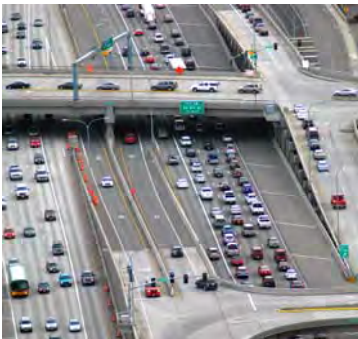


I-405/SR 167 Corridor Executive Advisory Group

Meeting #4



I-405/SR 167 Executive Advisory Group
Renton Community Center, Renton, Wash.
November 7, 2013

Welcome and Introductions

Craig Stone

Assistant Secretary, Toll Division

Agenda

- Welcome/Introductions
- Review key study elements
- Review express toll lane performance
- Review express toll lane funding and phasing
- EAG discussion
- Public comment

Our Charge

- **2011 – EHB 1382**

*“The department, in consultation with the transportation commission, **shall develop a corridor-wide project management plan to develop a strategy for phasing the completion** of improvements in the Interstate 405 and SR 167 corridor.*

“The department, in consultation with the transportation commission, shall use the information from the traffic and revenue analysis and the corridor-wide project management plan to develop a finance plan to fund improvements in the I-405 and SR 167 corridor. The department must include the following elements in the finance plan:

- a) Current state and federal funding contributions for projects in the I-405 and SR 167 corridor;*
- b) A potential future state and federal funding contribution to leverage toll revenues;*
- c) Financing mechanisms to optimize the revenue available for capacity improvements including, but not limited to, using the full faith and credit of the state;*
- d) An express toll lane system operating in the I-405 and SR 167 corridor.*

*“The department and the transportation commission must **consult with a committee consisting of local and state elected officials from the I-405 and SR 167 corridor and representatives from the transit agencies that operate in the I-405 and SR 167 corridor while developing the performance standards, traffic and revenue analysis, and finance plan.**”*

Executive Advisory Group: Key Study Elements



- Phasing: What is the timing/schedule to complete the 40-mile system?
 - Do we open Renton to Bellevue and I-405/SR 167 Direct Connector as one system/at the same time?
- Phasing: Are there other projects, as identified in the I-405 Master Plan that need to be advanced?
- Funding: What are the strategies for financing capital improvements for the 40-mile system?

Legislative study requirements:

 - Current state and federal funding contributions for I-405 and SR 167 corridor projects;
 - A potential future state or federal funding contribution to supplement toll funding; and
 - A toll funding contribution by borrowing against future toll revenues, optimizing the toll funding “available for capacity improvements including, but not limited to, using the full faith and credit of the state.”
- Funding: Do we have a 2+ to 3+ carpool transition plan? *Carpool policy: How does changing the carpool definition affect the following:*
 - Financing
 - Performance
 - Public acceptance
 - Timing
 - Federal requirements (MAP 21)

Review of Carpool Scenarios

Kim Henry

I-405/SR 167 Program Director, WSDOT

I-405 Master Plan

Regional Consensus

- EIS Record of Decision, 2002

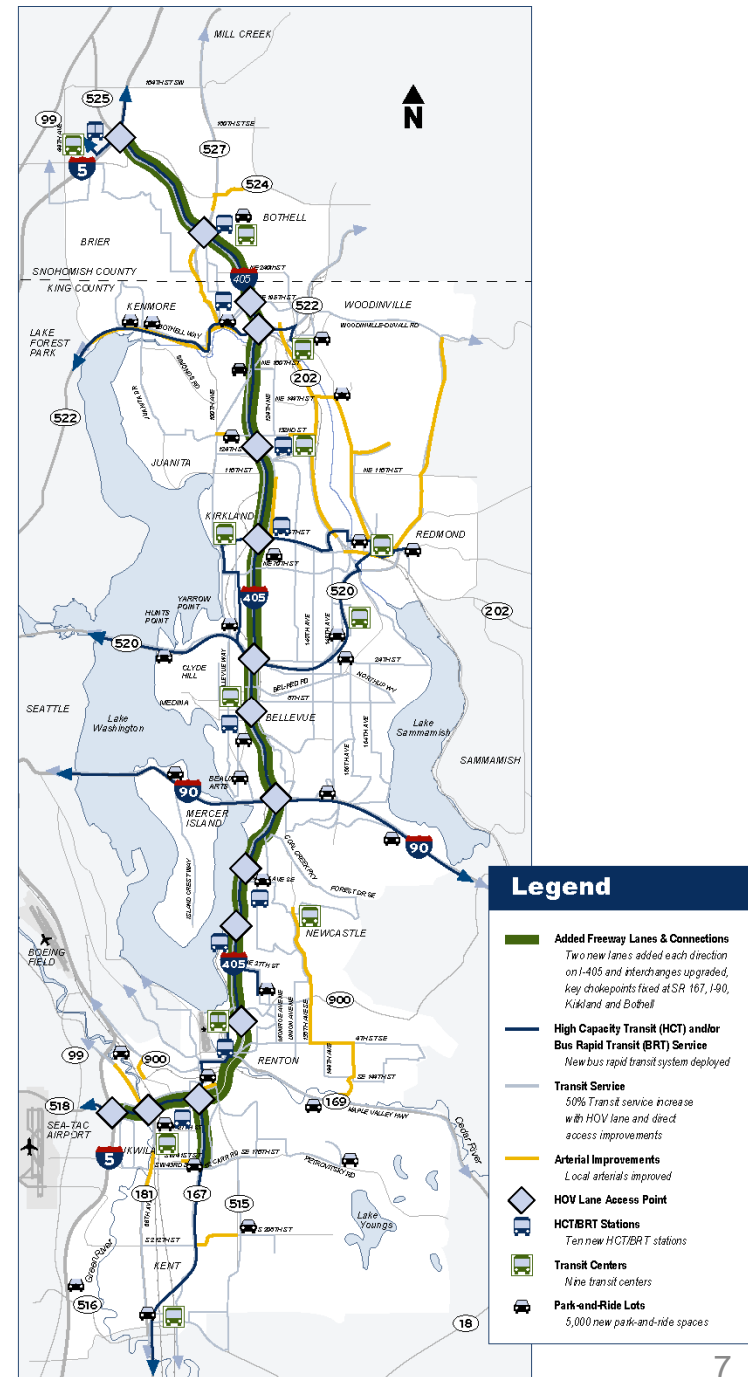
Roadways

- 2 new lanes in each direction
- Local arterial improvements

Transit & Transportation Choices

- Bus Rapid Transit system
- 9 new transit centers added
- 50% transit service increase
- HOV direct access ramps and flyer stops
- Potential managed lanes system
- 5000 new Park & Ride spaces
- 1700 new vanpools

