

Puget Sound Gateway Program

SR 167 and SR 509 Completion Projects

Funding and Phasing Subcommittee
May 3, 2018

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Agenda

- Welcome and Introductions
 - Introductions
 - Grant update
- Key Deliverables to the Legislature
 - MOU review, endorsement and next steps
 - Construction and Implementation Plan
 - Schedule acceleration
 - Tolling
- Next Steps

Grant Update

Grant Strategy: The numbers

Projects	SR 167	SR 509	TOTAL
Port contributions	\$30 million	\$30 million	\$60 million
Federal INFRA grant	\$10 million	\$10 million	\$20 million
Local partner match	\$10 million	\$10 million	\$20 million
Other Grants (PSRC, FMSIB, TIB)	\$20 million	\$10 million	\$30 million
Potential Total	\$70 million	\$60 million	\$130 million

Grant and Match Financial Plan:

Partner Commitments and Status			
Partner Agency	Status	Amount	Total
City of Fife	Committed by Letter	\$1,800,000	
City of Tacoma	Committed by Resolution	\$2,000,000	
City of Kent	Committed \$1m by Letter	\$2,000,000	
City of SeaTac	Pending	\$2,000,000	
City of Puyallup	Concurred by City Manager	\$2,000,000	
City of Des Moines	Committed by Letter	\$500,000	
City of Edgewood	Concurred by Mayor	\$500,000	
City of Sumner	Requested		
Pierce County	Committed (Executive)	\$2,000,000	
King County	Requested		
Port of Seattle	Concurred pending MOU	\$30,000,000	
Port of Tacoma	Committed \$6m by Letter	\$30,000,000	
City of Pacific	Agreed to Sign	-	
City of Algona	Agreed to Sign	-	
City of Federal Way	Agreed to Sign	-	
City of Milton	Agreed to Sign	-	
Partner Total			\$72,800,000

Stage 1 Grant Assumptions			
Federal INFRA	Application filed	\$20,000,000	
Interurban Trail	Awarded	\$1,400,000	
FMSIB 70 th Avenue E	Application filed	\$5,000,000	
FMSIB Port of Tacoma Spur	Apply 2020	\$5,000,000	
PSRC Veterans Extension	Application filed	\$4,500,000	
PSRC SeaTac Access (SR 509)	Application filed	\$4,500,000	
PSRC Port of Tacoma Spur	Application filed	\$4,500,000	
TIB 70 th Avenue E	Application due August 17	\$5,000,000	
TIB Veterans Extension	Apply 2020	\$5,000,000	
Stage 1 Grant Total			\$54,900,000

Stage 2 Grant Assumptions			
SR 167/Valley Avenue	2022	\$3,000,000	
SR 167/Meridian Avenue	2022	\$3,000,000	
SR 167 Stage 2 Mainline	2022	\$4,000,000	
SR 509 Stage 2 Mainline	2024	\$4,000,000	
Stage 2 Grant Total			\$14,000,000
Total Financial Strategy			\$141,700,000

Grant Update

- Fife Interurban Trail
 - \$1,400,000
- Fife 70th Avenue E Bottleneck, FMSIB, \$5M
 - Application submitted March 30
 - Present to FMSIB on May 15
- Kent Veterans Drive West Corridor Completion, PSRC, \$4.5M
 - Regional application submitted April 19, presented on April 27
 - County-wide application due May 4
- SeaTac Access (SR 509 Stage 1), PSRC, \$4.5M
 - Regional application submitted April 19, presented on April 27
 - County-wide application due May 4
- Port of Tacoma Spur, I-5/SR 167 to SR 509, PSRC, \$4.5M
 - Regional application submitted April 19, presented on April 27
 - County-wide application submitted on April 30

MOU Review, Endorsement and Next Steps

MOU Adjustments

Section	Suggested Changes
1. Participating Parties	<ul style="list-style-type: none">• Signatories added
2. Background and Purpose	<ul style="list-style-type: none">• Greater specificity and consistency of language• Define when local contributions are required• Added information on WSDOT role
3. Local Funding Strategy	<ul style="list-style-type: none">• Formatting to separate out role of local agency partners• Clarification on role of Tier 3 partners• Clarification about what happens if the grant proposals are not successful• Clarifications on achievement of \$130 million by partners
4. Local Participation Policy	<ul style="list-style-type: none">• Clarification on role of Tier 3 partners
5. Benefit Assessment Methodology	<ul style="list-style-type: none">• Clarification that the benefits are expected by full completion of projects• Clarification on description of traffic diversion on local streets

