



# I-405 / SR 167 Executive Advisory Group Summary of Meeting #4

Thursday, Nov. 7, 2013

1:30-3:30 p.m.

Renton Community Center

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

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|---|--|
| <input checked="" type="checkbox"/> Claudia Balducci, Sound Transit   | <input checked="" type="checkbox"/> Rep. Linda Kochmar   |
| <input checked="" type="checkbox"/> Councilmember Randy Corman, City of Renton  | <input checked="" type="checkbox"/> Rick Krochalis, FTA  |
| <input checked="" type="checkbox"/> Andrew Glass-Hastings, King County  | <input checked="" type="checkbox"/> Daniel Mathis, FHWA  |
| <input checked="" type="checkbox"/> Councilmember Dave Gossett, Snohomish County Council and Puget Sound Regional Council | <input checked="" type="checkbox"/> Mayor Joan McBride, City of Kirkland                                   |
| <input checked="" type="checkbox"/> Mayor Jim Haggerton, City of Tukwila  | <input checked="" type="checkbox"/> Commissioner Charles Royer, Washington State Transportation Commission |
|   | <input checked="" type="checkbox"/> Carol Thompson, Community Transit                                      |
|   | <input checked="" type="checkbox"/> Councilmember Kevin Wallace, City of Bellevue                          |

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

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|--|--|
| <input checked="" type="checkbox"/> Craig Stone, Assistant Secretary, Toll Division, WSDOT | <input checked="" type="checkbox"/> Colleen Gants, WSDOT Toll Division |
| <input checked="" type="checkbox"/> Kim Henry, I-405/SR 167 Program Director               | <input checked="" type="checkbox"/> Wendy Taylor, I-405 Program        |
| <input checked="" type="checkbox"/> Denise Cieri, I-405/SR 167 Deputy Program Director     | <input checked="" type="checkbox"/> Amy Danberg, I-405 Communications  |
|  | <input checked="" type="checkbox"/> Anne Broache, I-405 Communications |
|  | <input checked="" type="checkbox"/> Steve Peer, 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: [www.wsdot.wa.gov/tolling/eastsidecorridor](http://www.wsdot.wa.gov/tolling/eastsidecorridor)*

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

Craig Stone, Assistant Secretary, WSDOT Toll Division, called the meeting to order and invited everyone around the table to introduce themselves. He reminded the group that the goal of this final meeting is to work toward consensus on two key questions: carpool policy for the I-405 express toll lanes, and funding and phasing strategies for the 40-mile system. He noted that the timing of the meeting coincides with the start of a special legislative session that may consider a transportation funding package.

Stone gave a quick overview of the day's agenda and noted that the public comment period would be moved ahead of the EAG discussion period. Stone then gave an overview of the process that has brought the EAG to this point, starting with the formation of an Executive Committee about 13 years ago, which has provided input and direction to WSDOT. He reviewed the 2013 EAG schedule, starting with a kick-off meeting in January where then-Secretary Paula Hammond addressed the group. He also reminded the group of their charge, as specified by the legislature in 2011 when it authorized tolling on I-405 between Bellevue and Lynnwood. Specifically, the legislature directed WSDOT work in consultation with the Washington State Transportation Commission and the EAG to develop a traffic and revenue analysis as well as a project management plan that examines financing and funding and phasing concepts. He reminded the group that their responsibility is to provide input to the Secretary and the Commission, which will then be reviewed by the Legislature and the Governor's office. He said Secretary Lynn Peterson is a very collaborative person who wants to bring local communities together and be sure that the EAG and corridor users are comfortable with whatever plan moves forward.

Stone ended by reminding the group of the key questions that they will address before WSDOT makes its final report to the Legislature and Governor's office in January. Namely, the EAG will provide input on the phasing and funding of the 40-mile system, which has been in discussion with Legislative staff recently, and on carpool exemptions.

