

**Eastside Corridor Expert Review Panel
Executive Advisory Group Meeting #2 – Meeting Summary**

October 7, 2010

9:00 a.m. —11:00 a.m.

Renton City Hall - Council Chambers

Expert Review Panel members in attendance:

- Ginger Goodin, Texas Transportation Institute
- Chuck Fuhs, Parsons Brinkerhoff
- Jennifer Tsien, Florida Turnpike Enterprise
- Janet Lee, Public Resources Advisory Group
- Bob Poole, Independent Transportation Consultant

Executive Advisory Group members in attendance:

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| <input type="checkbox"/> Mayor David Hill, City of Algona | <input checked="" type="checkbox"/> Deputy Mayor Sue Singer, PSRC |
| <input type="checkbox"/> Mayor Pete Lewis, City of Auburn | <input checked="" type="checkbox"/> Sanjeep Tandle (alternate for Mayor Kathy Turner), City of Puyallup |
| <input type="checkbox"/> Mayor Mark Lamb, City of Bothell | <input checked="" type="checkbox"/> Randy Corman, Renton City Council |
| <input checked="" type="checkbox"/> Grant Degginger, Bellevue City Council | <input checked="" type="checkbox"/> Carol Thompson, Community Transit |
| <input checked="" type="checkbox"/> Mike Canavan (alternate for Dan Mathis), FHWA | <input checked="" type="checkbox"/> Steve Thompson, Snohomish County |
| <input type="checkbox"/> Rick Krochalis/Linda Gehrke, FTA | <input checked="" type="checkbox"/> Claudia Balducci, Sound Transit |
| <input type="checkbox"/> Suzette Cook, Mayor of Kent | <input type="checkbox"/> Mayor David Enslow, City of Sumner |
| <input checked="" type="checkbox"/> Ron Posthuma, King County Dept. of Transportation | <input type="checkbox"/> Mayor Jim Haggerton, City of Tukwila |
| <input type="checkbox"/> Reagan Dunn, King County Council | <input type="checkbox"/> Rep. Dan Roach, State Legislature |
| <input checked="" type="checkbox"/> Joan McBride, Mayor of Kirkland | <input type="checkbox"/> Rep. Larry Springer, State Legislature |
| <input checked="" type="checkbox"/> Sonny Putter, Newcastle City Council | <input type="checkbox"/> Senator Rodney Tom, State Legislature |
| <input type="checkbox"/> Mayor Richard Hildreth, City of Pacific | <input checked="" type="checkbox"/> Rep. Marcie Maxwell, State Legislature |
| <input type="checkbox"/> Roger Bush, Pierce County Council | <input type="checkbox"/> Dick Ford, Washington State Transportation Commission |

WSDOT Toll Division Staff

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| <input checked="" type="checkbox"/> Craig Stone, Director | <input checked="" type="checkbox"/> Todd Merkens |
| <input checked="" type="checkbox"/> Jennifer Ziegler | <input checked="" type="checkbox"/> Patty Michaud |
| <input checked="" type="checkbox"/> Rob Fellows | <input type="checkbox"/> Helena Kennedy Smith |

WSDOT Northwest Region and Eastside Corridor Staff

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| <input checked="" type="checkbox"/> Lorena Eng, Regional Administrator | <input checked="" type="checkbox"/> Karl Westby, Westby Consulting |
| <input checked="" type="checkbox"/> Kim Henry, Director | <input checked="" type="checkbox"/> Colleen Gants, PRR |
| <input checked="" type="checkbox"/> Denise Cieri, Deputy Director | <input checked="" type="checkbox"/> Amy Danberg, PRR |
| <input checked="" type="checkbox"/> Wendy Taylor, HNTB | <input checked="" type="checkbox"/> Jennifer Sandberg, PRR |

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 website at: www.wsdot.wa.gov/tolling/eastsidecorridor.

I. Welcome and Opening Remarks

Craig Stone, Executive Director, WSDOT Toll Division, welcomed the ERP and EAG to the city of Renton. Everyone in attendance participated in brief introductions.

II. Review of ERP/EAG Charge and Meeting Purpose

Craig started the meeting by briefly recapping the purpose and discussion of meeting one. He followed the meeting # 1 review with the meeting # 2 approach, stating that the ERP would report out on their preliminary findings to questions one and two, followed by an open discussion.

