

SR 167 Stakeholder Committee Meeting  
October 25, 2011

**Attendees**

**Committee Members**

George Walk, Pierce County (Chair)  
Dean Moberg, FHWA  
Chris Larson, City of Tacoma  
Russ Blount, City of Fife  
Sean Ardussi, PSRC  
Sanjeev Tandle, City of Puyallup  
Gary Nomensen, South Sound Chambers of Commerce Leg. Coalition  
Dennis Dowdy, City of Auburn  
Chad Wright, Marine View Ventures  
Kevin Dayton, WSDOT

**Legislators**

Rep. Bruce Dammeier  
Rep. Connie Ladenburg  
Senator Steve Conway  
Rep. Cathy Dahlquist  
Sarah Pollock representing Rep. Zeiger

**Alternates/Interested Parties**

Sean Eagan, Port of Tacoma  
Evette Mason, Port of Tacoma  
Sheri Call, WTA, [sheri@wtassns.com](mailto:sheri@wtassns.com)  
Doug Levy, Outcomes by Levy  
David Schroedel, Tacoma-Pierce County Chamber

**WSDOT**

JoAnn Schueler, Olympic Region Project Development  
Charles Prestrud, Urban Planning Office  
Steve Fuchs, SR 167 Project Engineer  
N. Janarthanan, Urban Planning Office  
Annie Johnson, Toll Division  
Thomas Noyes, Urban Planning Office  
David Pope, Toll Division  
Lisa Copeland, Olympic Region Communications

Shuming Yan, Urban Planning Office  
Molly Blake, Executive Assistant

Meeting called to order at 9:05 a.m.

1. Introduction: George Walk welcomed everyone to the meeting and thanked them for their participation. WSDOT really appreciates your participation and guidance. George apologized to the group for not having the handouts out in advance, but DOT staff has been working very hard to get ready for the meetings. Kevin Dayton also thanked everyone for their participation. He appreciates all of the feedback from the past meetings.
2. Endorse Public Outreach Plan: George advised that next on the agenda is the public outreach plan. He recently spoke at the Puyallup Sumner chambers monthly luncheon and gave a brief update on what this group is doing. The response was extremely positive.

Lisa Copeland, Region Communication Manager, shared with the group that the public involvement part of this study is very important. She shared with the group the draft key message: Completion of this extension project will require a significant amount of funding from multiple revenue sources. This project is not likely to be funded solely through traditional sources such as gas taxes. We also need to have a Public Open House. How many should we have? We need to look at the timeline. The original plan was to start the outreach in October, however due to initiative 1125 which would take variable tolling off the table, we are being very careful to not go out and talk about tolls right now. George asked what was shared at Fife's Harvest Festival. We just shared information about the project and people were pretty open to hearing about it. Right now we are planning to have our first open house the middle of November. Lisa asked the group where they would like to have the open house. We want to be sure we reach the audiences needed. Doug Levy suggested that we do a few and cover the corridor. Sean Eagan suggested that two open houses would be a good starting point based on resources. It was suggested that one be held someplace at each terminus, Fife and Puyallup. George asked, if any of the open houses would be aimed at industry and suggested that Fife be an appropriate place for that. Lisa responded that we have mostly targeted the public, but an excellent idea to target the industries. Senator Conway suggested that the Port of Tacoma talk to their customers. Lisa let the group know that we will be using the Port of Tacoma's contact list. If you have a big contact list that would help us get the message out, please share with Lisa. The group agreed that one in the Puyallup/Sumner area and one in the Fife area would be appropriate. Russ Blount noted that time of day really makes a difference, citizens want evening and business wants during the day. Perhaps do

one room set up and do 3-5 p.m. with industry, take a break and then 6-8 p.m. with citizens. Doug Levy said that we need to communicate with the user – the commercial/industrial group that may not be aware of the financing options. George asked that the Port and Fife take some time to think about the best way to make contact with the industry folks for an open house/communication.