## **II. Review of Carpool Scenarios**

Kim Henry, I-405/SR 167 Program Director, began by reminding the group of the EAG's 2010 endorsement of the 40-mile express toll lanes system, which will link SR 167 with I-405. He noted again that the north half of the corridor from Bellevue to Lynnwood is under construction and scheduled to open in 2015. Before the facility opens, several major policy issues, including the carpool question, must be finalized in order to give WSDOT sufficient time to educate the public on how the facility will operate. Henry also reintroduced the group to the unfunded portions of the 40-mile system between Renton and Bellevue and on the south end of SR 167, as well as the amount of time that WSDOT has been working to secure funding for these projects. He emphasized the importance of moving forward with funding the Renton to Bellevue section, which has a benefit-cost ratio of almost 5 to 1, in order to provide additional congestion relief in the corridor.

Henry reminded the group that there was a recognition that sometime in the future, the carpool definition on I-405 would need to increase from 2+ to 3+ to achieve performance goals. The EAG previously asked WSDOT to consider some transition options, so WSDOT studied two approaches: 3+ carpools ride free at peak times, 2+ carpools ride free at off-peak times; and a carpool discount (\$1 and 50 cents). Henry also reviewed the criteria for the express toll lanes stipulated by the Legislature: that the lanes must operate at 45 miles per hour or better 90 percent of the time during peak periods, and they must cover their operating costs by the end of their second year of operation. He reviewed data

showing that a 2+ carpool rule does not meet traffic performance requirements in the north end of I-405 today and would not meet the traffic performance requirements in the future.

Henry characterized the carpool policy decision as a possible two-step process. The first step would include setting carpool rules that will work for the north end when that section of express toll lanes opens in 2015. The second step would then include creating consistent rules for the entire 40-mile system along I-405 and SR 167 from Lynnwood to Puyallup. This step would occur when the Renton to Bellevue section opens.

Henry then reviewed the net revenue projections for each of the carpool scenarios under consideration during the first eight years. He noted again that the 2+ carpool and \$1 discount scenarios do not meet the legislative revenue requirements. He reminded the group that the 50-cent discount, 3+ free peak/2+ free off-peak, and 3+ free scenarios would generate enough revenue to cover their operating costs during the first two years.

As a result, Henry summarized, the EAG has three viable alternatives to consider:

- 3+ carpools ride free
- 3+ carpools ride free in the peak hours, 2+ ride free in the off-peak hours
- All carpools receive a 50-cent discount

### **III. Funding and Phasing**

Denise Cieri, I-405/SR 167 Program deputy director, started by reminding the group that the I-405 program has been working for the past decade to fund the Renton to Bellevue section, and the Legislature has asked on multiple occasions for WSDOT to study how tolls could offset the cost of widening I-405. She also reminded the group of their legislative direction in 2010, to work with WSDOT to develop a funding and phasing plan for I-405.

Cieri reviewed findings from the Office of the State Treasurer about hypothetical toll funding ranges based on different bond types and carpool scenarios. She reminded the group that the 2+ carpool free option does not generate enough viable revenue to fund future improvements, while the other options (3+ free and 3+ free peak/2+ free off-peak) would generate more revenue. One of the OST's key findings was that the EAG should consider relying less on bonding from toll revenue and instead look for funding from another source and/or pay as you go.

Cieri also reviewed slides from EAG Meeting #3 showing three different funding and phasing scenarios for the next set of corridor improvements: the high, medium and low scenarios:

- The high funding scenario assumes traditional gas revenue would fund all of the \$1.175 billion needed to build the Renton to Bellevue section of express toll lanes and the I-405/SR 167 Direct Connector. Toll revenue could be used to fund other improvements in the corridor.
- The medium funding scenario would employ \$960 million from traditional gas tax revenue and would need \$215 million from another funding source. The \$960 million would pay for Renton to Bellevue and the Direct Connector, but the other project work would not be complete until 2026 if pay-as-you-go was used.
- The low funding scenario assumes \$675 million from traditional funding sources to pay for the Renton to Bellevue section and would need \$500 million from bonding or pay as you go. This scenario would not build the Direct Connector along with Renton to Bellevue, and under pay as you go, this project work would not start until 2027.

Cieri concluded by reminding the group that as work continues in the corridor, WSDOT is always building toward the Master Plan, and quite a bit of work remains.

