

I-405/SR 167 Corridor Program Executive Advisory Group

June 8, 2021

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WSDOT Secretary of Transportation

WSDOT UMA and Megaprograms Assistant Secretary

Sound Transit Deputy CEO

WSDOT I-405/SR 167 Program Administrator

Office of the State Treasurer, Deputy Treasurer

WSDOT Toll Division Director

WSDOT Management of Mobility Division Director

Agenda

- Introductory Remarks
- Public Comment
- Sound Transit Partnership Update
- I-405/SR 167 Corridor Update: Legislative Direction
 - Project delivery schedule
 - Financial assumptions, risks and results
 - Tolling, traffic and revenue update
- I-405/SR 167 Corridor: Project Updates
 - SR 167 Master Plan
 - I-405/SR 167 construction updates
- Closing

Introductory Remarks

Roger Millar, WSDOT Secretary of Transportation

Looking back – and ahead

January 2021 Meeting

- State of WSDOT
- WSDOT traffic/toll trends
- I-405/SR 167 Corridor update
- Sound Transit update

June 2021 Meeting

- Sound Transit partnership update
- Legislative direction - developing funding and phasing options
- Establish policy framework and identify needs
- Project updates

Legislative session outcomes

2021-23 transportation budget (Substitute Senate Bill 5165)

- Continues to deliver the Connecting Washington program.
- Removes barriers to improve fish passage.
- Continues operations and maintenance of the WSDOT system at current service levels.
- Provides \$724M of federal relief funds (American Rescue Plan Act).
 - \$32.9M to compensate the I-405/SR 167 ETL Account for revenue losses.

Funding challenges

- Maintenance and preservation.
- Complete projects after the 2023-25 biennium.
- Long-term fish passage to fund injunction requirements.

New revenue package proposals

50-mile system

Park and Ride expansions



Transit center expansions



Bus Rapid Transit stations



Local arterial improvements



Additional lane capacity



Transit service increase



Direct Access and Direct Connectors



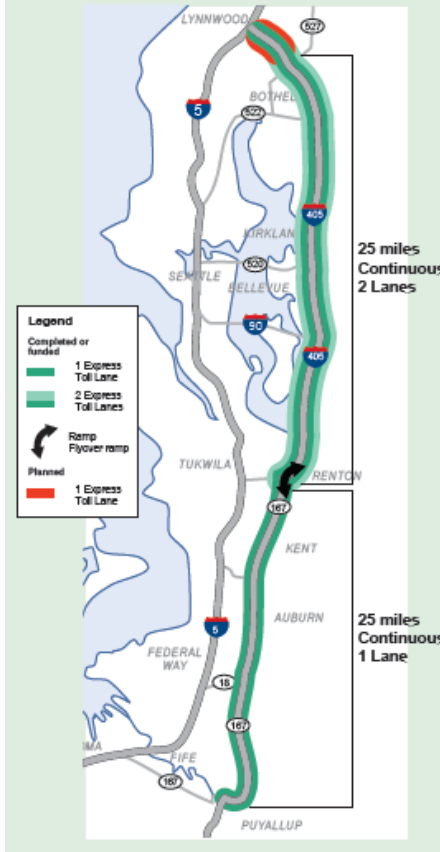
Vanpool service increase



Pedestrian/bicycle improvements



50-mile Express Toll Lane System
95% complete or funded



Public comment

Facilitated by:

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Sound Transit Partnership Update

Julie Meredith, WSDOT Urban Mobility & Access and Megaprograms
Assistant Secretary