Environmental Enhancements



I-405/SR 167 Executive Advisory Group

Cities

- Bothell – Mayor Mark Lamb
- Kirkland – Mayor Joan McBride
- Bellevue – Councilmember Kevin Wallace
- Newcastle – Mayor Rich Crispo
- Renton – Councilmember Randy Corman
- Tukwila – Mayor Jim Haggerton
- Kent – Mayor Suzette Cooke
- Auburn – Mayor Pete Lewis
- Sumner – Mayor Dave Enslow
- Puyallup – Mayor Rick Hansen
- Algona – Mayor David Hill
- Pacific – Vacant

Agencies

- Community Transit – Carol Thompson
- Sound Transit – Board member Fred Butler
- King County Metro Transit – Harold Taniguchi
- Puget Sound Regional Council – Dave Gossett
- Washington State Transportation Commission – Charlie Royer
- Federal Highway Administration – Dan Mathis
- Federal Transit Authority – Rick Krochalis
- Washington State Department of Transportation

Counties

- Snohomish County – Councilmember Dave Gossett
- King County – Councilmember Reagan Dunn
- Pierce County – Councilmember Jim McCune

All Corridor State Legislators (Invited)

2010 Plan Endorsement

Dave Gossett
Dave Gossett
Snohomish County Councilmember

Reagan Dunn
Reagan Dunn
King County Council

Richard Ford
Richard Ford
WA State Transportation Commission

Sue Singer
Sue Singer
Puget Sound Regional Council

Ronald Posthuma
Ronald Posthuma
King County Dept. of Transportation

Roger Bush
Roger Bush, Chair
Pierce County Council



Joan McBride
Joan McBride
Mayor of Kirkland

Grant Degginger
Grant Degginger
Bellevue City Councilmember

Sonny Putter
Sonny Putter
Newcastle City Councilmember

Jim Haggerton
Jim Haggerton
Mayor of Tukwila

Randy Corman
Randy Corman
Renton City Councilmember

Suzette Cooke
Suzette Cooke
Mayor of Kent

Peter Lewis
Peter Lewis
Mayor of Auburn

David Hill
David Hill
Mayor of Algona

Richard Hildreth
Richard Hildreth
Mayor of Pacific

Kathy R. Turner
Kathy Turner
Mayor of Puyallup

We have a plan for a 40-mile system

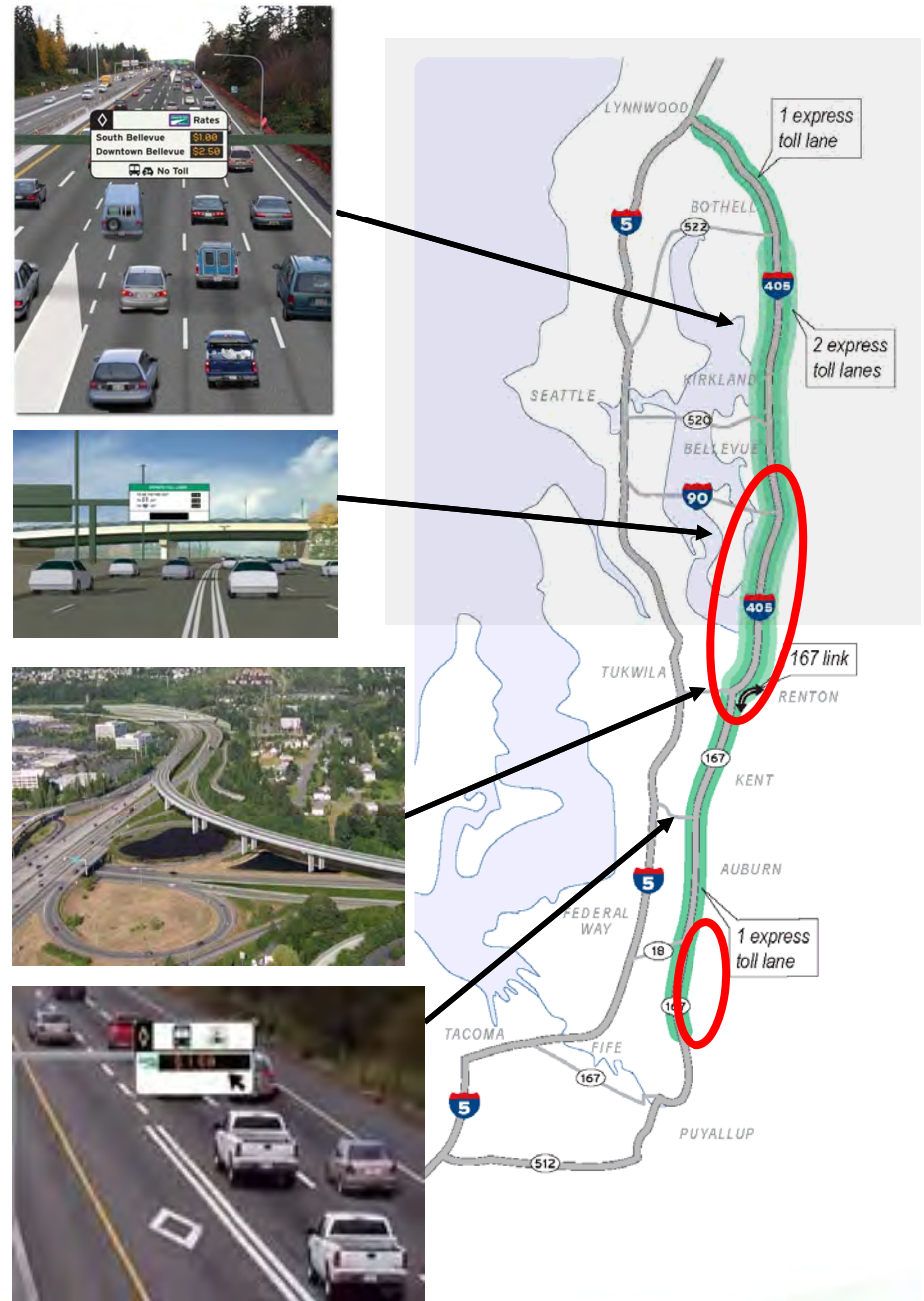
Phase 1: Funded

- **Bellevue to Lynnwood Widening and Express Toll Lanes** – under construction, open mid to late 2015
- **SR 167 Stage 4** – PE/RW/Construction funded, open 2017

Phase 2: Unfunded

Benefit/Cost: 4.7

- **Renton to Bellevue Widening and Express Toll Lanes** – \$890 m
- **I-405/SR 167 Direct Connector** – \$285 m CN
