



# **I-405 / SR 167 Express Toll Lanes Low Income Toll Study**

## ***Mid-Project Update – Introduction***

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Washington State Transportation Commission

July 21, 2020

WSTC Commission Meeting

# I-405 / SR 167 Express Toll Lanes Low-Income Toll Study

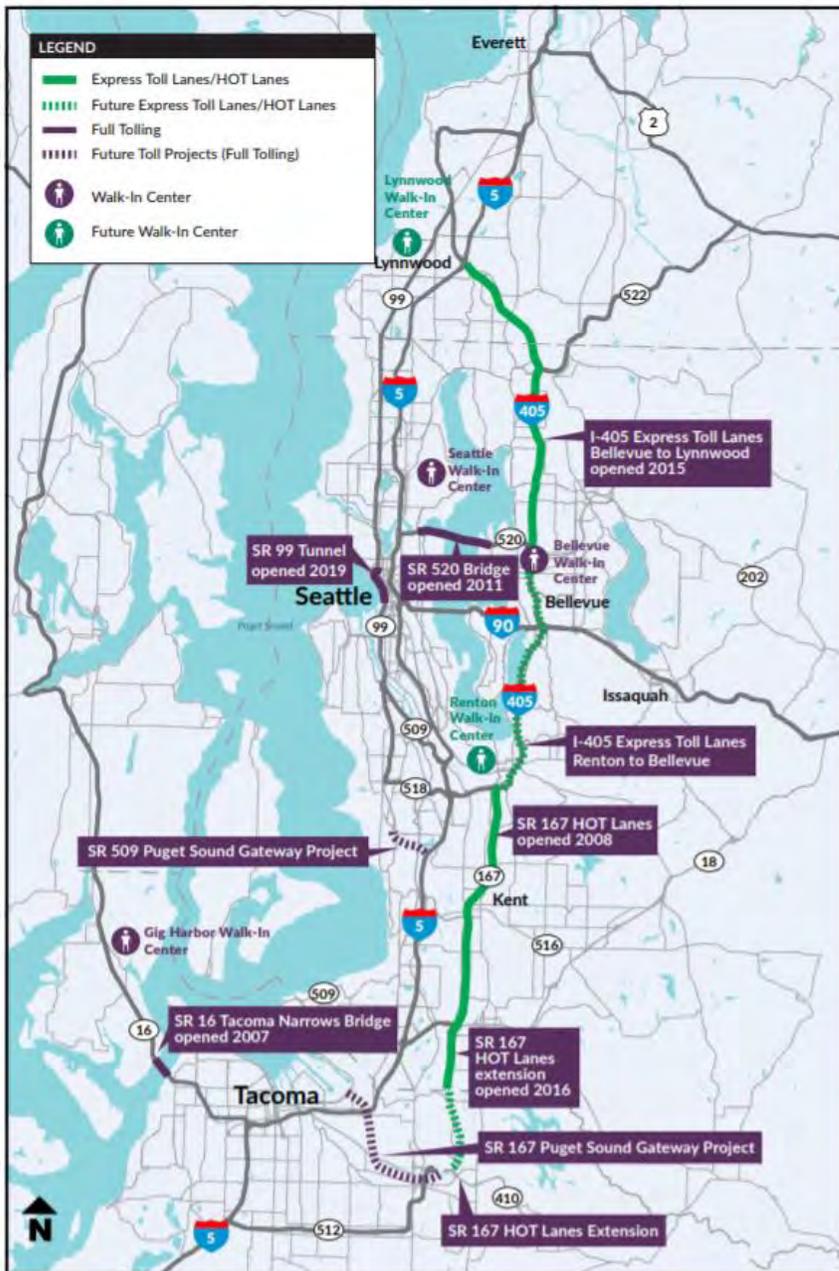
- The Legislature directed the WSTC to undertake the study in the 2019 Legislative session. A final report is due by June 2021.
- The study is to assess the impacts of tolling on low-income drivers of the I-405/ SR 167 ETLs, and determine possible approaches to mitigating such impacts.



# I-405 / SR 167 Express Toll Lanes Low-Income Toll Study

- This study will include the following:
  - National scan of implemented and considered low-income tolling programs.
  - Research of existing capacities for implementing a low-income toll program for the facilities, and of existing financial and performance commitments.
  - Assessment of low-income populations who use the I-405 / SR 167 ETL facilities, and their potential benefits / challenges from a low income toll program.
  - Evaluation of impacts on tolling policies, traffic performance, revenues, costs, operations, and enforcement.
  - Final report with recommendations to the Legislature.



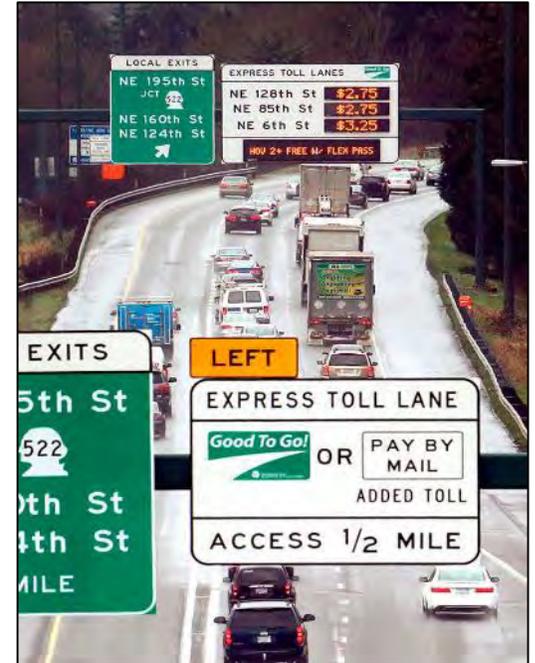


# I-405 / SR 167 Express Toll Lanes

- Express Toll Lanes (ETLs) include two of the five existing state toll facilities.
- I-405 ETLs opened in 2015 from Bellevue to Lynnwood.
- SR 167 HOT Lanes / ETLs opened in 2008 from Renton to Auburn, with southern extension opening in 2016.
- By about 2025, ETLs will be extended on I-405 from Bellevue to Renton and on SR 167 to Puyallup, creating about 50 mile ETL corridor.

