



**Meeting Summary**  
**SR 520 Legislative Workgroup – Working Session #2**  
**Thursday, November 5, 2009**  
**1 p.m. to 4 p.m.**  
**University of Washington Waterfront Activities Center**

**Attendees:**

**In attendance:**

- Representative Scott White, 43rd District, Co-chair
- Senator Rodney Tom, 48th District, Co-chair
- Representative Jamie Pedersen, 43rd District
- Speaker Frank Chopp, 43rd District
- Representative Ross Hunter, 48th District
- Representative Deborah Eddy, 48th District
- Representative Larry Springer, 45th District
- Senator Ken Jacobsen, 46th District
- Representative Judy Clibborn, House Transportation Committee Chair
- Senator Mary Margaret Haugen, Senate Transportation Committee Chair
- Senator Eric Oemig, 45th District
- Washington Transportation Secretary Paul Hammond
- State Transportation Commissioner Richard Ford
- Senator Dan Swecker, 20th District

**Not in attendance:**

- Senator Ed Murray, 43rd District
- Representative Dan Roach, 31st District

**Welcome and Introductions (Rep. White and Sen. Tom)**

Rep. White and Sen. Tom, workgroup co-chairs, welcomed the group to the second working session of the SR 520 Legislative Workgroup. Sen. Tom outlined the meeting agenda. Rep. White thanked the proponent groups for their hard work and contributions.

**Finance Follow-up (Craig Stone and Barbara Gilliland)**

Craig Stone, WSDOT Toll Division Director, introduced himself and discussed the federal and state requirements for tolling I-90. Because the Federal Highway Administration (FHWA) must approve tolls on federally-funded highways, he reviewed their response to tolling I-90. FHWA recommended using the Value Pricing Pilot Program for full-facility tolling, or the HOV Program for high occupancy toll (HOT) lane tolling.

Mr. Stone highlighted two key pieces of related legislation: House Bill 1773 (2008) and House Bill 2211(2009). He reviewed the framework established as part of House Bill

1773 which set goals to raise toll revenue. It also stated that the legislature must designate corridors where tolling is authorized and directed the State Transportation Commission to establish toll rates. He also gave an overview of House Bill 2211, which authorized early tolling on the SR 520 corridor. In order to begin tolls on I-90, WSDOT would need to apply for federal tolling authorization and the legislature would need to pass additional tolling authorization.

Mr. Stone continued by highlighting the Tolling Implementation Committee's work on segmental tolling, including the Committee's recommendation not to pursue segmental tolling on SR 520. No recommendation on segmental tolling was made for I-90, however, two tolling scenarios were modeled for I-90 tolling. More information can be found in the [SR 520 Tolling Implementation Committee's Tolling Report](#). ([Slides 5-12](#) include additional information.)

As follow-up to the October 20 working session, Barbara Gilliland, Workgroup Administrator, provided additional information on Transportation Benefit Districts. She presented information about two potential Transportation Benefit District scenarios: 1) a King County-wide agreement and 2) an agreement between corridor jurisdictions only. ([Slides 13-16](#) include additional information.)

**QUESTION:** [In reference to slide 8] What did you mean by the statement that 'something has to be complete within 18 months?' What is it that has to be completed within 18 months? (Rep. Pedersen)

**RESPONSE:** *Regarding the 18 months, the question is if the Value Pricing Pilot Program is within that time frame, under reauthorization. During the reauthorization process, assuming there is a program similar to the one under the current bill for future authorization, we then have 18 months to get tolling into place on I-90 from the time that we get approval. The request would have to match the completion of the environmental process and ability to get the infrastructure in place. That is the time period being negotiated. (Craig Stone/David Dye)*

**QUESTION:** For the 18 months, if you had a transitional bill going from HOT lanes to full tolling, would the HOT lanes be counted as part of the tolling, or would you need to implement full tolling within the 18-months? (Sen. Tom)

**RESPONSE:** *HOT lanes have already been adopted as a standard policy. Anyone across the country can make an HOV lane into a HOT lane. This is no longer a pilot situation, like the Value Pricing Pilot Program, in terms of implementation timeline. (Craig Stone)*

**QUESTION:** There are several interstates on the east coast that are tolled. How many interstates have tolling? Were they tolled from the start, or did tolling begin midway through the project? (Sen. Tom)

**RESPONSE:** *The majority of the interstates that are tolled on the east coast were legacy projects or grandfathered turnpikes that were tolled before 1956, after which they were declared interstates. (Craig Stone)*