Kimberly Farley, Sound Transit Deputy CEO

Discussion or questions

Julie Meredith

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Sound Transit Deputy CEO

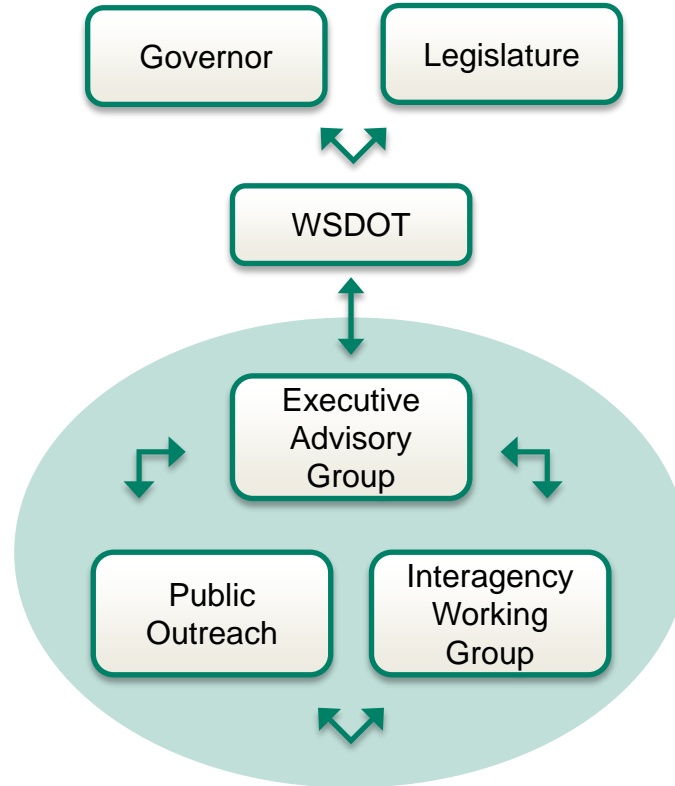
Kimberly.Farley@soundtransit.org

I-405/SR 167 Corridor Update Legislative Direction

Addressing our challenges

- Changes since toll authorization and bonding in 2019.
- Multiple agencies and corridor needs.
- System management.
- Variables that influence project financing.

Working together



Financing considerations



Project delivery schedule



Financial assumptions, risks and results



Tolling, traffic and revenue

I-405/SR 167 Corridor Program Project Delivery Schedule

Lisa Hodgson, WSDOT I-405/SR 167 Program Administrator

Projects funded through bonded toll revenues ESSB 5825 (up to \$1.16B)

ENGROSSED SUBSTITUTE SENATE BILL 5825

Chapter 421, Laws of 2019

66th Legislature
2019 Regular Session

HIGHWAY TOLLING--I-405, SR 167, AND SR 509



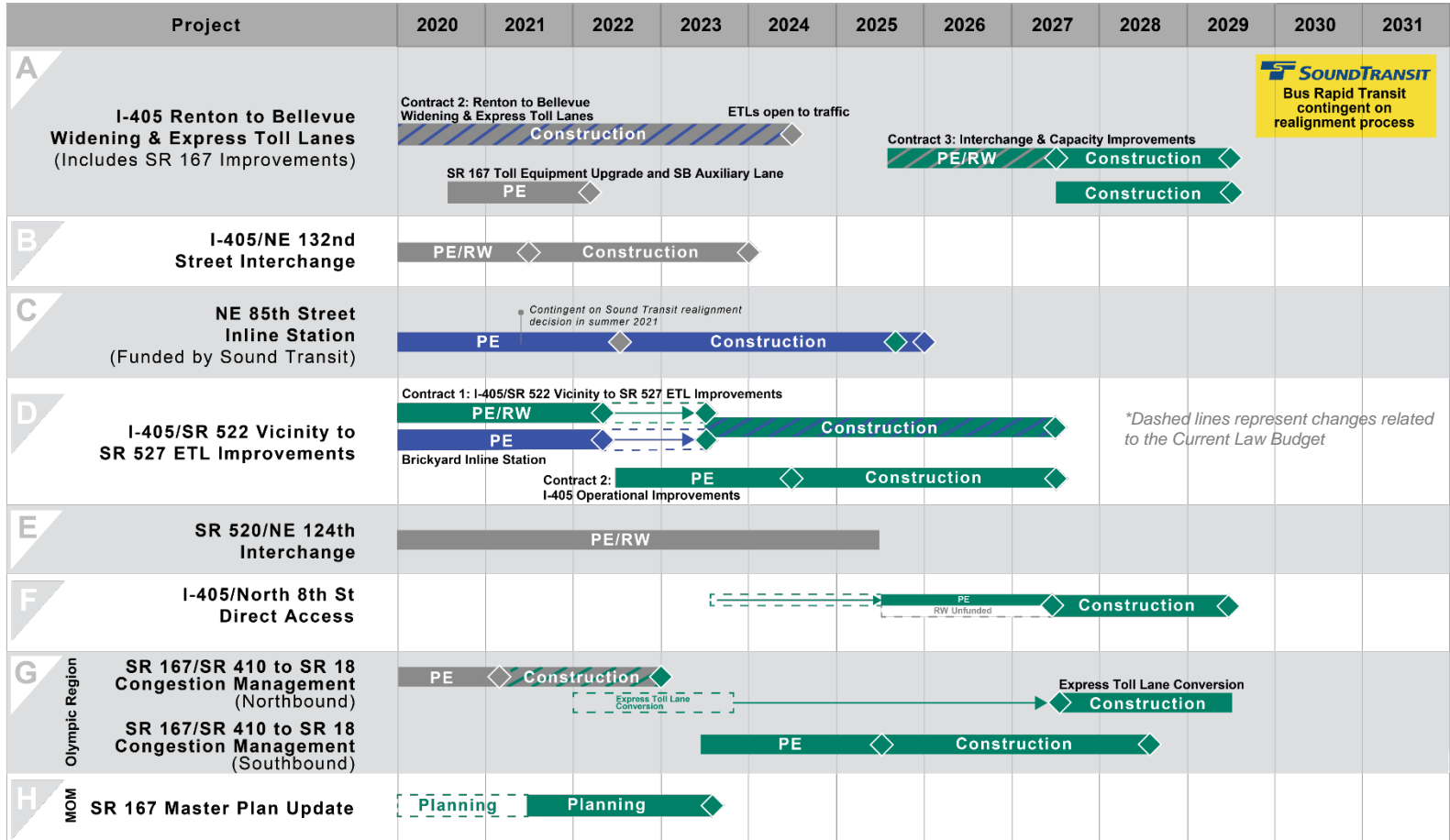
- 1) **I-405, SR 522 to SR 527 Express Toll Lanes Improvement Project** (design and construction) - \$600M
- 2) **I-405 Renton to Bellevue Widening and Express Toll Lanes Project** (completion) - \$215M (*Includes NE 6th Extension & I-405, Coal Creek Improvements*)
- 3) **SR 167 Master Plan Update** - \$3M
- 4) **SR 167 Express Toll Lanes Extension to SR 410 and SR 512** (construction) - \$100M
- 5) **I-405/North 8th Street Direct Access Ramp Project in Renton** (design) - \$20M

