

# WASHINGTON STATE TRANSPORTATION COMMISSION

## Regular Meeting Summary

March 18 & 19, 2014

### **COMMISSION BUSINESS**

*Commissioner Haley moved adoption of the February meeting summary. Commissioner Cowan seconded the motion and it was adopted unanimously.*

Commissioner Parker reported on the Tribal Transportation Planning Organization meeting he attended last week in Sequim. Tribes are frustrated with the lack of a federal transportation package and stable funding. Staff added that many tribes have had tribal transit funding reduced under MAP-21.

Reema Griffith, Executive Director, WSTC briefed the Commission on California's interest in considering a road usage charge. She also reported that the State of Indiana has passed legislation to study a road usage charge.

Chairman O'Neal reported that he was in the Speaker's office last week in DC. Everyone agrees that it would be a mistake to let the highway trust fund go insolvent but there is no willingness to increase the federal gas tax.

Staff reported on legislative action. Commissioner Haley asked about the effect of the budget proviso prohibiting the new funds provided for the AWW Replacement Project to be used for transit mitigation.

Commissioner Parker also reported on the ceremony he attended naming the Washington Public Ports Association's Olympia office building in honor of former Commissioner Dick Ford.

### **WASHINGTON TRANSPORTATION PLAN (WTP) UPDATE & COMMISSION WORK SESSION**

Steve Pickrell, Cambridge Systematics and Commissioner Litt briefed the Commission on progress in developing the update of the Washington Transportation Plan.

Emerging themes for the WTP Update, developed by the WTP Advisory Group and the Commission, are:

- Economic development
- Funding and investment strategy
- Land use and transportation relationship
- Travel implications of demographic changes
- New technologies
- Environment and climate change
- Equity of mobility and accessibility

The WTP Advisory Group also seeks a plan that:

- Makes the case for sustainable, strategic transportation investment that supports economic development and other top-level goals and objectives;

- Develops a single, statewide plan that is supported by all jurisdictional levels and relevant to all regions;
- Provides policy direction that results in projects that support economy, environment and public health;
- Focuses on performance-based planning, accountability for implementation and expenditure; and
- Addresses significant tribal transportation needs.

Commissioners desire that WTP 2035 remain a concise, readable, usable document. Commissioners also asked how the Plan would impact local decisions by counties and cities.

Upcoming WTP 2035 Dates include:

April	Stakeholder Roundtables
June	Administrative Draft WTP 2035
June 16 or 18	Next WTP 2035 briefing to Commission
Early July	Release Public Review Draft WTP 2035
July - Aug	Public Review Period
November	Draft Final WTP 2035
November	Commission Briefing
December	Final WTP 2035 for Adoption

***Action/Follow-Up: Commission briefing and discussion in June prior to release of DRAFT Plan***

**ADVISORY COMMITTEE ON TOLLING AND TRAFFIC MANAGEMENT (ACTT)  
RECOMMENDATIONS**

Maud Daudon, co-Chair of the ACCT, provided an overview on the baseline data developed for the ACTT recommendations.

***Recommendation #1: Strategy for Tolling the SR 99 Tunnel and Minimizing Traffic Diversion***

- Toll rate structure like Scenario 7:
  - o Strikes balance between minimizing traffic diversion and raising revenue.
  - o Includes 1.3 % annual toll rate escalation.
  - o Uses per-axle toll multiplier for freight.
  - o Consider lowering midday rate to \$.75 and extending afternoon/evening peak period to 7 p.m. to lower midday diversion and rebalance revenue.
- 20 % peak period diversion in Scenario 7 equals approximately 3,500 cars on north-south arterials.
- Higher levels of diversion cause impacts that may not be feasible to mitigate.
- Establish tunnel utilization goal:
  - o At least 80 % during peak periods.
  - o At least 70 % during daytime off-peak periods.
  - o Use as guideline for Washington State Transportation Commission toll rate setting process.