**QUESTION:** Could ongoing mitigation be considered for the Arboretum since it is impacted on a daily basis? (Rep. Jacobsen)

**RESPONSE:** Typically under the requirement of the National Environmental Policy Act or State Environmental Policy Act, you would first investigate if there should be mitigation. Then the state would identify the appropriate financing program to meet the mitigation needs. Most all mitigation that I have seen has been project-related mitigation, meaning something is built, or an action is taken. So I am not aware of ongoing mitigation methods. (Craig Stone)

**QUESTION:** My question is about implementing two HOT lanes – one of which would be an existing lane. Would you run into problems with this? (Rep. Clibborn)

**RESPONSE:** This represents uncharted waters. It would fall under the idea of an HOV facility. (Craig Stone)

**QUESTION:** My question is an extension of Rep. Clibborn's question. How long do these lanes need to be HOV lanes – 20 to 30 minutes per day? Could we designate all lanes as HOV lanes, and make them all HOT lanes? (Rep. Hunter)

**RESPONSE:** This would also be uncharted waters. (Craig Stone)

**QUESTION:** Are the figures for the revenue from the Transportation Benefit Districts over a ten year period? (Rep. Clibborn)

**RESPONSE:** No, these are on an annual basis. (Barbara Gilliland)

**QUESTION:** The 1 to 12 bond ratio, is that on an annual basis? (Sen. Tom)

**RESPONSE:** No, that is a 30-year bond period. (David Dye)

**QUESTION:** On Slide 15, what does the \$12.6 million of potential revenue refer to? Is it a 10-year period or a 30-year period? Would you take \$120 million then? (Sen. Tom)

**RESPONSE:** No, you sell the revenue stream. You sell 30-years worth of collecting a property tax. In other words, you can sell the present value of the bond today for promising to charge that property tax for 30 years. (Rep. Pedersen).

**QUESTION:** For revenues requiring a public vote, is that vote a majority from voters within the Transportation Benefit District or within each jurisdiction? (Rep. Pedersen)

**RESPONSE:** The majority is needed from voters within the defined boundaries of the Transportation Benefit District. So it may be King County, each individual jurisdiction, or along the corridor. (Barbara Gilliland)

### **Funding Options (Brent Baker)**

Brent Baker, Principal Consultant, Parsons Brinckerhoff, gave a presentation regarding the funding of the SR 520 program, including committed and uncommitted funds, and future funding scenarios.

Mr. Baker presented from a series of charts including the following information:

- Representative SR 520 program cash flow before and after sales tax deferral.
- Federal risk pool funding for the new SR 520 floating bridge and landings.
- Financing related to advancing future federal funds into the construction period.
- SR 520 net toll revenues from the “medium” tolling scenario (Scenario 7 from the 2008 Tolling Implementation Committee work).

- Overall implementation costs including financing for floating bridge and landings.
- Funding sources and dollars committed to the floating bridge and landings.

Ms. Gilliland facilitated a discussion about potential new funding sources for the SR 520 program. She presented a table that included potential state, federal and regional funding sources. ([Slides 18-31](#) include additional information.)

**QUESTION:** I thought that deferral was just on the state's portion, not state and local? (Sen. Tom)

**RESPONSE:** *The assumption is that both the state and local taxes are deferred.*

**QUESTION:** When do you actually go out to the bond market with these? It is one thing to assume some factors about a discount rate today, but I would certainly hope that our economy will be working at a different rate in 2014. The way our money supply works, I think you will find very different discount rates in 2014 than today. So when does the financing mechanism get set in stone? (Sen. Tom)

**RESPONSE:** *For federal funding bonds, we are actually issuing the first ones in fiscal year 2013. The state treasurer, through their financial advisors, has made an assumption that the interest rate on that debt will be six percent.*

**QUESTION:** Can you give some context as to where we are today? (Sen. Tom)

**RESPONSE:** *Interest rates today are a bit lower. On the toll side of things, if we were to issue next year, the treasurer has assumed interest rates will be one percent less than in 2013, or a five percent rate for bond issues in 2010. Going forward the assumption is six percent.*

**COMMENT:** There is the time that the bonds actually need to be sold, based on the cash flow of the project and subject to the market conditions. There is also the time upon which the financing plan decisions have to be made. This is because the project will be advertised and awarded up to three years in advance of that particular time. So, we make the commitment, do the best forecasting that we can, and have a salient finance plan at the time. That could be three or even as long as four years of when the bond sales have to be. So there are changes that happen, but the commitment to commit those future bridge funds comes much sooner than the actual point of sale. (David Dye)