Craig shared something he learned from his colleagues in Texas regarding the three stages of tolling studies, and where the Eastside Corridor Express Toll Lane Study falls in the process:

1. Feasibility – Does it make sense to toll this facility?
2. Detailed Traffic & Revenue Study – Provide an analytical framework for the facility; this is the current state of tolling I-405—the legislature has the power to authorize tolling based on current and continuing analysis.
3. Investment Grade Analysis – This level of study includes bond grading and a more in-depth finance study; this is the current state of the SR 520 Bridge Tolling project.

III. Report-Out: Policy

Ginger Goodin (representing the ERP): Ginger explained that she would present the preliminary findings for questions one and two on behalf of the panel. She said that they took a methodical approach to discussing these questions by breaking them down into sub-questions and using the 2010 Eastside Corridor Tolling Study Implementation Principles (as decided by the EAG) as reference objectives. She went on to say that the Eastside Corridor is a combination of several concepts and configurations of express toll lanes, and that in their final report there will be a comparison to other projects around the country that also have multiple concepts within one system.

She explained that, traditionally, there are two types of express toll lanes:

First Generation: These were the early toll projects – systems that are dynamic and have changed over the years. She gave examples of national projects that are *first generation* and

said that they are similar to I-405 in their pricing and approach to converting an HOV lane to express toll lanes.

Second Generation: These newer systems add new capacity in the form of express toll lanes. To operate efficiently, they must limit free use and/or place a cap on exclusions. Toll financing coupled with other investments are needed to make these systems happen. There's a trend for "systems of projects" like in Atlanta and Miami – these are very comparable to the proposed system of projects on the Eastside Corridor.

Ginger then discussed that there are two driving policies within the Eastside Corridor Tolling Study:

1. Performance; better use of the HOV system through pricing
2. Financing to address unfunded or underfunded capacity and gaps in the system

She stated that "these can feel like conflicting objectives." After running through federal policies, she highlighted that the proposed Eastside Corridor express toll lanes fit state policy by adhering to the *Moving Washington* strategic plan, the Puget Sound Regional Council's Transportation 2040 plan, and other state tolling policies.

In summary, the panel found that, at a conceptual level, the results of the Eastside Corridor Express Toll Lane Study are viable and consistent with local, regional, state and national policy.

EAG Comment;

Councilmember Grant Degginger (City of Bellevue): Councilmember Degginger had questions about the 1st/2nd generation toll project examples and asked which examples are the most comparable and which are the least comparable to the Eastside Corridor.

Ginger Goodin: All projects are unique. However, there are features that are similar between projects, such as barrier separation and operating conditions.

Chuck Fuhs: Provided more detailed national project examples. I-15 in Salt Lake City is very similar to SR 167 in both traffic volumes and the access points. The I-15 project has been operating longer than SR 167, and both use electronic toll collection and performance monitoring. They are both working well from an enforcement standpoint and sponsored by respective state DOTs. We're entering the 2nd generation for projects around the country. Some projects are just beginning, so we don't have an exact comparable project yet. Once I-405 is complete, it would be comparable to a project like I-495 (Capital Beltway) in northern Virginia; we'll know more once it's fully operational. "I think I-405 would be most similar to I-495 because both facilities would be separated by paint markings; ingress and egress every 2 to 4 miles. They are circumferential corridors, meaning an alternative to the main corridors (in Puget Sound I-405 is the alternative to I-5).

Councilmember Grant Degginger (City of Bellevue): Questioned whether it made sense to compare second generation projects as there is a large difference in population.

Councilmember Sonny Putter (City of Newcastle): Referenced slide 12 of the PowerPoint presentation that lists the two driving policies for express toll lanes asks "Which one leads:"

- 1.) Performance
- 2.) Project Financing

Councilmember Putter asked the panel how other areas of the country resolved these two separate goals and policy issues, with particular consideration to raising the HOV requirement to 3+.