# I-405 / SR 167 Express Toll Lanes

- Toll Rates
  - Change dynamically based on congestion, with intent to keep traffic flowing smoothly.
  - Range between \$0.75 – \$10.00 on I-405, and \$0.50 – 9.00 on SR 167.
  - Average toll rates are \$4.50 on I-405, and \$3.90 on SR 167. (June 2019)
- HOV Policies
  - I-405: HOV 3+ are toll-free during peak hours and 2+ is free during off-peak hours.
  - SR 167: HOV 2+ are toll-free at all times.



# Study Milestones



- Jan/Feb 2020: Begin research and assessment of low-income programs
- May 2020: Status report to WSTC
- **July 2020: Mid-Study status report by consultants**
- October 2020: Toll options and selection criteria presented to WSTC
- Nov/Dec 2020: WSTC selects toll program options for further consideration.
- Winter / Spring 2021: Update to Legislature and presentation of preliminary report to WSTC.
- June 2021: Final Report presented to WSTC and Legislature.

# Low-Income Toll Program Study for I-405 & SR 167 Express Toll Lanes

presented to



Mid-Project Update

July 21<sup>st</sup>, 2020



## INTRODUCTION

- We'll be introducing the work done so far on Tasks 1, 2, 3, and 5:
  - Task 1: scan of tolling equity frameworks and programs
  - Task 2: detailed case studies of most relevant programs, linkages to other agencies considering a similar program
  - Task 3: workshops with local stakeholders and potential implementers
  - Task 5: socioeconomic mapping around ETL corridors
- Our other speakers today:
  - **Gabor Debreczeni**, Project Manager
  - **Catherine Larson (LCA)**, Task Lead for Task 3
  - **Shanwen Liu**, Co-Task Lead for Task 5

# TASK 1

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

Refreshed existing research on scan of equity programs;  
conducted survey to find nascent not-yet-public programs

### EXAMPLES:

- Low-income discounts or periodic waivers on tolls, transponder costs, monthly fees
- Usage of toll revenues to fund other neighborhood projects and programs
- Allowing buses free passage on ELs; awarding toll credits to corridor transit riders
- Other accommodations like neighborhood cash-reloading of transponders
- Also researched local non-highway programs like ORCA LIFT, DSHS Basic Food, and various Seattle City Light programs

**Louis Berger**

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

Priced 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

**SR-237/A-880 SAN JOSE, CA**

- Conduct an equity study

**I-680 EAST BAY, CA**

- Use excess revenue to support transit projects

**I-25/US-36 DENVER, CO**

- Run express buses on express lanes

**I-394 MINNEAPOLIS, MN**

- Use excess revenue to fund regional transit

**I-85 ATLANTA, GA**

- Allow loading of transponders with cash and promote transponder use at community festivals
- Integrate express lanes operator and express bus operator

**I-66 EAST WASHINGTON, DC**

- Use express lanes revenue for transit capital expenditures

**I-66 WEST WASHINGTON, DC**

- Improve bicycle and pedestrian connections in project area

**I-95/I-495 WASHINGTON, DC**

- Start a community grant program

**I-10/I-110 LOS ANGELES, CA**

- Provide free transponder credit for low-income travelers
- Provide toll discount for corridor transit riders and free promotional transit rides for drivers

**I-80 EAST BAY, CA**

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

**I-25/US-36 DENVER, CO**

- Bus ridership increased by 45% after opening the express lanes on the 16-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 bike-share footprints.

### 300% ECONOMIC 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 BERNARDINO, CA**

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

**SR-237/A-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 reload 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. 80,000 took advantage of the offer, using it primarily to make one or two express lane trips they would typically forgo.

**I-66 WEST WASHINGTON, DC**

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

**I-95/I-495 WASHINGTON, DC**

Private operator of the express lanes makes grants to community groups, including environmental cleanup, respite/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 15 trips taken on buses traveling on express lanes. 640,000 qualifies transit trips taken since program inception. In 2016-17, 45% 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 lanes said they never used transit before launch of new routes. To increase awareness of transit alternatives, 15,000 free commuter rail tickets were offered to transponder holders.

**I-80 EAST BAY, CA**

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**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, Shabazz Asiri of LA Metro, Heather Barber of the Alameda County Transportation Commission, Anissa College of the Yonjo Street & Tollway Authority of Georgia, John Brady of I-57 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:**  
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Other research can be found at:  
www.gabordebruin.com

# TASK 1

## **STAKEHOLDER STAFF ADVISORY GROUP**

- Our project advisor team has been very helpful for ideas, contacts, and feedback on deliverables – we thank them for their continued input and knowledge. We have been meeting monthly.



# TASK 2

## *DETAILED CASE STUDIES*

### Overview

- Based on the survey and scan, we have selected four agencies' programs to conduct detailed case studies:
  - LA Metro Express Lanes
  - KY/IN Bridges
  - MnDOT Express Lanes
  - VDOT Elizabeth River Tunnels
- Also we have spoken with agencies that are in the process of considering low-income discount programs (MTC – Bay Area, CA; SBCTA – San Bernardino, CA; SFCTA – San Francisco, CA), and an agency (SRTA – Atlanta, GA) who run a successful community-based cash-loading program.
- Furthermore, discussions with DSHS and King County Metro re: implementation and verification experiences and lessons learned with low-income programs.

## TASK 2

### Key Points Learned So Far

## *DETAILED CASE STUDIES, PRELIMINARY HIGHLIGHTS*

- LA Metro Express Lanes:
  - Low-income program that gives one-time \$25 credit and waives \$1 monthly fee.
  - Statutorily required to have low-income mitigation. As such, funded through toll revenues as cost of doing business.
  - Had been considering increasing benefits since the low value of the benefit is the biggest drag on enrollment. Approximately 3% of users are on program (~3,000).
  - Promoted with paid marketing on radio, laundromat/fast food/convenience store ads.
  - Allows cash-loading of transponder at customer service center and all 7-11's through PayNearMe.
  - Verifies income and residency once (at customer service center through check stub, EBT card, etc.); does not re-verify.
  - Users can enroll through phone or at customer service center.

