

Toll Division Work Plans July 2009 – June 2011

Joint Transportation Committee (JTC) Toll Operations Cost Study. The JTC will assemble an expert review committee for three months to review WSDOT toll collection practices and assumptions. Their report in September 2009 will assess toll collection costs and recommend possible changes. The work impacts WSDOT in two ways. First, the 2009-2011 Toll Operations budget allotments for implementing tolling on SR 520 depend on the results of this study. Second, all of the finance plans described below depend on this study's findings in order to calculate potential funding. The JTC study is an opportunity for WSDOT to increase awareness and confidence in tolling plans and assumptions. With toll collection system procurement efforts underway, WSDOT has an interest in identifying and addressing legislative concerns promptly. WSDOT will provide information and staff support to give the expert panel a comprehensive understanding of our toll collection approach, assumptions and rationales.

SR 520 Early Tolling Implementation. With recent legislative approval of authority to toll SR 520, WSDOT is expected to begin variable tolling on the existing SR 520 Bridge in October of 2010 and to implement all elements of the Urban Partnership program, which includes tolling, active traffic management, transit enhancement and demand management programs. To meet this aggressive implementation schedule, many other activities need to keep pace. Tolling and finance elements of this program include:

- **Modified Urban Partnership Agreement (UPA) term sheet:** WSDOT is proposing to revise the UPA agreement with FHWA to be consistent with the current implementation schedule. The UPA term sheet establishes the conditions for receiving federal urban partnership funds that will support for early tolling on SR 520.
- **Toll systems procurement:** The Tolling Division will publish requests for proposals (RFP's) to purchase all elements of a toll collection system for SR 520. Separate RFP's will be published for the toll collection equipment, toll collection system installation, and the back office functions, with evaluation and selection of proposals expected to be complete by December, 2009. The toll collection procurement will include the installation of toll tag readers, toll video cameras, and data communications systems to feed tolling data to the back office for billing. The back office procurement will engage a service provider to carry out billing and customer support functions, and to provide toll accounting and financial data to WSDOT. The new back office contract will provide service to all current and potential future Good-to-Go customers, including those using SR 16 Tacoma Narrows Bridge and the SR 167 HOT lane project.
- **Toll rate-setting:** The Transportation Commission is responsible for setting toll rates. WSDOT supports the Commission's rate-setting process by providing information and staff support for their analysis, public outreach and rule-making processes. A variable toll rate schedule will be adopted for SR 520 that seeks to reduce congestion by setting higher rates during congested periods. Initial toll rates and policies to adjust them over time must be developed before bond financing studies can be completed.

- **Finance plan:** The 2009-2011 transportation budget assumes the state will issue toll-backed general obligation bonds in July 2010 in order to fund the Storm Safety project. Working with the Office of the State Treasurer, WSDOT will prepare the investment-grade finance plan under the general direction of Amy Arnis, CFO.
- **Toll implementation:** Prior to the commencement of toll operations, the Toll Division will focus on systems testing and acceptance, and will engage the public with a significant outreach effort to distribute toll tags widely and build public awareness.

SR 520 Design Decisions and Financial Plan: As a result of HB 2211, a committee comprised primarily of central Puget Sound legislators has been tasked to reach agreement on the design of remaining SR 520 project elements, primarily between I-5 and the Evergreen Point Floating Bridge, and the plan that will finance a \$4.65 billion program. Support for the committee will be provided by the SR 520 project office and the tolling division. Prior to committee meetings, last year's Tolling Implementation Committee work will be updated to incorporate December 2008 project cost and cash flow projections and Storm Safety project commitments. During committee deliberations, other scenarios may be explored. After committee decisions have been reached, a new finance plan may be prepared.