MOU Adjustments

Section	Suggested Changes
6. Local Jurisdiction Contributions	<ul style="list-style-type: none">• Clarification that contributions become binding once ILA is in place• Edits for consistency of language• Added information on WSDOT and Local Agency Partner roles• Clarifications on funding table, including timing of anticipated construction expenditures
7. Terms and Termination	<ul style="list-style-type: none">• Clarifications to amendment process, such as that changes to single projects to be addressed through ILA• Dispute resolution language simplified and clarified
8. Period of Agreement	<ul style="list-style-type: none">• Date added
9. Signatories	<ul style="list-style-type: none">• Signatories added

MOU Development Process

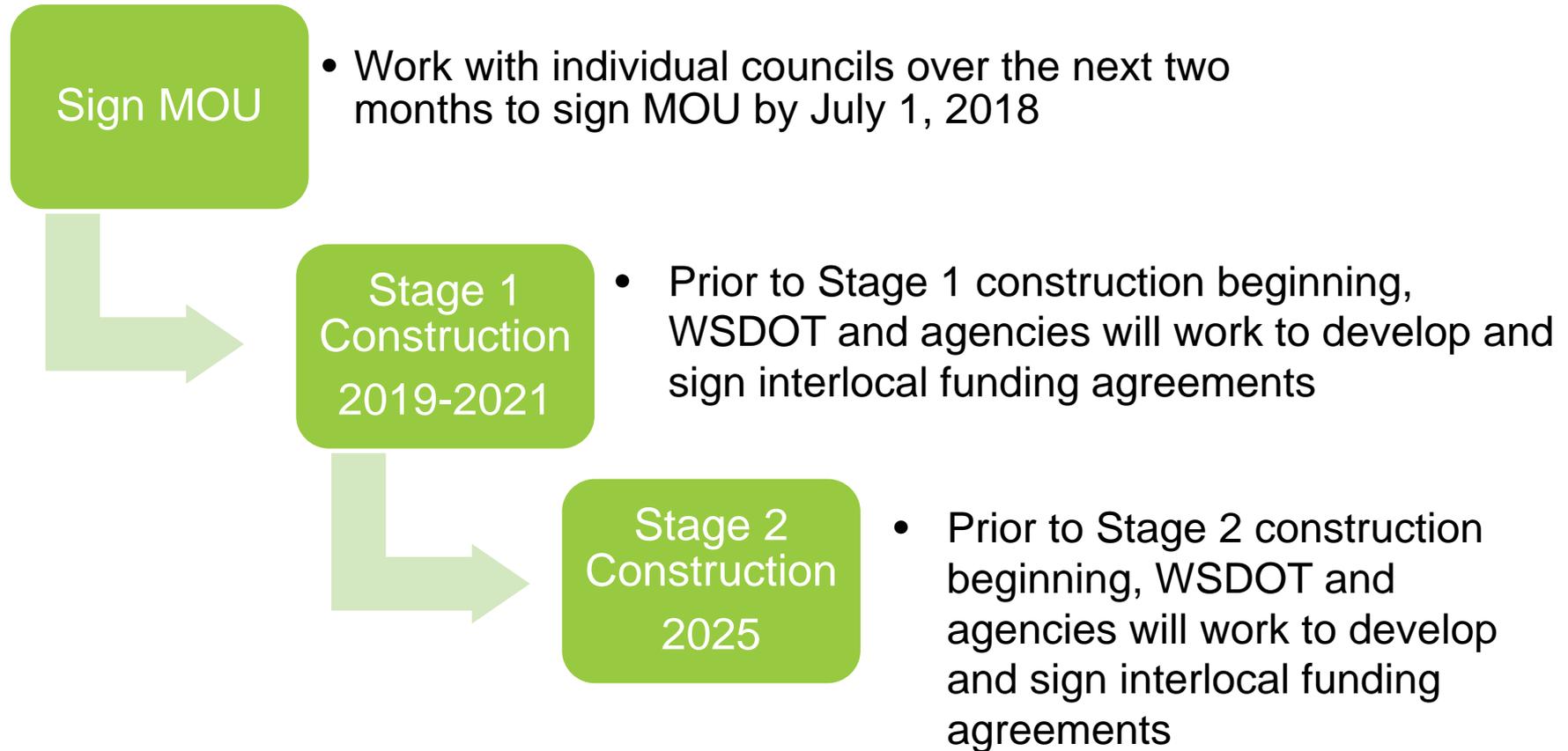


- First round of review completed on March 30
- Second round of review completed on April 27
- Endorse MOU *today*
- Council approval and ratification by June 22nd
- Submit to Legislature by July 1

