

Eastside Corridor Tolling Study

Executive Advisory Group Meeting #4 – Meeting Summary

December 10, 2009

1:00 – 4:00 p.m.

Kent Commons

525 4th Avenue North, Kent, WA 98032

Executive Advisory Group members in attendance:

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| <input checked="" type="checkbox"/> Representative Marcie Maxwell,
Washington State House of Representatives | <input checked="" type="checkbox"/> Kim Becklund, City of Bellevue |
| <input checked="" type="checkbox"/> Sonny Putter, City of Newcastle | <input checked="" type="checkbox"/> Andrea Tull, Sound Transit |
| <input checked="" type="checkbox"/> Deputy Mayor Sue Singer, PSRC | <input checked="" type="checkbox"/> Ron Posthuma, King County |
| <input checked="" type="checkbox"/> Diana Quinn, City of Algona | <input checked="" type="checkbox"/> Mayor James Lauinger, City of Kirkland |
| <input checked="" type="checkbox"/> Peter Hahn, City of Renton | <input checked="" type="checkbox"/> Mayor Suzette Cooke, City of Kent |

Eastside Corridor Tolling Study Project Team

- | | |
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| <input checked="" type="checkbox"/> Craig Stone, WSDOT Toll Division | <input checked="" type="checkbox"/> Bruce Brown, PRR |
| <input checked="" type="checkbox"/> Kim Henry, Eastside Corridor
Project Director | <input checked="" type="checkbox"/> Laura LaBissoniere, Eastside Corridor
Communications |
| <input checked="" type="checkbox"/> Denise Cieri, Eastside Corridor
Deputy Project Director | <input checked="" type="checkbox"/> Amy Danberg, Eastside Corridor
Communications |
| <input checked="" type="checkbox"/> Wendy Taylor, Eastside Corridor
Team | <input checked="" type="checkbox"/> Jennifer Sandberg, Eastside Corridor
Communications |
| <input checked="" type="checkbox"/> Karl Westby, Eastside Corridor
Team | <input checked="" type="checkbox"/> Brent Baker, Parsons Brinckerhoff |
| <input checked="" type="checkbox"/> Colleen Gants, Eastside Corridor
Communications | |

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

Craig Stone, WSDOT Toll Division Director, welcomed the Executive Advisory Group (EAG) members and provided an overview of the agenda. He explained the purpose of meeting #4 is to present a recap of the public outreach process, review traffic analysis and revenue results; and to finalize the study principles.

Craig provided an overview of the study charge, draft principles, and range of study options.

Public Comment

There were no public comments.

II. Public Outreach

Colleen Gants, Eastside Corridor Communications Lead, introduced Bruce Brown, Certified Research Director with PRR. Bruce gave an overview of the public outreach process, highlighting the research component.

Bruce Brown announced that WSDOT conducted a variety of outreach efforts including; summer festivals, comment forms, email correspondence, postcard mailings, five public meetings, an online survey, a statistically valid phone survey, and four focus groups.

The research results indicated several key market segments. While some participants reported opposition, the majority were supportive of express toll lanes on I-405. SR 167 HOT lane users were particularly supportive of extending toll lanes to I-405 to alleviate congestion. Factors that were most predictive of support included previous use, experience of daily congestion and younger age.

Discussion

- Sonny Putter, City of Newcastle, asked if the predictive statements for why people support express toll lanes could be extended to tolling system wide. Bruce Brown, PRR, responded that question was not asked in the survey.

III. Traffic Results

Karl Westby, Eastside Corridor Team, presented traffic analysis results for the five study options. Karl explained there are three major factors driving the results;

population and employment forecasts, willingness to pay and existing traffic volumes.

Karl Westby reviewed sample commutes to explain the range of toll rates and time savings. He explained the challenge is to operate HOV lanes at a minimum of 45 mph 90% of the time. Currently, HOV lanes on I-405 do not meet this standard.

Karl Westby explained that the findings show express toll lanes will divert traffic from local streets to I-405. He shared several examples to demonstrate how congestion on local arterials will be improved. Karl announced sensitivity tests were also conducted to show the implications of a 2+ HOV system. The results show higher toll rates and lower revenue projections.

