



Washington State Transportation Commission

Olympia Meeting Summary
January 19 & 20, 2021

Day 1: January 19, 2021

Chair Jerry Litt opened the meeting at 9:00 am with introductions by Commissioners and staff, an overview of the agenda, and virtual meeting protocols.

Agenda Item 2:

I-405 / SR 167 Express Toll Lane Low-Income Tolling Study - *ACTION* **Gabor Debreczeni, Economic Analysis and Forecasting Manger, WSP USA**

Mr. Debreczeni provided an overview of the Commission's legislatively directed study of potential low-income tolling program options for the I-405/SR 167 Express Toll Lanes (ETLs) corridor. The project team presented the proposed low-income toll program options recommended for further study.

Staff recommended that beyond the discount components, the program also provide the following base program components:

- Offer a free *Good To Go!* pass to program users.
- Establish a diverse advisory panel to provide input directly from program users.
- Provide program documentation in all primary languages for the region with translation services available for other languages.
- Establish an enrollment process (physical and remote) that can accommodate individuals with disabilities.
- Ensure physical program enrollment locations be geographically spread out to ensure adequate access.

Five potential low-income program options were presented:

1. **Percentage Discount:** Mostly benefits low-income drivers who are regular commuters during peak times.
2. **Fixed Discount:** Mostly benefits low-income drivers who travel at off-peak times and those who make short ETL trips.
3. **Fixed Toll Credit (per month, etc.):** Allows drivers a choice of whether they would use the program for occasional high-cost trips or a large number of low-cost trips.
4. **Fixed Number of Free Toll Trips (per month, etc.):** Would encourage use of the ETLs for infrequent high-value trips.

5. **Lower Maximum Toll:** Allows low-income drivers to plan to use ETLs with great frequency during peak times.

After discussion, it was decided of the five options outlined above, to proceed with further study of the following two toll discount options for the next phase of the study:

- **Fixed toll credit** and
- **Fixed number of free toll trips**

The suggested base program components will also be assumed to be a part of the assessment of both toll discount options.

Presentation:

[I-405 / SR 167 Express Toll Lane Low-Income Toll Study Project Update](#)

For more detail on agenda item 2, please refer to the [TVW Meeting Recording](#), starting at 00:11:11, on the progress bar found at the bottom of the screen.

Action: Voted to advance the above two low-income toll program options for further assessment.

Follow-Up: Study staff will report to Commission at a meeting this Spring. An initial draft report will be presented in May, a draft of the final report in June. The report will be finalized and submitted to the Legislature by June 30, 2021.

Agenda Item 3:

County Transportation Revenue Study

Jane Wall, Managing Director, Washington State Association of Counties

Ms. Wall briefed the Commission on the results of the Washington State Association of Counties (WSAC) 2020 Revenue Study.

Counties face revenue challenges when it comes to the county road fund and state gas tax: a declining share of gas tax allocations; reduced tax base from annexations and incorporations; the one percent limit on property taxes; and road fund diversions and shifts.

Meanwhile, county transportation departments face rising costs as a result of deferred maintenance; increased costs, including gravel; environmental regulations; and costs to replace bridges at the end of their lifespan. The annual base funding gap for county transportation programs and capital needs are \$719 million to \$1.23 billion.

The total road deferred maintenance cost for all counties is roughly \$4.7 billion to \$6.3 billion - around five to six times the annual transportation expenditures across all counties.

WSAC recommends: increased investments in preservation and maintenance; implementation of a federal fund exchange program; increasing the county share of gas tax revenues; ensuring state alternative revenue sources to the gas tax preserve revenue sharing with counties; maintaining

requirements that funding be invested for transportation purposes; and expanding or enhancing local county transportation funding options.

Presentation:

[County Transportation Revenue Study](#)

For more detail on agenda item 3, please refer to the [TVW Meeting Recording](#), starting at 01:00:35, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 4:

Joint Transportation Committee Needs Assessment

Dave Catterson, Coordinator, Joint Transportation Committee

Mr. Catterson briefed the Commission on the Joint Transportation Committee's (JTC) Needs Assessment report to the Legislature. The report provides a plan for funding transportation programs, projects, and services over the next ten years including a timeline for legislative action on funding the identified transportation system needs shortfall.

The top ranked funding approaches: a carbon pollution fee; a road usage charge (RUC); an electric vehicle (EV) fee, based on the vehicle's fuel economy rating; and an air quality surcharge. In addition to enacting new revenue sources, existing revenue sources should be modified as follows: increase the fuel tax; index the fuel tax; and increase the EV/hybrid fee and rental car tax.

Presentation:

[Statewide Transportation Needs](#)

For more detail on agenda item 4, please refer to the [TVW Meeting Recording](#), starting at 01:49:22, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: Provide explanation of carbon pollution fee and EV fuel economy rating to Commissioners.

Agenda Item 5:

Secretary's Report

Keith Metcalf, Deputy Secretary, Washington State Department of Transportation

Deputy Secretary Metcalf updated the Commission on the Washington State Department of Transportation's (WSDOT) activities.

Presentation: There was no associated presentation.

For more detail on agenda item 5, please refer to the [TVW Meeting Recording](#), starting at 02:43:55, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 6:

Tolling Facility Financial Update

Jason Richter, Deputy Treasurer, Washington State Office of the State Treasurer

Carl See, Deputy Director, Washington State Transportation Commission

Mr. Richter provided a review of financial updates for the SR 520 Bridge, SR 99 Tunnel, I-405 / SR 167 ETLs and Puget Sound Gateway toll facilities. Mr. See provided an update on the Tacoma Narrows Bridge (TNB) fund balance and loan assessment results.