#### **IV. Public Comment**

Seven members of the public provided comment to the group during the meeting.

- Dick Paylor, a member of the Eastside Transportation Association and an original I-405 Executive Committee member, said he was concerned that the current plans for the I-405 corridor have drifted away from the original plans. He expressed concern about the lack of new general purpose lanes between Renton and Bellevue and the use of gas tax funding to pay for the express toll lanes. He said the legislature should not authorize express toll lanes on the southern section of I-405 until they have evidence showing that the north end of the I-405 express toll lanes are meeting their operational and revenue benchmarks. He said it doesn't make sense from a management perspective to open the southern end of the system and fund it with gas tax revenues when the north end has not yet proven its success. He urged the EAG to consider these views and to incorporate them into their recommendations.
- Philip Skoog, a private citizen who drives about 1,000 miles per year in his van on I-405, told the group about a system called "slug lines" in which single-occupant vehicles line up at Park and Ride facilities to pick up people looking to share a ride. He encouraged WSDOT to consider opening up such a system and said a switch to a 3+ carpool system will require a lot of public awareness building.
- Vic Bishop, a member of the Eastside Transportation Association, spoke of the importance of the I-405 Master Plan. He voiced support for transit improvements and the addition of two general purpose lanes between Tukwila and Lynnwood. He expressed concerns about what he considers to be diversion from the original Master Plan by implementing HOT lanes. He encouraged the group to consider the high funding scenario, which uses gas tax revenue for the Renton to Bellevue and Direct Connector improvements and does not rely on toll revenue. He expressed concerns about the costs of collecting toll revenues.
- Cliff Ridgway, a private citizen, said he travels from Auburn to Bellevue every day and uses the SR 167 HOT lanes. He has experienced firsthand the traffic congestion in the corridor and urged funding for the new projects. He said he does not believe a 3+ free carpool system will work and that he does not believe many single-occupant vehicles use the SR 167 HOT lanes today. He recommended that the EAG consider tolling as part of any funding package but believes that gas tax revenue is necessary to complete the projects and improve the entire 40-mile system.
- Sonny Putter, a private citizen who was once a councilmember and mayor of Newcastle and served on the Executive Advisory Group, said there is no question that WSDOT needs to move to 3+ as quickly as possible. He said he believes this shift is very much possible, particularly because SR 520 already has a 3+ carpool requirement where it meets I-405. He noted that the 3+ carpool option is strong because it maximizes toll revenue. He said that the gas tax is no longer a sustainable funding source and that tolling is necessary. He urged the EAG to consider funding and phasing strategies that include a combination of tolling and gas tax revenues. He said King County and the Puget Sound region need to be creative and take a leadership role in order to set the stage for tolling across the region.
- Todd Woosley, a longtime transportation advocate, voiced concerns about the current direction of the I-405 Master Plan implementation, including the new express toll lanes. He voiced concerns that traffic in the general purpose lanes will slow and bring the region out of compliance with air quality standards because of insufficient capacity and increased congestion. He noted that he is lobbying hard for the Legislature to increase the gas tax but voiced concerns



that there will not be enough money to support I-405 and other major projects, including the Puget Sound Gateway project and Snohomish County road improvements. He called for reconsideration of a Regional Transportation Investment District. He also spoke against changing the carpool definition from 2+ to 3+.

- Carole Baker, a private citizen who has lived in Renton for about 27 years, praised the SR 167 HOT lane system and said she would like to see the system extended onto I-405. She said she is willing to pay as a single-occupant driver to travel in the HOT lanes because it saves her time and gets her out of the gridlock. She encouraged expansion of the HOT lane system throughout the region to allow single-occupant drivers to buy into the carpool lanes.

## V. EAG Discussion

Craig Stone offered each of the EAG members an opportunity to provide their views on the two main discussion questions: carpool policy and funding and phasing strategies.