***Recommendation #2: Strategy for Mitigating Diversion***

- The ACTT Committee used the following criteria to evaluate system improvements that could mitigate the effects of diversion.
  - o Be flexible and adaptable to a variable transportation system where future travel patterns may be difficult to forecast.
  - o Limit the impacts of diversion (increased delays or increased traffic volumes) in and around downtown Seattle.

- o Be easy to implement without requiring interest payments and other costs needed to finance large capital investments.
- o Address safety concerns for pedestrians and bicyclists.
- Annual funding for transit service investments should be highest priority to mitigate diversion.
  - o Improves reliability of service and encourages use of transit as alternative to driving.
  - o Transit investments are pay-as-you-go, can be deployed quickly and have no financing costs.
  - o Transit investments were originally envisioned as key component of Alaskan Way Viaduct Replacement Program.
  - o Transit ridership increased when Metro added trips to mitigate for south end viaduct replacement work and on SR 520 after tolls implemented.
- Other mitigation strategies evaluated are also necessary.
  - o Adaptive signal systems could help mitigate for effects of diversion, particularly for freight and pedestrian safety.
  - o Mitigation improvements are needed to ensure safe and accessible pedestrian and bicycle routes in neighborhoods near tunnel portals.
- Given limited toll revenue, agencies should identify and aggressively pursue alternate funding sources for other transportation system improvements.

***Recommendation #3: Prioritizing Use of Toll Revenue***

- Toll revenue should be allocated in the following order:
  1. Toll collection costs (operations and maintenance of toll collection system).
  2. \$200 million capital costs (plus financing costs) for the SR 99 tunnel.
  3. Operations and maintenance of SR 99 tunnel.
  4. Annual funding for transit service on SR 99 corridor.
- Given limited toll revenue, SR 99 tunnel repair and rehabilitation, tunnel insurance and additional transportation system improvements to mitigate the effects of diversion should come from other sources.

***Recommendation #4: Local Community and Jurisdictional Involvement in Toll Rate Setting Process***

- Committee recommends that the Transportation Commission and other policymakers engage ACTT Committee, City of Seattle, King County and Port of Seattle in rate setting process.
- ACTT Committee should continue for two to three years after tolling begins to review effects of tolling during construction on waterfront.
- State and City of Seattle should convene a small panel for ongoing oversight of toll rates and diversion beyond 2018.

***Recommendation #5: Further Study of Tolling in Puget Sound***

As number of tolled facilities increases, there are opportunities to incorporate efficiencies of scale.

- As more regional facilities are tolled, a systems approach to tolling can help manage congestion, minimize diversion and lower costs.
- Committee recommends regional tolling be studied further.

***Next Steps in Toll Rate Setting Process***

- Independent investment-grade traffic and revenue analysis led by WSDOT Toll Division.
- WSDOT will seek bond authorization during 2015 legislative session.
- AWV staff will keep ACTT Committee members informed during Washington State Transportation Commission's rate setting process.

Staff raised concerns regarding the order of the Use of Toll revenue. Questions were raised about tunnel insurance and R&R expenses not being paid from toll revenue as being inconsistent with other facilities. Additionally, staff raised concerns surrounding the baseline assumptions of traffic into the tunnel. It was pointed out that this is an entirely new transportation system configuration without a travel pattern history. Ms. Daudon agreed one of the biggest risks to the toll revenue is the assumption about transactions. Moreover, the assumptions that transactions increase year over year is an additional layer of risk to the toll funding plan.

Lastly, it was discussed and clarified that diversion onto the city streets and transportation network is in part a function of the design and new configuration. Meaning, the tunnel's configuration is different than the AWW and doesn't provide the same exits and entrances into the city grid or other roads. Thus, even without a toll there would be significant diversion from the tunnel and a change in travel patterns.

[ACTT Recommendations](#)

[ACTT Advisory Recommendation Report](#)

[ACTT Recommendation Appendices](#)

***Action/Follow-Up: The tunnel opening now depends on how long the Tunnel Boring Machine (TBM) is delayed for repairs. Toll setting will begin after the investment-grade traffic and revenue analysis and prior to completion of the tunnel.***

## **SECRETARY'S REPORT**

Cam Gilmour, Deputy Secretary, WSDOT reported on WSDOT developments.

