



# I-405 / SR 167 Executive Advisory Group Meeting #1 Summary

Thursday, January 24  
10 a.m. – Noon  
Bellevue City Hall

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

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Fred Butler, Sound Transit        | <input checked="" type="checkbox"/> Rick Krochalis, FTA                           |
| <input checked="" type="checkbox"/> Mayor Dave Enslow, City of Sumner | <input checked="" type="checkbox"/> Dan Mathis, FHWA                              |
| <input checked="" type="checkbox"/> David Godfrey, City of Kirkland   | <input checked="" type="checkbox"/> Councilmember Kevin Wallace, City of Bellevue |
| <input checked="" type="checkbox"/> Doug Jacobson, City of Renton     | <input checked="" type="checkbox"/> Rep. Dave Upthegrove (by phone)               |

## **I-405/SR 167 Tolling Project Team and Staff**

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|--|--|
| <input checked="" type="checkbox"/> Transportation Secretary Paula Hammond, WSDOT                        | <input checked="" type="checkbox"/> Brent Baker, Parsons Brinckerhoff    |
| <input checked="" type="checkbox"/> Craig Stone, Assistant Secretary, Toll Division, WSDOT               | <input checked="" type="checkbox"/> Wendy Taylor, I-405 Project Team     |
| <input checked="" type="checkbox"/> Kim Henry, I-405/SR 167 Program Director                             | <input checked="" type="checkbox"/> Caroline Barnett, I-405 Project Team |
| <input checked="" type="checkbox"/> Denise Cieri, I-405/SR 167 Deputy Program Director                   | <input checked="" type="checkbox"/> Karl Westby, I-405 Project Team      |
| <input checked="" type="checkbox"/> Patty Rubstello, Toll Policy and Systems Development Director, WSDOT | <input checked="" type="checkbox"/> Colleen Gants, WSDOT Toll Division   |
| <input checked="" type="checkbox"/> Helena Kennedy Smith, WSDOT  | <input checked="" type="checkbox"/> Amy Danberg, I-405 Communications    |
|  | <input checked="" type="checkbox"/> Steve Peer, I-405 Communications     |
|  | <input checked="" type="checkbox"/> Anne Broache, I-405 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://wsdot.wa.gov/tolling/eastsidecorridor>*



## **I. Welcome and Opening Remarks**

Craig Stone, Assistant Secretary, WSDOT Toll Division, welcomed back the group and invited everyone to introduce themselves. He then introduced Transportation Secretary Paula Hammond, who made welcoming remarks to the group.

Hammond spoke of the group's strategic opportunity to help shape how the I-405 corridor determines its future investments. She reminded the group of WSDOT's charge from the legislature—to develop a corridor-wide project management plan for phasing and a finance plan to fund further I-405 and SR 167 improvements. This charge also calls for consulting with a committee of state and local I-405/SR 167 corridor elected officials and transportation agencies. Hammond thanked the group for their participation throughout the years.

## **II. Overview of EAG work plan**

Craig Stone gave a rundown of the day's agenda and key questions that the EAG will need to discuss in future meetings. He emphasized that WSDOT will look to the EAG to provide input on the next priorities as the I-405/SR 167 improvements move forward. Key questions will focus on carpool policy and financing for express toll lanes.

Hammond added that the advice EAG gives on I-405 will be critical for the entire Puget Sound region, as policies decided for I-405 will set the stage for decisions on I-90, I-5, and HOV policy in general.

## **III. Project Background**

Kim Henry, I-405/SR 167 Project Director, provided a summary of the I-405 Master Plan and its scope, as well as a series of studies on express toll lanes that have occurred since the adoption of the Master Plan.

Henry reminded the group that they had selected Study Option 4 in 2009 from five potential scenarios for the corridor. This option adds two express toll lanes on I-405 from SR 167 to SR 522 and connects the express toll lanes to the SR 167 express toll lane, creating a 40-mile system of express toll lanes.

