

# **Eastside Corridor Tolling**

## **Expert Review Panel**

**David L. Dye, P.E.**  
Deputy Secretary

**Paula J. Hammond, P.E.**  
Secretary

**Steve Reinmuth**  
Chief of Staff

**Craig Stone, P.E.**  
Toll Division Director

**Meeting 3**  
**November 10, 2010**

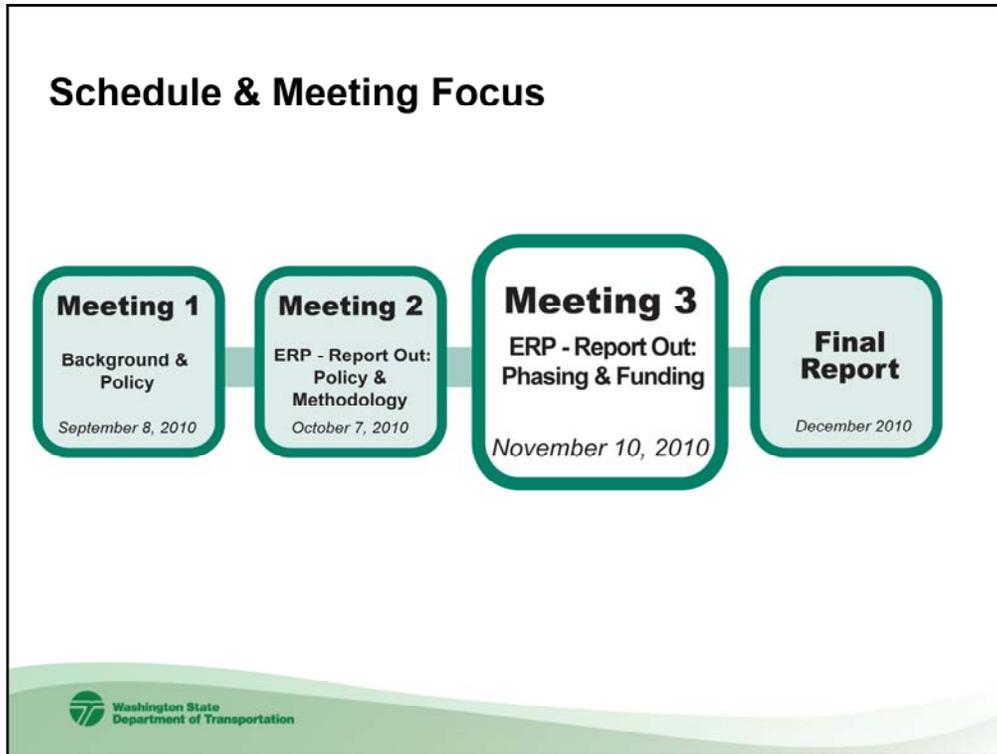


# Welcome

**Craig Stone, P.E.**  
Toll Division Director

## Agenda

- ✓ Commonly Asked Questions:
  - Master Plan History
  - Funding the corridor
  
- ✓ Expert Review Panel Report Out:
  - *Question 2 - Methodology*
  
- ✓ Expert Review Panel Report Out:
  - *Question 3 – Phasing*
  
- ✓ Expert Review Panel Report Out:
  - *Question 4 – Financing*
  
- ✓ Q & A



Last meeting, we covered:

- Met the ERP and heard about their national experiences
- Background of the Eastside Corridor Tolling Study
- Comments from the Exec. Adv. Group
- Comments from the Public
  - We are tracking those comments and will address some of those today
  - More formally addressed in the report in January

Today, you'll get a status report on where the ERP is with their review:

- Report out on Policy and Methodology
- Introduction to Phasing and Funding
- Opportunity to Comment

## Expert Review Panel Charge

*WSDOT Transportation Secretary, Paula Hammond, asked that the ERP address key questions for four topics:*

### Policy

- Is the state's strategic approach of "*Moving Washington*" to implement express lanes on I-405/SR 167 viable, appropriate and consistent with emerging federal policy and current state and regional policies?

### Methodology

- Are the technical analytical measures and results supporting the Eastside Corridor Express Toll Lanes Report valid?
- Were the right tools applied to the analysis?
- Are the report results reasonable?
- What outcomes are reasonable to expect based on industry experience?

### Phasing

- Is the proposed phasing plan to implement an express toll lane system sensible, and provide for logical, usable segments towards a 50-mile Eastside Corridor system?

### Financial

- Are the Eastside Corridor Express Toll Lane Report financial assumptions, methods, and forecasts valid?