Discussion

- Peter Hahn, City of Renton, asked if the models were normalized per mille would the results look different. Karl Westby, Eastside Corridor Team, responded yes and said the data can be packaged many different ways. Peter Hahn requested that the data be presented to show the average rate per mile.
- Peter Hahn, City of Renton, commented that the cost of a specific trip should be similar under each option. He added Option 4 provides the opportunity to use a more robust system.
- Sonny Putter, City of Newcastle, said one of the key variables is capacity. He asked if the data could be prepared to compare the study options as a function of capacity and emphasized the study mission to move the most people at the lowest toll rates. Karl Westby responded yes.
- Denise Cieri, Eastside Corridor Deputy Project Director, added that an upcoming slide will better explain the topic. Kim Henry, Eastside Corridor Project Director, noted Karl is discussing Option 4 but the graphic on the current slide shows Option 1.
- Kim Becklund, City of Bellevue, asked if revenue generation can also be displayed. Karl Westby, Eastside Corridor Team, responded yes and explained detailed information will be provided during the finance portion of the meeting.
- Deputy Mayor Sue Singer, PSRC, commented during the peak commute times the express toll lane would be closed to HOV only.

- Deputy Mayor Sue Singer, PSRC, asked if WSDOT is considering changing the HOV lanes on I-5 from 2+ to 3+. Karl Westby, Eastside Corridor Team, replied that is a good point but we don't have the information to determine that change.
- Mayor James Lauinger, City of Kirkland, commented this information is complicated and will be difficult to communicate with the public. Karl Westby, Eastside Corridor Team, said during the public outreach many people were confused, but the more they learn and understand the more supportive they become. Bruce Brown, PRR, added signage was an important topic during the focus groups. This is a new concept and it's very important that the signage is clear.
- Deputy Mayor Sue Singer, PSRC, announced the biggest misconception I've seen is that people think they will be charged each time they drive under the sign on SR 167. Bruce Brown, PRR, added focus group participants have indicated relief when they learn they won't be charged twice.
- Denise Cieri, WSDOT, announced there is a separate group developing signage for all regional tolling projects. The signage will be the same for each toll lane or bridge. She emphasized public education is critical.
- Sonny Putter, City of Newcastle, said the decision to implement 2+ or 3+ HOV lanes is an important policy decision. Can the project team develop a phasing timeline to show the transition from 2+ to 3+ over time? Karl Westby, Eastside Corridor Team, responded we've looked at specific points in time; 2013 and 2020 and learned that all of the options begin to experience issues in the year 2020 under a 2+ HOV system. Sonny responded it would be helpful to know when 2+ will no longer operate efficiently.
- Deputy Mayor Sue Singer, PSRC, encouraged the team to implement 3+HOV lanes in only the most congested sections. Kim Henry, Eastside Corridor Project Director said we need to be cautious and ensure there are clear and logical sections, otherwise people will become confused.
- Ron Posthuma, King County, asked if 3+HOV lanes would operate more efficiently than 2+ in the year 2013. Karl Westby, Eastside Corridor Team, explained that in 2013, the north end of the corridor could operate efficiently at 2+ but the south end would begin to break down.
- Andrea Tull, Sound Transit, asked if the 45mph minimum could be maintained at 2+. Karl Westby, Eastside Corridor Team, replied yes 45mph is the performance threshold.

IV. Funding and Bonding

Denise Cieri, Eastside Corridor Deputy Project Director, introduced Brent Baker with Parsons Brinckerhoff and explained Brent would present an overview of the revenue results and sensitivity analysis

Brent Baker explained that bonding assumptions are determined by the Office of State Treasury and consider a range of funding options including non-recourse and state-backed financing. He provided an overview of the financing scenarios for each option.

Discussion

- A member of the audience commented these are still conservative assumptions. Brent Baker, Parsons Brinckerhoff, explained that although they may seem conservative compared to regular toll road assumptions, they are appropriate based on the challenges associated with a dynamically priced system.
- Kim Becklund, City of Bellevue, asked why state backed funding wasn't considered for Option 1 and argued additional revenue could be generated to accelerate the project to Option 4. Brent Baker, Parsons Brinckerhoff, explained that WSDOT cannot request more money than what is needed to construct the project without a commitment to do more. Kim Becklund encouraged the team to pursue a commitment.
- Ron Posthuma, King County, asked about the state's current coverage ratio for the gas tax and encouraged the team to consider pursuing a lower coverage ratio. Brent Baker, Parsons Brinckerhoff, responded gas taxes are a much more predictable revenue stream. With a higher coverage ratio, more revenue is available to continue paying for investments.
- Peter Hahn, City of Renton, asked what is the difference between 1 ½ and 2. Brent Baker replied that moving from 2 to 1 would double the tolling contribution. He explained that under the non-recourse debt scenario, the bondholder would require a higher coverage ratio.
- There was continued discussion about the coverage ratio for specific scenarios. Brent Baker, Parsons Brinckerhoff, explained that if the bond is state backed the legislature can choose to accept more risk, but it would be more difficult to secure a lower coverage ratio under a non-recourse bond.