Henry tied this work back to the 2009 principles adopted by the EAG, highlighting a few particular points that will guide the 2013 EAG work:

- Considering a change in HOV occupancy requirements (from 2+ to 3+) and how to reasonably transition between the options
- Securing financing with fair terms and leveraging toll revenue with other funds

He presented recommendations from the 2010 I-405/SR 167 Expert Review Panel and an interest statement signed by elected officials in the I-405/SR 167 corridor, demonstrating their support for express toll lanes. Henry closed by reminding the group of their legislative direction from EHB 1382 in 2011, which authorized tolling on I-405.

## **IV. Express Toll Lanes Overview**

Patty Rubstello, Director of Policy and Systems Development for the Toll Division, gave the group an overview of how express toll lanes work and how WSDOT and others nationally have studied and implemented them. She explained that express toll lanes are becoming a



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nationwide strategy to manage demand. She also explained that the existing HOV system is failing both regionally and on I-405 and said express toll lanes are a solution to this challenge.

Rubstello explained how express toll lanes help to manage demand and improve traffic performance. She used a “boomerang” diagram showing how performance in general-purpose lanes has degraded over time.

Rubstello said WSDOT has chosen to use photo tolling, similar to SR 520, on I-405 to create a consistent customer experience and so that everyone can use the toll lanes, regardless of whether they have a transponder.

Rubstello described how the different recent studies of express toll lanes (2009 WSDOT, 2012 WSDOT, 2012 Washington State Transportation Commission) are similar and different. She reviewed the WSTC’s findings and noted that WSDOT’s 2012 revenue estimates for express toll lanes fall within WSTC’s range.

A key difference in the studies is that Cambridge Systematics did not consider the possibility of photo tolling when running its models. Rubstello explained that in order to make an apples-to-apples comparison of CS and WSDOT data, the team opted to carry forward two 3+ tolling scenarios for its future analysis. The other scenarios, which consider photo tolling, that will move forward for analysis are:

- 2+ free
- 3+ free
- 3+ free during peak hours, 2+ free at other times
- All carpools (2 or more) pay a discounted toll rate)

### **Discussion**

- Sumner Mayor Dave Enslow asked whether the SR 167 express toll lanes are making money and whether I-405 will make more money than SR 167. Craig Stone responded that, in short, SR 167 is now covering its expenses. He noted that WSDOT projected that it would take four years to move into the black and that it did so in year 3. Stone explained that the I-405 express toll lanes would be a more robust system than SR 167 because the traffic demands are significantly greater.

### **V. Review of Phasing Strategies**

Kim Henry presented a series of maps and schedules showing options for phasing future improvements in the I-405 corridor. The first priority for phasing would be the 40-mile express toll lane system. He showed a 10-year implementation schedule that envisions opening express toll lanes between Renton and Bellevue and the new SR 167 direct connector in 2021. He also presented a more aggressive schedule with the new facilities opening by 2019, assuming all funding was available.

### **VI. Review of Funding Strategies**

Brent Baker of Parsons Brinckerhoff gave a brief introduction to funding strategies that the group will consider. He noted that since 2009, interest rates are at an all-time low, and construction contracts remain quite competitive, but that this may not be the case in the future. He presented project costs for the early and late project schedules, showing the effects of inflation. He noted that the team would need to balance project benefits, toll



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revenues, and project costs, and that the state treasurer would be working with the group in Meeting #3.

### Discussion

- Rick Krochalis of the Federal Transit Authority asked for clarification on Baker's costs slide, which said toll funds cannot be used for anything except construction (i.e., not engineering or right-of-way). Baker said this means that only at the construction stage will such projects be ready to go to the bond market, so toll revenues effectively cannot be used for activities before construction.

### VII. Executive Advisory Group Comment/Discussion

Craig Stone reiterated that the key question before the group is phasing—what the schedule will be for completing the 40-mile system and where future investments should be implemented. He invited questions and comments from the group.

