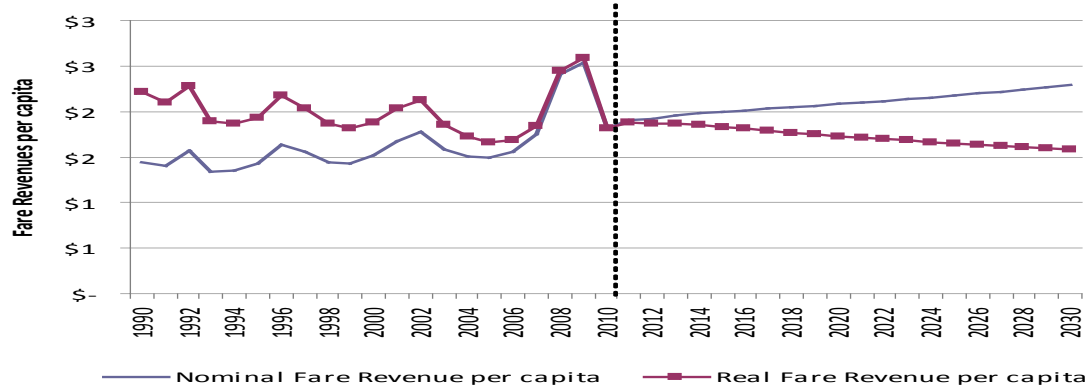


Table 16 - Estimates of Yakima Transit Revenues

Estimated Future Revenues	2011 – 2015	2016 – 2020	2021 – 2030	Total
Sales Tax	\$31,709	\$35,691	\$86,213	\$153,613
Fares	\$2,415	\$2,692	\$6,254	\$11,362
Grants	\$9,093	\$9,557	\$20,602	\$39,252
Total Estimated Available Revenues	\$43,218	\$47,940	\$113,069	\$204,227

Note: Revenues are in \$1,000s in year of expenditure dollars

funds have been increasing at 6.1 percent. However, they are significantly different year by year, and the recent growth rate is probably not a good indicator. Therefore, the per capita rate was increased at the assumed rate of inflation of 3.0 percent.

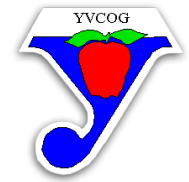
Figure 25 shows the variable nature of the grant funds received by Yakima Transit. The future projections illustrate the assumption of the per capita revenue increasing at the rate of inflation (blue line) and the real, inflation-adjusted per capita revenue therefore remaining constant (maroon line).

Table 16 summarizes the projected revenues for Yakima Transit during the 2010 – 2030 timeframe. Figure 26 shows the reliance on sales taxes to fund transit service in the region. These revenues will likely only cover existing service levels. Additional service coverage or frequency of service is not addressed within the fiscally-constrained M/RTP. Options for additional funding are discussed below.

Transit Funding Options

As noted above, Yakima Transit will need to secure additional revenues to maintain and expand bus service in the City of Yakima and to other communities in the metropolitan area. These options are summarized below.

PTBA. A Public Transportation Benefit Area (PTBA) is a special taxing district established by Washington State for the purpose of providing public transportation. PTBA's within the state are now usually funded by a sales tax, and as discussed in the above sales tax section, there is available taxing capacity. PTBA's have often been used to provide services to areas outside of urban areas. In Yakima County, a PTBA could be a mechanism to provide service



outside of the Cities of Yakima, Selah, and Union Gap. The first step in developing a PTBA is the definition of the service area for public transportation. A public vote is required to implement the taxes to approve the PTBA. Experiences in Clark and Thurston Counties show that the service needs in rural areas of the PTBA must be balanced with the needs in the more urbanized area. The low density rural areas generally have a limited sales tax base but are more costly to serve per capita. The more urbanized areas have a higher tax base and can be more efficiently served.

Fares. Transit systems throughout the country are faced with increasing costs of providing service, increased demand, and declining revenues. Many transit systems have raised fares to help maintain existing levels of service. Yakima Transit’s fares are significantly lower than average on both a state-wide and a national level. Yakima Transit may need to consider raising fares to ensure that sufficient revenues are available to provide the current and possible expanded fixed-route bus service. Increased fare revenue should be considered to help address the projected funding gap.

