

Low-Income Toll Program Study for I-405 & SR 167 Express Toll Lanes (ETL)

presented to



Draft Work Plan / Kickoff Meeting Presentation

December 17th, 2019



Good morning –

- We're looking forward to supporting WSTC on the evaluation of various low-income tolling program options for the I-405 and SR 167 Express Toll Lanes.
- We are a team of four firms: Louis Berger, WSP, Stantec, and LCA.
- This presentation:
 - Introduces our team;
 - Provides an outline of the draft work plan for feedback, including a prospective schedule and an abbreviated scope.

PROJECT TEAM:

Louis Berger

Louis Berger has proven experience in conducting research on the impact of toll roads on disadvantaged populations, as well as on the range of policy options for mitigating these impacts and amplifying the roads' benefits for low-income people.

Key team members are:

Gabor Debreczeni, Project Manager

He has conducted and published research on innovative approaches that managed lanes operators are taking to both economic inclusion and transit promotion. He will serve as the task lead for the identification of program options.

Adrienne Heller, Task Lead

Ms. Heller has worked extensively with Mr. Pesesky on various tolling equity projects and will serve as the task lead for the scan of existing toll discount programs.

Lawrence Pesesky, Principal-in-Charge

Leads the firm's planning & economic practice. With over 40 years of experience, he has both research and project experience with environmental justice analyses when considering implementing toll rate changes.

Virginie Amerlynck, Task Lead

Ms. Amerlynck's areas of expertise include traffic and revenue forecasting, economic impact analysis, and socioeconomics. She will be the task leader for the assessment of low-income populations.



Louis Berger U.S., Inc. – A WSP Company (WSP)

PROJECT TEAM:
WSP

WSP has extensive capabilities in starting up new and upgrading existing toll facilities. Their services include revenue and expenditure projections, low-income discount evaluation, stakeholder outreach, evaluation of funding options, financial planning and analysis, delivery method assessments, preparation of loan and grant applications, project delivery, operations planning, and performance analysis.

Key team members are:

Brent Baker, Deputy Project Manager

Mr. Baker has supported WSDOT with financial planning, toll policy, and rate setting on all of its existing and planned toll facilities. He has presented to state legislators, executive managers, and transportation commissioners.

Trey Baker, Task Lead

Mr. Baker is the co-chair of the TRB Congestion Pricing Committee and will serve as the task leader for surveys and interviews.

Auden Kaehler, Task Lead

Mr. Kaehler was the President of the Seattle Economics Council and has supported WSDOT on the operations of toll facilities including on leakage and financial performance. He will serve as the task lead for the evaluation of commitments and requirements.



WSP USA INC.



Stantec conducted the investment grade T&R study for the East Side Corridor Express Lanes (I-405 ETL and SR 167 ETL). They constructed and maintain calibrated regional, corridor-level, and operational models for the I-405 and SR 167 corridors and have experience reviewing land use data throughout the corridor, including income distributions of ETL users.

The project lead for Stantec is **Steve Abendschein**, who will serve as the task lead for the assessment of selected tolling program options.