## TASK 2

### Key Points Learned So Far

## ***DETAILED CASE STUDIES , PRELIMINARY HIGHLIGHTS***

- MnDOT Express Lanes:
  - Proposed program that would give a \$50 credit per year.
  - Not yet been implemented because of ambiguity over MnDOT's legal ability to enact a program like this. Has been in concept for three years. Expect to launch in next 1-2 years.
  - Expect to launch a three-year pilot first.
  - Verification through EBT card shown at customer service center. Must re-verify every year.
  - They expect low initial demand due to need to come into service center – expect to have broader outreach/enrollment in later phase.
  - Chose \$50 because it's approximately the average tolls paid annually by a low-frequency user of the system.
  - Chose flat-benefit approach because simple on the back-office system, since treated as standard transponder loading transaction at service center.

## TASK 2

### Key Points Learned So Far

## ***DETAILED CASE STUDIES , PRELIMINARY HIGHLIGHTS***

- VDOT Elizabeth River Tunnels:
  - Low-income program that gives local residents a \$0.75 discount per transaction after the eighth transaction in a month. Benefit declines in practice as tolls grow.
  - Total program benefit must be \$500,000 per year – benefits adjusted over time to achieve this figure. This amount is provided for 10 years through P3 concession agreement from the P3 operator.
  - Approximately 2,000-3,000 enrolled, with average benefit being \$25/month.
  - Program decisions made by steering committee including representatives from local businesses, local governments, local colleges, and Navy base.
  - Must re-verify every year in-person at customer service center (with income proof like tax forms). Limited enrollment period – causes run on customer service center in last week of enrollment.
  - Operating cost for program comes directly from VDOT budget.
  - Dropped E-ZPass minimum balance as an equity accommodation.

## TASK 2

### Key Points Learned So Far

## UPCOMING LOW-INCOME TOLLING PROGRAMS, EXAMPLE

- MTC Express Lanes:
  - Project now being evaluated through equity lens and express lanes are not doing well in these evaluations.
  - Want to launch pilot low-income discount quickly. Likely 18-month pilot. Planning to do outreach to low-income drivers.
  - Significantly modeled and leaning on Clipper START, the transit low-income discount scheme in the Bay Area. Will use same qualification rules; have not decided on geographic qualification.
  - Will be paid from toll revenues.
  - Expect it will be rolled out eventually to most/all regional express lanes or even most/all toll roads.
  - We expect to keep track of MTC's progress throughout remaining duration of study.

## TASK 2

### Key Points Learned So Far

## LOCAL PROGRAM IMPLEMENTATION LESSONS

- DSHS:
  - Benefit Verification System (BVS) is free to use for other agencies, needs name and social security number, returns the answer of whether a person is on a state benefit program.
  - Most of these programs have <200% federal poverty level as income threshold.
  - DSHS does significant outreach for various programs, including mobile offices to get to rural areas and elderly populations. WIN-211 phone line gives info on programs.
  - Users can enroll in person, on phone, or online. Enrollment usually within two days. Staff make every effort to formally verify income.
  - These systems do not capture undocumented people living in Washington.
- King County Metro / ORCA LIFT:
  - A valuable local source of implementation lessons from a low-income transportation program.

### ***STAKEHOLDER WORKSHOPS***

#### Purpose:

- Identify and document key agencies' capacities for implementing or supporting options for a potential low-income toll discount program

#### Participants:

- Washington State Department of Transportation
- Washington State Department of Social and Health Services
- King County Metro
- Washington State Transportation Commission

### ***STAKEHOLDER WORKSHOPS***

#### Example Questions:

- What program elements would you recommend for a low-income toll discount program for Washington State's managed lanes? What are the benefits and challenges of each?
- What processes, procedures or programs currently exist within your own organization that could be used to support a low-income toll discount program?
- What organization, financial and system capacities are available for implementing a program in Washington State?

### ***STAKEHOLDER WORKSHOPS***

Workshop Input Themes:

- Options for verifying eligibility
- Discount Options
  - Toll Rate Discounts
  - Non-toll Rate Discounts
  - Account-based Adjustments
- Need for end-user input

Results:

- Two (2) options for verifying eligibility
- Twenty-two (22) possible discount options