Other Sources of Transit Funding. The following summarizes some options for other transit funding:

Job Access Reverse Commute (JARC) – The goal of JARC is to provide funding for local programs that offer access to jobs for low-income individuals who may live in the city core and work in suburban locations. The formula funding for JARC sets aside 20 percent of the funding for urban areas under 200,000 inhabitants.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) – The CMAQ program funds are intended to fund projects and programs in air quality non-attainment and

Figure 25
Yakima Transit Per Capita Grant Funds 1995-2030

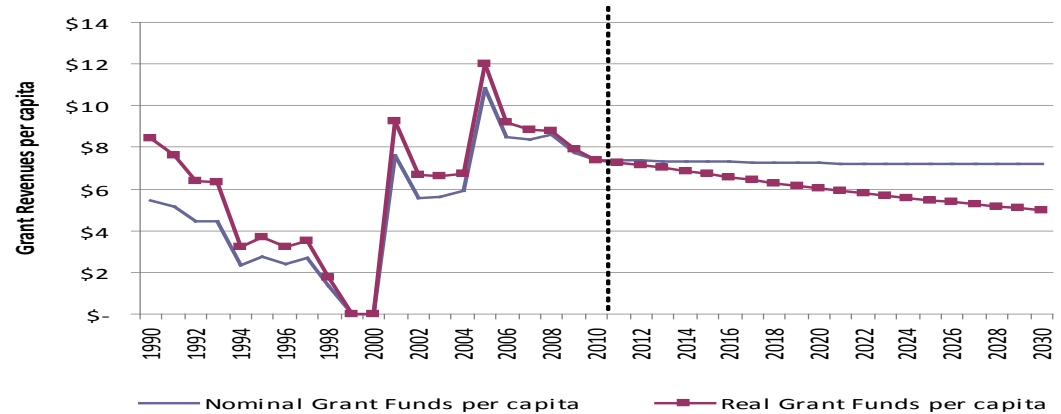
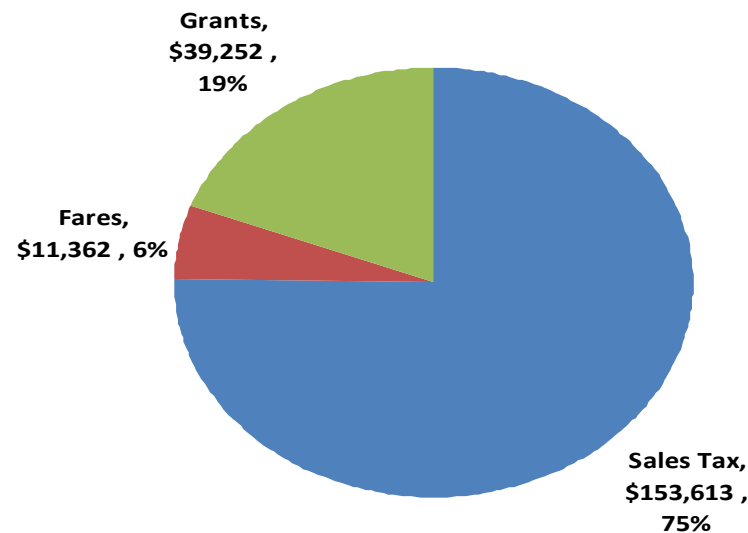


Figure 26
Breakdown of Total Estimated Yakima Transit Revenues





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maintenance areas for the reduction of transportation-related ozone, carbon monoxide and small particulate matter emissions. The funds are distributed according to a formula based on population and severity of pollution. CMAQ funds may be used to fund transit demonstration projects which are designed to reduce reliance on passenger vehicles in air quality non-attainment areas and thereby demonstrate decreased transportation-related emissions.

Transit Grants & Funding for Native Americans. There are a number of state and federal grant programs available for Native American tribes to utilize for transit services. Within the Yakima Valley region, these funds are available to the Yakama Nation. The funding agencies include the Federal Transit Administration (FTA), US Department of Housing and Urban Development (HUD), and Washington State Department of Transportation (WSDOT).

The FTA grants are authorized by the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The Public Transportation on Indian Reservations Program is authorized by SAFETEA-LU and the grants can be awarded to recipients located in rural and small urban areas for public transportation capital projects, operating costs of equipment and facilities for use in public transportation, planning, and the acquisition of public transportation services, including service agreements with private providers of public transportation services. In 1996, the Transportation Equity Act for the 21st Century authorized grant funds to support numerous transit programs, including millions of dollars to increase mobility and access to employment opportunities for Native American families moving from welfare to work and other low-income workers.

Between 2007 and 2010, the Yakama Nation has been awarded a grant by the Federal Transit Administration (FTA) through the Tribal Transit Grant program. The grants have covered start-up and operating costs for the Yakama Tribal Transit system service, Pahto Public Passage. The Pahto system provides fixed route and dial-a-ride transportation services to people that reside within the reservation and surrounding communities. The Yakama Nation has contracted with private carriers to provide the services.