Moving the MOU through Jurisdictions

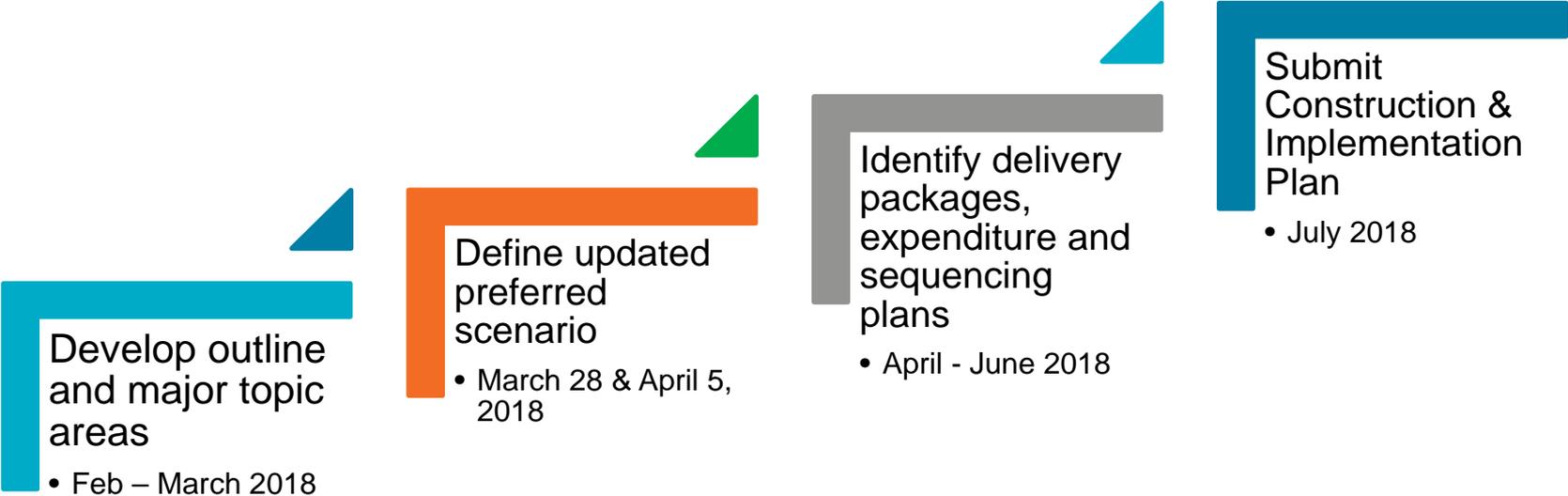
- Who is the appropriate person to sign the MOU?
- What is your approval process?
 - First Committee hearing
 - Second Committee hearing
 - Council action
 - Signature
- Is there a specific action needed to initiate the local approval process?
- Is there someone within your organization that is responsible for championing this effort?

