

## **Eastside Corridor Tolling Study - DRAFT**

### **Executive Advisory Group Meeting #3 – Meeting Summary**

October 29, 2009

1:00 – 4:00 p.m.

Bellevue City Hall

450 110th Ave NE, Bellevue, WA 98004

#### **Executive Advisory Group members in attendance:**

- Mayor Grant Degginger, City of Bellevue
- Ron Posthuma, King County
- Dan Mathis, FHWA
- Deputy Mayor Sue Singer, Puget Sound Regional Council
- Mayor Suzette Cooke, City of Kent
- Sonny Putter, City of Newcastle
- Randy Corman, City of Renton
- Mayor James Lauinger, City of Kirkland
- Andrea Tull, Sound Transit

#### **Eastside Corridor Tolling Study Project Team**

- Craig Stone, WSDOT Toll Division
- Kim Henry, Eastside Corridor Project Director
- Denise Cieri, Eastside Corridor Deputy Director
- Wendy Taylor, Eastside Corridor Team
- Karl Westby, Eastside Corridor Team
- Colleen Gants, Eastside Corridor Communications
- Laura LaBissoniere, Eastside Corridor Communications
- Amy Danberg, Eastside Corridor Communications
- Caroline Barnett, Eastside Corridor Team
- Brent Baker, Parsons Brinckerhoff
- Ed Regan, Wilbur Smith

*Note: These meeting notes are intended to capture the discussion at the meeting including questions and comments from the group. This is not intended to be a formal testimony or complete transcript of the meeting. Meeting materials including the PowerPoint presentation are available on the Web at:*

<http://www.wsdot.wa.gov/Tolling/EastsideCorridor/Library.htm>.

## I. Welcome and Introductions

Craig Stone, WSDOT Toll Division Director, welcomed the Executive Advisory Group (EAG) members and introduced guest presenters, Ed Regan of Wilbur Smith and Brent Baker of Parsons Brinckerhoff.

Craig provided an overview of the agenda and explained that the purpose of meeting #3 is to review the study process and public input, discuss initial traffic and revenue results and begin drafting the funding and phasing principles. Craig reiterated the study objective; to provide a summary report to the Legislature in January 2010. He emphasized, this is not a recommendation. The purpose is to summarize key findings and input received from the public and EAG and Interagency Working Groups.

## Discussion

- Mayor Suzette Cooke, City of Kent, asked for a definition of the term *corridor*. Craig Stone responded, the legislature directed WSDOT to conduct a study from Lynwood to Puyallup. Mayor Cooke added the term is used locally to define arterial streets so it's important to clarify when communicating with the public.
- Sonny Putter, City of Newcastle, asked about the width of the Eastside Corridor and raised concern for impacts and potential mitigation needs for jurisdictions affected. Craig Stone referenced the I-405 Master Plan which calls for a wider corridor to relieve pressure from arterial streets.

## II. Study Recap

Denise Cieri, Eastside Corridor Deputy Project Director, provided a recap of the study charge and range of study options. Denise explained the features of each option.

## Study

1. **Study Option #1** consists of primarily funded projects. On I-405, adds a two lane express toll lane system from SR 520 to SR 522 and one lane from SR 522 to I-5. On SR167, adds one southbound HOT lane from 8th Street E to S 277th Street (Stage 4).
2. **Study Option #2** includes all elements in Study Option #1 and converts the HOV lane on I-405 from Renton to Bellevue to a one lane express toll lane, creating a 30-mile tolled system on I-405.
3. **Study Option #3** includes all elements in Study Option #2 and adds a direct connector between I-405 and SR 167, creating a continuous 40+ mile Eastside Corridor system.
4. **Study Option #4** includes all elements in Study Option #3 and builds a second lane between Renton and Bellevue, allowing for a 20-mile two lane express toll

lane system on I-405 from SR 167 to SR 522. In addition, a northbound lane is built on SR 167 from 8th Street E to 15th Street SW (Stage 5). Option 4 creates a more robust 40+ mile Eastside Corridor system.

5. **Study Option #5** includes all elements in Study Option #4 and adds a general purpose lane between Renton and Bellevue on I-405, building closer to the master plan. Option 5 also adds a second express toll lane between SR 522 and I-5 and builds one HOT lane on northbound and southbound SR167 between SR 512 and 8th Street E (Stage 6). Option 5 creates a 50+ mile Eastside Corridor managed lane system.

## Discussion

- Craig Stone, WSDOT Toll Division Director, asked if Option 5 includes the funding that has already been secured. Wendy Taylor with the Eastside Corridor Project team responded, yes.
- Randy Corman, City of Renton, asked if new construction is required or just the implementation of the electronic tolling equipment. Denise Cieri, Eastside Corridor Deputy Project Director, explained the project would convert the HOV lanes and does not require additional construction.
- Deputy Mayor Sue Singer, PSRC, asked if Option 2 includes improvements to SR 167. Denise Cieri, Eastside Corridor Deputy Project Director, responded yes, but there would be nothing new in addition to the improvements made under Option 1.
- Sonny Putter, City of Newcastle, asked if the project will be funded entirely by tolls. Craig Stone, WSDOT Toll Division Director, replied two options are self financing and three are not.