I-405 Express Toll Lanes Outreach Process. WSDOT will conduct an outreach process similar to last year's SR 520 Tolling Implementation Committee to assess public, community and business attitudes about implementing tolled express lanes on I-405 and SR 167. The Department will assemble a local policy-level Executive Advisory Group and a staff-level Interagency Working Group to oversee the outreach process and develop a report to the Legislature by January, 2010. The Executive Advisory Group will include a Transportation Commission member. The process will assess public attitudes about the tolled express lane concept, including both its operational and tolling elements. Express toll lanes are similar in some ways to the existing SR 167 HOT lane in that existing HOV lanes will be changed to allow access at limited entry and exit points, and to allow paying customers to use available capacity at toll rates set dynamically based on traffic conditions. Unlike SR 167, the express toll lanes on I-405 would ultimately be 2-lanes wide. In addition to the outreach component, WSDOT will be developing a financing strategy. As with CRC, tolls are not expected to completely fund the project, but they are expected to provide significant funding. A feasibility plan will update traffic and revenue assumptions, test financial feasibility, document tradeoffs, and identify the size and timing of funding gaps for both the north end (Kirkland Stage 2) and the south end of I-405 (North Renton project). If the desire is to seek legislative approval in 2010 for Kirkland Stage 2, the finance plan is expected to provide sufficient documentation for making that decision.

Alaskan Way Deep Bore Tunnel Finance Plan. The 2009 legislature chose the Deep Bore Tunnel as the preferred replacement for the Alaskan Way Viaduct, with the assumption that tolling would contribute \$400m million in funding. WSDOT's previous work to estimate toll funding was at a high clip level. Further work is needed to test tolling options, identify traffic impacts of each option, and test and validate what tolling can be counted on to contribute to project funding. WSDOT will work with the Office of the State Treasurer. The report is due in January 2010, but WSDOT hopes to have early results in late September assuming preliminary JTC results are available at the end of August.

I-5 Columbia River Crossing (CRC) Toll Outreach Process. Working with the Oregon DOT, WSDOT will conduct an outreach process to assess public, community and business attitudes about options for tolling the I-5 Columbia River Bridge connecting Vancouver, Washington and Portland, Oregon. The bi-state plan is to replace the existing I-5 Columbia River Bridge with a new bridge that accommodates light rail transit, pedestrians, bicycles and local circulation between neighborhoods on both sides of the bridge. Tolls are not expected to completely fill the funding gap, but they are expected to provide significant funding. A Tolling Study Committee will be created composed of the transportation secretaries from both Washington and Oregon, as well as the chair of each state's transportation commission to oversee the outreach process and to listen to and receive public comments. Members of the Project Sponsor's Council, which oversees the development of the Columbia River Crossing project, will also participate in and follow the process. The study will update traffic and revenue assumptions, and test financial feasibility, document tradeoffs, and report on the attitudes of residents, users, local jurisdictions and business toward tolling. The committee's report is due to the Legislature by January, 2010.

SR 167 Tolling Feasibility Plan. The SR 167 extension project has been under development now for many years, but adequate construction funding has not been identified. Working with the Port of Tacoma, WSDOT will conduct traffic and revenue studies to determine how tolls can contribute to funding the extension of SR 167 from Puyallup to I-5 in Tacoma. The plan is due in September 2010.

SR 509 Tolling and Financial Feasibility Plan. Similar to the SR 167 extension project, WSDOT, along with the Port of Seattle, has invested a significant development effort to extend the SR 509 corridor. The SR 509/I-5 Freight Development project has community consensus, has completed its environmental record of decision and has its major permits in hand. The extension would provide a southern entrance to Sea-Tac Airport and an alternative route to I-5 into Seattle that is expected to be heavily used by freight. The project also includes significant improvements on I-5 between SR 516 and S. 320th. WSDOT has conducted previous high clip tolling feasibility studies, and this plan will build upon that work. Options for project staging and scope modifications will be considered. The plan is due in September 2010.

Express Lanes System Design and Implementation. WSDOT has received a Value Pricing Program grant award for \$1.24 million to advance the development of an express toll lane system for the Puget Sound region. Our grant application was for \$3 million, and the grant award letter has not yet been received, so we are awaiting more information on any conditions FHWA may have attached to their acceptance. The application proposed a scope that would focus on two primary activities: implementation planning for I-405 express toll lanes, and identification of options and opportunities in other corridors. Implementation planning included support for policy development, and outreach to stakeholders and the public. Since the grant award is for a smaller amount, the final scope will require prioritization and negotiation with FHWA.