MOU and Interlocal Agreement Process



Construction and Implementation Plan

Construction and Implementation Plan

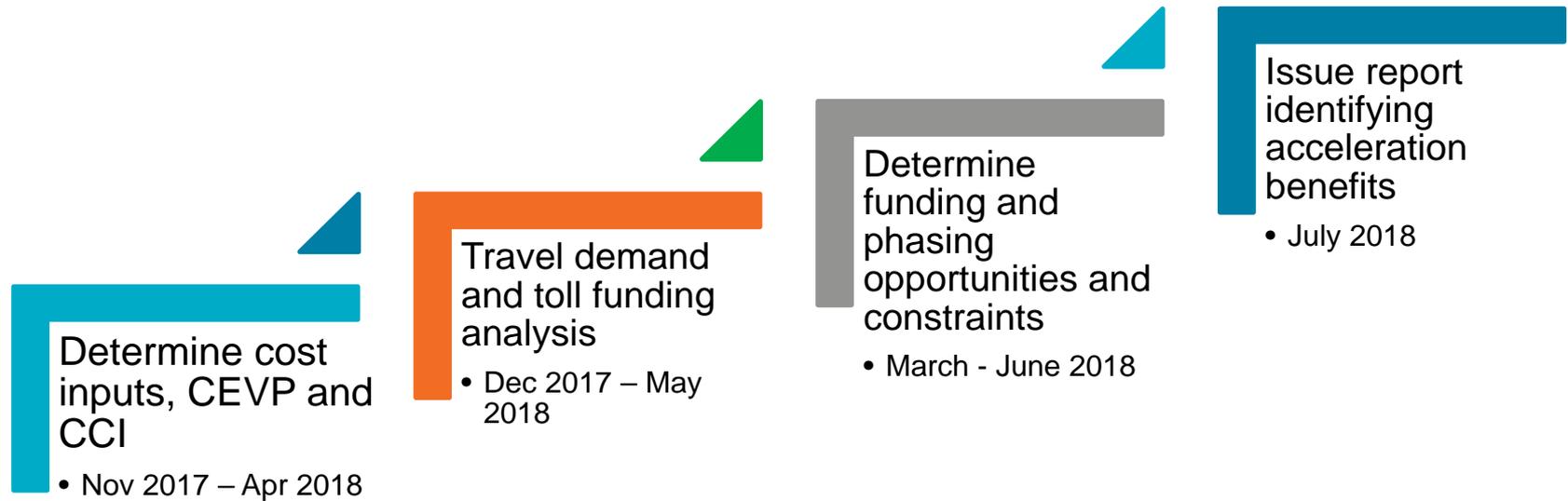


Construction & Implementation Plan

- Major elements of the plan include:
 - Scope of projects
 - SR 509 – 3B
 - SR 167 – 2E
 - Funding strategy for the Program
 - Connecting Washington funds
 - Local funding/grant focused strategy
 - INFRA Grant
 - Tolling
 - Schedule (phasing and staging) for project delivery
 - Phase 1
 - Stage 1a
 - Stage 1b
 - Stage 2
 - Phase 2 (future)

Schedule Acceleration

Schedule Acceleration Analysis



Benefits of Project Acceleration Study

- Program costs initially aligned with available funding
- Earlier program milestones provide benefits
 - Lower overall program cost due to less cumulative inflation
 - Mobility benefits (e.g., time savings) occur sooner
- Program construction acceleration options
 - Receipt of INFRA and other grant funding provides early funding
 - Financing future toll revenues provides toll funding sooner
 - Demonstrable benefits for accelerating Connecting Washington funds
- Study report due out in early July