**QUESTION:** What about using derivatives or some other tool to lock in those rates or other ways to hedge that uncertainty? Is that part of the plan? (Sen. Oemig)

**RESPONSE:** *I don't believe any such instruments are being used in the current financial plan by the treasurer's office and their financial advisors. Those are the tactics to save for final tweaking at the end of the deal. It can be prudent to use reasonable assumptions for planning purposes. When going to the market, if the rates are different, more creative financing could be further pursued.*

**QUESTION:** Can you tell me the source of the future federal bridge and the Surface Transportation Program funds? (Rep. Eddy)

**RESPONSE:** *These are formula federal dollars, coming back from the federal highway trust fund to Washington with a portion committed and set aside for the SR 520 program.*

**QUESTION:** Are the trust funds in a place that you can know that this amount of money will be available in 2020 or 2021? Does Congress have any ability to reassign those monies for other purposes? (Rep. Eddy)

**RESPONSE:** *We have no reason to believe that when reauthorization happens the formula distribution to the states will be significantly different from the baseline today. There is always risk in making assumptions about federal funding. The federal government has some of the same pressures on the federal gas tax as the state does on the gas tax fund, such as reduced consumption, electric car usage, and other things we have talked about. (David Dye)*

**COMMENT:** I think it is important to add that these bridge funds are from the same source that is used for all other state bridges. I think the legislature is making a big statement to commit all of this money to the SR 520 bridge. Other parts of the state transportation infrastructure are in disrepair, too. (Sen. Haugen)

**QUESTION:** Can you please explain the 25 percent coverage figure? (Sen. Oemig)

**RESPONSE:** *We start with the assumption that there are net toll revenues available for financing. The assumption is that they may have some variability or risk in the projection. So to protect the state's credit rating, and the motor vehicle fuel tax fund from having to back stop toll revenues to help pay for the bonds, you establish a coverage or cushion by which the net revenues should exceed the amounts you are paying in debt service.*

**COMMENT:** At the Port, we used the 1.25 coverage factor. The 25 percent rolled over into our operations costs. Once you showed the bond buyers that you had, during the prior period, 125 percent of the money you needed to pay, the money became ours, and we used it for small capital projects, maintenance, and so forth. The money does not just disappear. (Commissioner Ford)

**QUESTION:** When do you release those funds? At what point have you managed your obligations and they are freed up? (Sen. Oemig)

**RESPONSE:** *You could see them as potentially being released in the next period, once you have demonstrated that you have made your coverage and your debt service correctly. However, they cannot be used to bring more project funds into the construction period. They could be used for other elements, if decided, to pay for major repair and renovations to the facility over time. Any future decisions are policy decisions.*

**QUESTION:** On the underlying toll numbers, do we know what assumptions we have for telecommuters? There is an assumption there, and the extra 25 percent is a buffer above all of those other assumptions. Do we know that assumption? (Sen. Tom)

**RESPONSE:** *I don't have a response for telecommuting specifically. However, people's travel choice decisions are reflected in the Puget Sound Regional Council's model, which is the basis for the traffic forecasts that underlie this traffic and revenue stream. There is additional work being done now to refine and update those numbers, specifically for going to market with this project.*

**QUESTION:** Related to the green bars in slide 25, under Scenario 7, with \$3.5 billion total toll revenue available, \$1.35 billion in committed, there is roughly \$2.15 billion in

uncommitted. How are we only getting \$500 million out of that? That is surprising to me. (Sen. Tom)

**RESPONSE:** *This has to do with the timing of those funds. The green bar has most of those dollars taken up front. You need to pay more financing cost, with compounded interest, to bring them back to the construction period. There is a limit to 30 years with this type of debt. Also, we have not done a detailed financial modeling of these, which can make them more precise. But it is in that range, yes.*

**QUESTION:** If we relaxed the 30 year restriction, this formula would be different, correct? You could bring the revenue back into the construction period, say with 40 years. It would be interesting to see that. (Rep. Hunter)

**RESPONSE:** *It depends on the interest rate, but going from 30 to 40 years, those dollars are not very valuable, but it does help some.*

**RESPONSE:** *This would require a constitutional amendment. (David Dye)*

**QUESTION:** The monorail was planning on using 40 year bonds. Do other agencies have different restrictions? Is only the state restricted to 30 years? (Sen. Jacobsen)