Funding Sources

Connecting Washington

Toll Revenue

Sound Transit



SOUND TRANSIT
 Bus Rapid Transit contingent on realignment process

*Dashed lines represent changes related to the Current Law Budget

Sec. 306: SR 522 to SR 527

Explore phasing and funding alternatives

Substitute Senate Bill 5165, Section 306 (9)(b)

For the Department of Transportation – Improvements, Program I

The department may advance the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) and construct the project earlier than is scheduled in the LEAP transportation document referenced in subsection (2) of this section if additional funding is identified and submitted through the existing unanticipated receipts process by September 1, 2021. The department and state treasurer shall pursue alternatives to toll revenue funding including but not limited to federal loan and grant programs. The department shall explore phasing and modifying the project to attempt to align project completion with the anticipated deployment of bus rapid transit on the corridor in the 2023-2025 biennium. The department shall report back to the transportation committees of the legislature on this work by September 15, 2021.

- May advance and construct earlier than is scheduled if funding is identified and submitted by Sept. 1, 2021.
- Shall pursue alternatives to toll revenue funding.
- Shall explore phasing and modifying the project.
- Report to the Legislature by Sept. 15, 2021.

Sec. 209: I-405/SR 167 corridor

Submit a bond proceeds corridor plan

Substitute Senate Bill 5165, Section 209 (8)

For the Department of Transportation – Toll Operations and Maintenance, Program B

The department shall submit a plan to the legislature for the Interstate 405 and state route number 167 express toll lanes account detailing how bond proceeds can cover the proposed construction plan on the Interstate 405 and state route number 167 express toll lane corridor outlined on LEAP Transportation Document 2021-1 as developed April 23, 2021, by January 1, 2022.

- Submit a plan detailing how bond proceeds can cover the proposed construction plan from the 2021-23 transportation budget.
- Report to the Legislature by Jan. 1, 2022.

Engaging with EAG members



Office of the State Treasurer

Financial Assumptions, Risks and Results

Jason Richter, Deputy Treasurer – Debt Management

Parameters and variables

- Toll revenues
- Operations and maintenance costs
- Repair and replacement costs
- Debt service costs
- Revenue Stabilization Account
- Coverage ratios

What is the funding gap?

Based on current projections, there is a funding gap of **\$360-\$400 million**.

- Where does the information in the financial model come from?
- What are the key financial parameters that go into this analysis?
- Why is there now a gap compared to 2019 when ESSB 5825 was passed?
- How has COVID impacted the project?
- Other considerations?