### *Transit Workshop*

Denise Cieri, Eastside Corridor Deputy Project Director, announced that WSDOT recently met with transit agencies to discuss access points.

Andrea Tull, Sound Transit, explained the meeting was attended by King County Metro, Community Transit and Sound Transit staff. It provided the opportunity to discuss transit agency concerns and priorities in relation to the study. Topics of discussion included access points, the use of shoulder lanes, and the I-405 Master Plan vision to enhance transit services. Andrea said the next meeting will be held in early-November.

## Discussion

- Deputy Mayor Sue Singer, PSRC, asked if WSDOT requested involvement from Pierce Transit. Denise Cieri explained the focus is on the north end of the

corridor where a new system must be implemented. Wendy Taylor, Eastside Corridor Project team, added that Pierce Transit indicated a desire to become involved later in the process.

### *Public Outreach*

Colleen Gants, Eastside Corridor Communications Manager, provided an overview of public involvement activities including summer festivals, project mailings, public meetings, focus groups, a statistically valid phone survey, and an online survey.

Colleen summarized the results of public comment to date. Key findings reveal that use and understanding of express toll lanes equals support. Congestion relief was cited as the primary rationale by those in favor of express toll lanes. Colleen highlighted two case studies from around the country that showed an increase in public approval after toll implementation. She announced two upcoming public open houses and encouraged the EAG members to attend and to notify their jurisdictions.

### **Discussion**

- Ed Regan, Wilbur Smith, emphasized the importance of the findings in the I-15 case study from San Diego. In a statistically valid phone survey conducted 3-4 years after the implementation of an express toll lane system, the majority of users voted to extend the express toll lanes. The survey provided a choice between adding an express toll lane or general purpose lane.
- Randy Corman, City of Renton, asked who was polled for the SR 167 survey. Colleen Gants responded it was a random survey of people who have never used the SR 167 HOT lanes and people who said they have used them at least once.

### *Traffic Performance*

Kim Henry, Eastside Corridor Project Director, highlighted projected population growth estimates and emphasized the need to optimize highway system performance. Kim referenced a speed curve graphic to illustrate how congestion reduces highway efficiency.

Kim Henry provided an overview of tools that are currently utilized to manage congestion and explained their inadequacies. He then introduced dynamic pricing and explained how fluctuating toll rates enables optimal throughput.

### **Public Comment**

Craig Stone, WSDOT Toll Division Director, asked the audience to share any public comments.

- John Worthington, commented toll lanes are not beneficial for the average commuter. Instead of implementing express toll lanes on I-405, please consider high speed service along the corridor. An 80 mile/hr system in combination with cheap, available parking would provide a better benefit.

## **Discussion**

- Mayor James Lauinger, City of Kirkland, asked if rail transit is a possibility for the future of I-405. Craig Stone responded previous studies have shown I-405 can be used efficiently by bus rapid transit and an HOV system.
- Mayor Suzette Cooke, City of Kent, commented that the region is prone to earthquakes so building a structure on the highway might be a poor decision.
- Randy Corman, City of Renton, asked if there would be an opportunity to provide feedback on the study options. Craig Stone said yes.

## **III. Gross Revenue, Traffic and Toll Rates**

Ed Regan, Wilbur Smith, provided an overview of the traffic and gross revenue analysis for the Eastside Corridor Tolling Study. The two major factors driving the results were population/employment forecasts and willingness to pay a toll.

Ed Regan highlighted dynamic pricing as a critical component in congestion demand management and shared several national examples of dynamic pricing to demonstrate its effectiveness.

### *Traffic and Gross Revenue Analysis – System Performance*

Karl Westby, Eastside Corridor project team, provided an overview of system performance on I-405. Karl referenced a bar graph and announced that the analysis results reveal tolled lanes perform better than general purpose lanes. Karl explained that by adding an express toll lane, traffic will be diverted from local streets to the highway system.

## **Discussion**

- Mayor Grant Degginger, City of Bellevue, asked if the toll rates are sensitive to location on the corridor. Karl Westby replied yes. He explained that the graphs show peak periods on the corridor. Mayor Degginger expressed concern for publicizing average commute rates along the entire corridor, given the variation among various segments.
- Ed Regan, Wilbur and Smith, explained the rates would be optimized separately by segment.
- Craig Stone, WSDOT Toll Division Director, added the project team is looking at typical commutes and considering implementing a price cap. Ed Regan cautioned the group to warn the public that rates are variable and will fluctuate throughout the day.

- Sonny Putter, City of Newcastle, asked if all of the data could be made available on the web, allowing drivers to input the time of travel and origin and destination to get a fair estimate of the expected toll rate. Sonny also warned the group to be cautious of releasing numbers until the public is fully aware of the study context.
- Mayor James Lauinger, City of Kirkland, asked if a floor price has been discussed in addition to a ceiling. Craig Stone, WSDOT Toll Division Director, responded that the lower end does not drive much profit and explained the majority of the revenue is made during shoulder peak periods.