**RESPONSE:** *The state is constitutionally restricted to 30 year debt. The monorail may have been using a revenue bond, not a general obligation bond, to get to 40 years. A revenue type bond that does not have general obligation behind it has higher borrowing and interest costs. (Amy Arnis)*

**COMMENT:** If you want the triple support behind this you probably have to stay within the 30 year limit, unless that has changed. (Commissioner Ford)

**QUESTION:** Did we assume inflation on this estimate? How much? (Richard Ford)

**RESPONSE:** *We assumed in Scenario 7 estimates that tolls would increase 2.5 percent every year due to inflation, except for when the six-lane corridor was completed, starting in fiscal year 2016, when rates would increase at a higher rate than inflation.*

**COMMENT:** Just remember one thing, and I am talking to legislators primarily. When politics comes into setting tolls and fares, sometimes you can get off track. Those are some of the conditions you have. If you don't need the money, particularly, people become concerned about the building up of reserves. (Commissioner Ford)

**COMMENT:** Relating to new state funding sources, remember that there is the entire state to fund, not just King County. You can depend on some funding, but not a ton. (Sen. Haugen)

**QUESTION:** Bond market investors want to see that there is a fully financed project. There needs to be a backstop to say that if certain things fall through like the votes required for a new regional source or TIGER federal grant funding, that there is still funding. How do the bond markets look at this? (Sen. Tom)

**RESPONSE:** *It is probably most relevant to the tolling source of financing and the ability to bond against that revenue stream. You need to be able to demonstrate that, when finished with whatever section of the project it is, there will actually be a facility carrying traffic that can be put into revenue service. (David Dye)*

**RESPONSE:** *In order to enter into construction contracts, you need to demonstrate to FHWA that you have a sound financial plan, and that revenue or funding sources can be secured and bonded against. You must demonstrate that to FHWA before you can get started with building. (Brent Baker)*

**RESPONSE:** *They need to see the finance plan support the part of the project that is being constructed. They don't have to have a fully financed \$4 billion plan to allow the center portion to go forward. (David Dye)*

**COMMENT:** I wish the treasurer had a representative here. This project specifically has a broader impact than just building a project. What the treasurer is trying to do is demonstrate to the bond buyers that this bridge facility will basically pay its own way, so that it doesn't have to go to the general fund or the credit of the state. We need to be reasonably conservative as to what we can do with tolls to protect the state's credit rating. (Commissioner Ford)

**QUESTION:** I would like to hear an estimate from Paula Hammond or David Dye as to the amount of TIGER grant funding we realistically will receive. (Sen. Tom)

**RESPONSE:** *I would estimate around \$100 million, if any. But you can divide the total funding by 50, and assume a \$30 to \$40 million estimate for this project. (David Dye)*

**RESPONSE:** *I am thinking that the \$30 to \$50 million dollar range is prudent. We need to be realistic. (Sen. Tom)*

**COMMENT:** We need to make a decision and move forward in a timely manner. The more that the money sits on the table, the more people look at it. (Sen. Haugen)

**QUESTION:** Does it hurt us that we have three projects here, in terms of receiving earmarks? Is there a way to position ourselves going forward to be more likely to attract funding? (Rep. Clibborn)

**RESPONSE:** *Our experience is that the more ready a project is to go to construction, the more likely it is to attract federal dollars.*

**QUESTION:** Looking more specifically, would we be more likely to get federal earmark funding if we allowed the Eastside Project to move forward? (Rep. Hunter)

**RESPONSE:** *I think that having a project ready to go is always the best thing, from an engineering standpoint, absent politics. (David Dye)*

**COMMENT:** I think that segment tolls are very unpopular. They are a nag, harder to administer, and not cost effective. We also must not drive people to other arterials. I think we should at least explore the double HOT lanes scenario on I-90 as the most palatable politically. (Rep. Clibborn)

**RESPONSE:** *You are suggesting Scenario 7 modeled with Scenario 10, two lane express lanes on I-90, correct? (David Dye)*

**QUESTION:** HOT lanes are a good concept, but are you planning on anyone using them? (Rep. Clibborn)

**RESPONSE:** *Our modeling work on HOT lanes where choice is involved is still being calibrated. We've overestimated in one case, and underestimated in another. We're getting better at estimating. The level of bondable revenue is around \$220 million.*

**QUESTION:** For segment tolling of I-90, and HOT lanes, am I correct in saying that there would be a tolling pass or gate at each segment? (Rep. White)