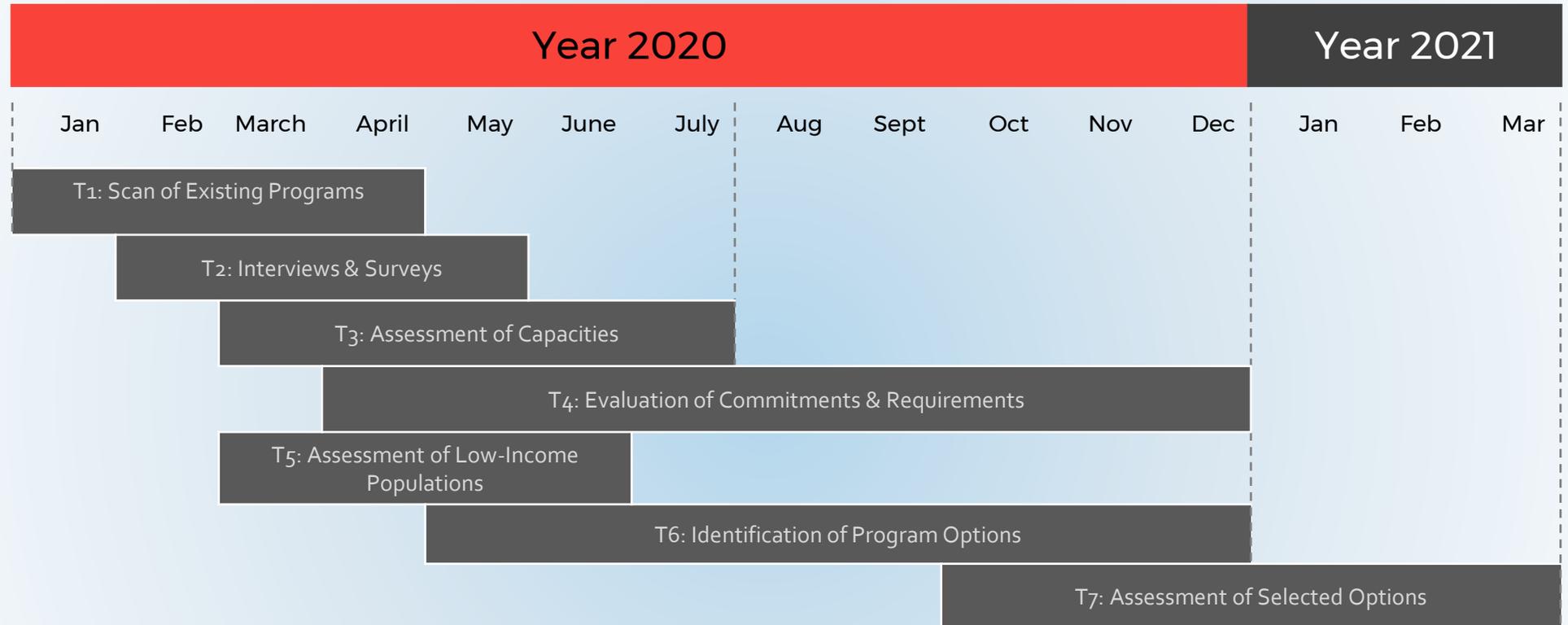


Larson Consulting Associates (LCA) is located in Seattle, WA. LCA provides toll advisory services, and has worked as a co-located consultant with the WSDOT Toll Division, as well as supported WSTC's policy development and rate setting activities.

LCA is a federally and state certified Disadvantaged Business Enterprise (DBE), and a federally certified Small Business Enterprise (SBE).

Catherine Larson will serve as a local point of contact for the commission, and will be the task lead for the assessment of implementation capacities for impacted agencies.

TIMELINES



Through November and December 2019, WSP Team is coordinating with WSTC and WSTC Staff on scope, work plan, and kickoff meetings. The schedule assumes a January 2020 notice-to-proceed.



SCAN OF DISCOUNTED TOLLS AND OTHER SIMILAR PROGRAMS FOR LOW-INCOME INDIVIDUALS

- Conduct a scan of discounted toll programs & similar programs for low-income individuals;
- Source potential models/toolkits for evaluating & suggesting such programs;
- In-depth literature review and up-to-date data collection using resources like TRB & other academic transport institutions;
- Explore and establish relevance of programs in different contexts, such as:
 - Modal context (e.g., highways, ferries, rail, or transit)
 - Domestic and international programs
 - Type of user group targeted and field area for discount

DELIVERABLES:

- Draft & final publication/reference list.
- Spreadsheet document summarizing programs and guiding models/toolkits found along with assessment of relevance to WSTC's work.

TASK LEAD:
Adrienne Heller

TASK 1

Jan-April 2020

SCAN OF DISCOUNTED TOLLS AND OTHER SIMILAR PROGRAMS FOR LOW-INCOME INDIVIDUALS



INNOVATIVE POLICIES FOR ECONOMIC INCLUSION & TRANSIT PROMOTION IN PRICED MANAGED LANES PROJECTS

Priced managed lanes or express lanes inherently provide benefits for travelers who are not frequent toll-payers. Diverted traffic and improved roadway geometries can increase travel speeds in the free lanes. Occasional users, even if low-income, value the availability of what is essentially travel time insurance, should they be in a rush to make it to work, school, or an appointment.

However, some express lanes operators have taken bolder approaches to economic inclusion and transit promotion. We highlight their innovative approaches here, and encourage these ideas' broader adoption. These approaches can enhance express lanes' contribution to expanding travel options for all and encouraging a sustainable mobility mix. In turn, these impacts can make existing and proposed express lanes projects more socially and politically popular.