Addressing the gap

- Consider prioritizing projects that produce increased toll revenue, to increase ability to provide pay-go funding.
- Explore alternative funding sources.
- The funding gap does not include appropriated American Rescue Plan Act (ARPA) funds that backfilled reduced FY 2020 and 2021 toll revenue. With ARPA funds, the projected funding gap is decreased by \$32.9M.
- TIFIA: a tool in the toolbox.
 - WSDOT used TIFIA on the SR 520 bridge financing.
 - TIFIA is a direct loan program offered by the FHWA that offers subsidized interest rates and certain other favorable terms.
 - WSDOT and OST will evaluate and consider TIFIA as a potential strategy.
 - While TIFIA may prove to be beneficial in comparison to bonds sold to public investors, the benefit will not be sufficient to make a material impact to the projected funding gap.

Discussion or questions

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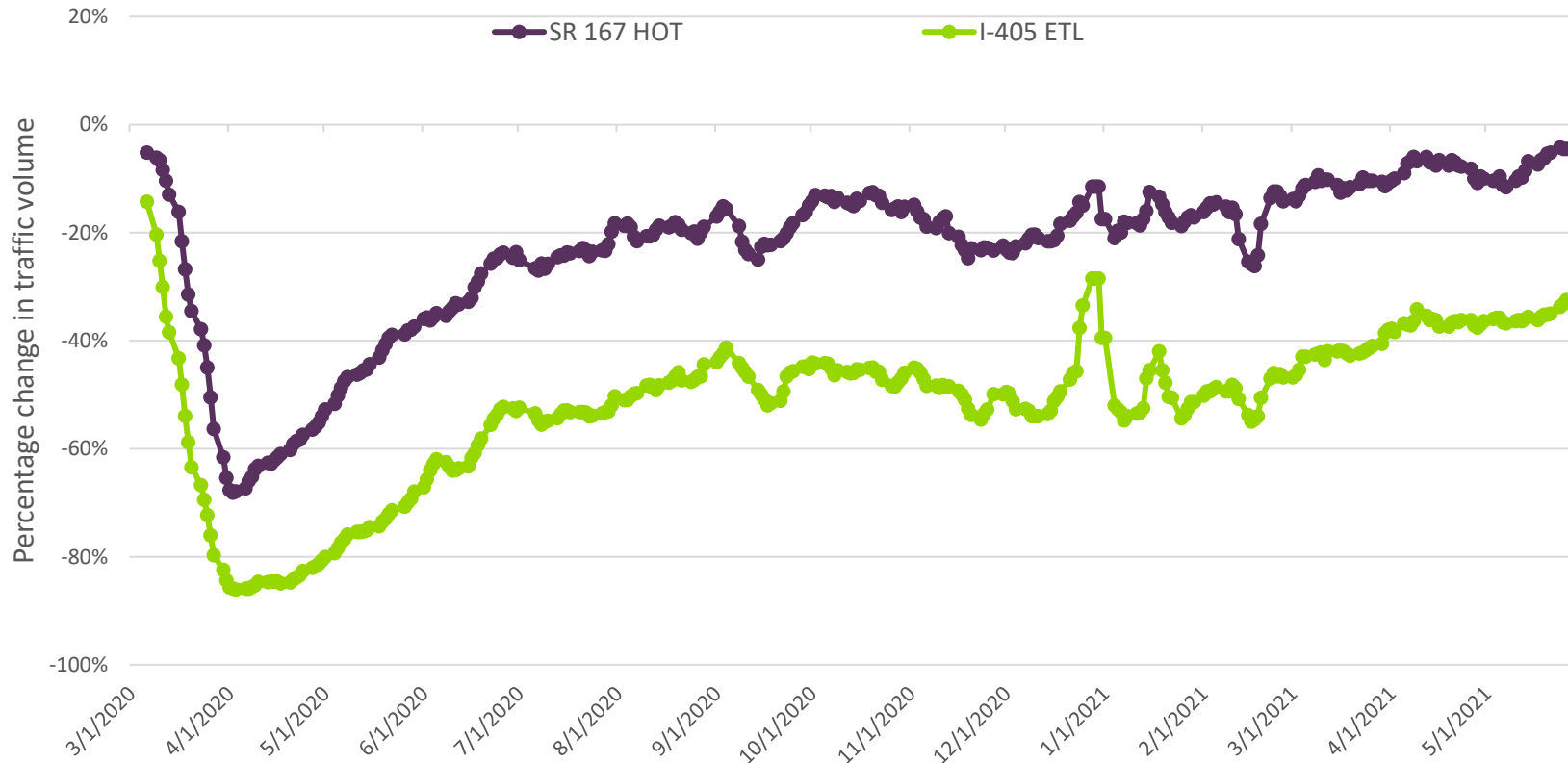
WSDOT Toll Division