**RESPONSE:** *Either could be applied. The notion would be where and how do you collect the toll. On SR 520 the gantry is planned to be located on the east high rise, so it is basically on or right by the floating bridge. Adding gantries on non-floating bridge sections, such as between Medina and I-405, or between Montlake and I-5, so there could be an incremental toll at a lower amount than the mid span, would earn approximately seven to 10 percent more, or \$75 million of additional revenue. Moving to the express lanes on I-90 concept, you would take two lanes of I-90 in each direction serving as HOT lanes where you would pay to get in at one end. (David Dye)*

**QUESTION:** So there would be two gantries, one at each end? (Rep. White)

**RESPONSE:** *Probably, but that is a nuance. The working assumption is that the gantry is on the bridge, and it would collect people going westbound and eastbound. If you wanted to ratchet up the assessment, I think that Rep. Clibborn was right; in the Tolling Implementation Committee outreach work, there were some reservations around tolling on the bridge, but these concerns increased around tolling between Mercer Island and Bellevue, because it is an island. There is a similar reaction on the Seattle side between I-5 and Montlake. (David Dye)*

**RESPONSE:** *Just to clarify, David's comments are absolutely correct as applied to full tolling of I-90, but the express lane tolling concept for I-90 would be more like a segment tolling. You are paying as you get in and out of that HOT lane at various points, you are paying some distance-based tolls to travel in those lanes and avoid the congestion that may exist in the general purpose lanes. It is two lanes of those express toll lanes between I-5 and I-405. Our numbers assume that it is a single additional lane in each direction east of I-405 to Issaquah. (Brent Baker)*

**QUESTION:** So the comments made by Mr. Dye, apply to general purpose lanes, correct? (Rep. White)

**RESPONSE:** *That is correct, general purpose lanes. (David Dye)*

**COMMENT:** It is hard to find an answer that is implementable that does not toll I-90, without new state funding, such as a new gas tax. There are lots of options. We could do provisional approval of I-90 tolls to start at bridge completion, or in 2014. To do the bonds right, this revenue stream could be replaced with a gas tax revenue stream, or some equally reliable revenue stream. That would allow us to move forward now, and stay on schedule, while keeping us flexible with funding. Start with the HOT lane approach, and then move into full tolling. Let's move forward and defer the decision on a new state funding source. (Rep. Hunter)

**COMMENT:** Is paying a fee based on vehicles miles traveled really a magic thing? I think we should take this off the table. It isn't currently functioning anywhere. (Sen. Haugen)

**COMMENT:** How can we create a finance plan without knowing a design option? You don't do a finance plan for just anything. The eastside and westside population will pay

for the bridge. We have to make a decision. We have not been thinking critically on the westside. The finance plan should be malleable and flexible. (Rep. Clibborn)

**COMMENT:** I agree. This group should not recommend a funding plan without a design option decision. (Rep. Hunter)

**QUESTION:** You said that I-5 to Redmond could have HOT lanes? Could HOT lane tolls go on I-405? (Sen. Haugen)

**RESPONSE:** *HOT lanes would go on I-90, from I-5 to I-405. HOT lanes on I-405 would be a separate matter. (David Dye)*

**QUESTION:** Is the Sound Transit proposal for eastside light rail over the I-90 floating bridge dependent on the HOT lanes on I-90? Are they linked together? (Richard Ford)

**RESPONSE:** *Almost. They are linked to the point of taking the two center reversible lanes; each lane gets added to the outside. So you end up with four lanes in the outer roadways to free up the center roadway for light rail. (David Dye)*

**RESPONSE:** *So that has to be completed, to move them to the outside, before the center roadway is taken. (Sec. Hammond)*

**COMMENT:** I would like to see more discussion of transit. With the new tolls people will buy more monthly bus passes, but there will not be any buses to board. (Commissioner Ford)

**COMMENT:** We should talk about our concerns with tolling. I agree with tolling. Of the regional and local potential funding source options included in the table, the sales and use tax and property tax options seem unlikely and we should not pursue these. I don't think those have the potential to happen for this project. For the vehicle excise tax, I feel like we have been there and done that already. (Rep. Eddy)

**COMMENT:** We have existing taxes to look at also. There are a whole slew of options, and a whole slew of needs, including ferries, buses, trains, and roads. What we do for SR 520 financing we should not preclude in our 2011 list of how to pay for regional transportation needs. (Rep. Clibborn)

**COMMENT:** The vehicle license fee should be on the table – I think \$150 million is realistic and the \$750 million assumption is not. (Sen. Tom)

**COMMENT:** I think that we need to find a financing plan here. We need something plausible. A vehicle license fee is a fair thing to discuss. Sales and property taxes have problems. (Rep. Eddy)