HIGHLIGHTED STRATEGIES



ACKNOWLEDGEMENTS

This research was significantly enhanced by the time and information offered by: Sarah Goldspink and Jane Yu of the Santa Clara Valley Transportation Authority, Shabraz Amiri of LA Metro, Heather Barber of the Alameda County Transportation Commission, Annie Gillespie of the State Road & Tollway Authority (of Georgia), John Brady of I-85 Express & NTE Mobility Partners

THE LOUIS BERGER ECONOMIC AND FINANCIAL ANALYSIS TEAM:

The Louis Berger Economic and Financial Analysis Team offers a wide range of capabilities in forecasting and economic analysis, having advised public owners, private sponsors, equity investors, or lenders on nearly every express lanes project in the last 10 years. Our forecasts are grounded in robust travel demand models and a keen understanding of travel patterns, regional economic conditions, land use, and willingness to pay.

RESEARCHER:

Gabor Debreczeni, Senior Economist at Louis Berger
gdebreczeni@louisberger.com
Other research can be found at:
www.gabordebreczeni.com



SOCIOECONOMIC EQUITY

I-10/I-110 LOS ANGELES, CA

Low-income travelers receive transponders with \$25 credit and monthly fees waived. Approximately 3,000 low-income accounts were opened in each of 2016 and 2017. This type of credit can introduce new users to the lanes and allow them to make emergency trips that might otherwise be unaffordable.

I-10 SAN BERNADINO, CA

Low-income transponder account travelers will not incur monthly maintenance fees, allowing transponder use for infrequent high-value occasions.

SR-237/I-880 SAN JOSE, CA

VTA is currently completing a study to understand the relationship of low-income groups to the express lanes.

I-95/I-595 MIAMI, FL

Public school buses can use express lanes for free, shortening commutes for students.

I-85 ATLANTA, GA

Travelers can re-load transponders with cash at retail outlets—SRTA has found more cash than credit card accounts opened. SRTA researched individual communities along the corridor to customize local outreach.

NTE (I-820/LBJ (I-635) DALLAS, TX

In an effort to introduce more users to the benefits of express lanes, the operator allowed drivers to activate a 24-hour-free discount via a smartphone app. 40,000 took advantage of the offer, using it primarily to make one or two express lane trips they would typically forego.

I-66 WEST WASHINGTON, DC

As part of the construction of the express lanes, newly replaced bridges will place greater emphasis on bicyclists, pedestrians, and regional trails.

I-95/I-495 WASHINGTON, DC

Private operator of the express lanes makes grants to community groups, including environmental cleanup, nonprofit arts, education programs, bicycle infrastructure, and low-income housing support.



TRANSIT INTEGRATION

I-10/I-110 LOS ANGELES, CA

Transponders receive a \$5 credit for every 16 trips taken on buses traveling on express lanes. 600,000 qualifying transit trips taken since program inception. In 2016-17, 40% of excess revenue was used for transit upgrades within three miles of express lanes corridors, including electric buses, station improvements, bus priority systems, and launch of new bus routes. 1/3 of new riders on express buses said they were SOV-users before launch of new routes. To increase awareness of transit alternatives, 16,000 free commuter rail tickets were offered to transponder holders.

I-680 EAST BAY, CA

Excess express lanes revenue will be used in part to support transit projects along the project corridors.

I-25/US-36 DENVER, CO

Bus ridership increased by 45% after opening the express lanes on the 18-mile "Flatiron Flyer" corridor connecting Denver and Boulder. Early 2016—14,000 passengers per weekday use the service. Buses are not slowed by peak congestion.

I-95/I-595 MIAMI, FL

Express buses have approximately 2,000 riders per day. Service is growing by approx. 25% per year. Using the express lanes, buses are not slowed by peak congestion.

I-85 ATLANTA, GA

SRTA operates both the express lanes and the majority of the corridor express bus service. This allows SRTA to optimally match expanded bus service to express lane time savings and maximize transit's value to travelers.

I-394 MINNEAPOLIS, MN

50% of excess revenue from the express lanes is used to fund regional transit agencies.

I-66 EAST WASHINGTON, DC

Excess revenue from the express lanes used exclusively to fund shared mobility projects along the I-66 corridor, including new bus routes, more frequent transit service, and expanded bikeshare footprint.