### *Revenue Methodology and Preliminary Results*

Brent Baker, Parsons Brinckerhoff, provided an overview of toll financing and revenue generation. Brent referenced a water faucet diagram to demonstrate how net revenue is determined. He then explained the role of bonds in financing tolled roads.

Kim Henry, Eastside Corridor Project Director, reviewed the capital costs, funds needed, range of net bond proceeds and available and needed funds.

### **Discussion**

- Mayor Grant Degginger, City of Bellevue, expressed concern for the non-recourse bond interest rate and asked if other projects in the state are funded by non-recourse bonds. Brent Baker, Parsons Brinckerhoff explained that HOT lanes are considered to be higher risk than standard toll bridges or lane projects. He noted human behavioral variables are difficult to estimate and the rates determined are conservative to account for the high risk scenario.
- Sonny Putter, City of Newcastle, asked if additional types of bonds could be considered. Craig Stone, WSDOT Toll Division Director, explained that between now and January, it's smart to keep estimates conservative. If there is merit from the legislature to pursue implementation, then we can talk about additional options. Sonny Putter responded this is a critical issue because a high interest rate could prevent they study from moving forward.
- Randy Corman, City of Renton, commented if we could receive twice the number of improvements through a general obligation bond, critics will quickly latch on to the fact that extra tolls will be collected. We need to know what general obligation bonds would look like.
- Mayor Grant Degginger, City of Bellevue, asked when a public agency in the state of Washington last used non-recourse bonds. Brent Baker answered the early 1980's, but added this was direction received from the Office of State Treasury.
- Mayor Degginger requested clarification on the funding for the projects highlighted during the previous meetings. Ed Regan responded none of the case studies were funded with non-recourse debt revenue bonds. He explained that the lack of capital investment in combination with a dynamically priced facility makes the Eastside Corridor project uncommon and groundbreaking.
- There was continued discussion among the group about financing mechanisms.

Colleen Gants, Eastside Corridor Communications Manager suggested creating a chart to outline how similar projects were financed to provide additional framework.

- Randy Corman, City of Renton, expressed concern that the public will think toll revenue is funding other state projects.
- Mayor Grant Degginger, City of Bellevue, requested the difference in the toll rate for recourse financing, claiming this is valuable public information.
- Brent Baker, Parsons Brinckerhoff explained revenue generated would be impacted, not the toll rate.
- There was a consensus among the group to consider pursuing recourse bonds in addition to non-recourse.
- Randy Corman, City of Renton, announced Study Option 2 leaves out a critical improvement project, the I-405/SR 167 interchange. He encouraged the EAG to only consider Options 3-5.
- Sonny Putter, City of Newcastle, advised the group to consider the study holistically and acknowledge the importance of creating an integrated system.

## **V. Draft Principles**

Denise Cieri, Eastside Corridor Deputy Project Director, addressed the draft funding and phasing principles and requested feedback from the group.

## **Discussion**

- Mayor Suzette Cooke, City of Kent, commented it would be foolish to assume the public knows about the lack or definition of traditional funding sources. She advised the project team to use the word 'toll' and be consistent with the terminology.
- Deputy Mayor Sue Singer, PSRC, said WSDOT should announce that additional funding sources need to be identified.
- Sonny Putter, City of Newcastle, agreed with Sue and added the language should to be plain and easy for the public to understand.

Denise Cieri asked the group to identify additional draft principles.

## **Draft principles**

- Mayor Grant Degginger, City of Bellevue, encouraged the project team to address equity, financing and use of state's credit. The Eastside Corridor should have access to the state's credit.
- Sonny Putter, City of Newcastle, suggested creating an integrated system and recognizing the congestion levels on the current I-405 HOV system.
- Mayor Suzette Cooke, City of Kent, said the 2+ versus 3+ debate will be a topic of discussion.

- Kim Henry, Eastside Corridor Project Director, responded that WSDOT's projections for traffic were based on a 3+ model.
- There was continued discussion about whether or not the EAG should address the 2+ versus 3+ issue and the consensus among the group was to highlight the topic as an area of concern in the report to the legislature.
- Mayor Grant Degginger, City of Bellevue, commented that the phrase "revenue *should* stay in the corridor" seems too indefinite.
- Mayor Suzette Cooke, City of Kent, requested that the definition of *corridor* be included as a principle. Mayor Cooke also asked how the *worst* is defined in the principle "fix the worst first?" She added there should be better terminology.
- Denise explained this principle was derived from the IWG group meeting and is an acknowledgment of the I-405 Master Plan goal to fix the worst bottleneck situations first.

## **VI. Wrap Up**

Craig Stone, WSDOT Toll Division Director, thanked the group for their input and asked the EAG members for input on their preferred method of submitting specific comments on behalf of their jurisdiction or agency. The group consensus was to provide individual letters to attach as appendices to the final report.

Craig Stone announced the next EAG meeting will be held December 10<sup>th</sup> at the Kent Commons.

## **Adjourn**