**COMMENT:** We need to look at the existing taxes that people are already paying. (Sen. Haugen)

**RESPONSE:** *We need to look at regional, state, federal, and local options. We are looking at \$2 to \$3 billion more. We have \$2.5 billion. Is it fair to see these groups proportionally splitting the costs? How can we close this big funding gap? We made modest federal grant expectations. We have taken most local funding off of the estimates. (David Dye)*

**COMMENT:** If so much is tolling, and so much is something other than tolling, and you don't have to worry about the state-regional split, there are a lot of different ways you could raise tolling revenues that are more than the two scenarios that we have been focused on. We talked earlier about an I-405 express lane, an I-90 express lane, and looking at tolling the full SR 520 facility, you are one roadway short of having the whole urban box, or 'rectangle' having some form of tolling. So rather than coming up with some specific solution, you start to frame it by saying that we will look outside of the region for some contribution of some amount, and then send us off with some options to look at. (David Dye)

**COMMENT:** When we look for state contributions here, expect the same from the Columbia River Crossing project. You are setting the stage for the Columbia River Crossing project. (Sen. Haugen)

**QUESTION:** I understand the \$4.65 billion budget cap. What is the budget gap today?

**RESPONSE:** *On SR 520 with tolling, we are looking for roughly \$2.5 billion. (David Dye)*

**COMMENT:** Looking at the TIC work that we completed in 2008, we saw that tolling both SR 520 and I-90 could get you there. How to toll, early or later, this was all on the table. However, by tolling both, the gap may be closed. (Sec. Hammond)

**COMMENT:** I am not sure exactly what our process is. At what point do we have a funding plan? Do we do line items by size, and put those into a plan? (Rep. Hunter)

**COMMENT:** In the next Workgroup meeting there will be more specifics with exact numbers. Today, if there are any other numbers needed, be sure to ask for them, so they'll be at the next meeting. (Rep. Tom)

**COMMENT:** There is a strong drive to recommend a full finance plan on a specific option. We are getting specific cost information for all five options later in this meeting. On December 8 we'll have a final recommendation. (Rep. White)

**COMMENT:** I have been listening, and we have talked about all kinds of funding scenarios. There is no option in these that we can get enough funding without tolling I-90. Sales and property tax, a rectangle sub region, and other options will not fund the project. We can argue about how, the time frame, and the amount, but for me, we need to toll both bridges. (Rep. Springer)

**COMMENT:** We can talk about the tolling and funding, but for me it is hard to know how much to raise without knowing what we are buying. (Sen. Haugen)

**COMMENT:** Looking at the \$1.99 billion plus \$500 million or so in uncommitted toll revenue that we have in hand, that is the amount that we have currently. There is a funding range. \$1.54 billion maximum from I-90 is the bondable amount added from just I-90. The revenue amount is different than the bondable amount. Although I understand Sen. Haugen's sentiments, part of what people are willing to pay for depends on what

they are going to get. There is the Seattle City Council's interest in nicer amenities. With a Seattle transportation benefit district, what would the revenue gain be? (Rep. Pedersen)

**COMMENT:** To close this portion of our discussion, I propose that the staff go back, look, and adjust the numbers, but don't take any items off of the list. (Rep. Tom)

### **University of Washington Update (Theresa Doherty)**

Theresa Doherty, Assistant Vice President for Regional Affairs of the University of Washington, presented an update on the University's position relating to the SR 520 program. Ms. Doherty stated that the University could work with any of the three options, with the caveat that impacts will need to be mitigated. She also stated that if asked to choose between the three options today the University's preference would be Option A or A+. She presented the members with a copy of the letter from the president of the University of Washington submitted as follow-up to 2008 Project Impact Plan. The [handout](#) provided by Theresa Doherty is available on the Web site.

**QUESTION:** How can you say that Option A is better for transit? (Rep. Pedersen)

**RESPONSE:** *We heard from the Sound Transit and Metro representatives that Option A works very well for local transit service. Bridge openings do occur, but are short, and during non-peak hours.*

**COMMENT:** How one could say that Option A is better is still baffling to me, I don't understand how you could say that an option relying on a bascule bridge is a better option for transit. (Rep. Pedersen)

**RESPONSE:** *At the meeting at The Center for Urban Horticulture, representatives from Metro and Sound Transit did state that Option A was better for them. They said that any option could work, but that Option A was better for transit. (Rep. White)*

### **Current Options Review (David Dye, Julie Meredith, Dave Warner)**

David Dye, WSDOT Deputy Secretary; Julie Meredith, SR 520 WSDOT Program Director; and Dave Warner, SR 520 Westside Project Manager, presented to the committee on the current Westside options. David Dye introduced the presenters and thanked the community groups for their hard work on refining the options. Ms. Meredith provided an overview of the options being analyzed in the SDEIS, Option A, K and L.