The size of the pit to remove the Tunnel Boring Machine head will require 1000 to 1500 dump trucks to remove soil.

The Tolling Division has published an annual report on its operations. On TNB, drivers have saved an average 36 minutes round trip at peak periods.

David Moseley, Assistant Secretary, WSF/WSDOT, announced today that he is leaving as Assistant Secretary for the Ferries Division.

The Supplemental Budget includes funding for the toll division to develop a new vendor contract.

Revenue is up about one percent. Some expenses are up and others are down. Chairman O'Neal asked about the impacts on WSDOT from the failure to enact a transportation revenue package. A maintenance level of funding probably means less money to spend today due to cost increases. WSDOT will continue to reduce its workforce and so will contractors across the state as funds decrease.

The cost of the culvert replacement program is about the same as the preservation program.

***Action/Follow-Up: None.***

## **THURSTON REGIONAL PLANNING COUNCIL LONG-RANGE PLAN**

Lon Wyrick, Executive Director, Thurston Regional Planning Council, briefed the Commission on the development of Sustainable Thurston. Elected officials highlighted the disconnect between the existing visions and the reality of the future.

Land Use & Transportation patterns form the backbones of our communities. If we get them right, everything else relating to sustainability becomes easier.

### Preferred Land Use Scenario Major Elements

1. Focus on creating or enhancing walkable city and town centers in Bucoda, Grand Mound, Lacey, Olympia, Rainier, Rochester, Tenino, Tumwater, and Yelm.
2. Transition auto-oriented major transit corridors into a more walkable urban form and seek opportunities for housing and a mix of services and amenities.
3. Increase sustainable economic development activities – i.e. focus on “innovative” and “creative” sector jobs, and jobs in locations that support strong centers.
4. Increase the range and choice of housing, especially in areas with access to goods and services such as transit.
5. Rethink low density residential-only zoning districts in the urban areas.
6. Use remaining urban land supply more efficiently.
7. Increase opportunities for urban agriculture.
8. Take into account property rights, vesting, and reasonable use of property.
9. Take steps such as supporting farm and rural economies, providing economic incentives, re-examining rural zoning, and purchasing or transferring development rights to protect the rural character of Thurston County.

### Preferred Land Use Scenario will result in (by 2035):

- \$1.6 billion savings in road, water, sewer, and other related infrastructure to support residential development
- 16 % reduction of 1990 levels of vehicle miles traveled based on land use changes alone
- 33 % reduction in land consumption
- 21 % decrease in total residential water consumption
- 11 % decrease in total residential energy consumption
- No net loss of forest lands and rural farmlands
- 34 % reduction in new impervious area in protected stream basins; 31 % reduction in new impervious area in sensitive stream basins

State government is becoming a smaller share of the employment base; JBLM is having a growing influence in Thurston County.

[TRPC Long-Range Plan](#)

**Action/Follow-Up: None.**

## **SR 520 FINANCE PLAN AND RATE SETTING UPDATE**

Change orders, risk and sales tax payments increased the cost to replace the SR 520 Floating Bridge by \$170 million. Traffic and Toll Revenue is performing as expected.

TIFIA disbursement requirements and schedule (\$300 million loan)

- TIFIA loan agreement identifies six specific requirements before disbursement can be made
  - Executed contracts with sufficient funding
  - TIFIA identified as an additional insured on contracts
  - Project included in TIP/STIP
  - Updated traffic and revenue study
  - Updated investment grade rating letter
  - Certification of a fully funded project
- Disbursement schedule
  - 8/15/2014 \$117,970,000
  - 1/15/2015 \$98,030,000
  - 7/15/2015 \$42,000,000
  - 1/15/2016 \$42,000,000

Plan of Finance for Triple Pledge Bonds will address \$170 million cost increase. All coverage ratios are adequate. WSDOT anticipates that the planned 2.5% toll rate increase will be adequate to meet net toll revenue requirements. Office of the State Treasurer will certify the financial plan in April.