Remind the audience of the 3 tiers of study:

1. Early Planning Study – Like 2003 managed lanes report done for the Master Plan
2. Planning Level Study – Eastside Corridor Express Toll Lanes Study
3. Investment Grade Study – Still need to do this level of study

## Executive Advisory Group Charge

*WSDOT outlined in the 2009 public process plan that Executive Advisory Group members will:*

- Attend or be represented at all committee meetings;
- Identify issues vital to the Eastside Corridor tolling implementation process;
- Provide strategic advice to WSDOT on the implementation of toll lanes for policy consideration by the Governor and the Legislature;
- Assist in providing opportunities for public, business and civic group input;
- Advise WSDOT on the development of funding and phasing principles to help guide the budget and schedule objectives;
- Represent the governments and agencies they belong to and assist in building/maintaining a regional consensus and keeping their community



## Preliminary Findings

- Policy
- Methodology
- Phasing
- Financing

*\* Refer to handout*

# Commonly Asked Questions

- **Policy**

- Terminology:
  - Consider the term "user fees" rather than "tolls"
  - Consider I-405/SR 167 Corridor rather than just calling it Eastside Corridor
- Will you examine the project in the context of the region?
- Are we going to look at phasing and financing in regard to HOV policies?
- Do we meet the state's level of service policies?
- What are the benefits of converting existing pavement to express toll lanes?

- **Methodology**

- Consider using more accepted industry measures of effectiveness than "moving more people and vehicles"
- Review the traffic modeling to ensure that it's in keeping with industry standards
- Need more analysis so that we can compare the Express Toll Lanes Study performance with the Master Plan, based on the same level of investment
- How do the express toll lanes help GP traffic?
  - How much market are we serving and how well are we serving it?
  - What's the incentive to pay the toll in the HOT lane?
- Will ETLs take traffic off the local streets?
- Are ETLs good for transit?
- Are general purpose lanes being converted into express toll lanes?

## Commonly Asked Questions

- **Phasing**

- What are the most logical steps to get to the approved Option 4?
- Does the phasing respond to congestion needs?
- Why start with the north end?
- Do express toll lanes fit within the long-term I-405 corridor master plan?

- **Financing**

- Is the financing fair across the state's regions?
- Do the toll revenue projections stand up to peer projects?
  - Should we take SR 167 into consideration as a comparable project?
  - Do revenue projections support the costs to implement an express toll lanes system and build new projects?
- Could these projects be paid for with another gas tax – how much would it have to be?



*November 10, 2010*

---

## Today's Presentation

- I-405 Corridor Program Overview
- Selection of Preferred Alternative
- Consideration of Managed Lanes



11

November 11, 2010

### Today's Focus

- Provide an update on previous work and where we have been
- Cover where we are heading and how we will get there
- See what you think about our approach
  - Technical
  - Environmental
  - Public Involvement

# Project Status

- Organization established in Summer 99:
  - 35 Agencies
  - 24 Concurring Organizations
  - 5 Co-lead Agencies
  - 4 Legislative Representatives
- Draft EIS Distribution in Summer 2001.
- Decision in Fall 2001

## The Decision-Making Process in the I-405 Corridor Program



## **Unconstrained Model**

### **Purpose of Analysis**

---

- To give an indication as to the true demand for travel in the I-405 Corridor
- To find what routes people would travel by car within I-405 corridor if there were no traffic congestion



13

November 11, 2010

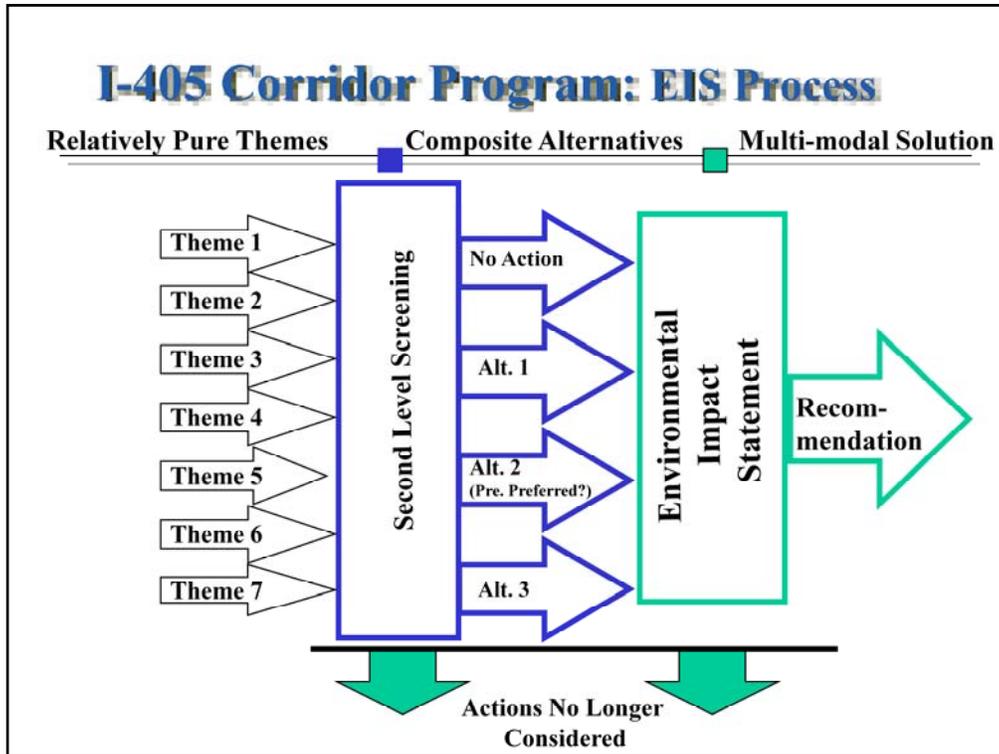
## Implications:

- **Number of Total Freeway Lane Equivalents for each direction**
  - I-405 would require 4 to 8 lanes
  - SR-520 would need up to 4 lanes
  - I-5 would require up to 10 lanes
- **Equals a 50-100% increase in lanes compared to existing**

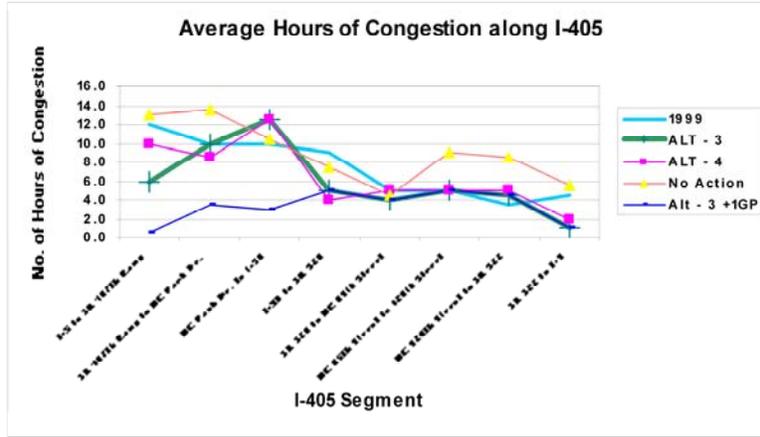


14

November 11, 2010

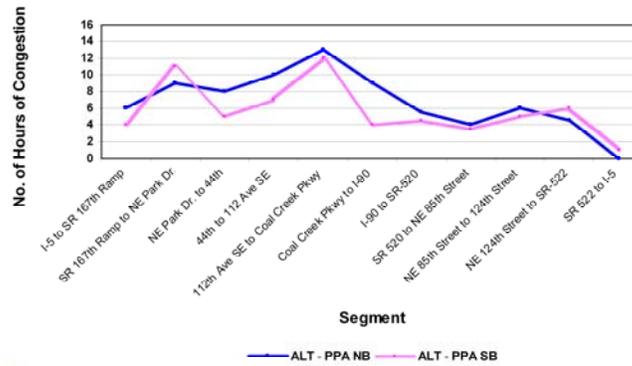


# Hours of Congestion



## Freeway Lane Balance Issue: Third Lane South of I-90

- With two added lanes along corridor, congestion remains in south end



## Managed Lane Discussions

---

### **All Committees Meeting**

*December 14, 2000*

### **Executive Committee**

*January 25, 2001*

*June 24, 2001*

*October 30, 2001*

*November 16, 2001*

*June 20, 2002*



18

November 11, 2010

## **Introduction to HOT lanes (December 2000)**

---

- **HOT = High Occupancy/Toll lanes.**
- **The notion: HOV lanes often have unused capacity which may generate revenues.**
- **Tolls varied to optimize traffic flow.**
- **Tolls waived/reduced for HOV traffic.**



## **HOT Lanes (January 2001)**

---

- ***Steering Committee supported further consideration***
- ***Citizen Committee wanted more information; limited support to consider further***

**Element would:**

- **Provide opportunity to implement a HOT-lane system along I-405 (Initially discussed as part of Alternative 4)**
- **Current concept would use existing HOV lane plus adjacent general purpose lane in each direction**
- **Buffer or barrier separation**