She also reviewed two new options that were developed by the community members in response to the resource agency feedback received on September 22. These options are the A+ Hybrid and Option M. Mr. Dye noted that Option M will likely require an additional environmental analysis due to the immersed tube tunnel. The additional analysis would cause a significant delay in the SR 520 program schedule of six to 12 months. The design components of A+ Hybrid are covered under the current SDEIS analysis. The impacts would be similar to Option A with suboptions. ([Slides 33-40](#) include additional information.)

**QUESTION:** Please tell us about the immersed tube tunnel (ITT). (Rep. Hunter)

**RESPONSE:** *The ITT was investigated by a Danish firm during the mediation process. It is a concrete box with plugs on both ends. It could be built off-site. If it were built on site, then piles may be needed in the Montlake Cut so that walls could be placed to hold up the ground under the cut. The areas north or south of the cut would be excavated and dried, gates opened, flooded, and the tunnel element inserted in place at the bottom of the cut and anchored. The mediation concept proposed two stages, starting with the north side, and ending with the south side, as well as the approaches from land. The benefits would be that it would be shallower, could keep the cut open during construction, and would be cheaper, construction-wise. However, with the tribes and regulating agencies, as well as being a fish and navigation channel, mitigation impacts would be greater. (David Dye)*

**COMMENT:** The difficulty with the ITT is not more mitigation, but instead that the resource agencies are required to pick a lower impact option. We would not even get to the mitigation phase. (Rep. Hunter)

**RESPONSE:** *We would have a spectrum. First, we would have to prove that we could not avoid the impacts with another reasonable Option, such as the A+ Hybrid. Then, we would attempt to minimize impacts. Lastly, we would mitigate impacts. (David Dye)*

**QUESTION:** Regarding mitigation, can't you just spend enough to mitigate the problem? Are they really going to simply refuse to permit it? (Commissioner Ford)

**RESPONSE:** *Some of the agencies were fairly direct in the meeting with this group in saying that they would not permit it. The degree of difficulty will continue to become clearer with our biological assessment. I think the whole degree of difficulty will go up exponentially. We also would have to account for the amount of time and resource it will take to get through the consultation process with the tribes to settle the fish habitat impacts. It will take longer, without a question.*

**COMMENT:** The question I am trying to get at is at what point do you accept an agency's decision that you can't do something, and move on. Because part of our problem is that this thing has gone on forever. It's just incredible, the amount of time that it's taken to get to this point. It seems to me that in good conscience that the policy makers should accept a reasonable response from an agency that they're not going to agree to it, especially with the tribes. They can just say 'no' and that's the end of the problem. (Commissioner Ford)

**COMMENT:** We [as the State of Washington] would never stand behind a private company doing this. It does not taste very good to me. If our agencies have said no, then it is a no. And also with the Native Americans, we have had enough experience to know that there is not enough money to mitigate these impacts. (Sen. Haugen)

**COMMENT:** Time is my concern. It seems that at some point, we must move on. To say that every time we get to a point that we can make a decision, we have something tweaked, so that we have to analyze it for another six months. It is very unsettling to me. After what we heard from the regulatory agencies, we can't go back and re-study everything that comes up. We have already spent an enormous amount of time and money. At some point we need to say that we can't go another six months and start over. (Rep. Clibborn)

**RESPONSE:** *The environmental document that we're working on includes I-5 to Medina. We have to take an action, and will take action so that we can meet the 2014 date to get the bridge and the landings done. So that is our concern, notwithstanding the financing, cost, and permitting issue. The concern is the time and process on this. The community groups have been fabulous in moving away from high cost items. However, there are new grade issues. It helped solve one large issue and lower cost, but it created a new issue. (David Dye)*

### **Cost Overview (David Dye, Julie Meredith, Dave Warner)**

Julie Meredith, SR 520 Program Director, reviewed the cost of the five options currently being discussed by the workgroup, Option A, K, L, A+ Hybrid, and M. The cost estimates for Option A, K and L were originally released in November 2008 and were developed through a Cost Estimation Validation Process (CEVP). The preliminary costs for A+ Hybrid and Option M were not developed through CEVP, however, they were analyzed by the SR 520 Legislative Workgroup's Independent Cost Review Panel. ([Slides 42-47](#) include additional information.)