### [SR 520 Finance Plan and Rate Setting Update](#)

***Action/Follow-Up: The Commission will proceed with the tolling plan or take further action when it receives the certificates.***

### **TOLLING TEAM REPORT**

Commissioner Haley reported that the tolling team recommends the following tolling policies for the I-405 Express Toll Lanes:

- exempt motorcycles from tolls;
- exempt carpools from tolls;
- define a carpool as 3+ during peak hours and 2+ during off-peak hours, as recommended by the I-405 Executive Advisory Group.

Possible movement toward a full-time 3+ carpool definition/ policy could be triggered by a variety of criteria, including:

- congestion during off peak hours;
- carpool policy on other roads;
- opening of other portions of the I-405 Express Toll Lanes.

***Action/Follow-Up: Commissioner Parker asked if there was any need to discuss further the carpool options, so that WSDOT could move forward with its planning work. Commissioners felt further discussion was not needed and agreed to the tolling team’s recommended policies.***

### **I-90 EIS SCOPING**

The Legislature asked WSDOT to study:

ESHB 2190 (2012) - WSDOT should, “undertake a comprehensive environmental review of tolling Interstate 90 between Interstate 5 and Interstate 405 for the purpose of both managing traffic and providing funding for construction the unfunded state route number 520 from Interstate 5 to Medina project...”

ESSB 5024 (2013) - Between the end of scoping comment period in February and publishing the Scoping Summary Report in June, the Legislature amended the previous direction to WSDOT by requiring an Environmental Impact Statement for the I-90 Tolling Project, along with specifying further study of specific approaches to mitigating impacts on Mercer Island travel.

During the October 7 to November 6 EIS scoping period, WSDOT hosted three public meetings with public comment opportunities, and an agency scoping meeting. WSDOT also accepted comments through an online comment form, standard mail and email, and shared all scoping materials and information on the project website.

In addition to the over 3,400 comments received during the initial scoping period in January and February 2013, WSDOT received over 1,300 comments during the fall EIS scoping period.

The tolling options presented were:

1. single point tolling west side
2. single point tolling east side
3. one direction tolled on either side
4. Mercer Island resident choice of free side
5. Express Toll Lanes

Top themes that emerged from agencies and the public during the public comment period, in order of the number of comments received, included:

- Opinions on Tolling
- Corridor Identification
- Purpose and Need
- Tolling Options
- Other Alternatives
- Economic Effects of Tolling

#### Opinions on Tolling

- Most commenters do not want tolls on I-90. Mercer Island residents are concerned they will be unfairly impacted because there is no other way off the island.
- Many daily commuters are concerned about the financial impact it would have to themselves and the region.
- There were also limited comments expressing various levels of support for tolling I-90, ranging from general support to support of certain options.
- Many commenters expressed that the purpose and need should be broader, that the EIS should look at the Puget Sound region and how tolling could affect traffic on other freeways.
- Many commenters expressed that a more regional means of funding should be used instead of tolling. Some of the suggestions included: considering a gas tax, vehicle mile traveled tax, vehicle excise tax, license or car-tab fees, or a combination of fees and taxes.

In November 2013, WSDOT mailed nearly 11,000 surveys to Mercer Island residents, businesses and organizations (schools, religious organizations, social services, etc.). The survey results, along with traffic counts from Mercer Island on/off ramps, help WSDOT and the City of Mercer Island learn more about I-90 travel patterns and potential effects of tolling:

- Nearly 98 percent of respondents reported trips on I-90 during the week-long survey.

- Overall, more household trips occurred between Mercer Island and Bellevue (54%) compared to trips between Mercer Island and Seattle (46%).
- There were more work-commute round-trips that occur between Mercer Island and Seattle (55%) than between Mercer Island and Bellevue (45%).
- Overall, more business/organization-related trips are between Mercer Island and Bellevue (55%) compared to trips between Mercer Island and Seattle (45%).
- Of all business/organization trips between Mercer Island and Seattle, 63% occurred during peak period travel times.
- Of all business/organization trips between Mercer Island and Bellevue, 58% occurred during peak period travel times.