### *Carpool policy position statements*

- **Kirkland Mayor Joan McBride:** After reviewing the viable options, Kirkland has some comfort with the 3+ carpool free scenario, but they are more comfortable supporting a phased approach, and thus support the 3+ free peak/2+ free off-peak scenario. McBride called this an “elegant” solution that is “sellable, understandable.” She recognized that eventually the corridor must get to 3+, but for now, this solution is the best one and will have real meaning for 2+ carpools riding in the off-peak.
- **Bellevue Councilmember Kevin Wallace:** The Bellevue Council unanimously supports Option C (3+ free peak/2+ free off-peak). They selected this option after discussing the scenarios with the Bellevue councilmembers at a Monday night meeting, Mayor McBride, and other EAG members. Bellevue prefers this option because it has the least impact on commuters, has the most flexibility with being able to use the lane in off-peak periods, and meets financial and performance objectives. Wallace also noted that funding I-405 improvements is the most important transportation project for the City of Bellevue and that it is absolutely essential to fund these projects fully. He said the question is not whether express toll lanes will be coming but what policies they will use.
- **Snohomish County Councilmember/Puget Sound Regional Council representative Dave Gossett:** Gossett supported the carpool discount option because of the complexity of implementing the 3+ free peak/2+ free off-peak option on a regional basis.
- **Carol Thompson, Community Transit:** Thompson announced that CT, Sound Transit and King County Metro have developed a shared transit position that ST representative Claudia Balducci will be sharing. She shared three main points on CT’s behalf:
  - CT is very sympathetic to losing what is valuable to people; for example, when the carpool lanes changed from a 3+ to 2+ requirement and caused transit to lose speed and reliability, as well as riders.
  - CT recognizes that things change—for example, traffic conditions worsening dramatically over the last 10 years as travel demand increases and funding for transit declines. CT believes that express toll lanes are a technology that can help keep people moving, but that they will require tradeoffs.
  - CT understands and accepts that transit is an essential but not exclusive consideration for WSDOT, and that WSDOT must ensure the transportation system works well for all modes that need to use it.

Thompson added that she recognizes that CT will likely not get its first choice—a 3+ free carpool policy—but that they can live with a choice that gives speed and reliability, and any of the 3+ options (3+ free or 3+ free peak/2+ free off-peak) would give speed and reliability.



- **Tukwila Mayor Jim Haggerton:** Haggerton spoke of the success of I-405 improvements so far between Renton and Tukwila and the heavy traffic congestion on the rest of the corridor. Naming companies such as Boeing, Microsoft, Amazon and Paccar, he said the corridor cannot remain economically competitive unless they can figure out how to solve traffic congestion and move goods and people around.
  - On funding and phasing strategies, Haggerton voiced support for the high traditional funding method supported by the gas tax. He said he worries that the low and medium approaches would have a reduced project scope and believes the traffic problems cannot be solved with a reduced scope of work. He urged moving forward with Renton to Bellevue as quickly as possible at its full scope and to use tolling for future projects. He noted that WSDOT will need to explain to taxpayers that they're not double-dipping and that tolling is paying for future projects.
  - On carpool policy, Haggerton said he has mixed emotions but could support the 3+ free peak/2+ free off-peak option. He noted that this option will require education for the driving public.
- **Rep. Linda Kochmar:** She said she represents Pacific, Auburn, and communities along SR 167 but declined to express an opinion.
- **Rick Krochalis, Federal Transit Administration:** Krochalis said he was present to support federal highways but also local and state choice and thus did not feel it was appropriate to speak to policy questions. He did note that the gas tax is not a sustainable long-term funding source and that projects need to look elsewhere and have some consideration for tolling. He also said tolling has implications for transit, including increasing demand for transit, and that the I-405 program will have to consider this issue separately.
- **Dan Mathis, Federal Highway Administration:** Declined to comment.
- **Renton Councilmember Randy Corman:** Corman noted that Renton councilmembers discussed these questions at a meeting Monday night and presented some brief comments to WSDOT. He reiterated Renton's strong interest in building flyover ramps connecting SR 167 and I-405 carpool lanes. He also repeated his concerns from the previous meeting about changing the carpool definition from 2 people to 3 people. He said he worried that these carpools will feel they are kicked out of the lanes in favor of single-occupant vehicles who can pay a fee. He said he was especially worried about increasing the carpool requirement because Renton feels underserved by transit, and forming a carpool with more than 2 people is difficult. He continues to believe that a system that encourages 2-person ad hoc carpools is a better option that will move more people. He also voiced concerns about the cost of collecting tolls and encouraged WSDOT to consider doing away with its plans for photo tolling because of the cost to operate. Because Renton citizens do not have strong transit options, he said his preferred carpool option is Scenario A (2+ carpool free), although he noted that the Renton Council is "all over the map" on this policy question.
- **Andrew Glass-Hastings, King County:** Glass-Hastings circulated a document that demonstrates the importance of the HOV system for transit operators and the more than 200,000 daily riders that King County Metro and Sound Transit carry on the highway system in King County. He underscored that the HOV system does not provide the intended speed and reliability today, as most lanes are not achieving their standards of 45 miles per hour, 90 percent of the time. He spoke of the possibility of 17 percent service cuts, including permanent route deletions and other reductions, if Metro does not receive new funding from the legislature. He noted that problems with HOV lane performance also affect Metro's bottom line and ability to provide service. He expressed concerns about the impacts of I-405 tolling on transit demands in the corridor, citing the impact of SR 520 tolling on transit demand (a 40 percent increase), and called for attention to this issue. He summarized by saying that King County Metro would love to