George asked the group if they had any concerns with the key message. Rep. Dahlquist said that it would receive some funding from gas tax, so concerned about the word “solely” in the message. Senator Conway is surprised that tolling is not in the key message – of all the multiple sources include tolling. Tolling is one of the big topics of discussion and should be included. The Senator suggested that it could read likely to be funded with gas tax and other sources of funding. Rep. Dahlquist said that perhaps we could bullet the potential fund sources. Dean Moberg noted that we don’t know how much gas tax will be available so may want to not list gas tax first. Dean Moberg also reminded the group that a big thing is environmental justice – for public meetings, be sure that any specific societal group that may be resistant to attend be invited and be welcomed and allows them to be comfortable and accessible. Gary Nomensen asked if we could have a few word description of what this project is. Steve Fuchs suggested that it could be something like, completes the highway from SR 161 to SR 509 near the Port of Tacoma. George noted that we need to be sure that it is talking about the extension – not the existing. George asked Lisa and Annie Johnson to use this discussion to revise the statement and we will return to it later.

3. Response to previous analysis questions/issues: Shuming Yan said we are going to quickly review what we discussed at the last meeting and then try to answer the questions we received. At the end of the meeting we will decide which options we want to move forward to the financial analysis.

At first meeting we had 19 options. We selected four options for traffic analysis and reviewed those at the previous meeting. We looked at daily revenue, extension usage, subarea analysis and then some corridor performance. Today we are going to update some of that information and answer questions.

Steve Fuchs reviewed the four options. The full build is everything and includes the HOV Lanes. Option A is the full build minus the HOV lanes. Option B is where we significantly reduce the scope to one lane in each direction on half of the embankment. Doug Levy asked, is the assumption that Option B is tolled? Yes, Option B has three toll points. Option C is the same as Option B but adds a fourth toll point. Shuming noted that Option B and C are the same roadway configurations. On Option C we spread the tolling

to a fourth point and added tolling to the existing roadway. The total amount of toll is the same, people will not pay more if they go through the entire corridor.

Shuming noted that at the last meeting, the group asked that DOT continue to look at all four options. We debated on whether to carry Option C forward and at the end this group asked us to continue to look deeper. Some of the questions we heard at the last meeting were: What are the planned projects in the study area? How are employment/population growth estimates assumed for each option? How does each option support freight mobility? How many trucks/autos enter the study area for different options? What if only trucks are tolled in the entire project? Need to follow up with WTA. Could you update the spreadsheet and include costs? What are the system and daily performance levels in addition to the subarea and peak periods? How much travel time saving is projected on the corridor from the Port to I-90? Option C questions included: How will tolling east of SR 161 affect traffic diversion in the Puyallup Area? What if trucks only are tolled east of SR 161? How does tolling existing roadway affect the low-paid jobs commuter? Remove or keep Option C? Shuming said that we have been doing a lot of work to generate these answers.

Funded projects in this area are: Interstate 5 HOV lane construction from the Port of Tacoma Rd to just south of SR 16. The Puyallup River Bridge replacement on SR 161 (N. Meridian) is funded to replace the northbound bridge with a design build project. SR 161 24<sup>th</sup> to Jovita is under construction. Planned but not funded projects include: in addition to the SR 167 Extension, extend HOT lanes on SR 167 from King County to SR 410, extend HOV lanes from just south of SR 16 to SR 512 and freeway ITS improvements.

What are employment/population growth assumptions? The first assumption is that this project will be constructed in the future. It is possible to estimate future growth projections for a No-build scenario, but it is very difficult to model. Charles Prestrud noted that our model is really good at traffic impacts and speed, but it is difficult to include economic impacts. A commercial realtor could better evaluate. Rep. Ladenburg asked if PSRC could be of assistance. Sean Ardussi advised that PSRC uses the same model. If we do nothing, we can assume that the area will experience less growth. Senator Conway asked if the model looks at employment? What does that mean? Shuming noted that the model is a compilation of all the local agency comprehensive plans in the region of which all include growth projections associated with the warehouses, manufacturing, retail, residential and port related businesses. Sean Ardussi noted that it is really hard to read into the model the impact of one project. Overall, the job growth forecast is about 20,000 jobs between now to 2030. Population is almost equal. Rep. Dammeier said that this is a very significant point. The job creation and the

