

Alaskan Way Viaduct Replacement Program
Advisory Committee on Tolling and Traffic Management
Meeting Summary – Jan. 14, 2014

Committee Members in Attendance

- Claudia Balducci
- Rick Bender
- Marcus Charles
- Maud Daudon
- Bob Davidson
- Brendan Donckers
- Rob Johnson
- Sharon Maeda
- Sung Yang
- Henry Yates

Committee Members Not in Attendance

- Kurt Beckett
- Phil Fujii
- Peg Staeheli

Agencies and Staff in Attendance

- Craig Stone, Washington State Department of Transportation (WSDOT)
- Todd Trepanier, WSDOT
- Mark Bandy, WSDOT
- Amy Grotefendt, Alaskan Way Viaduct Replacement Program (AWV)
- Cecelia Gunn, AWV
- Dan Eder, Seattle City Council Central Staff
- Bob Chandler, Seattle Department of Transportation (SDOT)
- Bernard van de Kamp, SDOT

Agenda Item #1 – Welcome and Introductions

ACTT Committee Administrator Amy Grotefendt welcomed everyone to the meeting, reviewed the committee's guiding principles and presented the current meeting objectives.

Agenda Item #2 – Recommendations Schedule

Committee co-chair Claudia Balducci introduced the remaining schedule for the Advisory Committee on Tolling and Traffic Management (ACTT) through March 2014. She noted that comments received at today's meeting will be incorporated into the recommendations document and an updated version will be sent to committee members prior to the next ACTT meeting.

Question: Does WSDOT have a specific reporting requirement from the Legislature?

Answer: *The Legislature will need to authorize bond sales but we do not need this authorization by the end of the 2014 legislative session.*

Agenda Item #3 – Committee Discussion on Possible Recommendations

Claudia Balducci reviewed the process by which the committee's recommendations were drafted. The committee then discussed each recommendation strategy in turn.

Strategy 1: Strategy for tolling the SR 99 tunnel and minimizing traffic diversion

SDOT Assistant Director of Strategic Projects Bob Chandler reminded the group that the City's goal is to have a healthy downtown and Alaskan Way. A challenge with tolling the SR 99 tunnel is to maintain access to businesses via city streets, making downtown a destination instead of only a transportation corridor. Another consideration to keep in mind is that Alaskan Way is an important freight corridor. The City would like to see diversion reduced from 38 percent to 30 percent during the midday periods.

Question: I think the explanation for the 80 percent target is clear to the committee members, but without a lot of background information the case for the 80 percent target is not made clear in the recommendations document. Is the 80 percent tied to an assumption about the tunnel's capacity?
Answer: The utilization target is compared to the utilization of a non-tolled tunnel.

Question: How did you decide that a ten percent differential is appropriate for the off-peak periods?
Answer: During those times there is less demand and more unused capacity on city streets. We sought to find a balance between those two factors. One goal of creating this threshold was to satisfy the Office of the State Treasurer's request to know how much diversion the ACTT feels is too much.

Question: Can you cite how you developed these diversion numbers?
Answer: The diversion numbers came from our analysis of the scenarios. We sought to balance the revenue needed with a level of diversion that was both objectively and subjectively palatable. Some of the discussion about peak period volumes centered on the rule of thumb of how many cars can fit into a lane of traffic in downtown Seattle. We looked at a capacity of 500-600 cars per street.

Question: Did you examine the impact of changing the tolls to 80 or 90 cents?
Answer: No, we did not get to that detailed level of analysis. The next step in this process, the investment grade analysis, will look at those types of rates.

Comment: As a reminder, the ACTT is not in a position to set rates but instead is tasked with recommending toll rate strategies.

Comment: The work completed by the ACTT has been very helpful. These policy recommendations will guide future work to bring SR 99 tunnel tolls to the bond market.

Question: Would it make sense to have a toll escalate only in the peak periods, and have the midday rates remain the same? Would the Treasurer be more interested in that strategy?
Answer: We modeled an escalation rate of 1.3 percent. That is significantly lower than what historical inflation has been. Regardless of this, the Treasurer will not use escalation as an assumption for bonding. We are just examining what is likely to occur as a policy decision.

Comment: This committee has not examined using shoulder periods as a tolling strategy. WSDOT and the Transportation Commission can work together to examine how those might be used for the SR 99 tunnel. It is important to note that while debt may stay the same over a 30 year period, the cost of staffing will increase. Escalation keeps pace with these direct charges as they increase with economy.

Comment: I would have a problem with more than a 1.3 percent escalation during peak hours.

Comment: The Port of Seattle is supportive of the freight rate approach in these recommendations.

Strategy 2: Strategy for mitigating traffic diversion on city streets and I-5

Comment: The final recommendations document will include an appendix with a full list of the mitigation projects reviewed by the committee. Based on our criteria, transit provides the most impactful mitigation strategy. This recommendation sends a good signal to the Legislature that they need to help with the gap in transit funding.

Comment: Bicycle and pedestrian stakeholders will be impacted by high diversion rates and we should acknowledge these impacts. We don't need to provide a solution but we should acknowledge the situation.