see a 3+ free carpool system but recognizes the difficulty of jumping “both feet in.” Thus, King County Metro would also support Scenario C (3+ free peak, 2+ free off-peak) as long as it achieves the 45 miles per hour, 90 percent of the peak period standard.

- **Washington State Transportation Commissioner Charles Royer:** Royer expressed concerns about the “patchwork quilt” of tolling policies that is beginning to emerge. He voiced concerns about, for example, charging transit a toll on the Tacoma Narrows Bridge but not on I-405, as well as toll rate levels across facilities. He expressed concerns about lack of consistency across facilities and called for a more systemwide perspective on tolling.
- **Claudia Balducci, Sound Transit Board:** Balducci read a statement on behalf of the three major transit agencies—King County Metro, Sound Transit, and Community Transit—in which they supported an exemption for 3+ carpools in the peak hours and 2+ carpools in the off-peak hours. The statement also spoke to the transit agencies’ common goals for speed, reliability and safety, calling for the express toll lanes system to facilitate safe transit movements and access to stops, stations and transit centers. The statement also reiterated the importance of ensuring a minimum of 45 miles per hour, 90 percent of the time in the express toll lanes.
  - After Balducci spoke, Renton Councilmember Corman wanted to clarify that Renton is not in conflict with the transit position and would support a 2-person carpool requirement only until it is shown that the lanes can no longer keep the speeds needed to meet the performance requirements. At that time, Renton would be comfortable going to 3+.
- **Bothell Mayor Mark Lamb (statement):** Colleen Gants, WSDOT Toll Communications manager, read an email from Bothell Mayor Lamb in which the city voiced support for the 2+ free option but said they would also be willing to back the 3+ free peak/2+ free off-peak option.

After noting each member’s position on a blank PowerPoint slide during the discussion, Amy Danberg, I-405 Communications manager, typed a proposed recommendation for the group to consider:

- ❖ *We know we need to get to 3+ carpool occupancy requirement as it provides the best performance. To get there, we are in favor of a phased or transitional approach. “3+ carpool free peak/ 2+ carpool free off-peak” is a workable transition to 3+ carpool free; has least impact on commuters, transit, financial needs, and maintains speeds of 45 mph or better.*