economic development potential is going to be very important to get the project funded. Chad Wright said that it is only about 1.5% growth each year. Doug Levy asked about the previous study – the number we are looking at now is about a quarter of what that study had. Steve Fuchs said that it was the study done in 2006 by Berk and Associates. How do we reconcile those two numbers? We would need to go back and look at what the 2006 study looked at. Shuming explained that the geographic area defined in two studies could be different. The number shown in this study is limited to a small area highlight in the map. While the Berk and Associates study may include much larger area. Dean Moberg noted that if that 2006 number is already out there – we need to be looking at apples to apples. Shuming reminded that since this is a tolling study with a focus on estimating potential toll revenue. As such, we need to be very careful of using any population and employment projects that are different from the regional model. There are two reasons for this: 1) we don't want to over project the potential toll revenue and under estimate the revenue from other funding sources. 2) even if we use other employment and population projections now, we may be forced to go back to use the regional forecasted numbers in the Tier 3, or investment grade study later. In any event, Shuming agreed that staff will review the previous economic study to better understand its assumptions.

Jana looked at how many trucks are entering and leaving the study area. The numbers are very similar between options. We looked at autos, also very similar. These comparisons are for 2030 p.m. peak period. At the last meeting you also asked us where are the trips coming from and going to for those using the new extension. In the p.m. peak, most of the trips are coming from I-5 headed south to Puyallup, SR 410 and south of Fife. A question was asked whether the band width on the PowerPoint slide is proportionate to the percent of vehicles, and the answer is yes. This information also assumes the whole extension is built. As it's difficult to see the numbers, DOT will send out the PowerPoint so attendees can enlarge the screen to look more closely at the data.

Jana then shared updated options and revenue sheet. Approximately 20% of the revenue is trucks and 80% is autos. Sean Eagan asked about the total costs on this slide, they seem to be cheaper. Steve Fuchs responded that yes, these are updated costs that reflect the right of way that has been purchased over the last year. We have now purchased approximately 70% of the right of way for the corridor. Another major difference is that in the previous spreadsheet, the costs were at year of expenditure. This spreadsheet uses 2008 dollars. We will update the spreadsheet to show year of expenditure inflations. Chad Wright asked why Option C had the same tolling equipment costs. Shuming answered that Option A is a wider road, option C has one more toll point but narrower road.

Jana then presented the cost and total revenue by segments. Steve Fuchs noted that while total cost for each option is correct, the cost per segment is not necessarily accurate and needs to be refined.

How will tolling east of SR 161 affect traffic diversion in the Puyallup Area? Sanjeev Tandle provided a lot of information to assist with this, so thank you for your help. Screen line one for the full build option, we see a reduction of 10% in traffic. Russ Blount asked if we should shorten the screen line to the Puyallup River. In the Puyallup area, screen line two includes some major roads. Jana will share with Sanjeev and Russ Blount the specific roads & volumes in that screen line. Dean Moberg asked for clarification about the full build option and tolling. So full build is without tolls? Shuming answered yes, that the full build used in the comparison assumed toll free. After some discussion, the committee agreed that adding an asterisk to this slide to show full build with toll and full build without toll would help clarify the issue. Sanjeev also asked where River Road is on the screen line. Sean Ardussi noted that this traffic diversion included trucks and he would like to see a breakout of trucks in the traffic diversion. We might see different results that would be helpful here. Jana continued reviewing the screen lines. You would see additional traffic on Puyallup roads with tolling. Shuming wanted to put that in perspective, if you look at the actual numbers they are about a 100 vehicles on a daily basis. Rep. Dammeier said that as I look at this micro analysis of Puyallup, it's not just isolated, it will impact all of Puyallup. David Schroedel said that the vast majority of diverted traffic volumes are expected to increase any tolling option than if we build nothing. Sanjeev noted that plus or minus 2 or 3 percent isn't much impact, but this is a macro level. At the micro level, we need much more detail on Puyallup area. Russ Blount said that we may remove the bottleneck by building the project, however, the new highway will attract many more people to the local streets that are using different routes currently. In summary, the full build option, with no tolls, increases traffic in the area. There may be a lot of people from Southhill who will take this new road. Doug Levy clarified that what he is hearing has to do with the toll point at SR 161. George asked if we need to add additional detail. Obviously Sanjeev needs to look at the detail. Sanjeev noted that we need to analyze on delay at the intersections. Sanjeev asked what the maintenance cost of a toll point is per year. David Pope advised that it could be \$1 million a year. Sean Eagan goes back to how much revenue could be generated versus the benefit of the project. Rep Dammeier is concerned about one community bearing a significant burden. Rep Dahlquist agreed and is concerned about the revenue generation. For her, Option C is off the table.