 - \$40 m PE/ROW funded
- **SR 167 Stage 5**
 - \$35 m PE/ROW/CN unfunded



Carpool scenarios

Bookends

- 3+ carpool free
- 2+ carpool free

Transition options


- 3+ carpool free peak / 2+ carpool free off-peak
- Carpool discount

3+ carpool free peak/2+ carpool free off-peak

EXPRESS TOLL LANES	
 NE 124 th ST	\$2.00
NE 124 th ST	\$2.15
NE 6 th ST	\$2.35
3+ free 5 a.m. - 10 a.m.	

EXPRESS TOLL LANES	
 NE 124 th ST	\$0.75
NE 124 th ST	\$0.75
NE 6 th ST	\$0.75
2+ free 10 a.m. - 3 p.m.	

Carpool discount

EXPRESS TOLL LANES	
 NE 124 th ST	\$2.00
NE 124 th ST	\$2.15
NE 6 th ST	\$2.35
Carpool \$1.00 discount	

Our direction from RCW 47.56.880

(as amended by EHB 1382 in 2011)

(4) The department shall monitor the express toll lanes project and shall annually report to the transportation commission and the legislature on the impacts from the project on the following performance measures:

(a) Whether the express toll lanes maintain speeds of forty-five miles per hour at least ninety percent of the time during peak periods;

(b) Whether the average traffic speed changed in the general purpose lanes;

(c) Whether transit ridership changed;

(d) Whether the actual use of the express toll lanes is consistent with the projected use;

(e) Whether the express toll lanes generated sufficient revenue to pay for all Interstate 405 express toll lane-related operating costs;

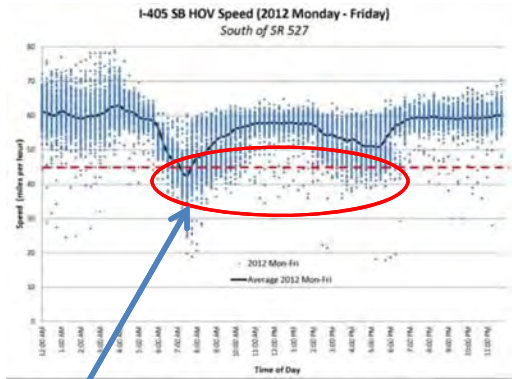
(f) Whether travel times and volumes have increased or decreased on adjacent local streets and state highways; and

(g) Whether the actual gross revenues are consistent with projected gross revenues as identified in the fiscal note for Engrossed House Bill No. 1382 distributed by the office of financial management on March 15, 2011.

(5) If after two years of operation of the express toll lanes on Interstate 405 performance measures listed in subsection (4)(a) and (e) of this section are not being met, the express toll lanes project must be terminated as soon as practicable.

Phasing the 40-mile system

Reference performance measure 4(a) in RCW 47.56.880



2+ carpool definition does not meet performance standard today

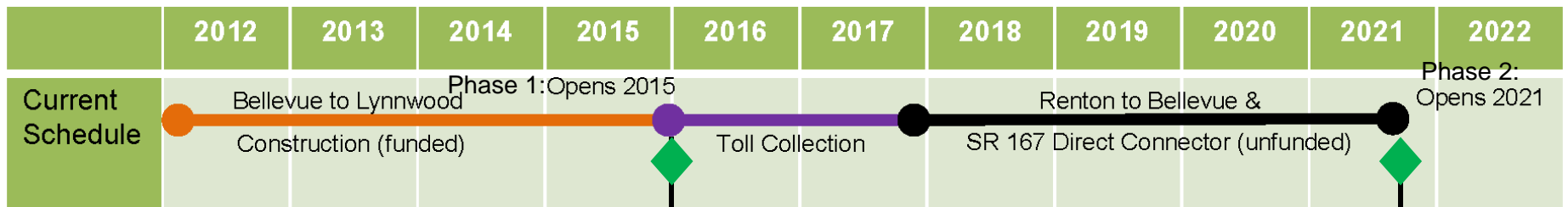
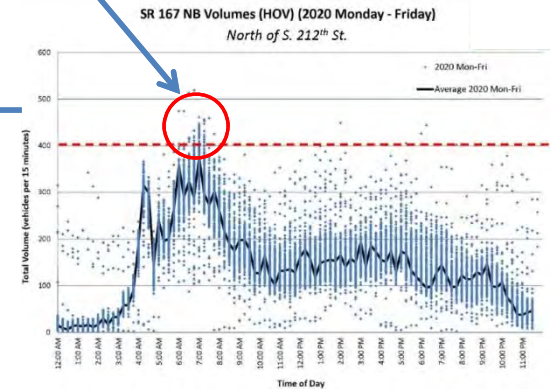
Phase 1:
Opens 2015