# TASK 5

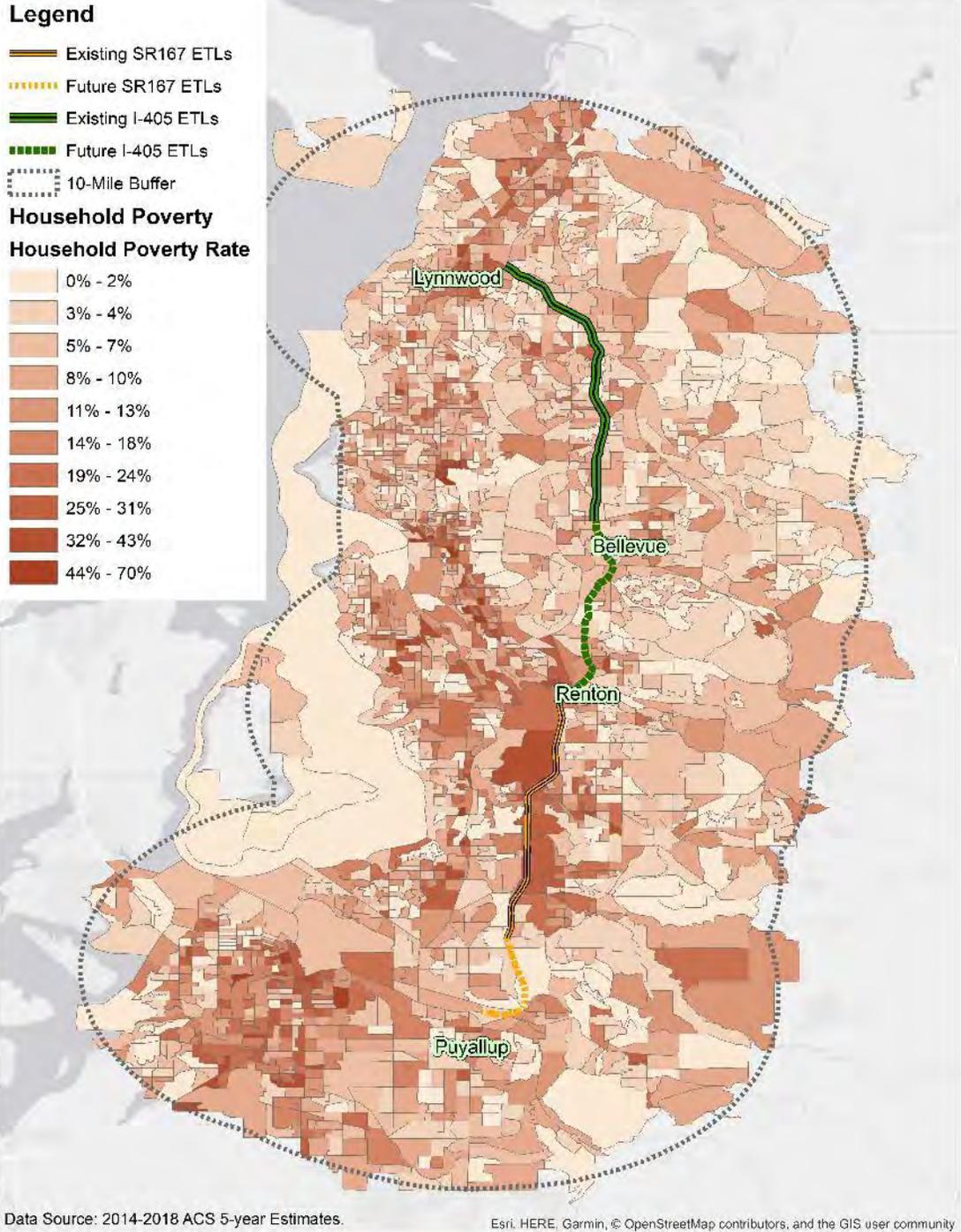
## Introduction

### ***LOCAL PROGRAM IMPLEMENTATION LESSONS***

- Task 5 is firstly a mapping exercise to ensure that we understand the geographical context for the ETL corridors and this potential future program.
- This geographical context is crucial for upcoming tasks because it helps us understand:
  - Whether the program needs to be differentiated for each ETL segment.
  - Plausible geographical restrictions on the program, if needed.
  - Considerations for where program users might travel to/from, needed as input for operations and revenue calculations in Tasks 4 and 7.
- This task is not complete; further deliverables are forthcoming.