A December Online Freight Survey coordinated between the WSDOT Freight Division, Port of Seattle and Washington Trucking Association elicited 299 qualified respondents. Responses indicated:

- More than half (51%) of all respondents were in management positions and most others (45%) were drivers, either for a freight company or as independent operators.
- About 21% reported they would pay the toll.
- Almost 39% reported they would use I-405 to drive around the south end of Lake Washington to avoid the toll.
- More than two-thirds (69%) plan to pass on the cost (or part of the cost) of the toll to their customers.

#### Next Steps

Late 2014: FHWA/WSDOT publish the DEIS, accompanied by a public comment period  
Early/Mid 2015

- FHWA/WSDOT publishes the Final EIS
- Washington State Legislature considers authorizing tolls on I-90
- Record of Decision
- FHWA considers federal toll agreement

Commissioners asked if variable tolling between Issaquah and Seattle could be a solution that eases the burden on those who travel on and off Mercer Island.

#### [I-90 EIS Scoping](#)

***Action/Follow-Up: None.***

#### **PUBLIC COMMENT**

Paul W. Locke said that it is hard to live off his investment income. He testified that some bus drivers for Metro are earning over \$100,000 a year. Pension benefits are too high. He recommended the state cut ferry system routes and look closely at salaries and fringe benefits of transit workers.

#### **STATE RAIL PLAN**

Ron Pate, Director, Rail and Marine Division, WSDOT and Kerri Woehler, Manager, Rail Operations Program, WSDOT presented the final, approved State Rail Plan, an integrated plan for freight and passenger rail. It serves as a strategic blueprint for future public investment in the state's rail transportation system.

Strengths:

- Currently providing good mobility for existing train volumes.
- Extensive network connects citizens and industry.
- Supports industries that contribute \$106 billion to GDP and support 1.2 million jobs.
- Most fuel-efficient mode and produces the least amount of carbon.

#### Challenges:

- Bottlenecks, constraints and access issues on Class I system.
- Delays and reliability concerns.
- Deferred maintenance degrading level of service on short-line railroads.
- Access to national and global markets.
- Meeting future demand. Freight volumes projected to double from 2010 levels by 2035.
- Maintaining a safe rail system.

### ***Rail Operations and Infrastructure***

#### Needs

- Address constraints to ensure that future capacity meets future demand.
- Preserve existing rail capacity and infrastructure.
- Enhance the efficiency and reliability of existing services.

#### Recommendations

- State action and investment based on performance measures.
- Continue incremental improvement of intercity passenger rail.
- Assess short-line railroad system conditions and needs.
- Seek cost effective approaches.

### ***Rail's Role in Economic Development***

#### Needs

- Rail should support Washington's economy by providing access to people and industry.
- Preserve access to global markets by ensuring access to Washington's ports.

#### Recommendations

- Include "first and last mile" connectivity in investment priorities.
- Include support or enhancement of domestic or international trade in investment priorities.

### ***Rail System Priorities and Goals***

#### Needs

- Prioritize cost-effective investments into the state's rail system.
- Strengthen rail to maximize benefits and minimize negative impacts.
- Continue to support safe and secure passenger and freight rail movement.

#### Recommendations

- Use performance measures to assess funding needs.
- Consider expansion of funding partnerships.
- Communicate the benefits of rail.
- Support state and federal programs that promote rail safety and security.

Commissioners and Ms. Woehler noted that there is a lot that can happen to drive traffic and capacity.

### ***Topics for the Washington Transportation Plan***

- Long-term vision: High speed rail, east/west passenger rail service.
- East/West freight rail corridor.

- Last-mile connectivity for freight and passenger.
- Role of short line rail in multimodal freight transportation system.

ARRA projects, totaling \$794.9 million investment, will be complete by 2017. The improvements will enable two additional daily round trips between Seattle and Portland and reduce travel time by 10 minutes.

Passenger Rail Investment and Improvement Act of 2008 (PRIIA) changed funding responsibilities dramatically. States must now pay operating subsidies for the Amtrak Cascades trains. Expect to see an RFP for an alternative operator to Amtrak.