I-405/SR 167 Tolling, Traffic and Revenue Update

Ed Barry, WSDOT Toll Division Director

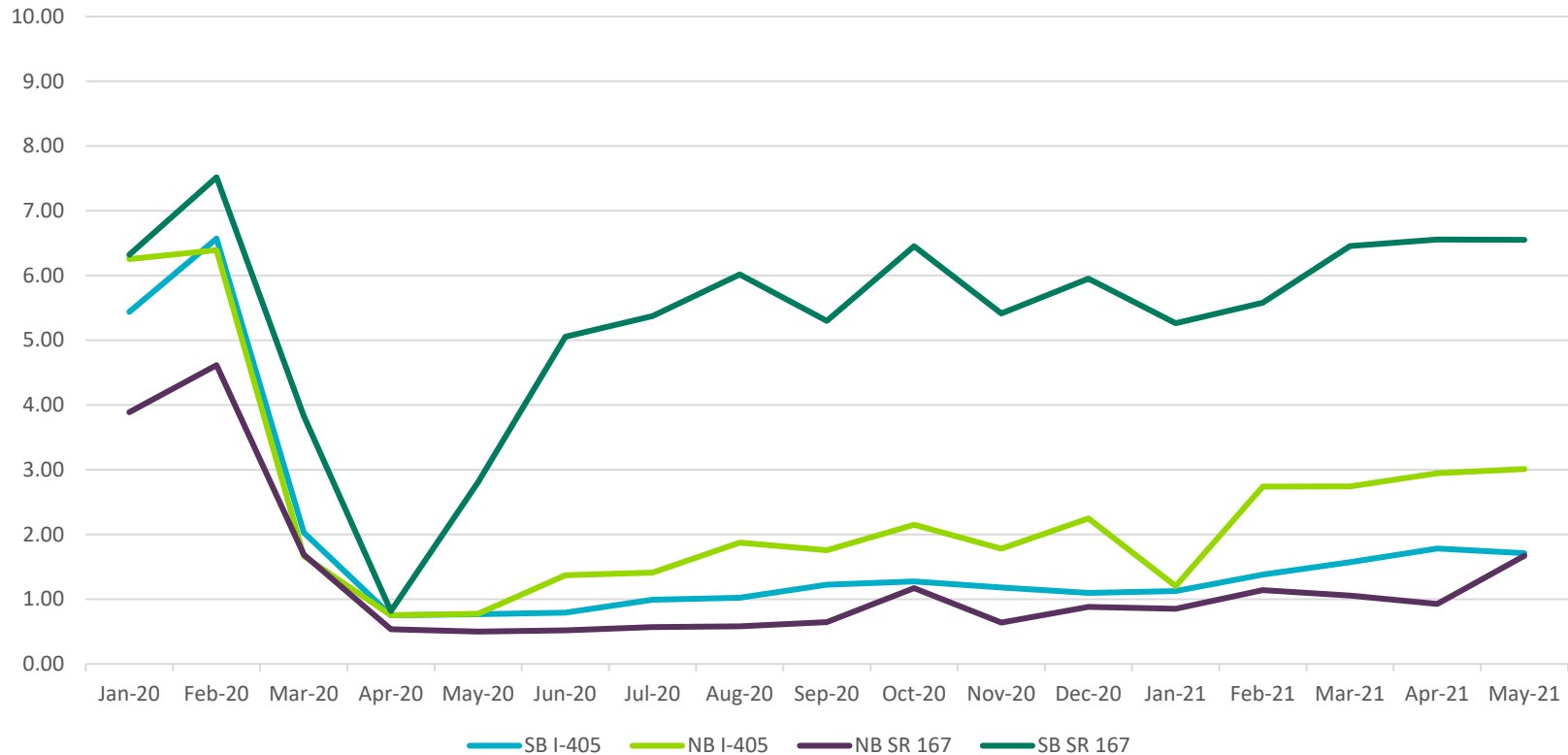
I-405/SR 167 daily trends

Average daily trips on I-405 express toll lanes/SR 167 HOT lanes compared to 2019