20

November 11, 2010

## Managed Lanes Final Recommendation

### Executive Committee Final Recommendation Report

**Nov 16, 2001** (Vote of YES by 12 out of 15 members):

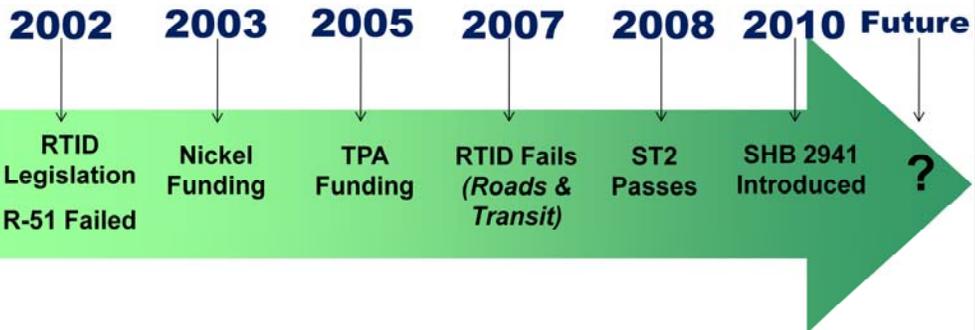
- **“Manage up to two lanes each direction on I-405. This action is subject to conditions and further study.”**
- **“Support use-based pricing in region as part of regional strategy.” (Region should examine feasibility as part of separate study)**

**July 23, 2002 - Executive Committee**  
Additional analysis is needed prior to making decisions on tolling:

- **Investment Grade Analysis**
- **Better understanding of system impacts**
- **Phasing and construction impacts**



# Transportation Funding History



	Gas Tax	405 % of Total	I-405
Nickel & TPA	5¢ + 9.5¢ = 14.5¢	10-14%	\$1.457 billion
Option 4 (2020)	4.5¢	100%	\$1.5 billion
Master Plan (2032)	25¢	100%	\$20+ billion

## **Methodology**

*“Are the technical analytical measures and results supporting the Eastside Corridor Express Toll Lanes Report valid? Were the right tolls applied to the analysis? Are the report results reasonable? What outcomes are reasonable to expect based on industry experience?”*

**Ginger Goodin, ERP Chair**

## Implementation Principles

### Optimize Freeway Performance

- Move more people
- Manage the corridor to improve speed and reliability to free-flow conditions (45 to 60 mph) – may require phased approach to changing minimum HOV occupancy (2+ to 3+)
- Prioritize and accommodate transit performance and HOV users
- Maximize throughput to reduce diversion to arterials or neighborhood streets
- Improve mobility for freight and drivers in all lanes

### Leverage toll revenue to maximize corridor improvements

- Retain tolling revenue in the Eastside Corridor
- Secure financing with fair terms, similar to other corridors
- Exempt transit and carpools from tolls
- Continue to monitor national and regional trends to better understand how to fund toll projects
- Prioritize funding within the corridor to leverage toll revenue with other funding

### Develop a 10-year strategy for a 40+-mile system (Study Option 4)

- Express toll lanes should be built in incremental steps and begin with funded projects
- Express toll lanes should fit within long-range regional planning and the regional tolling system
- Sensitivity to construction phasing on a regional level



We've broken this topic down

Modeling experts from TTI have met with WSDOT's traffic team

We've learned a lot, we've received a lot of information, and we've asked for more details in some areas

We'll give you a status report on this question

## Methodology

- What measures of effectiveness (MOEs) are used to evaluate how well the project meets objectives for performance?
  - Are these MOEs reasonable and consistent with industry practice? **Yes**
- Are the right tools and methodology used to assess operational performance? **Yes**
- Are assumptions reasonable for the conditions and consistent with industry practice? **Yes**
- Based on MOEs, assumptions and methodology, are the results reasonable? **Yes**
- How well do the proposed improvements address stated performance objectives? **Study analysis indicates recommended improvements meet speed and throughput objectives**
- What outcomes are reasonable to expect based on industry experience? **Outcomes consistent with demonstrated project experience**



Measures of effectiveness

Primary: vehicles and people moving at freeflow speed

We've asked for more conventional measures speed, travel time, delay, and additional MOEs that relate directly to the implementation principles

## Measures of Effectiveness

### **Question:**

- What measures of effectiveness (MOE) are used to evaluate how well the project meets objectives for performance? Are these MOEs reasonable and consistent with industry practice?

### **Assessment:**

- Primary performance measurement: vehicles and people moving at free flow speed
- Additional MOEs requested
- From revised analysis, ERP provided vehicle throughput and speeds at points along corridor, network performance metrics

**Our review shows the final measures are consistent with industry practice and procedures for evaluating project performance**

## Review of the Modeling Tools

### **Question:**

- Were the right tools applied to the analysis? Are assumptions reasonable for the conditions and consistent with industry practice?

### **Documents reviewed**

- Appendices from Eastside Corridor Tolling Study
- Modeling flow chart
- Model development and calibration documentation
- Sample VISSIM model files

**Our final review shows the analysis is consistent with industry practice and procedures, and assumptions are reasonable**



Traffic and revenue assessment based on detailed analysis

Simplistic characterization, Take demand from the regional model, convert it to input to the microsimulation model, which provides speed-demand profiles used in the econometric model. The econometric model applies survey data from drivers to determine how vehicles will sort themselves out between the GP and ETLs, then those results are fed back into the microsimulation model to compare the performance of different alternatives.