Phase 2: Opens 2022
(earliest with funding)



2+ Carpool free does not meet performance standard in 2020



New carpool operations for north end of I-405

40-mile system connected: New carpool operations for I-405 and SR 167

Early Year Net Revenue Projections

Reference performance measure 4(e) in RCW 47.56.880

Millions of Dollars — Assumes Renton to Bellevue Opens 1/1/2022

Fiscal Year	Scenario A — 2+ Carpool Free Photo Tolling*				Scenario B — \$1.00 Carpool Discount*				Scenario B-2 — \$0.50 Carpool Discount Photo Tolling*			
	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)
2016	2.8	2.6	(5.0)	(2.4)	3.9	3.3	(6.2)	(2.8)	6.9	6.4	(5.9)	0.4
2017	4.7	4.3	(6.4)	(2.1)	5.3	4.5	(6.9)	(2.4)	9.3	8.5	(6.7)	1.8
2018	5.6	5.2	(7.1)	(2.0)	6.3	5.3	(7.4)	(2.1)	11.2	10.3	(7.6)	2.7
2019	6.1	5.6	(7.3)	(1.7)	7.0	6.0	(7.8)	(1.8)	13.5	12.5	(8.5)	4.0
2020	6.6	6.1	(7.6)	(1.5)	7.9	6.7	(8.3)	(1.6)	16.3	15.0	(9.6)	5.4
2021	7.2	6.6	(8.0)	(1.4)	8.9	7.5	(9.0)	(1.5)	19.6	18.0	(11.1)	7.0
2022	22.0	20.2	(19.4)	0.9	35.7	30.4	(19.1)	11.3	46.5	42.7	(22.5)	20.2
2023	44.1	40.5	(27.5)	13.0	77.7	66.0	(25.9)	40.1	88.4	81.3	(30.5)	50.8

Fiscal Year	Scenario C — 2+ Carpool Free Off-Peak 3+ Carpool Free Peak Photo Tolling*				Scenario D — 3+ Carpool Free Photo Tolling*				Scenario F — 3+ Carpool Free (WSTC Independent Forecast)†			
	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)	Potential Gross Toll Revenue ¹	Adjusted Gross Toll Revenue ²	Less: Operations & Maintenance Costs ³	Net Toll Revenue (before R&R)
2016	4.9	4.5	(5.0)	(0.5)	5.3	4.9	(4.6)	0.3	6.3	5.4	(3.9)	1.4
2017	8.2	7.6	(6.4)	1.2	9.0	8.3	(5.8)	2.5	8.7	7.4	(4.0)	3.3
2018	9.9	9.1	(7.1)	2.1	10.8	9.9	(6.4)	3.5	11.9	10.1	(4.4)	5.7
2019	10.8	10.0	(7.2)	2.8	11.7	10.8	(6.5)	4.3	13.8	11.7	(4.7)	7.0
2020	11.8	10.8	(7.4)	3.4	12.6	11.6	(6.7)	4.9	15.7	13.3	(5.1)	8.3
2021	12.8	11.7	(7.8)	3.9	13.6	12.5	(7.1)	5.5	17.7	15.1	(5.6)	9.5
2022	40.8	37.5	(19.8)	17.7	44.2	40.5	(19.3)	21.2	54.9	46.7	(20.9)	25.8
2023	83.7	76.9	(28.7)	48.2	91.1	83.7	(28.3)	55.4	101.8	86.5	(23.0)	63.5

NOTES:

* CDM Smith traffic and revenue projections.

† Cambridge Systematics "50th Percentile" traffic and revenue projections.

¹ Year of collection dollars.

² Adjusted for potential uncollectible revenue.

³ Includes facility O&M costs starting in FY 2022, plus toll collection costs and credit card fees in all years.