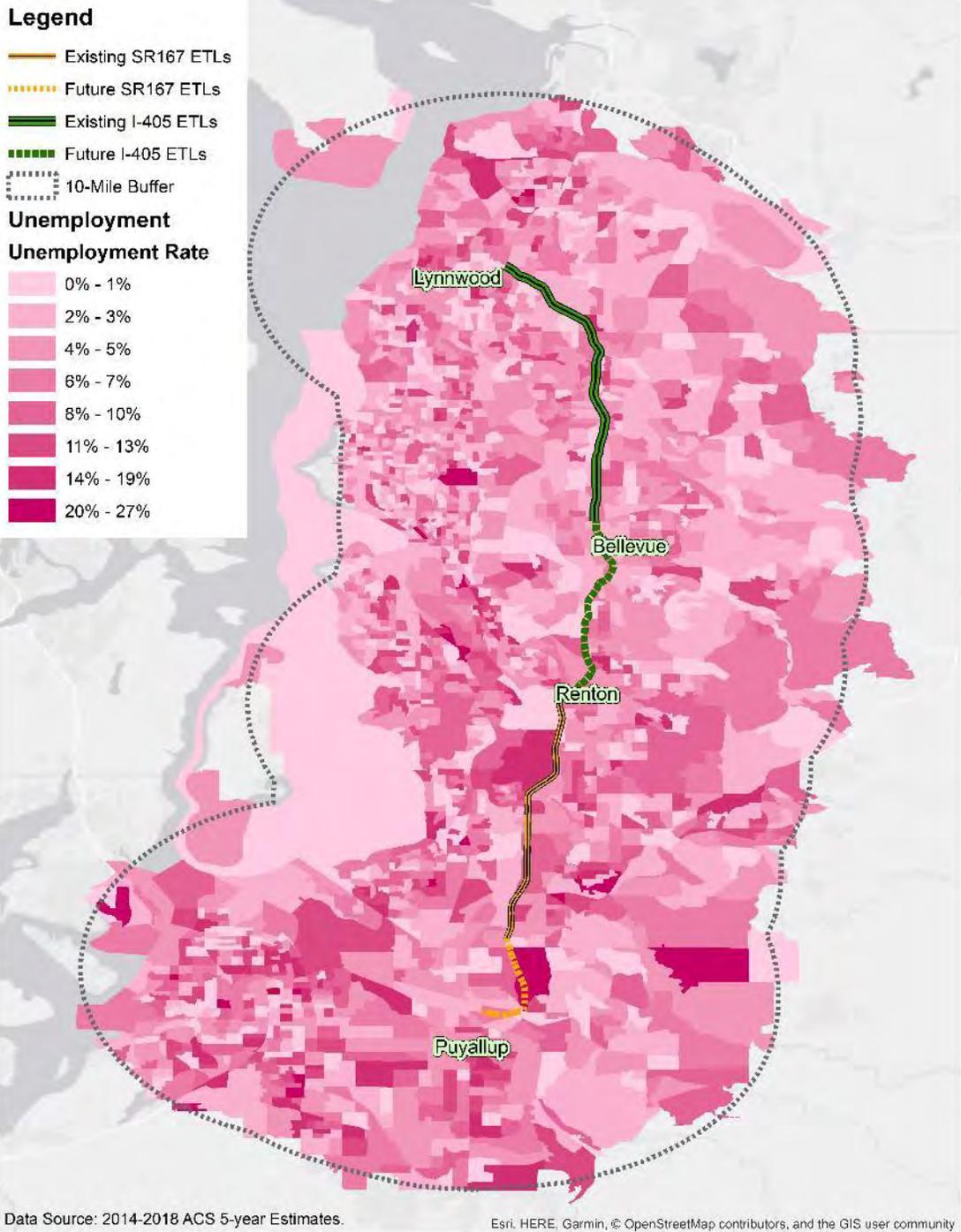
# TASK 5

## Household Poverty Rate



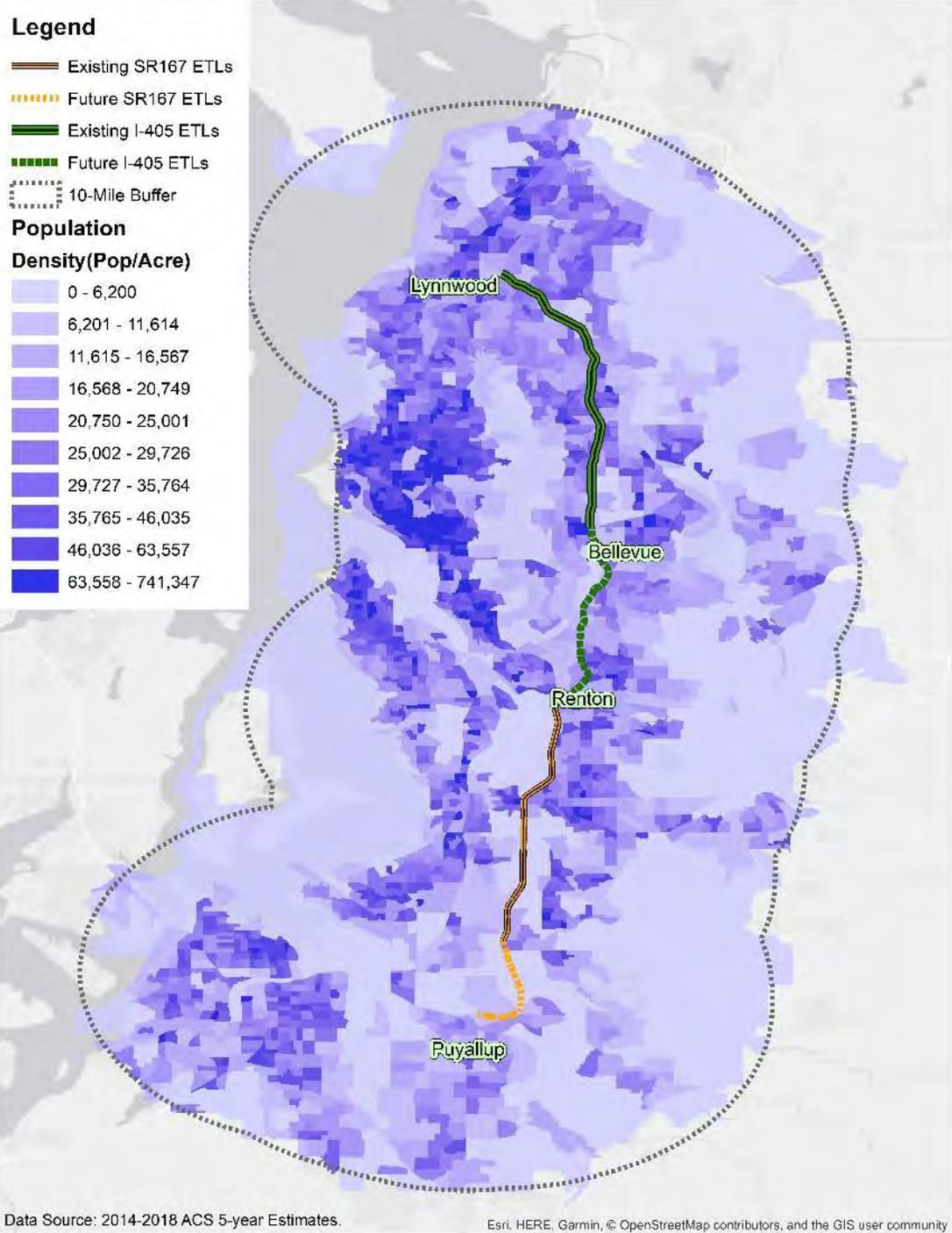
# TASK 5

## Unemployment Rate



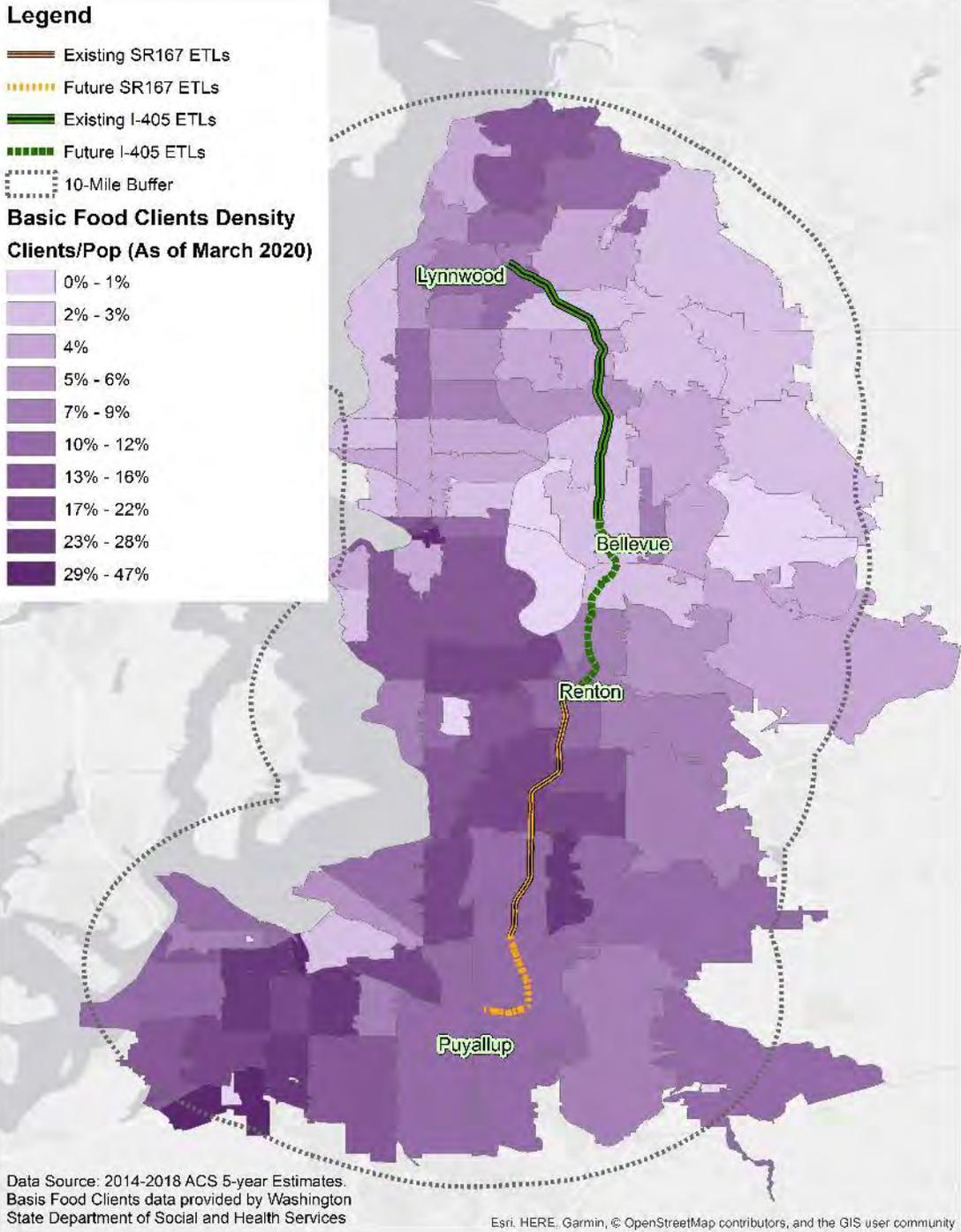
# TASK 5

## Population Density



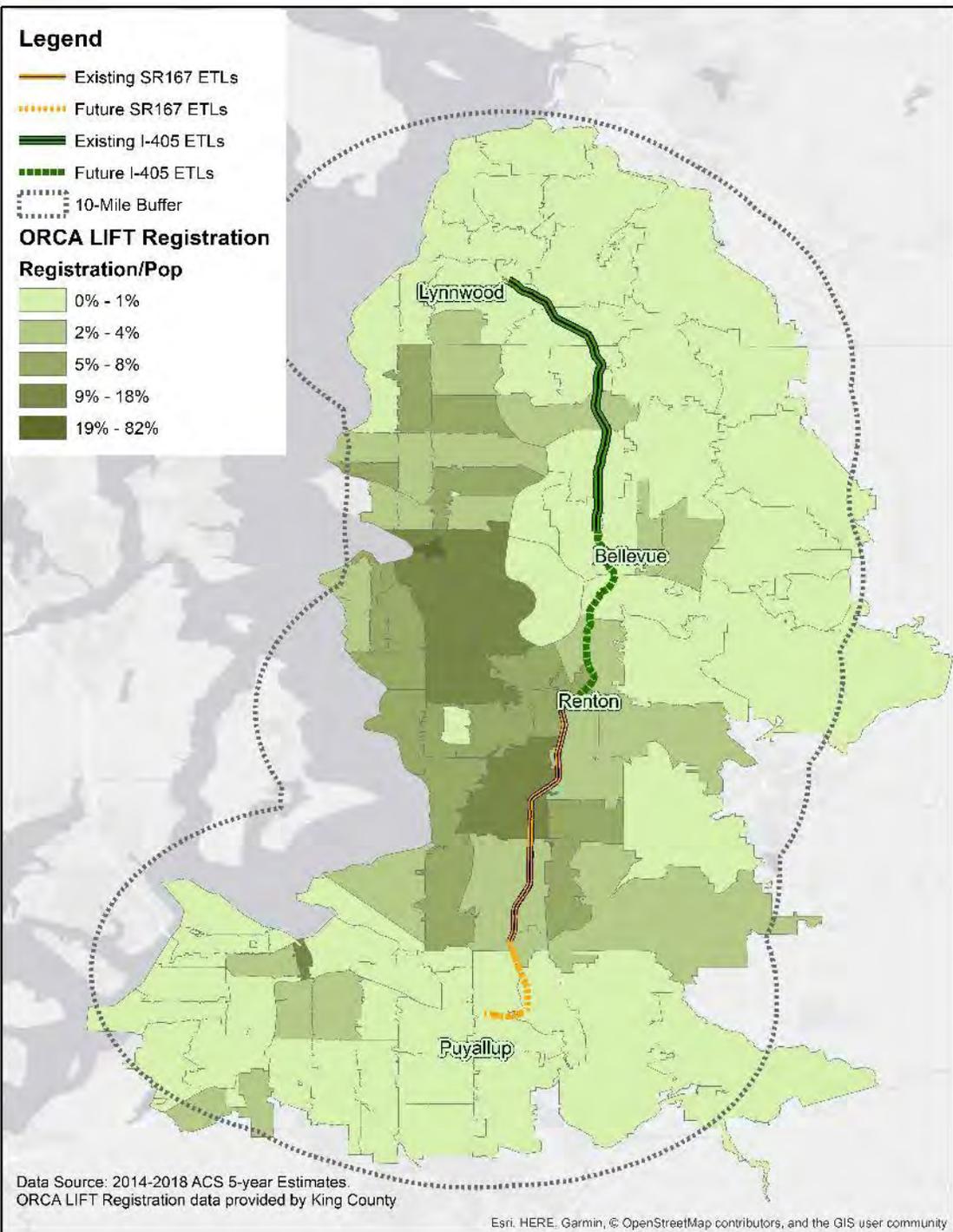