Bob Poole: Increasingly we're finding that large metro areas with traffic issues are looking at networks of priced lanes. They're trying to create region-wide express toll lanes policies so that there is connectivity between areas. He cites the Bay area as a current example of a region grappling with defining a concept of operations so user experience is consistent. It's *tolerable* to have a 2+ HOV policy, but HOV 3+ operates better in a congested area typically.

Councilmember Sonny Putter (City of Newcastle): Asked at which level of government the Miami area and San Francisco area policies were developed? State? Regional?

Chuck Fuhs: Local government sets the course on these regional systems and policies. Local agencies, often under sponsorship of the respective state DOT, collaboratively set their own HOV policies, some with systems that change from 2+ HOV to 3+ HOV for different corridors or by time of day on the same corridor.

Councilmember Sonny Putter (City of Newcastle): Councilmember Putter identified SR 520 as a 3+ facility, which will soon be tolled, and asked why when consistency is a priority; we're continuing to look at 2+ in the I-405 corridor?

Bob Poole: Financing is a driving force behind HOV requirements. A 3+ HOV designation needs consideration for the vitality of financing further improvements, with regional policy as a goal.

Councilmember Sonny Putter (City of Newcastle): Summarized that it is crucial to address this issue earlier rather than later.

Councilmember Claudia Balducci (Sound Transit): Asserted that the 3+ policy decision has been made, and that implementation needs to be at the state level. She noted that we need financing, and the 3+ policy driver to build this project. Tolls are necessary but they are not sufficient.

Councilmember Sonny Putter (City of Newcastle): Stated that tolls alone cannot fund the project.

Bob Poole: Agreed. Most of these projects advance with 25%-35% in state funding support, but couldn't get built or operate without toll revenues.

Craig Stone: As we've studied I-405, performance is the primary goal. What should be driving statewide policies?

Chuck Fuhs: Emphasized WSDOT's long and rich legacy at the state and local levels to improve performance by investing in key projects, like the I-405 Corridor. WSDOT has many examples dating back 40 years. This state has challenges, such as the limited geography in the Puget Sound. You set the pace with programs that other state DOTs around the country have learned from, and now many of these strategies are standard practice (ramp meters, HOV lanes, incident management programs, etc.).

Addressing a performance policy alone doesn't get us closer to a funded project.

To get us closer to the funded projects will take a creative mix of funding. One option is to optimize what you have—what's there—with no right of way to acquire. If you look at the I-405 north end project as a starting point, simply letting performance be the driver isn't going to fund the south end. To hit your financial targets, the corridor really has to operate like a toll facility during peak times, where congestion pricing can provide better performance and capacity that can help address the unfunded gap.

Councilmember Randy Corman (City of Renton): Said he has done a lot of outreach in support of the I-405 managed lanes concept to acquaint the Renton community to the idea of an express toll lane system that could help traffic flow. He said that the public comments he receives mostly revolve around the fact that people have already paid for the road and that the toll lanes would be inequitable. The citizens may feel they are losing what they already have in HOV lanes. He stated that performance and financing are both important.

Councilmember Sonny Putter (City of Newcastle): Asked why the DOT found the need for increasing minimum occupancy requirement to 3+ HOV. Is it based on capacity on some of the HOV lanes that are now in place? Did the review panel look at the need for conversion based on the capacity issue alone?

Chuck Fuhs: The panel looked at the Eastside Corridor Tolling Study. However, for I-405 and similar Texas and California corridors we see a lot of HOV lanes that are overcrowded at 2+. We have seen successful increases in rideshare and mode shifts with these projects. FHWA has put some states on notice to say that when your HOV system is failing, you must do something. This is where we see the deployment of a combination of strategies that incorporate managed lanes and increased HOV occupancy to address this condition.

Mayor Joan McBride (City of Kirkland): I remember, in the past when 2+ was controversial (“wicked”) and most people hated the idea. Then we realized that “2+ is a date.” We need a tiered approach to maintain HOV support. People will most likely support 3+ if that's the decision needed for financing and performance.

Deputy Mayor Sue Singer (PSRC): Maybe we transition toward 3+ by making the HOV lanes change from a 2+ to 3+ requirement in severe traffic.

Craig Stone: The HOV system is breaking down on I-405 but the SR167 HOV was not breaking down. If we just change the HOV lane system to 3+ *without* managed lanes—we will have the “empty lane syndrome” in some areas and crowded general purpose lanes.