Answer: Bicycle and pedestrian improvements will be included in the full list of mitigation projects in the appendix. Improving transit removes cars from city streets, which in turn improves the situation for bicyclists and pedestrians.

Comment: Transit funding goes back to the committee's charge. We are here to evaluate how to make the transportation system work as effectively as possible. Based on the committee's estimates, the investment is less than what was envisioned in the 2009 agreement. King County supports this strategy because it advances the goal of having 70 percent of commuters in the county using non-single occupancy mode choices.

Strategy 3: Prioritizing use of toll revenue

Question: Does our \$1.1 billion in revenue include escalation assumptions?

Answer: Yes.

Question: If the Treasurer's Office doesn't assume escalation will there be money available for transit investments?

Answer: In reality, with a certain amount of utilization, a facility's toll rates will be raised. Assumptions must be conservative for bonding purposes so no escalation can be assumed. However, bond market needs don't completely drive how things work in reality. We think escalation will happen and with that escalation we will be able to afford improvements like transit investments.

Question: The tolls from the SR 167 HOT lanes were used to fund everything under the operations and maintenance category. Transit was included in that category. As part of a holistic solution, can we do the same thing with this facility?

Answer: That proposal would pose a problem for bonding because it would increase the operations and maintenance cost but with a flat revenue stream it would make it hard to show enough revenue generation.

Comment: My perspective is that we have an obligation to pay for certain things with toll revenue, but we are not here to fix all of the public transportation issues in the city. However, I am hopeful we can help reduce the impacts to transit; otherwise the city will be in serious trouble.

Comment: Not all WSDOT projects have to cover all of their operations and maintenance costs. It is a policy choice to do so. I am tired of transit funding always being last on the list of investments.

Comment: Since we are not setting toll rates here, this is an opportunity for us as a committee to make bold statements. We should address the real problems of diversion, such as the lack of tolls on I-5.

Answer: There is a later recommendation that looks at how tolling impacts the system. We believe that the transit investment recommendation is a bold statement. Even if we receive some pushback, we believe it is worth including.

Comment: If our recommendations put even a crack in the door of transit funding, then we've had some success.

Question: In previous meetings we've discussed how WSDOT pays for operations and maintenance on toll facilities. Will we be addressing that policy in our recommendations? This is related to the idea of system-wide tolling.

Answer: In order to sell toll-backed bonds investors want to know that the owner will be able to pay to maintain a facility. In the ACTT's recommendations, operations and maintenance is assumed to be paid for with tolls, but repair and rehabilitation costs and insurance are not included in this assumption. We've done this because we're assuming that we do not need to seek toll-backed bonds.

Strategy 4: Local community and jurisdictional involvement in toll rate setting process

There were no comments or questions on this strategy.

Strategy 5: Further study of tolling highways within the Puget Sound area Comment: As an eastside resident I cringe when eastside facilities are listed for potential tolling, because of the struggles that the SR 99 Tunnel Project has been through with the abundance of alternate routes. We should look at a systems approach because it makes sense. We don't want to sour the community on tolling one road at a time.

Question: If the state were to toll I-90, what effect would that have on traffic and diversion for the region?

Answer: That information will be gathered as part of the I-90 tolling study.

Comment: There are a lot of benefits to further tolling in the Puget Sound, besides just reducing diversion.

Comment: Investing money in transit is good for everybody's purposes. If King County Metro's general funding issues improve, would we change our recommendation about prioritizing toll revenue for transit? Should we keep other mitigation measures in our back pocket to use if Metro funding improves?

Answer: Metro's efforts to secure funding in the Legislature are an effort to offset diminishing revenue. More funding is needed in addition to any potential legislative increases.

Comment: Transit is a very effective mitigation tool. We need to choose ongoing investments that will make the corridor work effectively for all users and modes. Based on information we have, enhancing transit service is one of the most effective mitigation measures.

Comment: The amount of transit funding we've proposed harkens back to what was envisioned in the 2009 agreement. We are attempting to capture the context for that agreement, with input from King County staff.

Strategy 6: Toll collection cost allocation policy

Question: What is the per-car toll collection cost?

Answer: The per-car toll collection cost is roughly 30 cents for a GoodToGo! account, and 40 cents for a weighted toll. While that figure is based on today's dollar value, it is a reasonable basis for the rates on the SR 99 tunnel.

Agenda Item #4 – Next Steps and Action Items

No new recommendations were suggested by committee members.

Claudia Balducci noted that the next committee meeting will be held on Feb. 19, 2014. A new draft of the recommendations document will be sent to the committee on Jan. 24, 2014, and the committee will have two weeks to make comments on the draft. A final version of the document will be sent to the committee prior to the next meeting.

Question: Will we be asking for public comments on these recommendations?

Answer: This issue was discussed by the co-chairs and agency staff. We feel that the committee represents the public when providing these recommendations to the Transportation Commission. We have not structured a robust public participation component into our process. We have had a lot of media coverage as we have completed our work and we feel that we have adjusted our thinking based on messages from the public. The Transportation Commission will conduct public outreach as part of their rate setting process.