

Guest Editorial for the Daily Record
April 20, 2005

Economic Benefits of Gas Tax
by Debbie Strand

Gas prices soar to record highs; up almost 50¢ in a year. Oil prices at \$50 per barrel. So how can the Washington State Legislature propose new gas taxes of 9¢ to 15¢? The answer lies in the tremendous economic importance of our long-neglected transportation system. The Economic Development Group of Kittitas County believes that ensuring safe, efficient, and reliable transportation corridors is essential. Moreover, we believe that Kittitas County will benefit tremendously from the undertaking.

Gridlock in the Puget Sound area isn't just a Seattle problem, it also greatly affects goods and people traveling east to our part of the state, and traveling from Kittitas County to the west. According to the Washington State Department of Transportation, 35 million tons of freight and 10 million vehicles (25% of which are semi-trucks) travel over Snoqualmie Pass each year. Daily usage peaks at as high as 58,000 vehicles. The daily average is close to 30,000 vehicles and projected to reach 50,000 within 10 years. DOT also estimates that avalanche closures cost business and private travelers over \$17 million every year.

How does this affect Kittitas County? Hundreds of containers per week transport timothy hay and other commodities from our valley to the Ports of Seattle and Tacoma. According to the 2000 Census, over 1,300 Kittitas County residents work in the Puget Sound area. Many commute daily over I-90. Our proximity to the Puget Sound area enables people to earn higher wages working there yet they purchase goods and services, pay taxes, recreate and create other indirect jobs in our county. Without a safe, dependable route this pattern would not be possible.

Let's not forget that I-90 brings tourists to Central Washington to ski, fish, hunt, camp, snowmobile and enjoy the numerous other recreational opportunities we offer. For our county, tourism is at least a \$200 million per year business and growing rapidly. I-90 is critical to the success of Suncadia Resort, and how students at Central Washington University, our county's largest business and employer, flow to and from Ellensburg.

All of the proposed transportation budgets contain major funding for I-90 in Kittitas County. A draft Environmental Impact Study is to be released this spring for the fifteen-mile stretch of highway between Hyak and Easton. It will address improvements to widen the road to six lanes, reduce avalanche and rockslide closures, replace pavement, upgrade alignments, lengthen truck-climbing lanes and provide wildlife crossings to improve ecological connectivity and reduce vehicle/animal collisions. This project is earmarked for between \$400 and \$450 million of funding in every version of a gas tax proposal. Without the gas tax, it won't happen.

How onerous is the tax? It is estimated that the full 9.5¢ tax passed by the Senate would add only about \$4.75 to the average motorist's monthly gas bill when the tax is fully implemented in 2008. The new weight fees would add between \$10 and \$75 per year. Farm equipment and large transportation trucks are exempt. The funds generated will provide some funding for the Alaskan Way Viaduct and a new Lake Washington bridge, but will not fund them entirely. Local and regional taxes and tolls would be necessary to complete these massive projects. This funding mechanism makes sense since, while all Washingtonians will benefit in some way from the improvements, those living and working in the area stand to benefit most and therefore should contribute more. Unless the local funds are secured, state funds will not be distributed.

As difficult as it may be for many, it is unequivocally in our best interest to support a gas tax. The improvements to I-90 are vital to our economy and quality of life. A \$400 million project in our county will certainly have a direct effect on jobs and businesses in our community. And the bottom line is simple: for every dollar we send to Olympia in gas tax under these bills, Kittitas County will receive back \$2.42. It's hard to complain about math like this.

Our Senator, Joyce Mulliken, recognizes the benefits that the proposed transportation plan holds for our county and voted for the Senate plan. The Economic Development Group of Kittitas County applauds her leadership and supports her stance on this issue of critical significance.

Debbie Strand is Executive Director of The Economic Development Group of Kittitas County. The Economic Development Group of Kittitas County is a private, non-profit organization whose mission is to provide leadership that stimulates business and promotes economic opportunities to support the needs of Kittitas County.