

SENATE BILL REPORT

SB 5825

As Reported by Senate Committee On:
Transportation, April 9, 2019

Title: An act relating to tolling the Interstate 405, state route number 167, and state route number 509.

Brief Description: Addressing the tolling of Interstate 405, state route number 167, and state route number 509.

Sponsors: Senators Hobbs and King; by request of Department of Transportation.

Brief History:

Committee Activity: Transportation: 2/21/19, 4/09/19 [DPS, w/oRec, DNP].

Brief Summary of First Substitute Bill

- Makes both the Interstate 405 express toll lanes and State Route 167 express toll lanes permanent, with separate toll revenue accounts.
- Modifies performance metrics for the required express toll lanes corridor reporting.
- Authorizes tolling on, and creates an account for, the future Puget Sound Gateway facility.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5825 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Cleveland, Das, Lovelett, Nguyen, Randall, Takko and Wilson, C..

Minority Report: That it be referred without recommendation.

Signed by Senator Zeiger.

Minority Report: Do not pass.

Signed by Senators Fortunato and Padden.

Staff: Erica Bramlet (786-7321)

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.

Background: Toll Facilities. The Legislature must authorize a facility as toll-eligible before it may be tolled. The Transportation Commission is the state's tolling authority with responsibility for setting toll rates. The Department of Transportation (DOT) is the operator of the authorized toll facilities, which include the following:

| Facility | Tolling Initiation | Format | Account Location |
|----------------------------------|---------------------------|--------------------------------------------------|----------------------------|
| Tacoma Narrows Bridge | 2007 | All lanes tolled (eastbound) | Within motor vehicle fund |
| SR 167 High Occupancy Toll Lanes | 2008 | 1 high occupancy toll lane tolled each direction | Outside motor vehicle fund |
| SR 520 Bridge | 2011 | All lanes tolled | Outside motor vehicle fund |
| I-405 Express Toll Lanes | 2015 | 1-2 express toll lanes tolled each direction | Within motor vehicle fund |
| SR 99 Tunnel | 2019 (expected) | All lanes tolled | Outside motor vehicle fund |

Toll revenues from each facility are deposited into that facility's designated account. Some facility accounts are within the motor vehicle fund and some are outside the motor vehicle fund. The motor vehicle fund is restricted by the 18th amendment, which requires revenues be spent on "highway purposes."

Current law confines permissible uses of toll revenue to do the following:

- cover operating costs, including maintenance, preservation, administration, and toll enforcement;
- meet obligations for the repayment of debt;
- meet any other funding obligations for projects or operations;
- provide for the operation of conveyances of people or goods; and
- fund improvements to the facility.

State Route 167. In 2008, DOT converted one lane each direction of SR 167 between Renton and Auburn from a high occupancy vehicle (HOV) lane to a high occupancy toll (HOT) lane. Solo drivers can use a transponder to enter the lane and pay a toll to travel in the high occupancy lane during peak periods. If the vehicle has two or more people in it, they may travel in the HOT lane for free. There is currently no photo tolling on the SR 167 HOT lanes. The HOT lanes were initiated as a four-year pilot project through 2012, but tolling authorization has been extended in the transportation budget each biennia since.

Interstate 405. In 2015, DOT completed a widening and HOV conversion project and began tolling on the express toll lanes (ETLs) on I-405 between Bellevue and Lynnwood. Solo drivers can use a transponder to enter the lanes and pay a photo toll to travel in the express toll lanes during peak periods. If the vehicle has three or more people in it, they may travel in the ETLs for free if they have a transponder set to HOV mode. Some sections of the corridor have one ETL each direction, while some sections have two ETLs each direction.

The 2015 Connecting Washington package funded a similar widening and HOV conversion project for the south half of the I-405 corridor, to construct two ETLs each direction between Renton and Bellevue. The legislative project list funds the project at a \$1.23 billion level, with \$215 million of this expected to be toll funding. Assuming current law, the south end facility is expected to be open to traffic in 2024.

Puget Sound Gateway. The Puget Sound Gateway project was funded at \$1.88 billion in the 2015 Connecting Washington package, and will construct new segments of SR 167 in Pierce County and SR 509 in King County, simultaneously, over a 16-year period. The legislative project list assumes local contributions of \$130 million and toll funding of \$180 million, with the remaining \$1.57 billion paid with gas tax and other vehicle related fees.

The SR 167 portion of the Puget Sound Gateway project will complete the remaining four miles of SR 167 between North Meridian Avenue in Puyallup and I-5 in Fife. The SR 509 portion will extend the highway between South 188th Street and I-5 in SeaTac, and also includes a spur from I-5 in Fife to SR 509 in Tacoma. Phase 1 of the project is expected to be open to traffic by 2026, with phase 2 open by 2031. Initial tolling analyses assume all lanes would have variable tolling at three photo toll points.