DELIVERABLES:

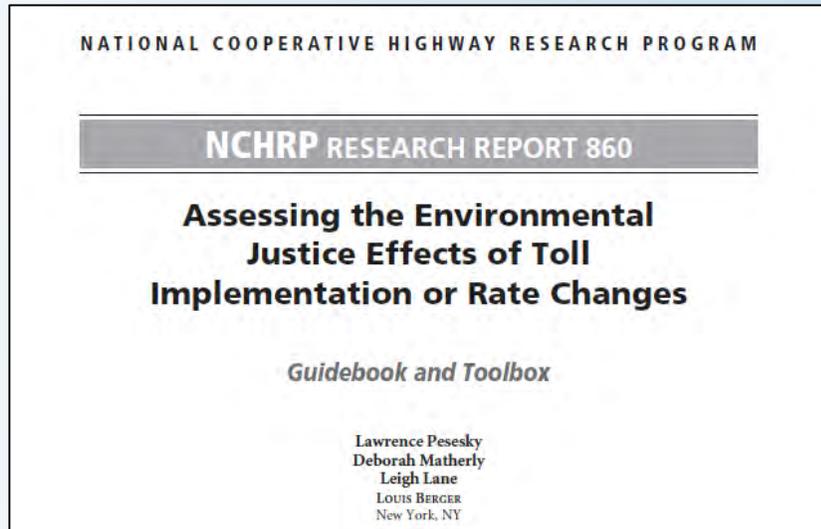
- Draft & final publication/reference list.
- Spreadsheet summarizing programs and guiding models/toolkits found along with assessment of relevance to WSTC's work.

TASK LEAD:
Adrienne Heller



Example: Programs can include defined benefits per month in transaction or dollar terms.

SCAN OF DISCOUNTED TOLLS AND OTHER SIMILAR PROGRAMS FOR LOW-INCOME INDIVIDUALS



DELIVERABLES:

- Draft & final publication/reference list.
- Spreadsheet document summarizing programs and guiding models/toolkits found along with assessment of relevance to WSTC's work.

TASK 2

Feb-May 2020

INTERVIEWS AND SURVEYS

- Leverage findings from Task 1 & gather additional information about application of low-income toll programs;
- Conduct primary research with practitioners identified in Task 1, via phone-based interviews and online surveys;
- Assemble a set of case studies reviewing how other agencies have conceptualized, designed, implemented, and evaluated low-income tolling programs;
- For each case study, examine agencies' processes for assessing need for low-income assistance along with conducting outreach to the public and political stakeholders in order to validate their assessment;
- The outreach will also focus on other agencies' experience with ineligible users fraudulently gaining access to the program, and any solutions to this issue;
- Investigate the agencies' process using a set of criteria evaluating the relevance of their process.

DELIVERABLES:

- Brief memo with recommendation on data collection plan;
- Findings summary memo;
- Draft case studies technical memo subject to review by WSTC Staff;
- Final case studies technical memo.

TASK LEAD:

Trey Baker



TASK 3

March-July 2020

ASSESSMENT OF IMPLEMENTATION CAPACITIES FOR IMPACTED AGENCIES

- Conduct up to four stakeholder workshops to identify and document key agencies' organizational, financial and system capacities for implementing/supporting low-income toll program.
- Workshop to have following format:
 - Brief overview of program research;
Used by task leader to educate participants & assist with idea generation.
 - Brainstorming;
To openly discuss organization, financial system capacities.
 - PICK Chart Analysis
To focus on highest-value discussion points.

DELIVERABLES:

- Stakeholder agency workshop;
- Workshop documentation memo outlining participant comments and the resulting synthesis of capacities by the consultant

TASK LEAD:

Catherine Larson



TASK 3

March-July 2020

ASSESSMENT OF IMPLEMENTATION CAPACITIES FOR IMPACTED AGENCIES

- Last week, we had the first meeting of project advisors, and received useful feedback and ideas from a range of organizations we are excited to partner with and learn from both in this task and throughout the project:



DELIVERABLES:

- Stakeholder agency workshop;
- Workshop documentation memo outlining participant comments and the resulting synthesis of capacities by the consultant

TASK LEAD:
Catherine Larson

TASK 4

April-Dec 2020

IDENTIFICATION OF EXISTING FINANCIAL COMMITMENTS AND PERFORMANCE REQUIREMENTS

- Inventory financial commitments and traffic performance requirements for the current and authorized I-405 and SR 167 ETL;
- Inventory customers' use of payment options for the current and authorized I-405 and SR 167 ETLs, including evaluation of toll revenue and late payment fees collected through the civil penalty process;
- Produce heat maps depicting speeds throughout the ETL and general purpose lanes to identify areas of congestion & areas where operations are compromised;
- Evaluate the resulting financial impact for each alternative to understand the required levels of subsidies or toll rate increases that would be needed to adhere to revenue generation requirements.