**QUESTION:** What are the faux arches in the Portage Bay Bridge? (Sen. Tom)

**RESPONSE:** *This is only a \$20 million addition, which is included in all options, to enhance the appearance of the Portage Bay Bridge.*

**QUESTION:** Is there a way to separate out all of the 'niceties'? (Sen. Tom)

**RESPONSE:** *Yes, it's possible but we have worked extremely hard with the communities over time to develop a project that includes mitigation that is integral and inseparable from the design. We have made promises to include some of these benefits as part of the project. This includes bike lanes, lids, and other features. We need to be extremely sensitive to stripping away any of these benefits from the community. (David Dye)*

**QUESTION:** What is the difference in the west approach? (Sen. Tom)

**RESPONSE:** *This is due to the length of the ramps. (David Dye)*

**QUESTION:** I am told Foster Island has a lot of cultural and historical significance? (Rep. Clibborn)

**RESPONSE:** *We have talked with the Muckleshoot and Duwamish tribes, and they support our efforts to avoid construction impacts to Foster Island.*

### **Independent Expert Review Panel Update (Don Forbes)**

Don Forbes, Chair, Independent Cost Review Panel, introduced himself, as well as panel members Rodney Brown and Red Robinson. Mr. Forbes discussed findings from a two-day workshop analyzing the preliminary cost estimates for the new A+ Hybrid and Option M. He stated that the new options are sufficiently developed to merit analysis and cost estimation. Mr. Forbes presented segment costs for both options. He pointed out that the area with the most cost difference was the Montlake area due to the tunnel in Option M. While the construction related risks for the ITT are substantially reduced from the Option K's sequential excavation method tunnel, there is still a significant permitting risk. ([Slides 48-59](#) include additional information.)

**QUESTION:** I want to make sure that I understand this. While the new Option M is \$700 million less than Option K, Option M is still \$1.2 billion dollars over the budget cap? As well, there is a possible 12 to 24 month delay at \$100 million per year? (Rep. Hunter)

**RESPONSE:** *That is correct based on what we have observed. (Don Forbes)*

**QUESTION:** The reduction in the permitting problem from the boat section was removed, but we have a new permitting problem with the tunnel, that the construction activity did not sound permissible? (Rep. Hunter)

**RESPONSE:** *What we heard is that it sounds like it is permissible, but it will take some time to get everyone to finally agree, and you would probably pay some mitigation costs to make it happen. (Don Forbes)*

*The Panel believes that Option M is theoretically permissible, because it has eliminated Option K's "boat section," which the resource agencies said would be unpermissible. However, Option M adds a new type of tunnel construction across the Montlake Cut, which the agencies might or might not find to be permissible. The Panel recommends consulting with the agencies if you want to pursue Option M further. In any event, even if the option turns out to be permissible, the Panel believes that it will add serious delay to the project.*

*First, it will add an automatic delay of six months for revision of the pending EIS, because the new tunnel construction method's impacts have not been studied previously. Second, there is a high likelihood that it will add 12 to 24 months of delay to negotiate the permitting and mitigation for fishery and other resource impacts in the Montlake Cut. (Rodney Brown)*

**QUESTION:** In your estimates, with a 24-month delay, did you look at the potential costs of the economy recovering, in terms of construction costs, during the delay? (Sen. Tom)

**RESPONSE:** *We did not specifically look at that factor, but you are correct, we are currently in a favorable cost-inflation period of time. (Don Forbes)*

**COMMENT:** I would like to emphasize the timing issue. We have a vulnerable bridge floating out on Lake Washington – that is our major concern. We have to move forward with our contracting on the pontoon project. We must move ahead in publishing the corridor-wide environmental impact statement to move forward with the pontoon and floating bridge replacement. (Sec. Hammond)

**QUESTION:** Is it more challenging to build the proposed tunnel under the Montlake Cut in a narrow area? (Sen. Haugen)

**RESPONSE:** *From a permitting perspective, yes, it's trickier. From an engineering perspective, there are 25 of these in the United States. They've all been relatively easy to construct. This is the easier of the two tunnel options to build. But you must trench through the canal with salmon running through it. Construction-wise, it is benign. Environmentally, it is challenging. (Red Robinson)*

**Preliminary Observations and Discussion (Members)**

There was no further discussion of observations due to time constraints. Co-chairs Rep. White and Sen. Tom thanked the panel for their work and discussions, and adjourned.