### ***Cost and Revenue Strategies***

WSDOT is pursuing these strategies to manage costs and revenues:

- PRIIA 209 Working Groups
- Station Costs
- Food and Beverage
- Partnership with Oregon
- Event Trains
- Marketing Partnerships
- Service Optimization
- Preclearance
- Multi-modal Connectivity

[State Rail Plan](#)

[Amtrak Contract Analysis and Cost Reduction](#)

[Rail Division Action Plan](#)

**Action/Follow-Up: None.**

### **GREAT NORTHERN CORRIDOR**

Colleen Weatherford (BNSF), Curtis Shuck (Port of Vancouver) and Chris Herman (WSDOT), reported on the Great Northern Corridor (GNC). GNC is a globally competitive multistate freight corridor consisting of a seamless road and rail network that promotes economic growth for neighboring communities and accommodates the demand for safe, efficient, and environmentally sound transportation services. The GNC reaches across 8 States and includes 27 million Americans, 12 million U.S. Jobs, and \$1.4 Trillion in GDP. The GNC includes:

- Over 3,300 Rail Route Miles (BNSF Railway)
- 2,600 Public Grade Crossings

The key Industries and products are agricultural and forest products, consumer products, energy and industrial products, including iron, steel and minerals, automobiles and machinery, and aerospace products.

Of 19 key gateways, border crossings, and inland ports, 11 are in Washington: Blaine, Everett, Seattle, Tacoma, Olympia, Grays Harbor, Longview, Kalama, Vancouver, Quincy, and Pasco. Portland is a twelfth.

Combined, the Ports of the PNW make up the second largest US Gateway. By value, 13% of U.S. trade with Asia moves by water via the PNW Gateways and 40% of all jobs in Washington State are dependent upon trade.

Commissioners asked how much foreign trade is diverting to Prince Rupert, BC. So far, not too much. In FY 2013, only 100,000 TEUs moved through Prince Rupert. On the other hand, shipments through Seattle and Tacoma were down 3% last year. Vancouver, BC and Prince Rupert, BC had record shipments, and LA - Long Beach was up for the year.

The GNC Coalition (GNCC) is beginning a nine-month study. The Coalition goals:

- To position the Great Northern Corridor as a national leader and model of collaboration and coordination among transportation alliances in eight states and bordering Canadian provinces;
- To sustain and enhance the economic vitality and global competitiveness of the Region;
- To support efficiencies that reduce the transportation carbon footprint;
- To support a sustainable and secure energy future;
- To support freight compatible land-use development along the corridor;
- To invest in a 21st Century transportation system that utilizes diverse revenue and financing mechanisms;
- To support a seamless, efficient, and integrated freight system;
- To encourage optimal modal freight movement based on efficiency, demand, capacity, and environmental sustainability;
- To implement advanced operations and technology solutions to improve freight mobility.

On May 13, there is a freight trends workshop in Vancouver.

Washington perspective:

- 2013 Washington State Rail Plan recommends participation in multistate coalitions to support freight strategies.
- The GNCC will help to create a shared vision for a “Corridor of National Significance” that can create more robust trade alliances and enhance global competitiveness
- The GNCC highlights the important role of our PNW Gateway Ports for the country and our state
- Value of the partnerships created by the Great Northern Corridor Coalition (GNCC) effort will strengthen the working relationships between our federal, state and local jurisdictions and delegations

Bridging the Valley (in Spokane) and reducing at-grade crossings will require collaboration and cooperation of BNSF and UP. That effort is stalled.

It was noted that the best thing to improve freight rail mobility is to double-track the east-west routes.

[Great Northern Corridor](#)

**Action/Follow-Up: Schedule a follow-up briefing after the study concludes.**

## **STATE PUBLIC TRANSPORTATION PLAN**

In December 1996, a document titled “Public Transportation and Intercity Rail Passenger Plan for Washington State 1997-2016” was published. This was the first (and only) public transportation modal plan that was prepared in response to the Legislative direction of RCW 47.06.110.

Cathy Silins, WSDOT Public Transportation Division, reported that since June 2013 WSDOT has engaged its partners in developing a framework for a new Statewide Plan. Why now?