DELIVERABLES:

Memo outlining

- Financial commitments & traffic performance requirements for current & authorised ETL;
- Use of payment options, distribution of payments methods & payment counts;
- Revenues, and costs for collecting unpaid tolls for ETL.

TASK LEAD:

Auden Kaehler

TASK 5

March-June 2020

ASSESSMENT OF LOW-INCOME POPULATIONS

- Identify and assess low-income populations in the region that includes the current and authorized I-405 and SR 167 Express Toll Lanes, including a sub-region assessment specific to each priced managed lane facility;
- Also assess various datasets with regard to land use, elderly/youth populations, non-English speakers, and minorities;
 - These datasets will include federal (U.S. Census Bureau, American Community Survey), local (for example King County's low-income resident analysis for transportation), and toll-road specific sources (i.e. what zip codes are using the Express Toll Lanes in question
 - We intend to work with the partner organizations and WSTC staff to ensure that our task lead is aware of all relevant local research and sources
- Develop understanding of assistance programs available to local low-income residents, as well as how successful these programs are in reaching eligible users.

DELIVERABLES:

- Map presentation showing detailed socioeconomics of study region;
- Memo assessing current & forecasted usage of ETLs by income groups;
- Memo identifying challenges & benefits to low-income population with the use of ETL along with mitigation.

TASK LEAD:

Virginie Amerlynck



IDENTIFICATION OF LOW-INCOME TOLL PROGRAM OPTIONS

- Identify low-income toll program options for the current and authorized I-405 and SR 167 Express Toll Lanes;
- Develop evaluation criteria for assessing the options and selecting up to two candidate best options to evaluate in detail in Task 7;
- In evaluation criteria will explicitly consider the practicality of enacting the program only on the Express Toll Lanes facilities as opposed to the region's other facilities;
- Selection of the evaluation criteria shall be guided by the toolkits evaluated in Task 1 and shall be consistent with and inclusive of Washington State policy guidelines for toll facilities and transportation system policy goals;
- Present identified low-income toll program options to the WSTC, of which WSTC will choose up to two best options.

DELIVERABLES:

- Draft & final memo showcasing evaluation criteria for selection of low-income programs;
- Presentation outlining identified low-income toll program options – client will choose two for further analysis. Options to include baseline eligibility req., subsidy level and implementation methods.

TASK LEAD:

Gabor Debreczeni

TASK 7

Oct '20 – March '21

ASSESSMENT OF SELECTED LOW-INCOME TOLL PROGRAM OPTIONS

- Assess benefits, requirements and potential detriments to low-income participants for the low-income toll program options selected in Task 6, as well as for all users of the current and authorized I-405 and SR 167 Express Toll Lanes;
- Complete a high-level assessment of the impact on transactions, revenue, and corridor operations of a program that reduces or eliminates tolls for certain income levels;
- Make a high-level qualitative assessment of the whole-system impacts if the program were to be rolled out to all toll roads in the region;
- Identify the most cost-effective way to implement and operate the selected low-income toll program options;
- The evaluation of cost-effectiveness will consider existing financial commitments, net revenue, and technical requirements.

DELIVERABLES:

- Memo assessing benefits, requirements and potential detriments to low-income participants for selected options;
- Memo identifying cost-effective way to implement and operate selected options.

TASK LEAD:

Steve Abendschein



TASK 8

Ongoing

REPORTING AND PRESENTATIONS

Our team will make **presentations to WSTC** to:

- Introduce the work plan (December 17, 2019)
- Share a mid-project status report (July 2020)
- Present program options & performance measures for selection by the WSTC (October 2020 for program options)
- Present a draft project report (by June 1, 2021)
- Present a final project report (by June 15, 2021)

If requested by WSTC staff, our team will be ready to provide **memos that function as updates on the study** during the 2020 and 2021 legislative sessions, as well as a **presentation to the legislature** in early 2022.

Submitted by:

Louis Berger U.S., Inc., A WSP Company

96 Morton Street

New York, NY 10014