Revised 9/18/13



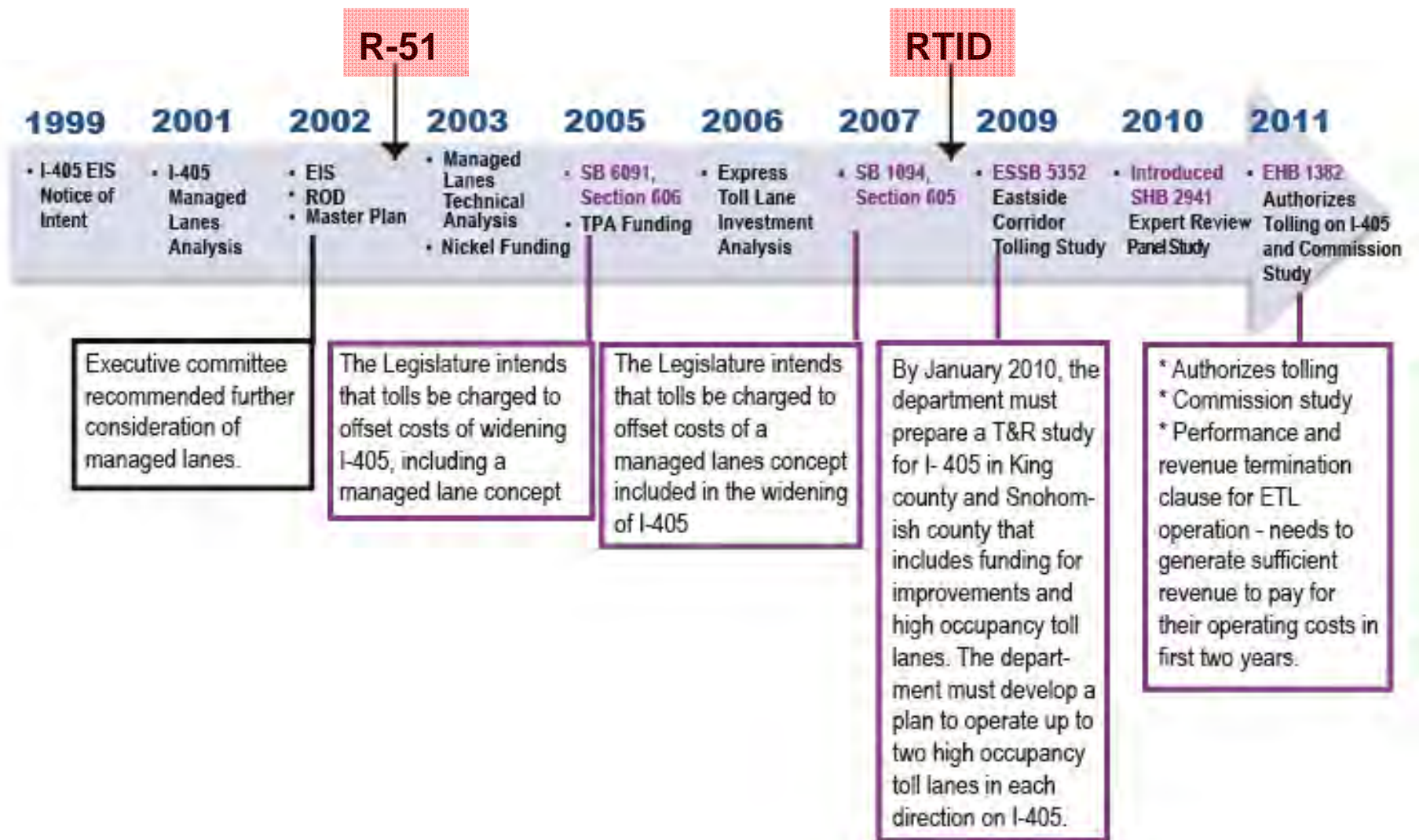
○ Meets revenue requirement in EHB 1382
 ○ Does not meet EHB 1382 revenue requirement 13

How could we fund and phase the project?

Denise Cieri

I-405/SR 167 Program Deputy Director, WSDOT

Legislative Direction Funding Challenges



Funding and Phasing from RCW 47.56.886 (as amended by EHB 1382 in 2011)

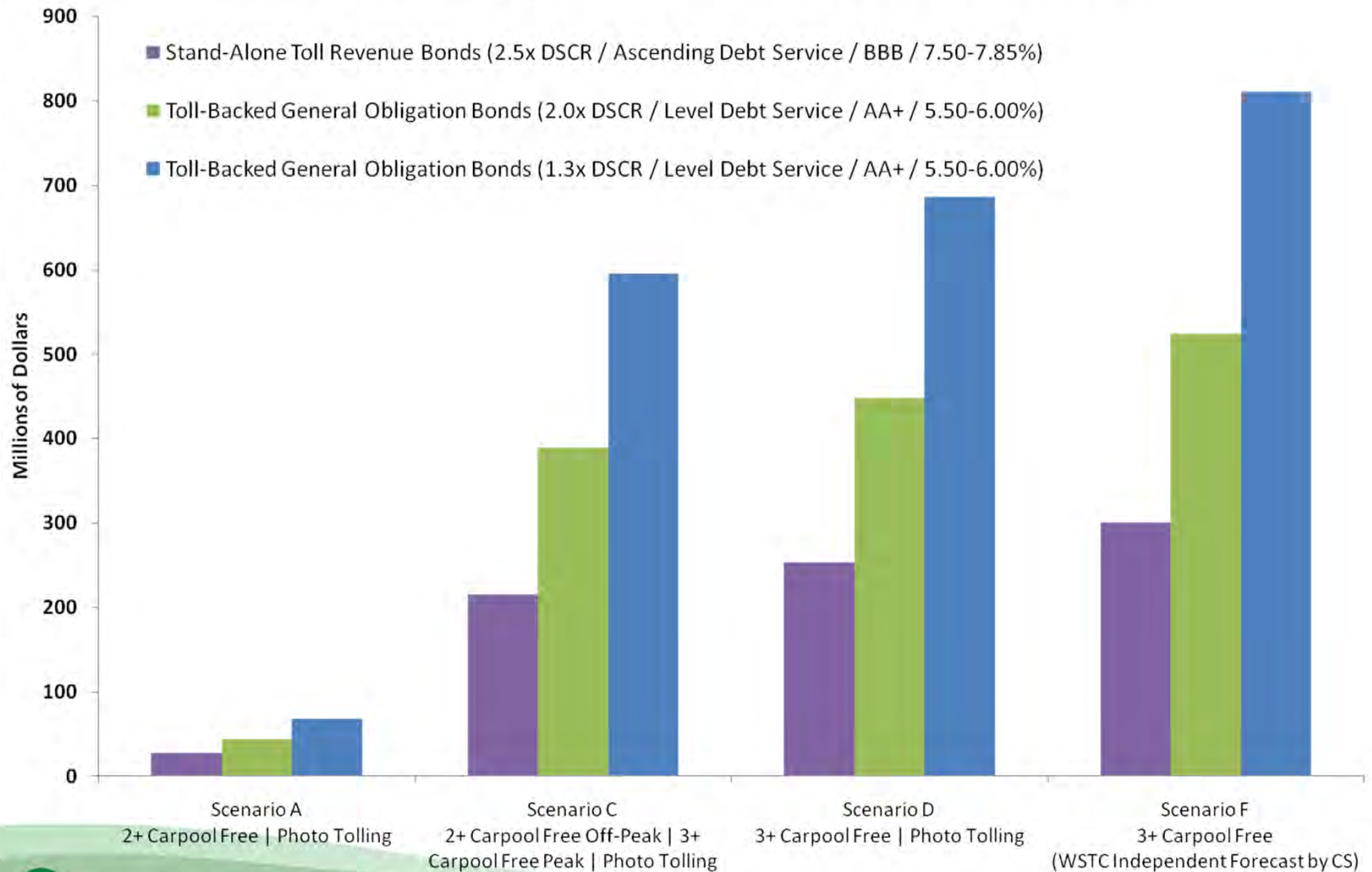
(2) The department, in consultation with the transportation commission, shall use the information from the traffic and revenue analysis and the corridor-wide project management plan **to develop a finance plan to fund improvements** in the Interstate 405 and state route number 167 corridor. The department must include the following elements in the finance plan:

- (a) Current state and federal funding contributions for projects in the Interstate 405 and state route number 167 corridor;
- (b) A potential future state and federal funding contribution to leverage toll revenues;
- (c) Financing mechanisms to optimize the revenue available for capacity improvements including, but not limited to, using the full faith and credit of the state;
- (d) An express toll lane system operating in the Interstate 405 and state route number 167 corridor by 2014; and
- (e) Completion of the capacity improvements in the Interstate 405 and state route number 167 corridor.

(3) The department and the transportation commission must **consult with a committee consisting of local and state elected officials from the Interstate 405 and state route number 167 corridor and representatives from the transit agencies** that operate in the Interstate 405 and state route number 167 corridor while developing the performance standards, traffic and revenue analysis, and finance plan.

Hypothetical Toll Funding Ranges

Potential Toll Funding by Toll Scenario and Debt Structure Option

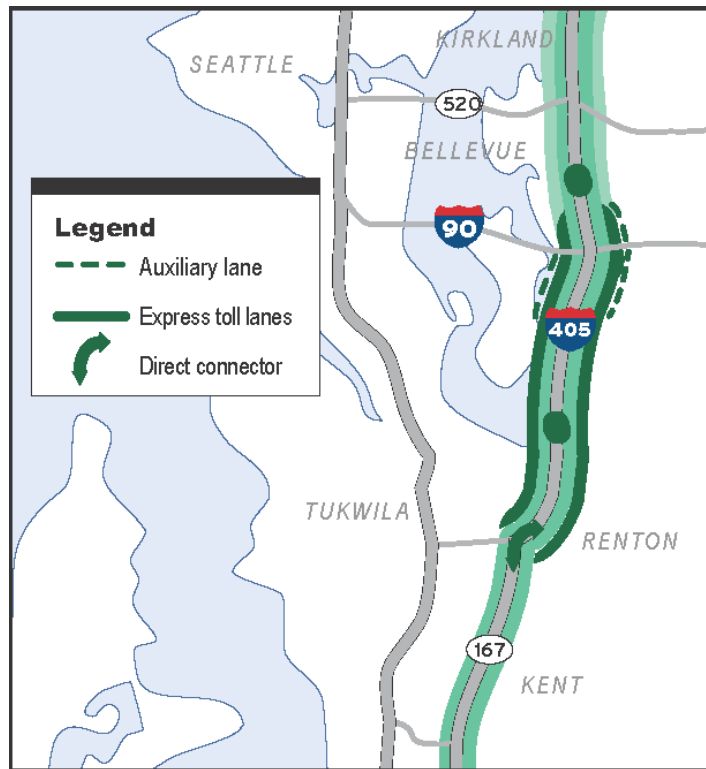


Preliminary Financial Findings

- Experience from a functioning Bellevue to Lynnwood express toll lane system will provide valuable information about the predictability, volatility, and reliability of express toll lane revenues
- Level debt service structuring for the outer forecast years reduces financing risks
- A TIFIA loan may be an option for partial financing:
 - The program was designed for projects in need of credit enhancement
 - Recent tightening of credit quality requirements for TIFIA applicants may reduce the potential benefits of a TIFIA loan
- The State should identify other funding sources to rely less on express toll lane revenues financed for up-front construction and more for:
 - Pay-as-you-go capital expenditures to complete the 40-mile system
 - Ongoing system operating expenses

High traditional funding - \$1,175 m

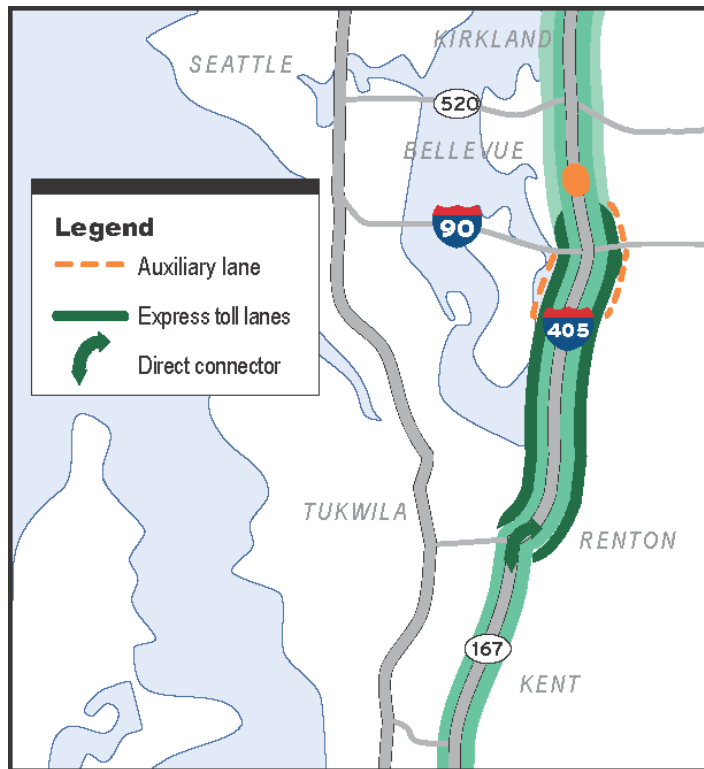
\$0 needed from toll revenue



- Traditional revenue resources (gas tax) fund entire 40-mile system (\$1,175 m)
 - \$0 needed from toll revenue, system open by 2022
 - All future toll revenue used for other corridor priority projects, operations, and preservation.
 - FY 2025 ~ \$250 m available
 - FY 2028 ~ \$500 m available
 - FY 2033 ~ \$1,000 m available