Jana next presented information about truck numbers and revenue generation if only trucks were tolled east of SR 161. In the a.m. peak, you would see approximately 310

trucks and generate \$350. In the p.m. peak, you would see approximately 450 trucks and generate \$560.

Shuming continued with Round 1 results update. For the maximum toll rate generation, Full build, Option A and Option B is about the same for the a.m. peak period. These are current 2010 dollars. The total toll will be about \$2.50 if you travel through the entire roadway for an auto. One and a half times for medium trucks and two and a half times for heavy trucks. All of this will be a legislative decision. For full build, Option A and Option B p.m. peak period, the toll would be approximately 80 cents west of I-5 and \$1.20 for the other two segments. Option C spreads the toll – if you drive the entire section, the toll rate would be 60 cents in the a.m. peak period at each segment. In the p.m. peak period it would be about 80 cents.

Estimated 2030 weekday gross toll revenue shows approximately the same revenue generation for the Full Build, Option A and Option B - \$58,000. Option C generates about \$68,000.

For the full build (without tolls) utilization, you see the general purpose lane is at about 90 %. Option A, if the toll rate is set to maximize revenue, we see low usage. Option B west of I-5 is basically the same. East of I-5 one lane in each direction, you see over 50% usage. After Valley Avenue interchange, the utilization drops as many would use Valley Avenue. George asked at what point does percent of volume to capacity start to slow down traffic? Shuming responded at 80-90%. David Schroedel asked, on the full build it looks like we are close to capacity, is that with no toll? Shuming responded yes.

We also looked at the Full Build option number of medium and heavy trucks, and in comparison with Options A & B, we do not see a significant reduction in trucks. Shuming added some caveats, it is very challenging to model tolling. Modeling trucks is also challenging as the value of time for trucks can widely vary. We don't know in this assumption if we are close to having the correct amount for value of time for trucks.

Shuming reviewed what all of these numbers mean. If we set the toll for revenue generation we are going to see reduced traffic demand by at least half on the extension. In the four toll scenarios, traffic demand on the extension can be accommodated by one lane in each direction. According to model analysis, number of trucks and autos entering the study area are not expected to be significantly different across the scenarios studied. Underlying employment and population growth scenarios used in the analysis are associated with the full build option and are consistent with local and regional plans. Spreading a portion of the toll on the extension to the existing SR 167 just east of SR 161 is expected to: increase the total revenue, increase the utilization of the SR 167

extension, will cause diversion to Puyallup streets but most of the diversions are expected to be under 10%. The impact on low income commuters needs to be further evaluated. Tolling only trucks east of SR 161 is expected to generate about \$2300 a day.