- Public Transportation is a critical component in making our transportation system efficient and effective
- There is a new opportunity for all stakeholders to participate in planning within the Department
- Our statewide planning efforts will allow public transportation agencies and partners to assist in defining the state interest and state role

Objectives:

- Define the state's interest and a state vision in public transportation with quantifiable objectives
- Establish goals for public transportation and the roles of federal, state, regional, and local entities in achieving those goals
- Create and support mechanisms for coordinating multimodal planning and public transportation services and modes
- Identify a set of recommendations tied to state goals that are important to the efficiency and effectiveness of the transportation system and that can be addressed by public transportation and demand management options

This plan is a more a blueprint for the public transportation division than for the future of public transportation in the state as a whole. Much of the discussion to date has been defining the role of the state in public transportation. Silins reports that some of the public transportation partners have been reluctant to develop a broader vision.

- some of the agencies are not familiar with planning, especially the private nonprofits
- problem with defining what the state (DOT, DSHS, D Early Learning) should pay for; state provides financial support to “regional transportation” providers
- places that relied on public transportation now rely on two-year grant programs that are provided through non-profit organizations that cannot do long range planning

The Advisory Committee on Coordinated Transportation, which addresses special needs transportation and related programs, continues to operate with staff support from WSDOT.

### **State Public Transportation Plan**

***Action/Follow-Up: Schedule a follow-up briefing as the Plan gets closer to completion.***

### **ALASKAN WAY VIADUCT EXPERT REVIEW PANEL**

John Rose and Bob Goodfellow presented the latest Report from the AWV Expert Review Panel. Previous reports were completed in 2012 and 2013. The 2013 Legislature directed the ERP to:

- Update previous reports
- “Ensure that an appropriate and viable financial plan is created and regularly reviewed”

The 2014 Report was current as of its date of publication.

Successes to date:

- Strong success in completing early contracts in Program
- Strong likelihood of successful completion of non-tunnel projects

- Good basis for successful tunnel project
  - Good contract
  - Experienced contractor
  - Good (and improving) risk management practices
- Successful negotiation of binding agreement with Port of Seattle

#### Looking ahead:

- Schedule likely to be delayed
- Existing budget can be sufficient
  - Current budget should not be diverted to expand scope of Program at this time
- Right steps are being taken to solve TBM problems
- Relations with tunnel contractor are a threat to successful completion

#### Tunnel Boring Machine

- Initial launch and operation were successful
- Right steps are being taken to diagnose and solve TBM problems
- ERP has a high degree of confidence that TBM problems will be solved and tunnel completed

#### Schedule

- Contract completion date is November 2016. There are powerful incentives in contract for timely completion.
- Current information predicts opening date of tunnel in mid-2016
- TBM delay can be partially offset by acceleration of other items
- TBM stoppage has eased Seawall coordination issues and the delay may help the seawall project by reducing conflicts of work areas.

#### Project Management:

- ERP made recommendations to improve communications between WSDOT and Seattle Tunnel Partners
- WSDOT should seek to minimize further turnover in project staff

#### Risk Management

- The Risk Management Plan meets or exceeds industry standards
- WSDOT and STP have accepted ERP recommendation to jointly assess and mitigate risks
- Contingency plans in response to high risk events are not clear. The ERP has recommended contingency plans for some events that could transpire; it does not know whether any exist for events such as another breakdown of the TBM, archeological finds in digging the removal pit.

#### Relations with Tunnel Contractor

- Design/Build contract requires collaboration to achieve success
- Relations are strained
- ERP urges quick resolution of DBE conflict
- “Partnering” efforts should continue with full participation by both WSDOT and STP leadership
- Open communication with the public should not involve positioning for pending disputes

#### Budget

- Current information indicates that the existing budget can be sufficient. A lot of the project is outside the tunnel.

- Completed and future non-tunnel projects are within budget.
- Contract terms likely limit WSDOT liability for TBM stoppage.
- Current budget cannot be diverted to expand scope of program.

