

SENATE BILL REPORT

SB 6445

As Reported by Senate Committee On:
Transportation, February 6, 2012

Title: An act relating to financing the Interstate 5 Columbia river crossing project.

Brief Description: Concerning the Interstate 5 Columbia river crossing project.

Sponsors: Senator Pridemore; by request of Department of Transportation.

Brief History:

Committee Activity: Transportation: 1/24/12, 2/06/12 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6445 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Eide, Vice Chair; Frockt, Hobbs, Prentice, Ranker, Rolfes, Sheldon, Shin and Swecker.

Minority Report: Do not pass.

Signed by Senators King, Ranking Minority Member; Delvin.

Minority Report: That it be referred without recommendation.

Signed by Senators Fain, Assistant Ranking Minority Member; Ericksen, Hill and Litzow.

Staff: Kim Johnson (786-7472)

Background: Under current law, the Legislature is the only entity with the authority to authorize tolls on an eligible toll facility. An eligible toll facility is defined as portions of the state highway system specifically identified by the Legislature, including transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways. The Legislature has authorized collection of tolls on the following facilities: the Tacoma Narrows Bridge; the SR 520 floating bridge; the SR 167 high-occupancy toll lanes; and the Interstate 405 express toll lanes.

The Legislature has designated the Washington State Transportation Commission (Commission) as the state tolling authority with responsibility for setting toll rates, including variable pricing, and reviewing toll operations. Prior to the convening of each regular

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

session of the Legislature, the Commission must report to the transportation committees of the Legislature on any increase or decrease in toll rates approved by the Commission.

The Interstate 5 Bridge crosses the Columbia River and connects Vancouver, Washington and Portland, Oregon with two identical bridge structures. One bridge structure carries traffic northbound to Vancouver, and the other bridge structure carries traffic southbound to Portland. The northbound bridge was built in 1917, and the southbound bridge was built in 1958. The Columbia River Crossing (CRC) Project will reportedly replace the I-5 bridges, extend light rail to Vancouver, improve closely-spaced interchanges, and enhance the pedestrian and bicycle paths. The estimated project costs range from \$3.1 billion to \$3.5 billion.

Summary of Bill (Recommended Substitute): The CRC Project is defined as a bistate, multimodal corridor improvement program between the state route number 500 interchange in Vancouver, Washington and the Victory Boulevard interchange in Portland, Oregon.

The CRC Project is designated as an eligible toll facility. Tolls are authorized to be charged for travel on the existing and replacement Interstate 5 Columbia River bridge. The tolling authority is authorized to enter into agreements with the Oregon State Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates as the tolling authority may find necessary to carry out the purposes of this section. Any agreement between the tolling authority or the Oregon State Transportation Commission takes effect, and is not binding or enforceable until, 30 days after the next ensuing regular legislative session.

Toll revenue generated on the CRC Project must only be expended to construct, improve, preserve, maintain, manage, or operate the CRC Project. Expenditures of toll revenues are subject to appropriation and must only be made: (1) to cover the operating costs of the eligible toll facility, including necessary maintenance, preservation, administration, and toll enforcement by public law enforcement within the boundaries of the facility; (2) to meet obligations for the repayment of debt and interest on the eligible toll facility, and any other associated financing costs including, but not limited to, required reserves and insurance; (3) to meet any other obligations to provide funding contributions for any projects or operations on the eligible toll facility; (4) to provide for the operations of conveyances of people or goods; or, (5) for any other improvements to the eligible toll facility.

The CRC Project Account (Account) is created in the state treasury and the types of revenue and monies that must be deposited into the account are specified. The account is an appropriated account and retains its own interest income.

Tolls may not be collected on the project until (1) certification of the Secretary of Transportation to the Governor that the Department of Transportation has received satisfactory evidence that sufficient funding, including federal funds, will be available to complete the phase of the project that includes the bridge and landings; and (2) an agreement between the tolling authority and the Oregon Transportation Commission has taken effect. If the Secretary of Transportation does not provide such certification to the Governor by December 31, 2015, then the authority to toll the project and several other related provisions are null and void.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Any agreement between the tolling authority or the Oregon State Transportation Commission takes effect, and is not binding or enforceable until, 30 days after the next ensuing regular legislative session.

The CRC Project account is created in the state treasury, and the types of revenue and monies that must be deposited into the account are specified. The account is an appropriated account and retains its own interest income.

Changes are made to the contingent effective date clause:

The contingent effective date is modified as follows: This act takes effect upon, and tolls may not be collected on the project until (1) certification of the Secretary of Transportation to the Governor that the Department of Transportation has received satisfactory evidence that sufficient funding, including federal funds, will be available to complete the phase of the project that includes the bridge and landings; and, (2) an agreement between the tolling authority and the Oregon Transportation Commission has taken effect.

Appropriation: None.

Fiscal Note: Available.

[OFM requested 10-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains a contingent effective date. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: PRO: I have been working on this project for over 17 years. This is the largest capital project in southwest Washington. It is certainly controversial in our region. It is however, the best project that we could put together to meet all the differing interests and needs in play. The bulk of the funding will come from both the Federal and State governments. The challenge our community faces is how we contribute our appropriate share of the project costs. The issue of tolls is one mechanism to provide local contribution. There are other alternatives such as a property tax or sales tax increase, but those alternatives don't reach the people who do not live in our area but will use the facility. If you go through all the local options, tolls are the best solution. The time has come—let's get this bridge built.

This bill is a necessary next step for the state to move forward on this project. We, the Commission, have finally started to communicate with our counterparts in Oregon. There are a lot of things that have to happen before we ever set a toll rate for the CRC. We do think we should move forward with this bill, since we have to take the first step. There are a lot of protections built into this bill, and everyone has to understand that there is yet a lot of work to be done before any tolls will be collected. This is the legal framework for the beginning of the process. Over two dozen organizations in Clark county care about this bill, and we ask that you take whatever action is necessary to advance the CRC project. We understand that tolling is a part of paying for the project, and we support that. From a safety perspective, the age of these facilities lead us to ask for the next critical step to move forward on the project.

This project has a record of decision, and there is an expectation at the federal level that there will be tolls on this facility. This project cannot be completed without the funds that tolls will bring. The Legislature passing this bill gives the Federal government an indication that we are serious, and it will keep us competitive in all of the federal funding pools. This is critical.

There are a lot of jobs created by a project of this size and we ask that you move this forward to help put Washington back to work.

Persons Testifying: PRO: Senator Pridemore, prime sponsor; Richard Ford, WA State Transportation Commission; Rick Wickman, Identity Clark Co.; Mark Brown, Clark County Transportation Alliance; David Myer, WA State Building Trades Council; Ron Judd, Nancy Boyd, WSDOT.