George asked the group if they had any clarification type questions. George asked on Option C, where is the tolling point – is it mostly for those folks who go to Edgewood and Puyallup who would have no intention of continuing on the extension. Dean Moberg noted that it might be good to have the toll point just past the gore point as those who get off for Edgewood and Puyallup are getting no value. Russ Blount noted that if you could make that interchange work better – he would get a value from that toll point. David Schroedel asked if the toll point is before the gore point, where are they getting off? On SR 512 or SR 410? Doug Levy asked about the fourth toll point east of SR 161 – that would be on an existing facility? Yes. Chris Larson stated that he is still confused on the full build when we talk about tolling and when we don't. Shuming noted that we will add an option for full build toll free and full build with tolling. At this point, full build is assumed no toll in all comparison analyses except the revenue chart. The full build option in the revenue chart included tolling. Chad Wright asked about diversions to arterials that are already failing - could require significant expenditures to upgrade those facilities. Is there any way to capture the costs to upgrade those facilities? Is the diversion costing us more. Dean Moberg gave an example, you are expecting a 50 percent diversion of trucks. If we capture the benefit of moving the users to full build without toll and the savings to the system wide network versus a tolled facility. In the no toll option we know it would be at capacity, the missing piece is what are we saving? Are we costing more by tolling? Rep. Ladenburg asked who absorbs the costs to those surface streets? It's important to the local governments to know those costs. Rep. Ladenburg noted that the estimated weekday 2030 total gross revenue, and toll rates in 2010 dollars, this gross revenue is based on rates extended in 2030 dollars. Yes, a lot of this clarification will come next in the financial analysis. 2010 dollars vs. 2030 revenue will need to be clarified.

George asked the group to revisit the key message for public outreach with Annie Johnson and Lisa Copeland. The completion of SR 167 from Puyallup to SR 509 in Tacoma will require a significant amount of funding from multiple sources. Sources could include gas tax, tolling, and other sources. Dean thinks we are getting closer – it's important that we keep the funding options wide open. George Walk is a bit nervous about the list. Does it really get at what this group is looking at? This is a tolling group. Doug Levy added to George's comment that this project is going to require funding from other than traditional sources. Known existing sources are not probably sufficient and non-traditional sources are being considered and one of those is tolling. Steve Fuchs noted that it is similar to any mega project. Gary Nomensen noted that perhaps we could call it the gap in funding between our traditional sources. Russ Blount said that it is

important to note that this is why we are looking at tolling. We have to weigh that we don't have the funding but building something is better than nothing. The group agreed to communicate by email to finalize the statement. George asked that Lisa and Annie give a deadline and then do their best with all of the comments they receive.

George Walk said that the economic forecast and Option C are clearly items we need to look at next. Economic forecast: Steve Fuchs advised that we need to dive back into the 2006 report Berk and Associates did and reconcile the numbers. Sean Eagan noted that that study had a lot of information on growth at the Port. The reality is Ports are statewide assets so you must look larger than we looked at. The area we looked at completely left out Kent Valley. We may have a difficult time based on the methodology they used. What value does this information give to this group? Chad Wright believes that this information on economy growth is a really weak number for building the extension. Doug Levy suggested that this number could be damaging. We need an apples to apples boundary. Here is what we had prior, here is what we have now and what we heard about today damages the project. Sean Eagan - WSDOT did this work based on questions from the last meeting. It may not be possible to get to the point that Chad has, but does doing the work add value to where we are going. Shuming reminded the group that we have limited resources and what is the point we want to prove. From the revenue standpoint we don't want to be overly optimistic and have a funding gap. Senator Kastama said at the very first meeting that we need to look at the economic impact of not building this project. We need to look at the previous study and financial impacts. Rep. Ladenburg said that this is important for moving freight in and out of the Port. It's not just about economy but efficiencies. Tolling in this area could put Port of Tacoma at a disadvantage as other ports would not have tolling. I don't know if it's this committee's role to try and figure that out. It's about equity between one port and another, one community versus another community. If we don't have the same kind of costs to other ports/freight. Steve Fuchs asked if the underlying assumption in 2040 is that all of the major highways in western Washington will be tolled facilities? Sean Ardussi responded that, yes, that was one of the options. It assumes that the region is going to have to come up with new sources of revenue and tolling is one of those options. Rep. Ladenburg noted that this project is being sold as a pilot project with tolls. How tolling impacts the use of the road is important. Higher usage improves freight mobility in and out of the Port. George asked if we could decide the economic assignment to DOT. Dean Moberg said that perhaps we asked the wrong question last time. What if everyone but trucks was tolled? Rep. Ladenburg said that what if it was restricted to tolling autos. Shuming said that this project has a freight element, higher truck usage west of I-5, east of I-5 it is a very typical roadway. Russ Blount noted that the percentages are lower, but the volume is higher. Free trucks could go a long way to keeping those truckers on the freeway. Autos would have to buy their way on. Kevin asked the group if we are ready to make a decision on