# TASK 5

## Basic Food Clients Density



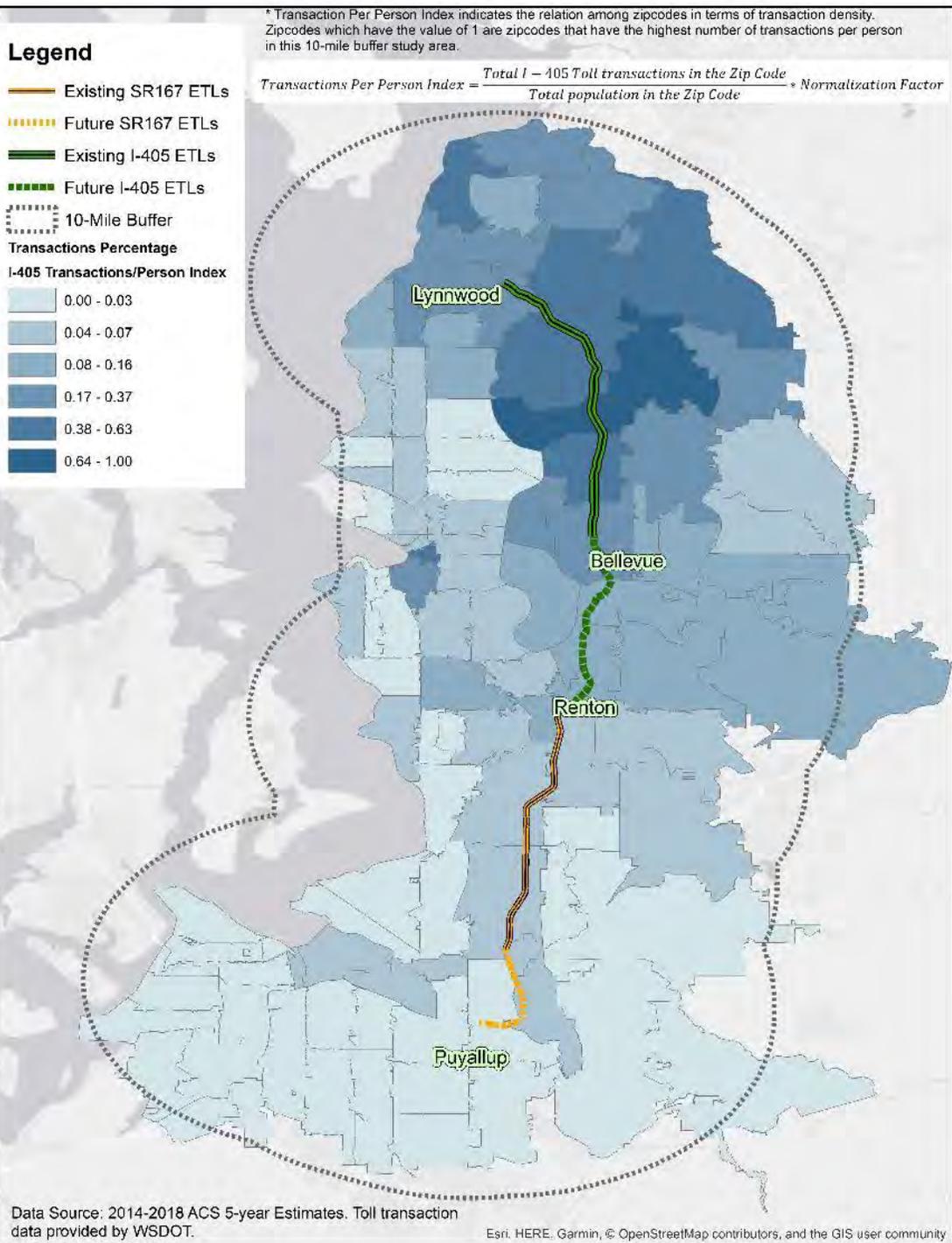
# TASK 5

## ORCA LIFT Registration Density



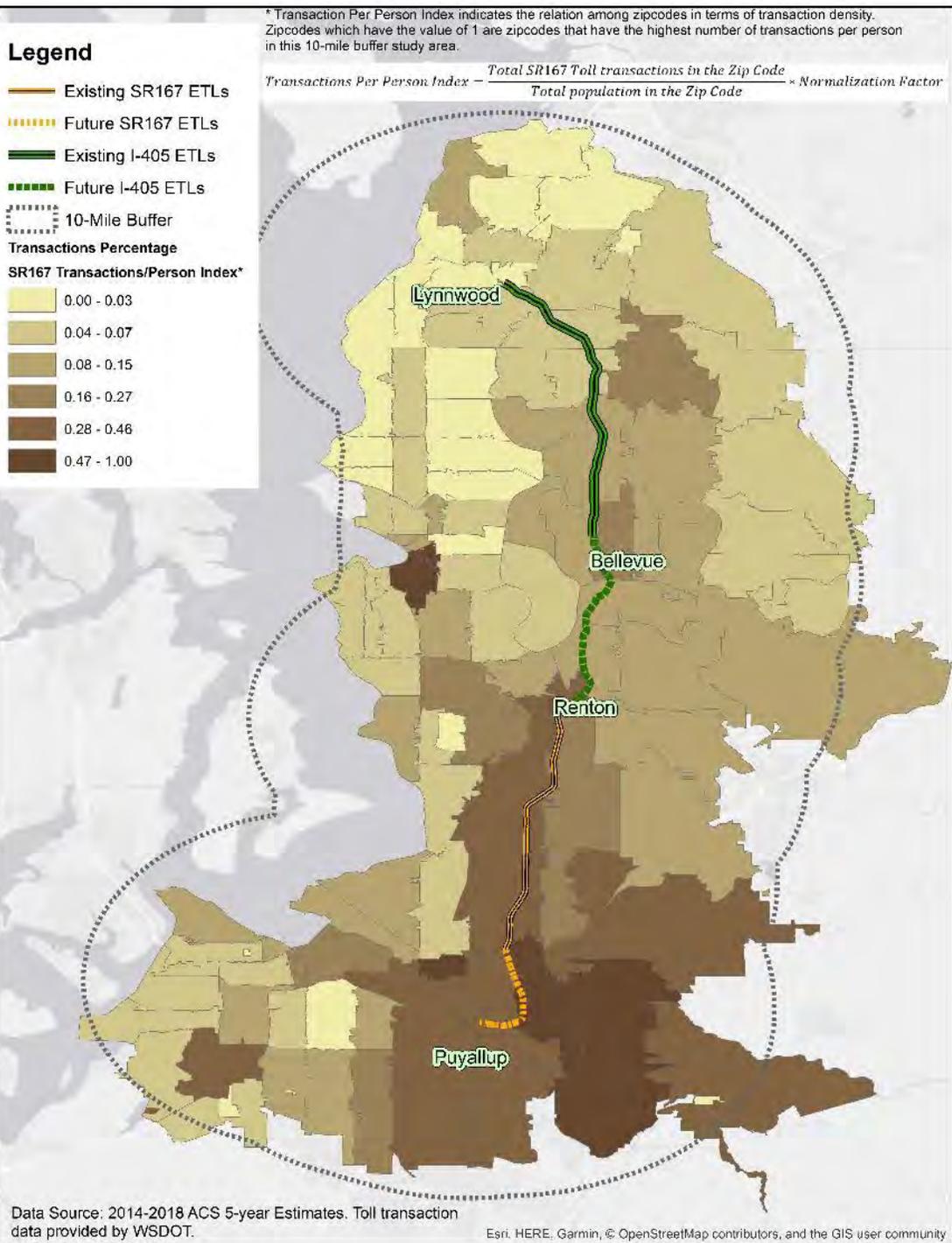
# TASK 5

## I-405 Transactions/Person Index