Carol Thompson (Community Transit): She said she remembered when the HOV designation was 3+ and that the 2+ transition led to a drop in transit ridership. We understand the difficulty, and transit agencies really understand what the take-aways feel like. I understand what Councilmember Corman said regarding the extensive outreach and support - we've dealt with that too. Will the cost of tolling be less than the traditional cost of building freeways? That would mean there is less cost to the tax payers.

Councilmember Randy Corman (City of Renton): Final follow-up—when I said that it was an easier sell for the 2+ person carpool, I want you to know that I recognize that 2+ is really slow through Renton. We need an additional HOV lane, however the political lift is less at 2+ with 2 HOV/HOT lanes.

Bob Poole: We didn't talk about the hybrid Miami (I-95) project as an example yet. That project went from four general purpose lanes with one HOV lane that was HOV 2+ to two HOT lanes that are 3+. It is a hugely successful project - the transit agencies love it, and the people find it reliable.

Councilmember Grant Degginger (City of Bellevue): To clarify – there were four general purpose lanes and one HOV lane and now it is four general purpose lanes and two managed lanes?

Jennifer Tsien: We took it one step further; the project is 3+ HOV, and only registered carpools can use it.

IV. Report out: Methodology

Ginger Goodin (representing the ERP): Reviewed question two (methodology) and reiterated that their approach was to break it down into sub-questions. She then explained that the ERP does not have a complete answer to question two because they are still digesting a lot of data. Part of their approach includes breaking down the idea of methodology so that for the purpose of question two—they focus solely on operations, and will address the methodology of phasing and financing as a part of questions three and four (meeting #3).

Ginger explained the review process. She employed TTI modeling experts in four different areas to focus on the operations methodology from the appendices of the 2010 Eastside Corridor Tolling Study Final Report. They worked with numbers in the model files and reviewed the modeling approach, then ran the actual model files at TTI to see if the approach was appropriate. The PSRC model was part of the Eastside Corridor approach, but was not specifically reviewed by the panel, as it was previously analyzed by an independent firm in 2008.

She summarized that with the information reviewed to this point, the panel found the model reasonable and consistent.

EAG Comment:

Ron Posthuma: Asked if there was a transit measure and how it was coded to show the impact to access locations.

Councilmember Grant Degginger (City of Bellevue) had some questions about the assumptions for the model:

- Have you formed an opinion on whether the modeling is consistent with industry practice?
- Any inconsistent assumptions?
- Were there any assumptions that vary?
- How do you evaluate this and how long does it take a team to do this analysis?

Ginger Goodin replied to Councilmember Degginger's questions:

- In terms of the assumptions—we think it is consistent with industry practice.
- We use the information from the report and conversations with the modelers; walked through the modeling process and based on what they reviewed—the models and the techniques and the assumptions are reasonable.

- The demand modifier/micro simulation model—issue of demand modeling expert was less familiar with the process—but he couldn't say that it was wrong; after we ran network files on our own—we have questions on coding;
- No major questions or issues—other than the measures of effectiveness
- It takes a day to run the model; three weeks for analysis.

Mayor Joan McBride (City of Kirkland): Just to clarify, you are the expert panel; you have support from more experts that are working on the modeling analysis (TTI).

Councilmember Claudia Balducci (Sound Transit): Modeling to many of us is a black box—so you are comparing black boxes—but at some point, do you take the outcomes from the comparison projects that used modeling, and compare it to what actually happened with implementation?

Ginger Goodin: Yes, if the information is available.

Bob Poole: The same firm that did the Miami Traffic and Revenue study that has proven to be a good study, is the same firm doing the Tier 2 study here. That gives me some confidence in the results here—same firm—great quality.

Ron Posthuma: Are we assuming express toll lane users will enter and exit at direct access ramps? What is the reliability of those access points?

Chuck Fuhs: We have asked a series of questions about how transit is impacted by different concepts-especially regarding access.

V. Introduce Question 3: Phasing and Question 4: Financing

Prepare for November 10 Meeting # 3

Opportunity for EAG to provide comments on Questions 3&4

Craig Stone: The next meeting will cover Phasing and Financing. Please ask questions you want the panel to consider for the next meeting.