*Commentary on proposed recommendation:*

- Snohomish Councilmember Dave Gossett noted that even though some members have a slightly different view on carpool policy, there seems to be consensus around the 3+ free peak/2+ free off-peak option.
- King County’s Glass-Hastings said he is fine going along with the statement but voiced doubts and concerns about ultimately transitioning to a 3+ system.
- Bellevue Councilmember Wallace said he had concerns with some of the philosophical statements in the recommendation and suggested simply recommending a 3+ peak/2+ off-peak approach.
- Kirkland Mayor McBride said she continues to believe the system must move toward 3+ but that there is no way to get there now without a transitional step.
- Renton Councilmember Corman said he agreed with McBride’s comments about the need for a transitional policy. He said he fears that charging 2-person carpools will slow down the general purpose lanes. He also called for transit plans in conjunction with the express toll lanes, including additional park and ride options and Bus Rapid Transit.
- Community Transit’s Thompson said she agreed with Glass-Hastings that it is tough to change carpool policy and that the group needs to decide on a standard that everyone can live with.
- Bellevue Councilmember Wallace noted that Option C gives something back to the commuter while being revenue positive and meeting the 45 miles per hour performance standard. In that

sense, he said, it is a compromise between single-occupant driver interests and transit/carpool interests.

Craig Stone wrapped up the discussion by summarizing the 3+ carpool free peak/2+ carpool free off-peak scenario as the “consensus move.”

After a public comment from Carol Baker (see summary in Public Comment section above), he initiated the next part of the discussion about funding and phasing options. Stone noted that after talking to the State Treasurer, the low funding option (\$500 million needed from sources other than gas tax revenues) appears to be “a real push” that may not be achievable.

#### *Funding and phasing position statements*

- **Kirkland Mayor McBride:** The medium traditional funding option makes the most sense to Kirkland because it uses the gas tax and also uses toll revenues for an achievable and sustainable approach.
- **Bellevue Councilmember Wallace:** Wallace said the cost of using toll revenue for bonding is too high and not an effective strategy. Therefore, the goal should be to use the gas tax revenues and bond it to pay for the project, while using toll revenue to pay for future projects.
- **Snohomish Councilmember/PSRC Rep Gossett:** Gossett said the high traditional funding model would be the best option but recognized that it could be a heavy lift to achieve, so the medium option should be considered as well. He voiced concerns about the low funding option.
- **Community Transit’s Thompson:** Thompson deferred to Gossett and said CT doesn’t have a view on the funding approach, other than the sooner the traffic issues are addressed, the better for everyone. She said that because of practical funding challenges, the medium funding approach may be best.
- **Tukwila Mayor Haggerton:** Haggerton reiterated his preference, stated in the previous round of discussion, for the high traditional funding option.
- **Rep. Kochmar:** No comment.
- **Rick Krochalis, FTA:** No comment.
- **Dan Mathis, FHWA:** No comment.
- **Renton Councilmember Corman:** Supports high traditional funding package for reasons stated by others.
- **King County’s Glass Hastings:** He supports a balanced approach that uses new gas tax revenue and toll revenue. He also would like to see toll revenue used for operations and maintenance, including supporting transit service in the corridor.
- **Sound Transit’s Balducci:** ST has no formal position on funding, but she noted that this project is ready to go and needs a funding strategy to move the improvements forward quickly.

Craig Stone summarized the group’s sentiments as an endorsement of using traditional funding but also a balanced approach. He said he did not hear much talk of using a pay-as-you go approach but did hear strong support for moving forward as quickly as possible, with the acknowledgment that many other large projects are being considered for gas tax funding.

The final funding and phasing recommendation is:

- ❖ Prefer High Traditional Funding scenario (\$1,175 m); however, understanding competing statewide needs, the committee endorsed the Medium Funding scenario (\$960 m).





## **VI. Wrap up and Adjourn**

Craig Stone thanked the group for their ongoing participation in the EAG throughout 2013. He reminded the group that they are all invited to attend a Washington State Transportation Commission meeting on November 20, at which the WSTC will kick off the I-405 rate setting process. The WSTC hopes to wrap up its rate setting process in the spring so that education and marketing can begin in earnest in summer 2014. Stone said WSDOT will also provide the members with an electronic copy of the funding and phasing report when it is available in January, but that at this point he does not expect a re-gathering of the EAG unless the legislature has questions or there is another compelling reason to reconvene the group. Stone recognized Snohomish County Councilmember Dave Gossett and Kirkland Mayor Joan McBride, both of whom are finishing their last terms in those offices, for their participation over the last several years.