Need more review of output and results

## Reasonableness of Results

### **Question:**

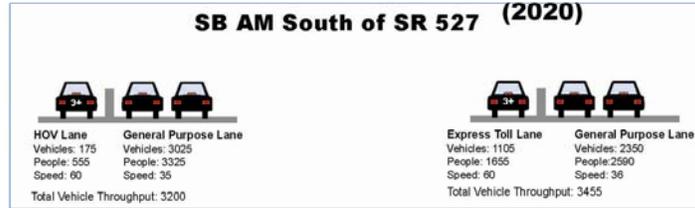
- Based on MOEs, assumptions and methodology, are the results reasonable? How well do the proposed improvements address stated objectives? What outcomes are reasonable to expect based on industry experience?

### **Assessment:**

- Throughput and travel speeds are addressed; several project objectives remain to be evaluated through additional environmental analysis
  - Transit, local streets, freight
- Comparison to other project results: speed and throughput values reasonable

Person throughput

## Reasonableness of Results



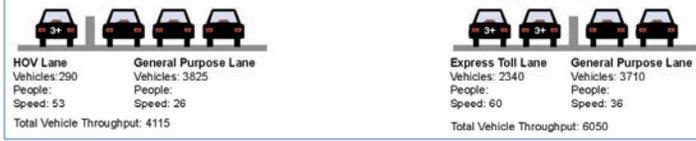
### Comparisons

Project	Vehicle Throughput	Travel Speeds
I-15 San Diego (1996)	From 600 to 1200 vehicles per hour per lane to in express lanes	Speeds maintained in express lanes; no significant change in GPLs
I-394 Minneapolis (2007)	Shift of 600-1000 vehicles to HOT lanes	Speeds in GPLs increased up to 15% during peak hours
SR 167 Seattle (2010)	HOT lanes increased 12% GPLs increased 2-3%	Speeds in GPLs increased 11%; speeds in HOT lanes at 60 mph

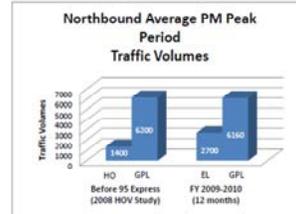
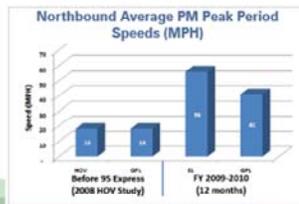
### NB AM North of SR 167 (2020)



### NB AM North of SR 167 (2035)



### Miami I-95 Express Lanes (2010)



## Reasonableness of Results

**Question:**

- Based on MOEs, assumptions and methodology, are the results reasonable? How well do the proposed improvements address stated objectives? What outcomes are reasonable to expect based on industry experience?

**Our final review shows the results are consistent with industry experience**

## Phasing

*Is the proposed phasing plan to implement an express toll lane system sensible, and provide for logical useable segments towards a 50-mile Eastside corridor system?*

Chuck Fuhs, ERP



Our national expertise tells us that all of the recent Mega Projects that have been built recently have a) been built in their entirety, and b) been innovatively financed:

Done:

- SR 91 – Orange County
- I-10 - Katy Freeway

In the Pipeline:

- 495
- 183/NTE
- 820
- 595
- 35E/LBJ

We've done a thorough review of the phasing plan.

We've learned a lot about Washington and the way projects are funded here.

I-405 and SR 167 have been fortunate to receive a large portion of the 2003 and 2005 funding packages – and the delivery record has been stellar.

Now, we want to get to the Master Plan....or at least close.

Tolls are a necessity in the phasing and financing plans, but tolls alone can't finance the Master Plan.  
(take SR 520 for example – tolls and other funding sources)

# Background: Getting to Option 4



Move forward with Option 1 as a first step to implementing Option 4.



24% of total cost

76% of total cost

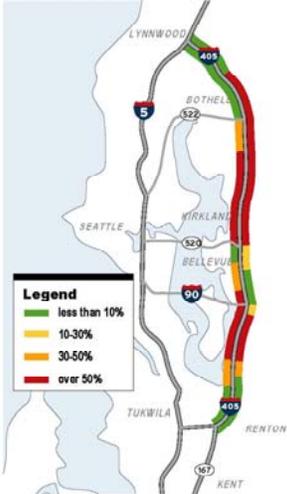


# Background: Current HOV Lane Performance

*Most of the current I-405 HOV lane operation is regularly experiencing congestion*

## Percent of Time HOV Demand is Over Capacity

2009, 5am-8pm, capacity is over 1400 VPH



# Background: Crashes

*Crashes most commonly occur in the central and southern portions of the I-405 corridor (no crash data was provided for all of SR 167)*