Ginger Goodin: We've started to discuss these questions and we keep referring back to the implementation principles.

Optimize Freeway Performance

- Move more people
- Manage the corridor to improve speed and reliability to free-flow conditions (45 to 60 mph) – may require phased approach to changing minimum HOV occupancy (2+ to 3+)
- Prioritize and accommodate transit performance and HOV users
- Maximize throughput to reduce diversion to arterials or neighborhood streets
- Improve mobility for freight and drivers in all lanes

Leverage toll revenue to maximize corridor improvements

- Retain tolling revenue in the Eastside Corridor
- Secure financing with fair terms, similar to other corridors

- Exempt transit and carpools from tolls
- Continue to monitor national and regional trends to better understand how to fund toll projects
- Prioritize funding within the corridor to leverage toll revenue with other funding

Develop a 10-year strategy for a 40+-mile system (Study Option 4)

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

Councilmember Sonny Putter (City of Newcastle): I'm impressed by your comment consider the *system*. Will you examine the context in the region? The Eastside Corridor is not isolated.

Chuck Fuhs: The scope is defined to look at I-405. However, there is a parallel study underway that Rob Fellows from WSDOT is leading. It looks at I-5 and the regional context with a multi-agency committee group. We do consider the scope at a system level.

Councilmember Grant Degginger (City of Bellevue): Under 2nd bullet for financing principles it lists "fair terms." Are there comparable corridors to look at nationally?

Ginger Goodin: We will seek more guidance on what your implementation principles mean. I'm not sure about the context of this specific principle but we can help define it. We'll look at the national experience as well.

Councilmember Grant Degginger (City of Bellevue): Where is it really comparable?

Janet Lee: There are limited projects that have been successfully financed. LBJ; Capitol Beltway; and Texas are three key examples because they are similar in operations. Those will be key projects to look at as far as pricing and system performance. In terms of how they were financed in comparison to this project – bond holders will be looking for fair terms to make this a marketable investment.

Councilmember Grant Degginger (City of Bellevue): How we use credit is the larger ethical question. What are the statewide fairness implications?

Janet Lee: In order to get funding for the project, you need to complete an investment grade study. But the ultimate goal is to find the lowest financing cost.

Craig Stone: The principles are what the Executive Advisory Group came up with last year. The panel is still working through these questions; specifically, what's fair compared to how a bridge is financed as far as how I-405's remaining projects are financed. It is complex—because the travelshed is large.

Bob Poole: We've only begun to start to consider defining the financing terms and the principles

Councilmember Sonny Putter (City of Newcastle): Grant (Councilmember Degginger) and I have discussed financing and the use of the various levels of credit. What has been done on

other comparable projects to be able to achieve a financing? What are the policy and financing implications?

Bob Poole: Janet is familiar with the financing for managed lanes mega-projects to tell you what other projects are doing to make it happen. The regional context, however, is more complex.

Councilmember Sonny Putter (City of Newcastle): Every elected here has been responsible for helping to put together funding packages that are creative and I will need a recommendation for how we move forward, especially with multiple corridors.

Councilmember Randy Corman (City of Renton): Grant (Councilmember Degginger) and Sonny (Councilmember Putter) both discussed this topic well last year. We're looking at preliminary estimates. Grant asked the question about state backed bonds. Renton included testimony to the Legislature last year.

Craig Stone: My observation is that funding and phasing go hand and hand. Amy Arnis sat in yesterday. Janet talked about working with 520 and different types of bonds. I think it may be appropriate to bring in bond experts—people from the state that are currently working on this issue to give some perspective on what we can expect.

Ron Posthuma (King County DOT): Some of the other communities are looking at time of day differentiating, is that part of what we're looking at as an alternative? We have some different HOV policies, are we going to look at phasing and financing in that regard?

Chuck Fuhs: The panel will raise issues for alternative considerations in the final report but will not conduct any modeling. He explained that the panel will look at setting the framework for what needs to be considered in the future to make the system as successful as possible.

Ron Posthuma (King County DOT): From a transit perspective, we would love to see performance emphasized. We need to look at what the conditions are on the road at different times of day, especially where tiered pricing is concerned.