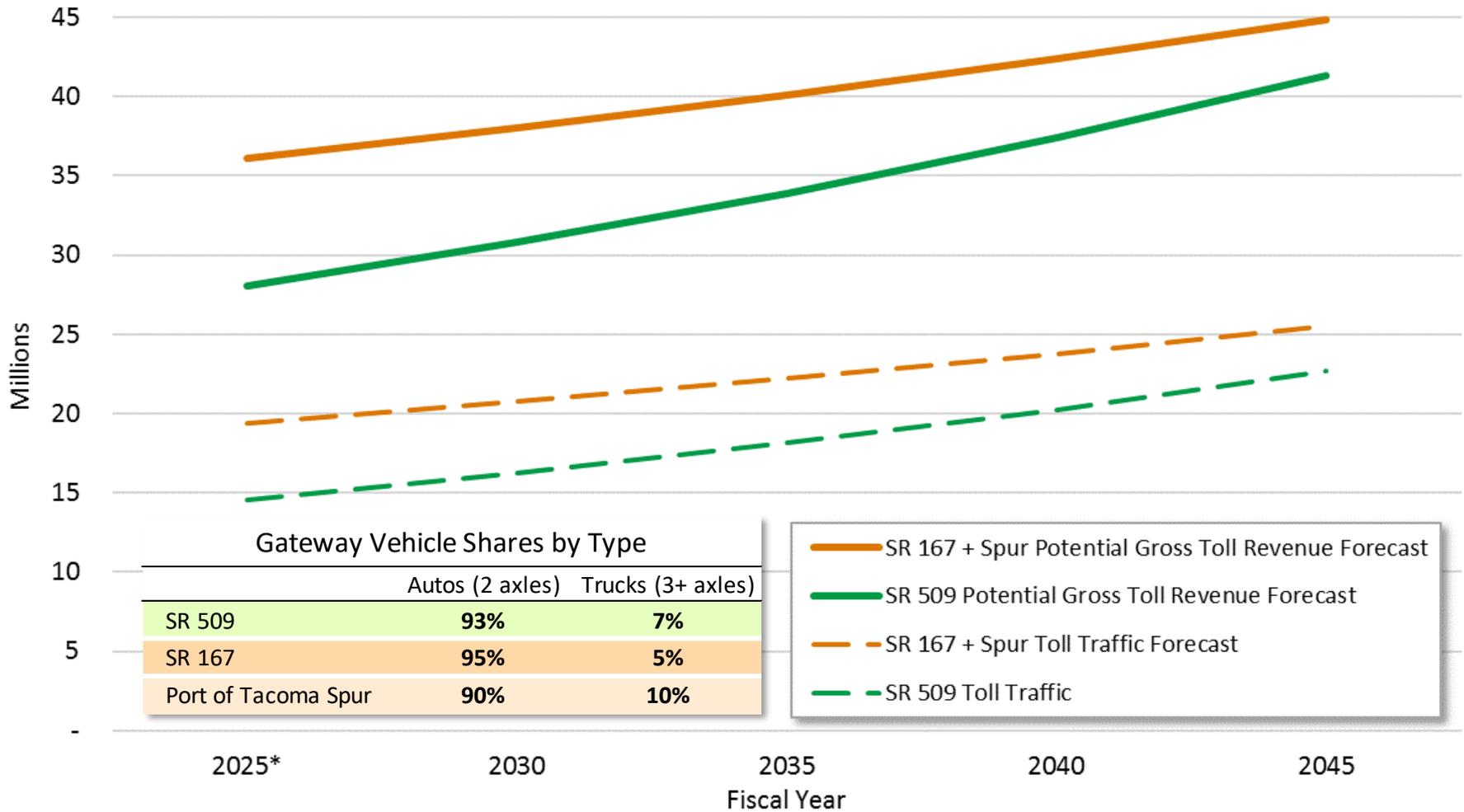
Tolling

Base Condition Toll Assumptions

- Initial toll rate ranges for modeling, similar to those in 2013 study
- Provides a reference point for comparing other toll rate scenarios and policies
- Shown below in FY 2025 “year of collection dollars”
- Tolls are assumed to vary by time of day, with higher tolls at peak times / in peak directions, and lower tolls in off-peak periods

Project	FY 2025 Toll Rate Ranges
SR 167, Puyallup to Tacoma	\$1.20 - \$3.00
Port of Tacoma Spur	\$0.90
SR 509	\$1.20 - \$2.40

Base Condition Toll Traffic & Gross Revenue



* Values shown for FY 2025 reflect full Stage 2 corridor operations excluding ramp-up; Stage 2 tolling start date TBD

Toll Policy Test Scenarios

Scenario		SR 509	SR 167	PoT Spur
Toll Cases	1	Base Condition	All vehicles tolled based on number of axles	
	2	Commercial Trucks Equal	All vehicles tolled at the same rate (no axle multipliers)	
	3	Port of Tacoma Spur: Commercial Trucks Free	All vehicles tolled based on number of axles	3+ axle vehicles free
	4	Commercial Trucks Free	2 axle vehicles tolled 3+ axle vehicles free	
	5	Port of Tacoma Spur: Free	All vehicles tolled based on number of axles	All vehicles free
	6	HOV 2+ Free	Vehicles with 2+ occupants free with Good To Go! all other vehicles tolled based on number of axles	
No Toll	7	Non-Tolled: Managed by Vehicle Class	Single occupant 2-axle vehicles prohibited all HOVs with Good To Go! & vehicles with 3+ axles free	
	8	Non-Tolled	All vehicles toll free	

Traffic Performance by Scenario

- Percentage changes in total traffic relative to Base Condition
- Lower tolls for some vehicles generally yield higher traffic volumes