- There was a comment from the audience to include less conservative coverage ratio scenarios. Kim Henry, Eastside Corridor Project Director, added there are not as many opportunities to adjust the rate with a dynamically priced system.
- Peter Hahn, City of Renton, asked if the debt service could be structured to adjust the ratio coverage in the future. Brent Baker, Parsons Brickerhoff, said we're looking into that right now.
- Kim Becklund, City of Bellevue, asked if a description of the conditions in which a lower coverage ratio would be possible will be included in the final report. She encouraged the team to capture the principles discussed in this meeting in the final report.
- Craig Stone, WDOT Toll Division Director, encouraged the EAG members to keep the study in context and added we are not at a point to consider the investment package.
- Sonny Putter, City of Newcastle, commented that the key elements in the report should be: capacity, the 2+ versus 3+ debate, and phasing the project to improve the coverage ratio. He emphasized that policy makers need to be aware of these issues.

Finalize Principles

Craig Stone, WSDOT Toll Division Director, encouraged the EAG members to submit letters on behalf of their jurisdictions to be included as an appendix to the final report.

Kim Henry, Eastside Corridor Project Director, provided an overview of the draft study principles reviewed at meeting 3. Kim Henry and Denise Cieri led a discussion of the principles, requesting feedback from the IWG members. The group edited the list to formulate the revised principles below.

Combined Principles

The Eastside Corridor (I-405/SR 167) express toll lane vision is to optimize freeway lane performance and manage congestion.

Performance

1. Move more people

2. Manage corridor to improve speed and reliability to free flow conditions, a minimum of 45 mph.
 - a. May require change in minimum HOV occupancy.
3. Prioritize and accommodate transit performance and HOV users
4. Minimize diversion to arterials or neighborhood streets.
5. Improve mobility for freight and drivers in all lanes.
6. Spotlight capacity and 2+ versus 3+.

Funding

7. Retain tolling revenue in the Eastside Corridor.
8. Secure financing with fair terms, similar to other corridors. Leverage traditional resources.
9. Exempt transit and carpools from tolls.
10. Continue to monitor national and regional trends to better understand how to fund toll projects.
11. Leverage toll revenue with other funds.

Implementation

12. Express toll lanes should be built in incremental steps and begin with funded projects.
13. Express toll lanes should fit within the long range regional planning and tolling system.
14. Sensitivity to construction phasing on a regional level.

Public Outreach

15. Grow awareness, experience and support by engaging the public, local agencies and elected officials.
16. Make tolling operations mainstream and improve access.

Discussion

- The group engaged in a discussion of toll revenue and the concept of leverage. The consensus was that projects need to be funded by a combination of tolls and other funding sources.
- Deputy Mayor Sue Singer, PSRC, stated basic maintenance costs should be funded by tolls. Craig Stone, WSDOT Toll Division Director responded yes, but added tolls are not projected to cover all costs.
- Andrea Tull, Sound Transit, said I would like to see reliability highlighted.
- Ron Posthuma, King County, encouraged the team to distinguish between 2+ and 3+. Denise Cieri, Eastside Corridor Deputy Project Director, said we haven't made a suggestion yet because we wanted to hear more from this committee.
- Sonny Putter, City of Newcastle, said we need to provide the legislature with everything they need to make a decision. The key issues need to be spotlighted.
- Andrea Tull, Sound Transit, requested that the free flow standard of 45 mph be defined in the draft principles. There was discussion about the best way to describe this standard.
- Mayor Suzette Cooke, City of Kent, said 45mph provides clarity but it's not necessary to specify a maximum of 60 mph. Kim Henry, Eastside Corridor Project Director responded that the concern is 45 mph is not the ceiling, it is only the minimum.
- Suzette Cooke, City of Kent, commented the principles imply everyone will benefit. She encouraged the team to prioritize and fine tune the messaging.
- Kim Henry, Eastside Corridor Project Director, announced this is not the end of our work and we are more than willing to meet to discuss the study further and answer specific questions.

V. Wrap Up

Craig Stone thanked the group for their participation in the final EAG meeting and input in the Eastside Corridor Tolling Study process.

Adjourn