#### Post-Tunnel Projects

- WSDOT and City should move quickly to complete a binding agreement regarding post-Tunnel projects (new Alaskan Way, viaduct demolition, Battery Street Tunnel decommission)
- Actual costs may be significantly less than the budgeted \$290 million, may cost as little as \$220 million.
- Roles and responsibilities are understood in principle at project staff level
- Any remaining funds from the \$290M State allocation must be placed in the Program contingency fund at this time

#### Contingency Funds

- Anticipated expenses will use up all remaining contingency funds
- Future savings should be retained in Project contingency fund
- Scope creep should not be allowed until there is more certainty or a budget increase
- The first priority must be successful completion of the construction projects

#### Tolling

- ACTT report is a useful start to tolling analysis
- Policy direction is needed as to:
  - Acceptable diversion levels
  - Debt structures that will be used to convert future tolls into current capital dollars.
  - Priorities for use of toll revenues
- Tolls may be able to produce more than \$200M for the capital projects, IF debt structure avoids coverage, operations and maintenance are paid from another source, and if insurance and R&R are paid from another source as well..
- If you can raise more than \$200 million, there is money to be used for other purposes.

#### Port Contract

- Successful negotiation is a major success
- Accelerated payment gives more time for tolling decisions

#### Stakeholder Communications

- Governor's creation of Executive Leadership Group is an important and positive step (and addition of JTC Chairs should be considered)
- WSDOT should improve communications with key stakeholders
- Communication with the Press must be timely, factual and consistent

Because of the number of significant action items and critical milestones over the next six months, the ERP strongly recommends the Governor and Legislature consider a three-month and six-month ERP review to assess:

- WSDOT/STP relations
- TBM progress
- Likely impacts to cost and schedule

Staff and commissioners raised concerns over the assumptions that insurance and R&R would be paid by some other source of funds. Furthermore, staff commented that if the financial plan includes these expenses in the cash flow stream, then, achieving \$200 million in bond proceeds appears to be challenging.

*Commissioner Cowan moved that the Commission send a letter to the Governor and the JTC members suggesting that they continue to utilize the services of the Alaskan Way Viaduct Expert Review Panel (ERP) per the proposal the ERP submitted to them. The motion passed unanimously.*

[Alaskan Way Viaduct Expert Review Panel  
AWV Update Report](#)

*Action/Follow-Up: Send letter to Governor and JTC members regarding continued ERP utilization.*

### **GRAY NOTEBOOK**

Megan White reported that WSDOT is responsible for about 1000 culverts within the US v. Washington case area. WSDOT will need to improve or replace 60-80 culverts a biennium; the total estimated cost is now \$2.4 billion.

The fish passage work since the 1990's has opened up about 1000 miles of habitat. To accelerate the work, WSDOT has streamlined its processes, in part through a LEAN review with WDFW, and created four specialized design teams. WSDOT now has 34 projects in design. WSDOT has recommended to the state Legislature a funding level of \$200 million per biennium for the next 10 years to meet the requirements of the US v. Washington injunction.

Culverts projects are prioritized based on how much fish habitat the project opens -- and to a lesser extent, when it is necessitated by a larger highway project. The Washington Department of Fish and Wildlife provides the final sign-off on the project. WSDOT also consults with the treaty tribes.

Todd Lamphere presented on WSDOT implementation of Results Washington. The Governor's focus areas are:

- world class education
- prosperous economy
- sustainable energy and clean environment
- healthy and safe communities
- efficient, effective and accountable government

WSDOT is directly involved in Goal 2: A Prosperous Economy. Of the categories being measured and reported, in three areas the trend is moving in the right direction and in one -- bicyclist and pedestrian fatalities, it is moving in the wrong direction.

[Gray Notebook](#)

*Action/Follow-Up: None.*

**TRANSPORTATION COMMISSION**

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DAN O'NEAL, Chairman

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TOM COWAN, Vice-Chairman

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ANNE HALEY, Member

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PHILIP PARKER, Member

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JERRY LITT, Member

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CHARLES ROYER, Member

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JOE TORTORELLI, Member

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL

\*Commissioner Parker passed away on April 2, 2014