Scenario		Traffic Percentage Difference*		
		SR 509	SR 167	Port of Tacoma Spur
1	Base Condition	All vehicles tolled based on number of axles		
2	Commercial Trucks Equal	All vehicles tolled at the same rate (no axle multipliers)		
3	Port of Tacoma Spur: Commercial Trucks Free	All vehicles tolled based on number of axles	3+ axle vehicles free	
4	Commercial Trucks Free	2 axle vehicles tolled 3+ axle vehicles free		
5	Port of Tacoma Spur: Free	All vehicles tolled based on number of axles	All vehicles free	
6	HOV 2+ Free	Vehicles with 2+ occupants free with Good To Go! all other vehicles tolled based on number of axles		
7	Non-Tolled: Managed by Vehicle Class	Single occupant 2-axle vehicles prohibited all HOVs with Good To Go! & vehicles with 3+ axles free		
8	Non-Tolled	All vehicles toll free		
		Base Condition = 100%		
		+ 0.3%	+ 0.2%	+ 0.5%
		N/A	+ 2%	+ 14%
		+ 7%	+ 7%	+ 17%
		N/A	+ 0.8%	+ 64%
		+ 17%	+ 11%	+ 12%
		Forthcoming		
		+ 103.1%	+ 77.1%	+ 93.3%

Source: Stantec * Average of results from FY 2025 and FY 2045, excludes FY 2025 ramp-up adjustments

Gross Toll Revenue Performance by Scenario

- Percentage changes in total gross toll revenue relative to Base Condition
- Lower tolls for some vehicles generally yield lower gross toll revenues

Scenario		SR 509	SR 167	Port of Tacoma Spur
1	Base Condition	All vehicles tolled based on number of axles		
2	Commercial Trucks Equal	All vehicles tolled at the same rate (no axle multipliers)		
3	Port of Tacoma Spur: Commercial Trucks Free	All vehicles tolled based on number of axles	3+ axle vehicles free	
4	Commercial Trucks Free	2 axle vehicles tolled 3+ axle vehicles free		
5	Port of Tacoma Spur: Free	All vehicles tolled based on number of axles	All vehicles free	
6	HOV 2+ Free	Vehicles with 2+ occupants free with Good To Go! all other vehicles tolled based on number of axles		
7	Non-Tolled: Managed by Vehicle Class	Single occupant 2-axle vehicles prohibited all HOVs with Good To Go! & vehicles with 3+ axles free		
8	Non-Tolled	All vehicles toll free		

Gross Revenue Percentage Difference*			
SR 509	SR 167	Port of Tacoma Spur	Gateway Total
Base Condition = 100%			
- 3%	- 2%	- 7%	- 3%
N/A	+ 2%	- 19%	- 1%
- 16%	- 8%	- 18%	- 13%
N/A	+ 2%	- 100%	- 10%
- 18%	- 25%	- 6%	- 20%
Not Applicable			
Not Applicable			

Source: Stantec * Average of results from FY 2025 and FY 2045, excludes FY 2025 ramp-up adjustments