HUD administers the Community Development Block Grant Program for Indian Tribes and Alaska Native Villages (ICDBG), which provides grants to develop viable Indian and Alaska Native communities, including decent housing, a suitable living environment, and economic opportunities, primarily for low and moderate income persons. ICDBG funds may be used for transportation projects and programs.

The State of Washington has also assists local tribes with grants to encourage transit use. WSDOT offers Public Transportation Grants to help provide access, mobility, and independence to tribal communities. In the 2009-2011 biennium, WSDOT awarded \$1,380,969 in public transportation grants to tribal communities, including \$127,795 to the Yakama Nation. These funds are being used for capital programs and operating programs to help purchase new vehicles and equipment such as minibuses and vans and fund public transportation services including driver wages, fuel costs, and maintenance expenses.

Other grant alternatives include coordinating transit programs with housing, job, economic development or health-based programs such as:



- Head Start programs.
- Day care centers.
- Tribal industries.
- Nursing homes.
- Medical centers.
- Local colleges, schools, or universities.
- Alcohol and substance abuse treatment centers.
- Nutrition centers and meal delivery services (Shawn, 1999).

The following organizations, among others, have provided assistance to tribes for funding accessible transportation programs:

- Administration on Aging.
- Administration for Native Americans (ANA).
- Centers for Medicare and Medicaid Services (Department of Health and Human Services).

Community Transportation Provider

People for People is a non-profit organization providing and brokering regional transportation services and assistance to the general public and special needs population of Yakima County, as well as employment and training services. The organization provides four types of transportation services within the area:

- Medicaid transportation services for eligible activities. People for People is a both a provider and broker of Medicaid transportation services.
- A fixed-route fare-free transit service that links the City of Yakima to Prosser. The service links Yakima Transit, Pahto Public Passage, and Ben-Franklin Transit.
- A senior/disabled transportation service provides residents

who are 60 years of age or older and living outside the City of Yakima, transportation to medical appointments, shopping, and other eligible activities.

- Employment transportation for recipients of Temporary Assistance to Needy Families (TANF). This program pays for transportation to a variety of job training activities when recipients have no other means of transportation.

The Medicaid transportation service operates on a cost recovery basis and is funded through Medicaid reimbursements. The other services (fixed-route, senior/disabled, and employment) are funded through a combination of federal and state grants as part of a consolidated grant application process awarded by the State of Washington. Grants are awarded on competitive basis for a funding biennium.

Air and Rail Transportation System

Three airports serve the Yakima County region, including the Yakima Air Terminal – McAllister Field, the Sunnyside Municipal Airport, and the Tieton State (Rimrock) Airport. Rail services are provided by Burlington Northern & Santa Fe (BNSF) and the Columbia Basin Railroad Company (CBRW). Yakima County owns and leases the Toppenish, Simcoe, Western (TS&W) rail line. No passenger rail service is currently provided in Yakima County.

Air Transportation System

Yakima Air Terminal-McAllister Field. The airport is jointly owned by the City of Yakima and Yakima County and is managed and operated by an independent Board of Directors and airport staff. The airport has a bonding authority in the amount of \$500,000 that may be used for airport operations and acquisitions. The City of Yakima and Yakima County may jointly agree to



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issue other bonds to fund airport operations or acquisitions if they deem it necessary. Maintenance and operations of the airport are funded solely through revenues generated at the airport. Revenues generated from the operations of the airport are used for the following:

- Financing the maintenance and operating expenses.
- Making interest payments on current principal requirements of any outstanding issued bonds.

Revenues in excess of these requirements can be applied to finance facility improvements.

Sunnyside Municipal Airport. The Sunnyside Municipal Airport is owned and operated by the City of Sunnyside. The Airport Department maintains facilities and promotes the use of this facility by business and private individuals. The 2007 operating budget is \$23,500, which funds basic facility maintenance. Historically, the airport has received Federal Aviation Administration grants for larger capital projects.

Tieton State (Rimrock) Airport. Tieton State Airport is owned,

maintained, and operated by the Washington State Department of Transportation Aviation Division. Funding for improvements will be provided through the state legislature.

Rail Transportation System

Columbia Basin Railway Company. The Columbia Basin Railway Company operates lines leased from BNSF and Yakima County. Yakima County owns the Toppenish, Simcoe, and Western Railroad (TS&W). The County provides administrative oversight of rail line and collects easement rentals from Columbia Basin Railway Company which it uses to maintain the railroad track. However, the large majority of rail line maintenance is the responsibility of the Columbia Basin Railway Company. Historically, the County has received both federal and state grants for capital projects, including a WSDOT funded upgrade to the TS&W line.

Burlington Northern & Santa Fe Railroad (BNSF). BNSF owns most of the tracks in the Yakima County region and leases a portion to the Columbia Basin Railway Company.