Summary of Bill (First Substitute): I-405/SR 167 Corridor. The I-405 express toll lane corridor authorization is extended south to the junction with SR 167. The SR 167 HOT lanes pilot project is repealed, SR 167 express toll lanes are authorized between the junction with I-405 and junction with SR 512, and SR 167 toll revenues are directed into a new, permanent SR 167 account within the motor vehicle fund.

The required annual performance reports for the express toll lanes are changed to expire in 2030, and the requirement to report on how actual gross revenues align with the original fiscal note is removed. In addition to the required reporting metric of whether the ETLs maintain speeds of 45 miles per hour at least 90 percent of the time during peak periods, if DOT works with the Federal Highway Administration on an alternate metric, this will be reported as well. A two-year, two-part performance trigger—based on speeds and revenue—to terminate the ETL operations is removed.

Puget Sound Gateway. The Puget Sound Gateway facility is designated as an eligible toll facility and tolling is authorized. The facility is defined as SR 167 between North Meridian Avenue in Puyallup and I-5 in Fife, the SR 509 spur between I-5 in Fife and SR 509 in Tacoma, and SR 509 between South 188th Street and I-5 in SeaTac. The Commission is directed to set a variable toll rate schedule to maintain travel time, speed, and reliability, and may adjust rates for inflation.

A Puget Sound Gateway facility account is created within the motor vehicle fund. Deposits to the account are to include:

- all proceeds of bonds and loans;
- all tolls and other revenues received from the operation of the facility;
- any interest from those revenues;
- proceeds from the sale of any associated surplus property; and
- any damages collected under any associated contracts.

Monies in the account may only be spent after appropriation, and are confined to the same permissible uses as other Washington state tolling facilities.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute):

- Maintains the current 45 miles per hour 90 percent of the time standard as a goal in terms of dynamic rate setting and performance reporting.
- Specifies that toll revenues from the I-405 and Puget Sound Gateway facilities be deposited into toll accounts within the motor vehicle fund.
- Creates a separate, permanent SR 167 express toll lanes account for toll revenues generated on SR 167, to be created within the motor vehicle fund.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: *The committee recommended a different version of the bill than what was heard.* PRO: Eastside cities strongly support the ETLs and their extension south to Renton. The ETLs are critical to ensuring the completion of the I-405 corridor build-out, as well as the viability of Bus Rapid Transit which will come online in 2024. With all of I-405 tolled, the buses will be able to operate a fast, reliable service. The full ETL system that connects with SR 167 will provide much-needed congestion relief, as the I-405 ETLs have already proven to move all vehicles more efficiently despite population growth in the area. If the Legislature decides to bond the I-405/SR 167 toll revenue, resources should be directed toward direct access ramps at North 8th St, SR 522, SR 527, and additional north end ETLs.

The Gateway project should be fully funded, completed, and advanced if possible in order to relieve worsening congestion that costs businesses money in the south Puget Sound area. Ports need to be able to compete for cargo, and completing the corridors will bring more jobs and state tax revenue to Washington. The final \$180 million toll revenue installment for the project is needed. Local governments are putting in matching funds for the project in order to see it completed, and expect it will keep the freeways flowing.

This bill is needed because toll financing was assumed on these Connecting Washington projects, because the project scopes listed tolling as a way to manage demand on the expanded corridors, and because the projects are nearing the construction phase and need tolling authorization before the bid documents can go out.

CON: 32,000 people have signed the Stop 405 Tolls petition. The speed requirements should not be removed, as it would be harmful to transit, vanpool, and especially to Snohomish County users of the lanes, who pay an estimated 90 percent of the tolls. Removing the speed requirement would also erode public trust in the government, because

the primary purpose was said to be to minimize congestion, not to generate revenue. The express toll lanes have not met the speed requirement over the last three years, and the bill should not change the rules to get around this.

Persons Testifying: PRO: Senator Steve Hobbs, Prime Sponsor; Ryan McIrvin, City Council Member, City of Renton; Shelly Helder, City of Bothell; Penny Sweet, Mayor, City of Kirkland; Carolyn Logue, South Sound Chamber of Commerce Legislative Coalition; Trent House, Port of Seattle; John Chelminiak, Mayor, City of Bellevue; Jennifer Robertson, Councilmember, Bellevue City; Kyle Moore, City of Seatac; Sean Eagan, Port of Tacoma; Patty Rubstello, DOT; Debbie Driver, Legislative Relations Director, DOT.

CON: David Hablewitz, Stop405Tolls.org.

Persons Signed In To Testify But Not Testifying: No one.