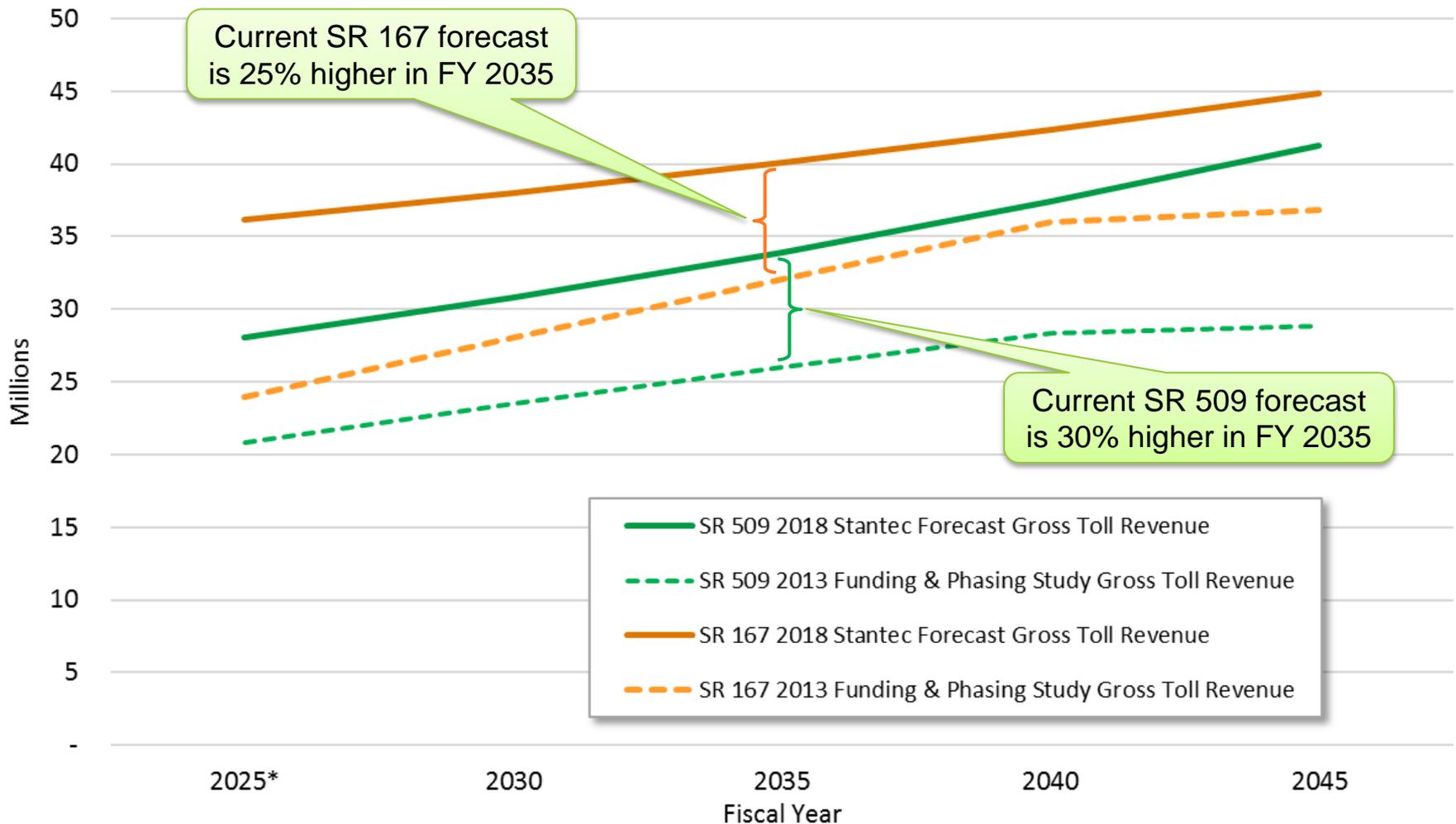
Forthcoming Toll Escalation Test Scenarios

<i>Escalation Scenarios</i>		<i>Model Years</i>	
		<i>FY 2025</i>	<i>FY 2045</i>
1	Base Condition (No Toll Escalation)	Base	Base
1A	20% Higher than Base Condition by FY 2045 (Approximates 2.8% toll increase every 3 years)	Base	+ 20%
1B	20% Higher than Base Condition in All Years	+ 20%	+ 20%
1C	40% Higher than Base by FY 2045 (Approximates 1.7% toll increase each year)	Base	+ 40%
1D	20% Higher in FY 2025 to 40% Higher by FY 2045 (Approximates 2.3% toll increase every 3 years)	+ 20%	+ 40%

Note: Escalation is assumed to continue beyond FY 2045

Gateway Gross Toll Revenue Comparison

2018 Stantec Base Condition & 2013 Study Forecasts



* Values shown for FY 2025 reflect full Stage 2 corridor operations excluding ramp-up; Stage 2 tolling start date TBD

Forecast Comparison Observations

2018 Stantec Base Condition & 2013 Study Forecasts

- Current projections for SR 509 and SR 167 gross toll revenues exceed the 2013 study levels
 - The 2013 study forecasts underlie the Legislature’s required \$180 million toll funding contribution
- O&M costs and deductions in the gross-to-net process are likely to be higher too
- Early indication is that the current projections should continue to support the \$180 million toll funding contribution requirement

Program Next Steps

- Support partners at Council and Commission meetings
- Sign and submit MOU by July 1
- Continue work on schedule acceleration, Construction & Implementation Plan and tolling analysis
- Upcoming Meetings:
 - Funding & Phasing Subcommittee – June 7 at SeaTac
 - Steering Committee – June 27 at Fabulich
 - Executive Committee – July 11 at Fabulich

More information:

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