Craig Stone: How will we look at Option 4 with all the different project areas and phasing? What are our goals? Do we work segment by segment or just tackle the entire system?

Carol Thompson (Community Transit): Mentioned that access is critical to transit and acknowledges that the HOV 3+ designation would be a hard transition for the public. We need to know where we want to go and have manageable steps to get there.

Deputy Mayor Sue Singer (PSRC): I took the SR 167 HOT lane this morning. I wanted to make a point from the Puget Sound Regional Council (PSRC) perspective; we like to look at these projects from a Growth Management Act and planning perspective. Peirce and Snohomish Counties are where the houses are being built and the population is increasing, and this is why a phased approach is important. We need to keep the SR 167 corridor in mind.

VI. Public Comment

Craig turned the public comment portion over to Colleen Gants to facilitate. She asked the audience to share any public comments. Craig explained that each EAG meeting will include a public comment period. Members of the public are welcome to provide brief verbal comments to the group. Longer comments can be submitted to the committee in writing.

The only public comments were provided by Vic Bishop and former State Senator Jim Horn, both representing the Eastside Transportation Association (ETA).

Vic Bishop (ETA): A traffic engineer, Vic highlighted his work with Chuck Fuhs in the 90's on an HOV study for WSDOT as his claim to fame. He prefaced his comment with an anecdote from their work together when Chuck Fuhs told him that "in order for HOV lanes to work, you must have congestion on the mainline." Vic added, "Public policy shows that we create traffic so we can spend money on the HOV lanes."

He declared that he is commenting on behalf of the Eastside Transportation Association, with whom he worked on an individual analysis of WSDOT's Eastside Corridor Tolling Study. He stated that their primary issue with that study is that it did not compare the HOT lanes analysis with the approved I-405 Master Plan. "The Master Plan," he says, "was an analysis done in 2001 that looked at many options and came up with a two general purpose lanes and one HOV lane system." To date, the legislature has funded \$1.5 billion of the Master Plan and we're about to build the Bellevue to Lynnwood project and see that general purpose lane funded by gas tax and turn it into a HOT lane and then say it works better. When you add capacity it does work better. Like I-95 it went from 5 to 6 lanes—it works better when you add capacity. Funding further improvements at 74 cents a mile from Kirkland to SeaTac or a \$10 or an \$11 toll, will that attract enough traffic to generate further revenue? And what's driving this is making money to fix problems like Renton to Bellevue. We want to see some real serious analysis to see if you can get money out of this to do it.

We think that the financing portion of the tolling report was wishy-washy. In regards to the Misery Index, how miserable does it have to be in the general purpose lanes for the HOT lane to work? I would say that one of your MOEs needs to look at the misery index on general purpose lanes with an HOV lane vs. misery index with the general purpose lanes and HOT lanes. The Record of Decision said that we could think about managed lanes—but we need to compare the new analysis with the old one. The Master Plan, quite frankly takes care of any traffic.

Senator Jim Horn (ETA): We did have the approved plan for I-405 and it was result of multi-million dollar study. The I-405 Master Plan is the approved plan. One of your charts talked about consistency with state policies. The state has a policy with level of service C and D in certain areas. I would find that this is inconsistent with state policy—because I would have to make the misery index a lot worse than what the state sets it at today. I would say that we need to offer the Legislature an option and we need to say how much would it cost to build a general purpose lane, and how well that would operate as opposed to a HOT (express toll) lane. Then the Legislature has two options. How does it work using the approved plan, as opposed to modifying the approved plan. Then they would actually have a comparison.

No one else addressed the panel.

VII. Wrap-up

Councilmember Randy Corman (City of Renton) and Councilmember Claudia Balducci (Sound Transit): Referring to Senator Horn's public comment, both councilmembers agree that a funding comparison of general purpose vs. HOT lane systems is a good suggestion. Can we look at GP vs. HOT—not sure if it's in the scope?

Craig Stone: We are working on getting the outputs from the models now. Funding is an issue; one option generates revenue and one does not. These are all good questions for the panel to consider and address in the upcoming meeting and in their final report. He reminded everyone about the third and final meeting of the ERP and EAG in Kirkland in November.

Adjourn