Option C. Dean clarified that the toll gate located to the east of the gore points to the ramps is a no go. A toll point between the gore points would be for those who use the extension. Shuming said that is essentially Option B. Doug Levy advised that is clearly Puyallup's preference and there is a real issue of tolling on an existing facility. There is more acceptance of tolls on a new facility. Steve Fuchs shared that the reason a toll point was considered on the existing roadway is based on the assumption that if they are already on the roadway and they are forced to pay the toll east of SR 161, then they will stay on the facility rather than exiting SR 167 to avoid the toll. It's the folks that would like to continue on versus the folks who would get off. Sean Eagan agrees with Doug Levy that we should remove Option C from the list. George queried the group and they decided Option C is off the table.

Back to the economy. Steve Fuchs noted that we have to do revenue generation and financial modeling. Let's keep revenue generation and forecasting separate from economic analysis. We have an economic analysis that was done for a specific reason to clarify why this project is important to the region and the state. We should go back and look at that data and stay with that data. Kevin clarified that we should separate from this toll study. Keep the economic analysis from prior. Chad noted that he could be satisfied with that previous study if that assumed the full build. Reduction in employment growth, take away the opportunity for capacity population/employment growth is going to slow. Need a table to show that sensitivity. Russ Blount is also very intrigued with Dean's idea of don't toll the trucks. Look in that previous study and see how much of the growth and jobs is related to freight. If you build the whole thing and you don't have tolls it's 80,000 jobs, but if you build half of it it's x number of jobs and if you build half of it and don't toll the trucks it's x number of jobs. Seems like that would get us to the 80,000 number we've talked about.

Dean Moberg clarified we are talking about using the economic study in 2006 and verifying the numbers are correct and updating the numbers that are not. Shuming noted due to the complexity and time constraints, the study team does not have the expertise that the consultant that did the study has. DOT will take a look at what the consultant did in that study.

Chad Wright clarified that he is not looking to revisit the study. Take those growth projections and build a sensitivity analysis. Shuming suggested that Jana and Chad could have a separate meeting to discuss. It may make sense to run one option. Then we can assess whether it is worthwhile to do the other options.

Dean Moberg said that if we accept the economic study as is, what if a 10% or 20% change happens. If it shows significant, then we can go back and quantify. Taking the data we have and working with that data.

George asked if we have missed anything. Kevin noted that presenting the full build with no toll is confusing. I think we can pull the full build out and we're looking at A&B. George said we should keep. Dean Moberg noted that it is extremely confusing as it is, full build, no tolls, compared to any option with tolls. We are comparing the revenue generated by the facility and the impact on surface streets. Dennis Dowdy agreed – we need to see the impact. Cities and counties are facing the falling gas taxes too and you must address the local impacts out of the revenue stream. I think we have to keep that in there and show how the tolling will be shared with the local jurisdictions that will share the impacts. Add full build no toll, and full build tolls, Option A and Option B. Group agreed.

Shuming shared what's next. He believes the revenue will be very close among all the options. If we run the traffic number and they are close, we can ask the financial consultant to just run Option B. If the numbers are different, we will have the consultant do all the options. That will limit the resource expenditure.

The financial analysis would include: project annual gross revenue from 2020 – 2050, estimate on-going costs, develop capital annual expenditure cash flow, estimate toll collection costs, assume financing conditions/interest rate, convert future revenue to net present value, deduct all necessary operating expenses. From gross to net revenues, there is a lot of work so if the numbers are close, we will come back to you with numbers from one option. Perhaps two. So that is what will be next – the revenue forecast and how much will be available up front to use for construction.

Next meeting December 8<sup>th</sup>. Update JTC in January. After that complete documentation.

George summarized that you will see some email traffic from Lisa and Annie on our key message statement. He shared the group's continual plea for information to review ahead of time. DOT will send out the PowerPoint and meeting notes. Shuming wanted to clarify that we will take out the population/job growth slide in what we send out to minimize confusion.