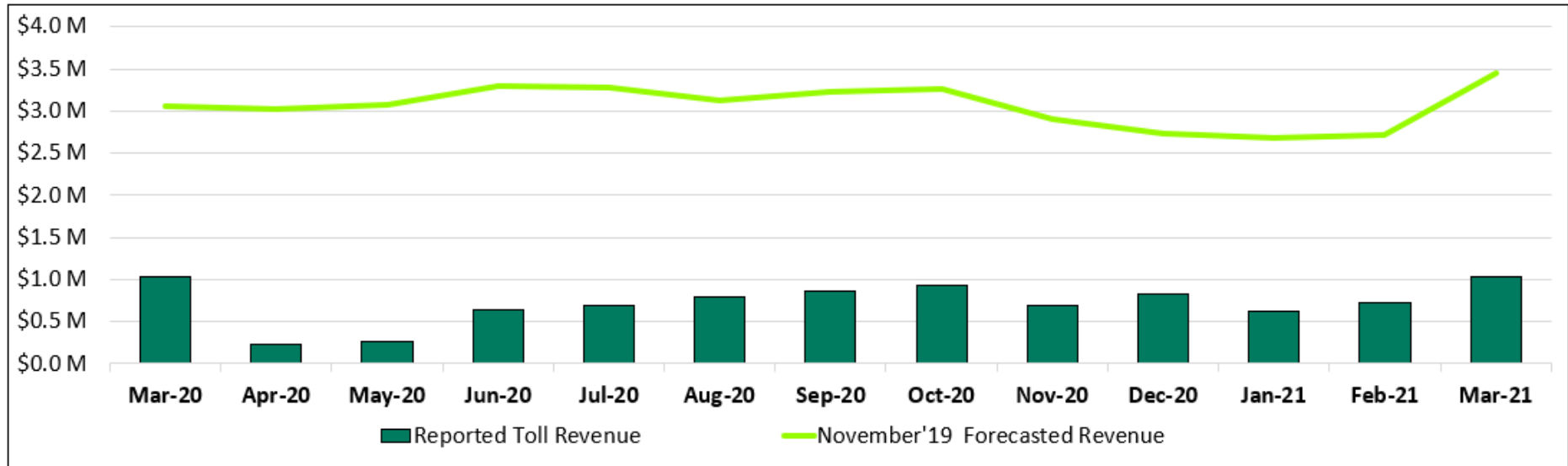
I-405/SR 167 peak period toll rates

Average toll rates during peak period, peak direction

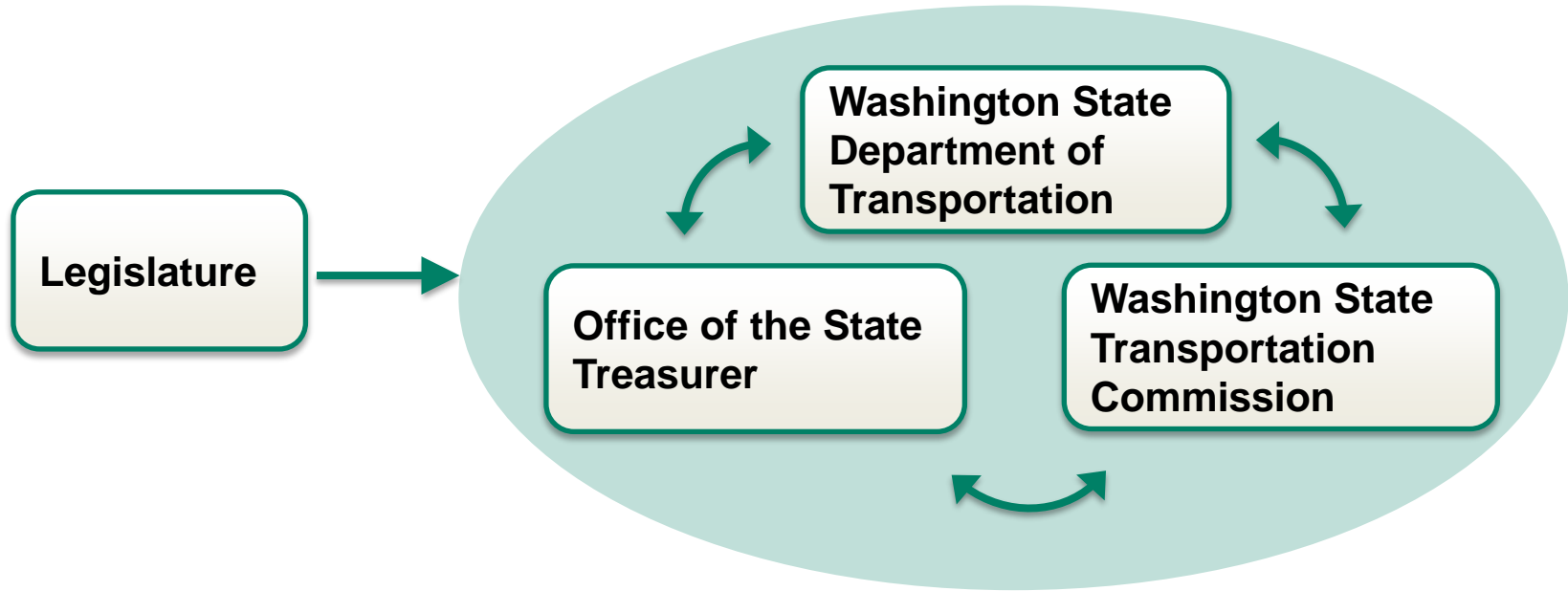


I-405/SR 167 actual revenue compared to pre-COVID forecast

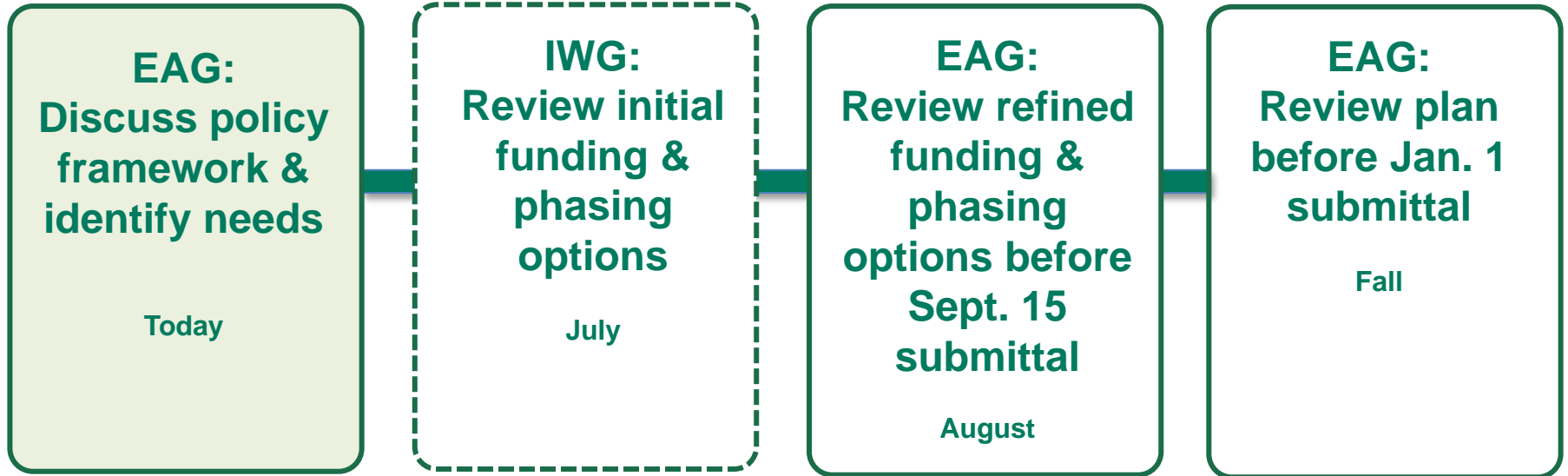
I-405/SR 167 ETLs Combined Adjusted gross toll revenues



Process to respond to provisos



EAG engagement opportunities



Discussion or questions

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I-405/SR 167 Corridor Updates

Robin Mayhew, WSDOT Management of Mobility Division Director

Lisa Hodgson, WSDOT I-405/SR 167 Program Administrator

SR 167 Master Plan update

In 2021, the Legislature reauthorized \$2.88 million for the SR 167 Master Plan update.