Medium traditional funding - \$960 m

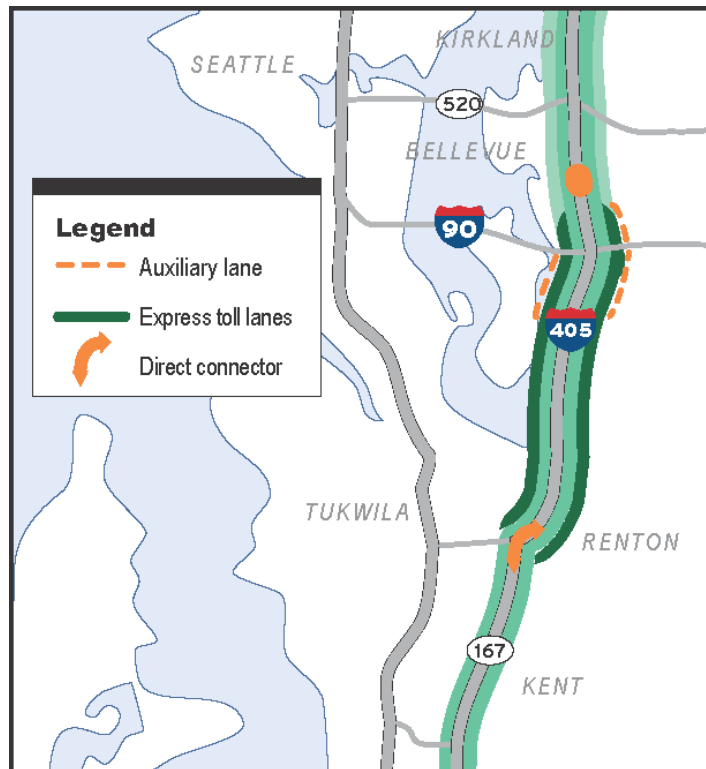
\$215 m needed from toll revenue



- Traditional revenue resources fund reduced scope Renton to Bellevue widening and I-405/SR 167 Direct Connector (\$960 m)
 - Use toll revenue financing to complete 40-mile system (\$215 m needed), system open by 2022
- or**
- Use pay-as-you-go to complete 40-mile system (\$215 m needed)
 - FY 2026 ~ \$215 m available

Low traditional funding - \$675 m

\$500 m needed from toll revenue



- Traditional revenue resources fund reduced scope Renton to Bellevue (\$675 m)

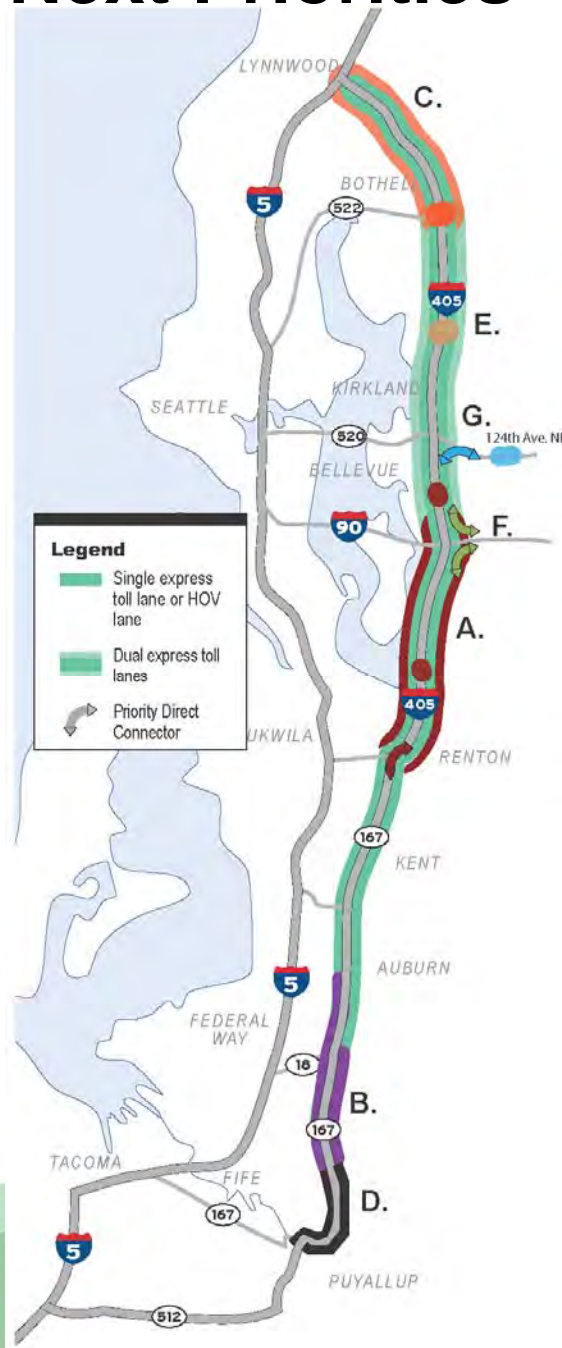
- Use toll revenue financing to complete 40-mile system (\$500 m), system open by 2022

or

- Use pay-as-you-go to complete 40-mile system (\$500 m)

- FY 2027 ~ \$285 m available for direct connector
- FY 2031 ~ \$500 m available complete 40-mile system

