

Alaskan Way Viaduct Replacement Program
Advisory Committee on Tolling and Traffic Management
Meeting Summary – Sept. 19, 2012

Committee Members in Attendance

- Kurt Beckett
- Rick Bender
- Marcus Charles
- Maud Daudon
- Bob Davidson
- Phil Fujii
- Tessa Greigor
- Rob Johnson
- Charley Royer
- Peg Staeheli
- Sung Yang
- Henry Yates

Committee Members Not in Attendance

- Claudia Balducci
- Cynthia Chen
- Sharon Maeda

Agencies and Staff in Attendance

- Craig Stone, Washington State Department of Transportation (WSDOT)
- Linea Laird, WSDOT
- Kimberly Farley, WSDOT
- Mark Bandy, WSDOT
- Amy Turner, Alaskan Way Viaduct Replacement Program (AWV)
- Josh Posthuma, AWV
- Brent Baker, AWV
- Bob Chandler, Seattle Department of Transportation (SDOT)
- Eric Tweit, SDOT

Agenda Item #1 – Welcome

Advisory Committee on Tolling and Traffic Management (ACTT) Administrator Amy Turner welcomed everyone to the meeting and introduced the meeting topics.

Agenda Item #2 – Round 1 Scenarios Review

SDOT Project Manager Eric Tweit and WSDOT Urban Corridors Traffic Engineer Mark Bandy reviewed the traffic modeling information from the first round of toll scenarios. They noted that a small change had been made to the mid-day 2017 tunnel volumes chart since the last meeting.

Agenda Item #3 – Tolling Revenue Overview and Round 1 Revenue Results

WSDOT Toll Division Director Craig Stone gave an overview of revenue modeling results from the round 1 toll scenarios. These modeling results have not yet been reviewed by the State Treasurer's office. He explained how toll revenue will cover the costs for collecting tolls and insuring and operating the tunnel.

Question: Right now there are three tolled facilities in Washington state. How does the revenue collected from tolls in your modeling correspond to that of other facilities? Does the revenue from these facilities pay for the same costs you've assumed in the SR 99 tunnel model? Do these facilities draw from other resources to fund their ongoing costs?

Answer: Tolls for the new Tacoma Narrows Bridge and SR 520 pay for insurance costs and operations and maintenance (O&M) costs. For SR 167, tolls only pay for O&M.

Question: What is the bonding option that you're assuming will yield a 6.5 percent interest rate?

Answer: We are looking at triple-backed bonds right now, but the Office of the State Treasurer will inform the final decision on this.

Question: Do any of the scenario options change the insurance rate you could receive?

Answer: Not really because we are insuring against an interruption of the revenue stream, such as would occur in a full closure of the tunnel during an emergency.

Agenda Item #4 – Small Group Discussion

The committee broke into small groups with technical staff to discuss the revenue modeling results and ask questions. Committee members were organized into three groups with the following topics: toll collection costs, tunnel ownership costs, and financing costs. Each group reported their questions to the full committee.

Agenda Item #5 – Introduction to Potential Round 2 Scenarios

Craig Stone introduced the topic of round 2 toll scenario modeling, and opened the discussion to questions and suggestions.

Question: How constrained are we on the toll scenarios that we choose to run, based on the policies that currently exist? Can we model policy choices?

Answer: Everything is on the table for your recommendations. There are constraints on what can be modeled. For example, there is not enough time in the committee's schedule to model system-wide tolling. However, we can make assumptions on that idea to inform the committee.

Question: Could you model charging users who access SR 99 earlier in the corridor, and then deduct part of the charge for the longer trips?

Answer: Yes, we could model more than one toll point. There are natural diversion points in the downtown area where other toll points could be added. However, it must be remembered that, currently, WSDOT only has authority to toll the SR 99 tunnel, so the committee would need to discuss other toll points as a policy recommendation.

Question: What if we were able to identify the \$200 million needed for project funding from alternate sources. How low could the tolls be if they only need to cover O&M and repair and replacement (R&R) costs?

Answer: We can bring some ideas about this to the next meeting.

Question: Can you show us the actual dollar value of the inflation that is built into your cost assumptions?

Answer: Yes, we can provide that at the next meeting.

Question: In the next round of modeling, can any more be done to maximize revenue just by tweaking tolling by time of day?

Answer: One strategy we could examine is shoulder rates like SR 520 uses.

Question: What level of diversion is acceptable to the City of Seattle? Can we use the traffic models to learn about congestion “hot-spots” to inform this decision?

Answer: There is no overarching percentage of diversion that the City can say is acceptable. Certain times of day and certain areas of the city experience disproportionate impacts from diversion. The City is also concerned with how diversion will affect the King County Metro system. We have a fragile transportation system and need to be cautious about overloading it.

Question: Does the model reflect freight/truck traffic? Can you provide data so that we can understand the impact of freight diversion on the downtown environment?

Answer: Yes, the model has some freight data inputs, such as per axle rates.

Question: How are toll collection costs allocated across all of WSDOT’s tolled facilities? Will the SR 99 tunnel be penalized for being such a short facility?

Answer: Currently, toll costs are allocated on a per transaction basis. Another way to allocate costs would be on a gross revenue basis.

Comments:

- King County Metro should come to the next meeting to discuss potential mitigation efforts.
- The challenge that comes with tolling other points on the SR 99 corridor is that you add diversion points and begin to affect activities at places like the shipping terminals. We would also need to take social justice into account with segment tolling and examine what groups would be negatively impacted by this strategy.
- Scenario 3 assumes only one toll rate increase. It would be worthwhile to model scenarios that test multiple toll rate increases prior to 2030.
- I would like you to use the low end of the collection costs range for your financial modeling.
- In light of trying to maximize revenue and minimize diversion, I’d like to see a model that tolls the SR 99 corridor beyond the tunnel.
- I would like to learn about possible system-wide tolling assumptions.
- I would like to explore the idea of an incentive program that gives a discount to monthly pass purchasers. This could draw more groups into the tunnel.

Agenda Item #6 – Committee Schedule

Amy Turner noted that the next ACTT meeting would be rescheduled to avoid conflicts with Halloween. At the next meeting, staff will present round 2 toll scenario recommendations and will seek approval from the committee to move forward with round 2. A mitigation subgroup will be formed prior to the next full ACTT meeting. This group will meet separately and report to the full committee.

Question: If we plan on making recommendations to the Legislature during the 2013 session, can our committee schedule be more aggressive?

Answer: There is a lot of work that needs to be completed for the ACTT to make their recommendations. Going to the Legislature in 2013 may not be feasible.

Question: How aggressive do we want to be in terms of when and how many recommendations we make? Does the timing of our recommendations influence our ability to make others?

Answer: We can discuss with the committee some short-, medium- and long-term policy issues and bring in some experts to advise the group.

Comments:

- There will be only one more legislative session left in which the ACTT can make recommendations. You should bring policy issues to the November and December meetings so that the agencies represented in the committee can work them into their legislative agendas.
- Some policy issues that need further discussion are toll collection cost allocation and the R&R policy.
- We should have a policy subgroup, in addition to the mitigation subgroup.
- We need to be very intentional on the timing of any information that isn't technical in nature, as premature recommendations may affect the committee's credibility.

Agenda Item #7 – Next Steps and Action Items

Amy Turner thanked everyone for attending. The next committee meeting will be held on Nov. 1, 2012.

Action items:

- Amy Turner will call committee members regarding their interest in serving on subcommittees.
- At the next ACTT meeting staff will provide information on segment and system-wide tolling, tolls that just cover O&M and R&R costs, and types of policy issues.