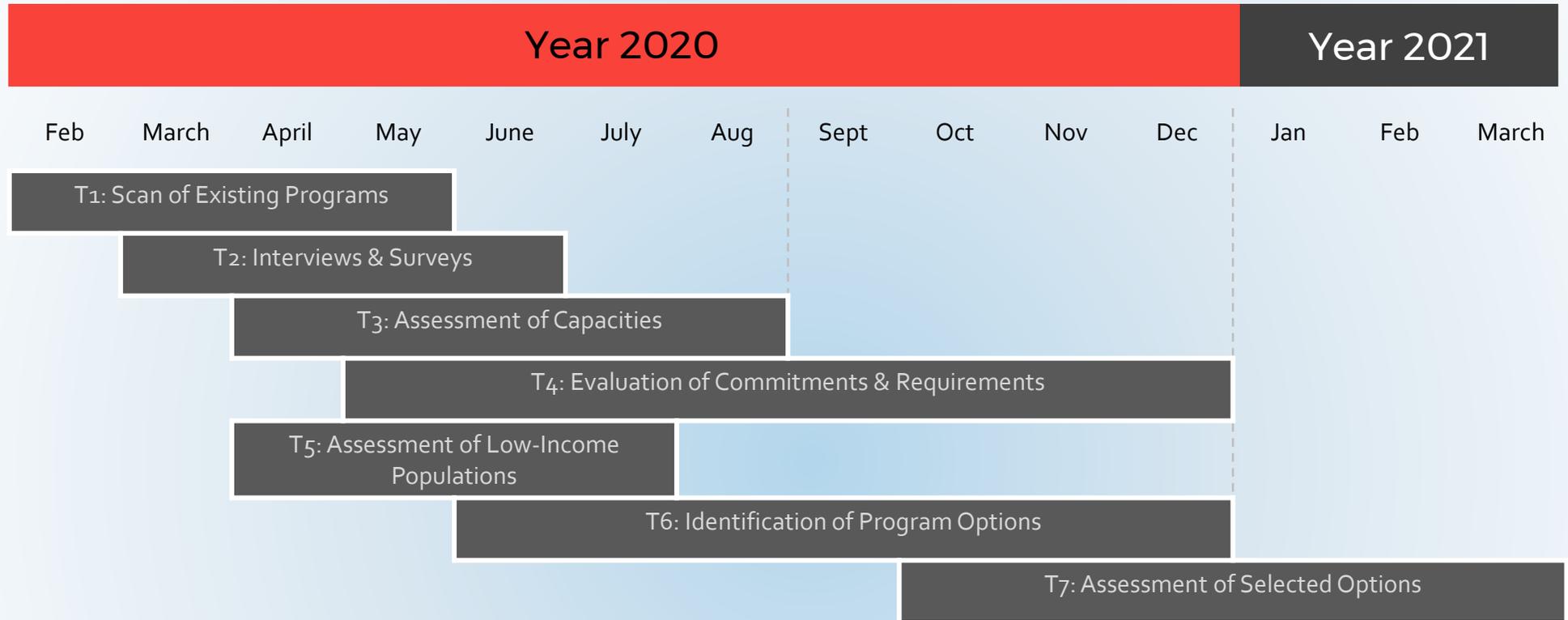


# TASK 5

## SR167 Transactions/Person Index



# WHAT'S NEXT?



Beginning now:

- Task 4: Analysis of existing financial and operational commitments.
- Task 6: Identification of possible program features and evaluation criteria for selection of programs to take forward into deeper analysis.

Our team will next present to the Commission in the fall with program options and performance measures for selection.



Thank you! Any questions?