- Dan Mathis of FHWA agreed to talk about MAP 21 financing regulations to the group in a future meeting.
- Dave Enslow, mayor of Sumner, asked why the maps presented at the meeting do not show a SR 167 extension to the Port of Tacoma. He noted that the express toll lane proposed extension ends one exit north of a key industrial area that serves Costco, Amazon, Green Mountain Coffee, McDonald's, and other major employers with large volumes of truck traffic. He voiced support for extending the SR 167 express toll lanes southward an additional 1.5 miles from 8<sup>th</sup> Street E. to 24<sup>th</sup> Street E. and to the Port. Craig Stone responded that there is interest in extending SR 167 to the Port of Tacoma but that it was perhaps not in the scope of this particular group.
- Councilmember Kevin Wallace of Bellevue stressed the importance to the City of Bellevue of moving projects forward, however they're financed, to aid the growing businesses in the city. Wallace wanted to know whether we've "crossed the Rubicon" regarding moving forward with express toll lanes, and Paula Hammond responded that yes, we have. He suggested being clearer in messaging to the public that express toll lanes are, indeed, going to happen, and it's just a matter of figuring out how they will operate. He also suggested more clearly communicating the financial impacts of various express toll lane options—2+ carpools, 3+ carpools, etc.—so the legislature can see the impacts and benefits. He wanted to see more about the other impacts outside of financials, such as any diversion to arterial streets, transit impacts, and economic and growth impacts in the region. Paula Hammond said the state is concerned about ensuring there are enough buses in the corridor and that they're moving well.
- Rick Krochalis of FTA asked whether there are any precedents for use of TIFIA loans for express toll lanes projects. Brent Baker responded that several express toll lane projects have used these loans, including US 36 in Denver, 495/95 in Virginia, and I-635 in Texas.
- Fred Butler of Sound Transit asked about criticism by the Eastside Transportation Association of the Cambridge Systematics (WSTC) study and whether WSDOT has had a chance to determine the accuracy of the comments. Craig Stone said WSDOT continues to have dialogue with ETA and that there are inaccuracies in their statements. He noted that a fundamental message is that demand will exceed



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capacity on I-405, and the question becomes how best to manage demand in the corridor.

- Kevin Wallace of Bellevue asked how express toll lanes revenue will impact other sources of revenue, and whether ETLs result in an even greater benefit-cost number than those that are only gas-tax funded. Craig Stone said he would think that if the state's contribution is lowered by toll revenues, the benefit-cost ratio would increase.

### **VIII. Public Comment**

Amy Danberg, I-405 project team communications, facilitated a public comment period. The group heard from the following members of the public:

- Vic Bishop, a board member of the Eastside Transportation Association, said the carpool/HOV system has proven to be a total failure and that creation of carpools has not increased despite state investments. He also argued that, according to the recent WSTC study, express lanes do not improve performance in general purpose lanes. He said he sees serious operational problems with express toll lanes. Paula Hammond responded that the HOV system has been a positive thing, noting that Washington has the nation's largest vanpool fleet. She spoke of the need to improve the reliability of trips for carpools, vanpools, and transit.
- Sonny Putter, a recent former EAG member and Newcastle Councilmember, offered the group two questions to consider as they do their work: 1) How are federal funding constraints going to affect tolling on I-405, and how can TIFIA loans and toll revenues be leveraged for construction costs? and 2) What are the effects of the Washington State Supreme Court decision on the 18<sup>th</sup> amendment for I-405 project phasing and funding? He also spoke of the need to educate the public on the diminishing gas tax and the funding opportunities that tolling creates.
- Dick Paylor, a board member of the Eastside Transportation Association, said the EAG does not have strong enough participation from elected officials and is heavily weighted toward WSDOT staff and consultants. He also said the Master Plan does not call for building express toll lanes and that he felt express toll lanes are not consistent with the Master Plan. He asked about timing for the financing and phasing plan and how the EAG will be involved. Craig Stone and Paula Hammond said the main intent of the group is to advise WSDOT on the financing and phasing plan and that the report is due to the governor and Legislature in June.
- Todd Woosley, a board member of Eastside Transportation Association, voiced concern about environmental impacts of the upcoming I-405 plans. He said a new HOV lane would not help to meet federal clean air standards and that only the addition of two new general-purpose lanes would accomplish this goal. He also asked for support for the latest transportation funding packages at the Legislature, including those proposed by the Washington Roundtable.

### **IX. Wrap up meeting**

Craig Stone thanked the Executive Advisory Group for their participation and reminded them of the next meeting at Kirkland City Hall on February 27. He said WSDOT is more than happy to meet with councils and elected officials to provide additional briefings along the way.

### **Adjourn**