Next Priorities



Completing the 40-mile system

A. Tukwila to Bellevue - \$1,353* million (WSDOT: \$1,215 m; others: \$138 m)			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 4.7 Approximately 50,000 vehicle hours of delay reduced every day which equates to \$276 M in annual travel time savings by drivers. 	Renton to Bellevue (Option 4)	\$890	<ul style="list-style-type: none"> Adds one lane in each direction
	SR 167 Direct Connector	\$325 (\$40M in PE/RW funded)	<ul style="list-style-type: none"> Builds a flyover ramp connecting the I-405 express toll lanes to the SR 167 HOT lanes
	Sound Transit: N 8th St Direct Access	\$78*	<ul style="list-style-type: none"> Builds a direct access ramp at N. 8th St.
	City of Bellevue: NE 6th St Extension Bellevue Share	\$60*	<ul style="list-style-type: none"> Extends NE 6th St. east across I-405 to 120th Ave. NE
B. SR 167 Express Toll Lanes Extension - \$117 million			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 2.3 Increases capacity over 50% and extends the reliability and traffic benefits of the SR 167 HOT lanes. 	Stage 4 (SB)	\$82 (Funded)	<ul style="list-style-type: none"> Extends the existing southbound HOT lane to the King / Pierce County line.
	Stage 5 (NB)	\$35	<ul style="list-style-type: none"> Starts the northbound HOT lane at the King/Pierce County.

Future I-405 Corridor priorities

C. Bothell to Lynnwood Dual Express toll Lanes - \$570 million			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 1.7 36,000 vehicle hours of delay reduced every day (\$211 M annual travel time savings). Provides a new direct access connection between SR 522 and I-405 express toll lanes eliminating weaving and improving operations for the general purpose lanes. 	SR 522 Interchange	\$315	<ul style="list-style-type: none"> Builds a new direct access connection to SR 522 and redesigns a new interchange. Replaces the northbound I-405 bridge over the Sammamish River and SR 522.
	SR 522 to I-5 Dual Express Toll Lanes	\$255	<ul style="list-style-type: none"> Adds a new lane in each direction between SR 522 and I-5 in Lynnwood to be paired with the existing HOT lane to form a dual express toll lane system.
D. SR 167 Stage 6 - \$300 m			
<ul style="list-style-type: none"> Benefit/Cost: 2.5 Reduces vehicle delay by 32,000 vehicles daily. Project connects regional facilities of SR 410, SR 512, and future SR 167 extension. 	SR 167 Stage 6	\$300m	<ul style="list-style-type: none"> Extends the SR 167 HOT lanes northbound and southbound to SR 410 / SR 512 interchange.
E. I-405/NE 132nd St. Interchange – Prior TPA project commitment			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 1.1 Provides new access to and from north Kirkland area and complements 116th interchange which has recently been rebuilt. 	NE 132nd St. Interchange	\$75	<ul style="list-style-type: none"> Builds a new half-diamond interchange at NE 132nd St. in Kirkland.

Projects on other corridors with direct benefits to I-405 (system to system connections)

F. I-90/I-405 Interchange Direct Connectors - \$535 million			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 1.6 Reduces daily delay by 22,000 vehicle hours of \$112M in annual travel time savings. Reduces weaving and provides high speed reliable trips between the two interstate systems. 	I-405 / I-90 Renton to Issaquah Direct Connector	\$270	<ul style="list-style-type: none"> Builds a new flyover ramp between the express toll lanes on I-405 and the HOV lanes on I-90. The ramp would connect Renton to Issaquah.
	I-405 / I-90 Bellevue to Issaquah Direct Connector	\$265	<ul style="list-style-type: none"> Builds a new flyover ramp between the express toll lanes on I-405 and the HOV lanes on I-90. The ramp would connect Bellevue to Issaquah.
G. SR 520/I-405 Interchange and SR 520/124th Ave NE Interchange - \$550 million			
Benefits <ul style="list-style-type: none"> Benefit/Cost: 1.6 Reduces delay by 24,000 vehicle hours daily or \$136 M in annual travel time savings. Provides direct connection between I-405 and SR 520 and eliminates weaving in the general purpose lanes. 	SR 520 / 124th Ave NE New Interchange	\$235	<ul style="list-style-type: none"> Rebuilds the SR 520/124th Ave NE interchange to Master Plan configuration
	I-405 / SR 520 Direct Connectors	\$315	<ul style="list-style-type: none"> Builds flyover ramps connecting the express toll lanes on I-405 to the HOV lane on SR 520. Ramps will connect Bellevue to Redmond traffic.

EAG Comments

Our direction from RCW 47.56.880

(as amended by EHB 1382 in 2011)

(4) The department shall monitor the express toll lanes project and shall annually report to the transportation commission and the legislature on the impacts from the project on the following performance measures:

(a) Whether the express toll lanes maintain speeds of forty-five miles per hour at least ninety percent of the time during peak periods;

(b) Whether the average traffic speed changed in the general purpose lanes;

(c) Whether transit ridership changed;

(d) Whether the actual use of the express toll lanes is consistent with the projected use;

(e) Whether the express toll lanes generated sufficient revenue to pay for all Interstate 405 express toll lane-related operating costs;

(f) Whether travel times and volumes have increased or decreased on adjacent local streets and state highways; and

(g) Whether the actual gross revenues are consistent with projected gross revenues as identified in the fiscal note for Engrossed House Bill No. 1382 distributed by the office of financial management on March 15, 2011.

(5) If after two years of operation of the express toll lanes on Interstate 405 performance measures listed in subsection (4)(a) and (e) of this section are not being met, the express toll lanes project must be terminated as soon as practicable.

I-405/SR 167 EAG 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 I-405/SR 167 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

EAG Discussion

- Carpool Policy
 - Do you have a preference for one of the viable options?

- ❖ Recommendation:

EAG Discussion

- Funding and Phasing
 - What do you think of the funding packages?
 - Is there a package that makes more sense?
 - What are your thoughts on pay-as-you-go?
- ❖ Recommendation:

Next steps



- EAG presents to Washington State Transportation Commission after November meeting
- WSTC begins rate-setting process, including toll rates and exemptions
- WSDOT delivers funding and phasing report to Legislature and Governor by January 2014
- Potential EAG updates before opening
- Open Bellevue to Lynnwood express toll lanes project by December 2015

Public Comment

More information:

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Amy Danberg

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