## Total Crashes

2006-2009

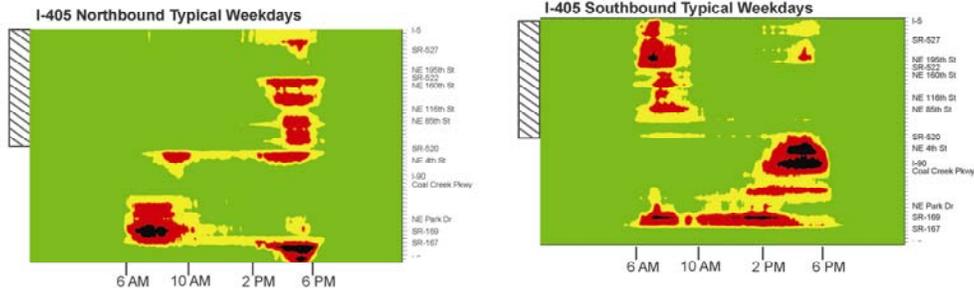


## Background: Demand

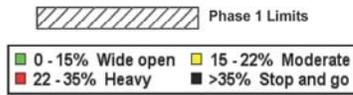
*Demand is consistent throughout the corridor*



# Background: Current Congestion (2010)



*Mainline congestion directionally affects most of the I-405 corridor at the same time of the day*



# Phasing a Corridor-wide Mega Project

## ***What is a MegaProject?***

- Over \$500 million in total cost (FHWA)

## ***Will an incremental multi-year phasing plan work?***

- Do incremental demand and benefits exist?
- Can interim completed segments collect and distribute demand?
- What financing issues influence phasing? What interim revenue opportunities?

## ***How Other Express Lane MegaProjects addressed Phasing***

- I-15 San Diego: Conventional incremental phasing
- I-10 Houston: Conventional, single phase for 32 miles
- I-495 N Virginia: PPP, with 30% local match on \$1.3B
- I-595 Ft Lauderdale, PPP based on future availability payments on \$1.7B
- SH 183/I-820, Ft Worth: PPP with 32% local match on \$1.8B
- I-635/I-35E Dallas: PPP with 22% local match on \$2.2B

## ***Most used local match to leverage funding to avoid incremental phasing.***



Used local match to leverage funding to avoid incremental phasing, otherwise demand and revenue would have been adversely affected. But reaching closure was often difficult.

## Comparison to I-405/SR 167 Eastside Corridor

- Eastside Corridor Project cost is similar to other MegaProjects
- Can Eastside Corridor be incrementally constructed?
  - Yes, we can start with funded projects to maintain momentum, start tolling, and gain experience
  - Ideally, for major corridor-wide capacity, the Eastside Corridor (Option 4) would be built in its entirety.
  - Few other similar projects have attempted this scale of phasing.
- Consider additional methods of phasing, financing and delivery
  - Build balance of Phase 2 as one project (requires \$1.5 Billion)
  - Implement pricing early by converting existing HOV lanes to HOT 3+
  - Explore leveraging the funded Phase 1 Project into a PPP initiative

## Typical Phasing Criteria

	Parameter
1	Cost effectiveness: Lowest cost to highest revenue performance
2	Benefits: Prioritize for worst congestion and greatest demand
3	Safety: Prioritize sites of highest crash rates
4	Financial: Capability to fund and produce revenue
5	Schedule constraints: Project readiness, environmental, right-of-way
6	Support: Public, political, institutional (legislation)

Others could include addressing immediate & fundable needs now, constructability, getting the most competitive bids, and relatedness to adjacent projects

## Phasing Influences on I-405

	Parameter	Local Considerations
1	Cost effectiveness	Stimulus projects, costs match performance
2	Benefits	Some congestion is addressed first (167S, Renton, aux lane, N end). Both 167/405 and middle section are needed simultaneously to address remaining congestion
3	Safety	Neutral
4	Financial	Analysis conducted for options as a whole with identified unfunded gaps
5	Schedule constraints	Limits moving forward with 167/405 IC now
6	Support	Legislative direction, corridor champions, positive public outreach, some questions surrounding outside financing policies

Consider interim needs for current HOV lane under-performance

## General Observations

- Corridor team has addressed phasing from constraints and resources given: available funding, legislation, corridor support, regional and statewide policies.
- Funded projects support long term vision—well orchestrated to date.
- Overall project focus has been on picking an implementation option, not yet on evaluating and optimizing phasing.
- Long-term vision for implementing ultimate plan may have missed near-term opportunities to address current HOV performance needs.
- Transparency with corridor stakeholders, public, legislature a plus.
- Ongoing communication of issues and needs is critical.