Study Goals

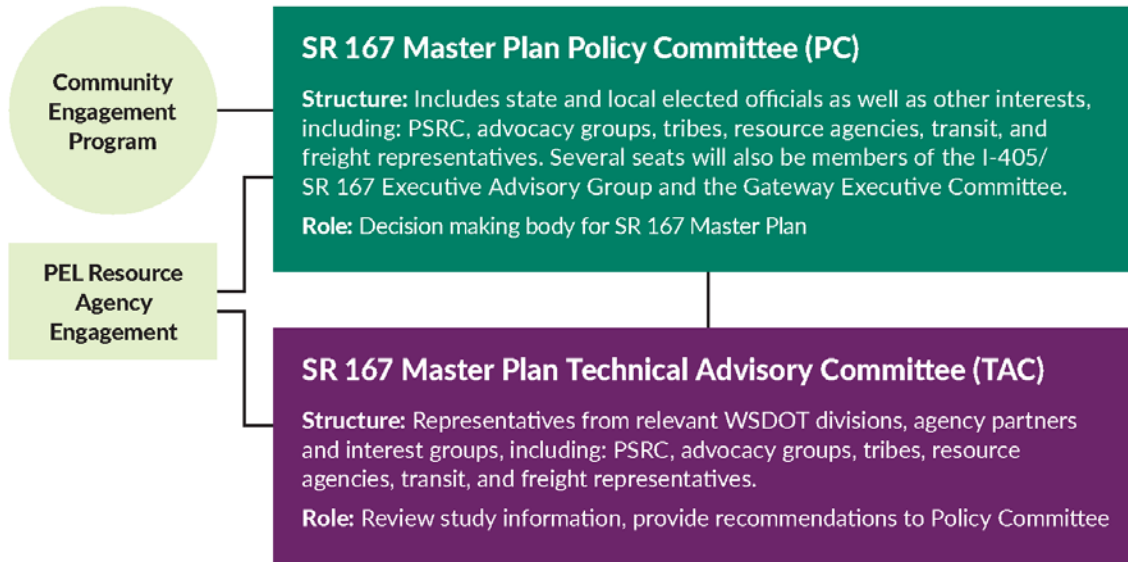
- Analyze existing and future conditions.
- Incorporate information from public and stakeholder engagement.
- Apply WSDOT's Practical Solutions approach.
- Identify near, medium and long-term multimodal transportation needs and strategies.

Study Completion

- WSDOT will complete the SR 167 Master Plan Update in 2023.

SR 167 Master Plan update

Committee Structure



I-405, NE 132nd Street Interchange

(Kirkland)



Proposals submitted on June 2, bid opening July 15

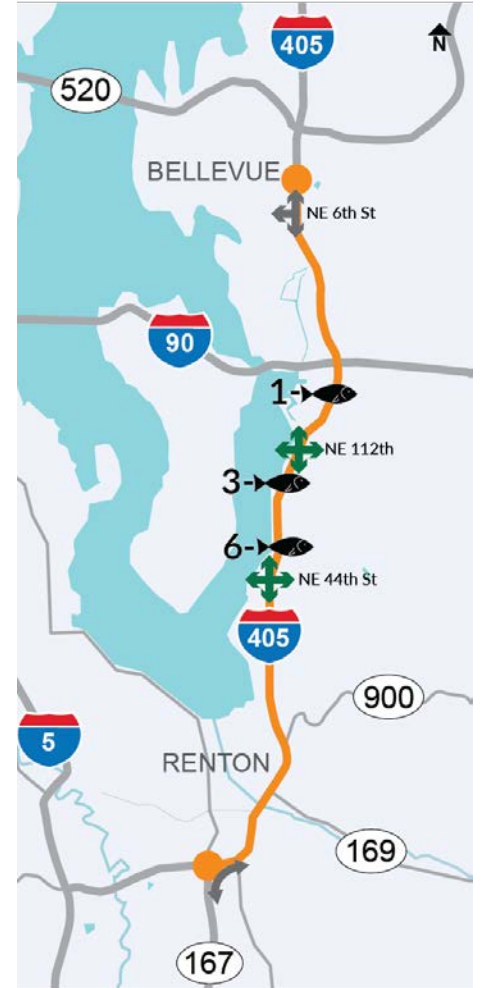
Project overview

- Builds a new half-diamond interchange.
- Replaces signals with roundabouts optimizing movement and reducing long-term maintenance.
- Adds ped/bike infrastructure through the interchange.
- Provides access to Totem Lake urban growth center, Evergreen Hospital and Kingsgate Park-and-Ride.
- Corrects fish barrier creating over 3,000 feet of upstream habitat gain.
- Improves water quality and addresses seismic retrofit.

Renton to Bellevue: Widening & Express Toll Lanes

Project overview

- New dual ETLs and BRT infrastructure between SR 167 in Renton and NE 6th Street in Bellevue, including inline BRT station at NE 44th Street in Renton, partnership with ST.
- Builds two new southbound auxiliary lanes at Coal Creek and Kennydale Hill.
- Improves key interchanges.
- Provides a reliable trip between Renton and Bellevue and system benefit for all users.
- Performs critical maintenance and preservation work.
- Corrects 10 fish barriers.



Renton to Bellevue: Eastrail



Segments of the King County Eastrail opened May 2021



Discussion or questions

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Thank You