*“Is the proposed phasing plan to implement an express toll lane system (Study Option 4) sensible, and provide for logical, usable segments towards a 50-mile Eastside Corridor system?”*

- **Yes.** *Moving forward with Phase 1 as a first step to Option 4 makes sense.*
- *A more detailed phasing plan is needed for future phases.*
- *Do not lose sight of Option 4 as a corridor-wide solution.*

## Addressing Identified Challenges

- Address current HOV performance issues as an early action
  - Introduce requirement of transponder accounts for continued free use, or
  - Raise occupancies to 3+ with tolling (with potential HOV 2+ toll discounts)
- Develop investment grade financial plan
- Develop an Option 4/Corridor-wide project management plan and master schedule
- Develop an Option 4/Corridor-wide risk management plan focused on non-engineering components: political support, financial, operational performance issues, interim conditions if phases cannot be shortened
- Conduct targeted value engineering efforts: (i.e., 167/405 interchange)

## Addressing Identified Challenges (continued)

- Addressing funding and delivery options with legislature
  - Consider phasing when addressing new funding needs to fill gap
  - Other options possible?
- Strategically address other future HOV occupancy/access restrictions now
  - Keep restrictions from being linked with the ultimate project if HOV is failing then tolling is needed now
  - Consider options to preserve/enhance transit access
- Include benefits for other users in project scope to expand acceptance
  - Variable speeds
  - Incident management and queue warnings
- Reassess how project is implemented beyond Phase 1
  - Develop a Corridor-wide Phasing Plan to get to Option 4
  - Should 167/405 interchange be next?

**Do not go back or slow down current momentum. Do not start over.**

## Financing

*“Are the Eastside Corridor Express Toll Lane Report financial assumptions, methods, and forecasts valid?”*

Janet Lee, ERP

## Financing Express Toll Lanes

- The assumptions, methods and forecasts are valid.
  - Need HOT 3+ to maximize toll revenue
  - Leverage toll revenues to help address unfunded gap
  - Limited meaningful history of express toll lanes
  - Potential for higher degree of volatility in revenues than ordinary toll roads
  - More stringent stress tests will be applied by credit analysts
  - More conservative financial assumptions for planning purposes
  - Tolls can contribute significant funding, but tolls alone cannot fully fund the program

## Reasonable Assumption: Capital Costs

- Capital Cost:
  - “Most Likely” costs (70% likelihood) determined during cost-estimating validation process.
- Analysis assumed opening date of July 2015 for all study options
  - Construction costs not adjusted
  - Funding gap in analysis can be less but phased approach is likely scenario

## Reasonable Assumption: Net Revenues

- Net revenue available for financing
  - Minimum: 40% of Net Revenue
  - Maximum: 100% of Net Revenue
- Sensitivity analysis is key at planning level
- Net revenue pledge generally considered stronger than gross revenue pledge
- Credit analysts will apply stress tests
  - Lower traffic moving onto express lanes
  - Lower toll rates
  - Lower overall corridor growth

## Bookends: Structure of Toll Revenue Bonds

- **State-Backed Triple Pledge Bonds**
  - Bonds secured by toll revenues, motor fuel taxes and G.O. pledge
  - State G.O. Ratings: Aa1/AA+/AA+
  - Lowest cost of borrowing
  - Limited availability of State debt capacity
- **Non-Recourse (stand-alone) Toll Revenue Bonds**
  - Bonds secured solely by net toll revenues
  - Structure bonds to achieve investment grade rating: Baa3/BBB-/BBB-
  - No legal requirement for State to secure bonds
  - No impact on State debt capacity
  - Higher cost of borrowing

## Toll Bond Financing Assumptions

Assumption	Toll Revenue Bonds	Comment
Maximum Final Maturity	<ul style="list-style-type: none"> <li>• <u>Non-Recourse</u>: 30 years</li> <li>• <u>Triple-Pledge GO</u>: 30 years</li> </ul>	<ul style="list-style-type: none"> <li>• Constitutional limit for state G.O. debt.</li> <li>• Credit analysts indicate debt beyond 30 years for this asset class is much riskier.</li> </ul>
Interest Rate Assumption	<ul style="list-style-type: none"> <li>• <u>Non-Recourse</u>: 9.0% CIBs/10.0% CABs</li> <li>• <u>Triple-Pledge GO</u>: 6.0% CIBs/6.5% CABs</li> </ul>	<ul style="list-style-type: none"> <li>• Recent private activity bonds issued for managed lanes priced with yields of about 7% to 7.25%. State GO 30-year debt currently at about 4.25%.</li> <li>• For planning purposes interest rate assumptions are reasonable.</li> <li>• Interest rates are at 40-year lows.</li> </ul>
All-in Cost of Issuance	<ul style="list-style-type: none"> <li>• <u>Non-Recourse</u>: 2.5% of Par</li> <li>• <u>Triple-Pledge GO</u>: 1.2% of Par for CIBs 1.7% of Par for CABs</li> </ul>	<ul style="list-style-type: none"> <li>• Financing expenses generally higher for low investment grade toll revenue bonds than state GO bonds.</li> <li>• These assumptions provide significant cushion.</li> </ul>
Debt Service Coverage	<ul style="list-style-type: none"> <li>• 2.0x annual debt service</li> </ul>	<ul style="list-style-type: none"> <li>• Higher coverage required than standard toll roads</li> <li>• Recent managed lanes financings have minimum senior lien coverage of 2.5x</li> <li>• Run sensitivity using 2.5x coverage</li> </ul>

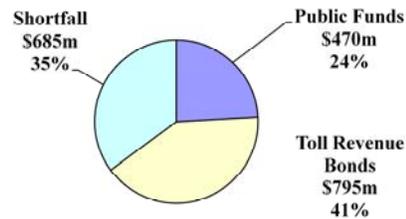
## Toll Bond Financing Assumptions

- Independent financial modeling results in funding gaps consistent with gaps identified in Eastside Corridor Express Toll Lanes Financial Feasibility Analysis
- Reduction of funding gap will involve further development of financing structure and refinement of assumptions
- Phasing of projects in Option 4
  - Apply assumed phasing of projects rather than 2015 opening
  - Credit analysts cite projects with operational history generally have reduced risk
  - Issue bonds when funding is needed

## Potential I-405/SR 167 Financing Options

- Tolls can contribute significant funding, but tolls alone cannot fully fund the program
- Other funding sources (state, local or federal) and financing tools will be part of financing plan
- Impact on overall State debt capacity and evolving debt policy regarding toll revenue bonds will be a factor

Example of potential I-405/SR 167 funding

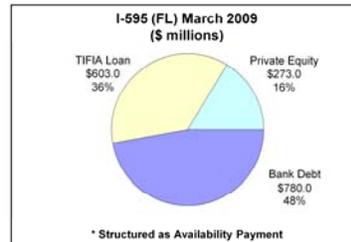
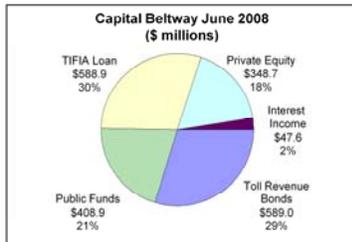
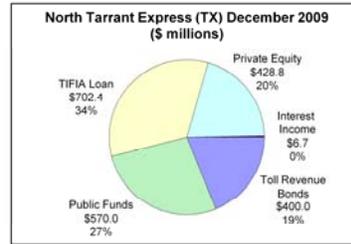
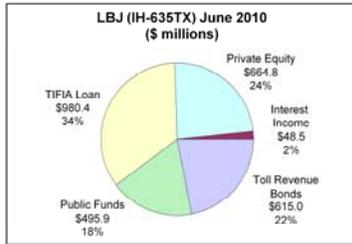


Study Option 4 (\$1.95 billion). Non-recourse toll revenue bonds.

## Other Financing Options

- TIFIA, GARVEEs, Build America Bonds
- Public-Public Partnership
  - Special Tax Districts
  - Alternative Dedicated Revenue Streams
- Public-Private Partnership
  - Private partner providing equity upfront
  - Pros and cons – risk transfer
  - Different forms concession and availability payment

## Four Managed Lane Projects Have Reached Financial Close in Last Three Years



*“Are the Eastside Corridor Express Toll Lane Report financial assumptions, methods, and forecasts valid?”*

- **Yes.** Financing assumptions are reasonable and provide a range of the bonding capacity for planning purposes.
- Further refinement and development of financing options needed to reduce the funding gap.
- Review of the modeling tools shows methods and forecasts are consistent with industry practice and procedures and are reasonable.

## Recommended Next Steps

- Move forward with Phase 1 to leverage the funded project (6 months)
- Start tolling I-405 HOV lanes from I-5/Tukwila to NE 6<sup>th</sup> soon to regain performance benefits (in sync with Phase 1; 2-3 yrs)
- Continue authorization of tolls on SR 167 HOT lanes pilot project (1 yr)
- Address regional policy for HOV degradation (6 months)
- Address the funding gap through financing, user fees and delivery options (2 yrs)
- Seek FHWA tolling approval for corridor (6 months)
- Develop the components comprising a mega project (PMP, phasing, finance, risk mgmt, delivery options). Maintain momentum with current team. (1 yr)
- Make the I-405/SR 167 interchange a higher priority by mobilizing critical path items like ROW and value engineering (2 yrs)
- Complete an investment grade traffic and revenue study (2 yrs)
- Leverage completed environmental documents before they expire (1 yr)

# **EAG Comment on Methodology, Phasing and Financing**

# Public Comment