SR 520 Bridge

Based on the existing budgets, current law and the November 2020 TRFC Forecast (updated with WSDOT's January 15, 2021 Interim T&R (FY 2021)), without further action, projections indicate cash flow deficiencies for at least 2021-2029, and coverage deficiencies for 2021-2023 at the following amounts:

- 2021 - \$14.792 million
- 2022 - \$7.175 million
- 2023 - \$5.029 million

SR 99 Tunnel

Based on the existing budgets, current law and the November 2020 TRFC Forecast, without further action, projections indicate cash flow and cumulative net revenue deficiencies through at least FY 2029.

I-405 ETLs / SR 167 HOT lanes and Puget Sound Gateway Program projects

The legislature authorized bonds for both of these sets of facilities in 2019. The bonds are to be first repaid by tolls, then further backed by the motor vehicle fuel tax and vehicle related fees, and then the full faith and credit of the state (triple-pledge bonds). No bonds have been sold to date.

Tacoma Narrows Bridge (TNB):

The TNB Account ending fund balance is projected to be about \$4.1 million at the end of FY 2021, about \$9 million less than projected. COVID-19 impacts led to decreased revenues and increased proportion of shared system costs. The estimated loan need for the 2021-23 biennium is \$38.8 million. The loan amount is \$25.6 million more than estimated in the 2020 TNB Loan Update.

The Commission will continue to monitor TNB traffic and revenues, fund balance status, and compliance with the Commission's SMB Policy; provide support to the Legislature and Governor's Office for consideration of TNB funding options; and in Spring 2021 will prepare for a likely rate increase for FY 2022 (July 1, 2021).

Presentation:

[Office of the State Treasurer Tolling Update](#)
[2021 TNB Loan Update](#)

For more detail on agenda item 6, please refer to the [TVW Meeting Recording](#), starting at 02:52:54, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 7:

Washington State Department of Transportation Tolling Financial Update
Ed Barry, Director, Toll Division, Washington State Department of Transportation

Mr. Barry provided an overview on the current status of tolled facilities and the impacts to shared costs between facilities and provided a suggested toll setting work plan and timeline for potential SR 520 and SR 99 rate changes in 2021.

Total toll trips in fiscal year 2021 decreased by 35% from the November 2020 forecast compared to the November 2019 forecast. The change in the distribution of these toll trips across all the facilities has resulted in a shift of what proportion of shared system costs each facility pays.

Presentation:

[Toll Facilities Financial Update](#)

For more detail on agenda item 7, please refer to the [TVW Meeting Recording](#), starting at 03:57:43, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 8:

Growth Management Act Update

Dave Andersen, Managing Director, Growth Management Services, Washington State Department of Commerce

Celeste Gilman, Transportation and Land Use Policy Advisor, Washington State Department of Transportation

Mr. Andersen and Ms. Gillman provided an overview of the 2020 effort, led by the University of Washington (UW) and the Department of Commerce (Commerce), to update Washington's Growth Policy Framework. Ms. Gilman briefed the Commission on the transportation specific proposals.

The 2020 legislative session provided funding for the UW and Commerce to convene stakeholders to reach consensus on how to update the Growth Management Act (GMA). The work has focused on six areas: Adaptive and Inclusive Planning at a Regional Scale; The Cycle and Dedicated Funding for Planning; Housing; Development Regulations and Permit Processes; Climate Change; and Municipal Annexation.

In the Growth Management Framework stakeholder effort, potential changes for consideration had four key themes: Equity; Active transportation; Accurate inclusion of impacts to state highways; and Climate change. Many of these potential changes fell within the transportation element, but changes in other sections could work in concert with the transportation element changes.

The effort concluded with a final report, with no consensus on recommendations for ways to update the GMA. Legislation has been introduced that covers some of the ideas that were discussed and explored.

Presentation: There was no associated presentation.

For more detail on agenda item 8, please refer to the [TVW Meeting Recording](#), starting at 04:22:06, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time

Chair Jerry Litt reminded the Commission that the meeting will continue Wednesday, January 20, 2021, and recessed the meeting.

DAY 2: January 20, 2021

Chair Litt opened the meeting at 9:00 am with introductions by Commissioners.

Agenda Item 10:

2021 Legislative Session Overview

Tamara Jones, Senior Policy Analyst, Washington State Transportation Commission

Ms. Jones provided an overview on the 2021 Legislative Session.

Presentation: There was no associated presentation.

For more detail on agenda item 10, please refer to the [TVW Meeting Recording](#), starting at 00:02:43, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 11:

Governor's Transportation Budget

Erik Hansen, Senior Budget Assistant, Office of Financial Management

Mr. Hansen briefed the Commission on the Governor's proposed 2021-23 Transportation Budget. Governor Inslee's 2021-23 Transportation Budget priorities are: Clean Green Transportation, fish passage barrier corrections, preservation, safety, and equity. The budget totals approximately \$10.8 million. This debt service is about 20% of the budget. The Governor's budget does not propose any new revenue sources.

Presentation:

[Governor Inslee's Proposed Transportation Budget](#)

For more detail on agenda item 11, please refer to the [TVW Meeting Recording](#), starting at 00:16:16, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 12:

Local Transportation Partners: A Look Ahead at 2021 Legislative Priorities

Mike Shaw, Lobbyist, Washington Transit Association

Jane Wall, Managing Director, Washington State Association of Counties

Maggie Douglas, Legislative & Policy Analyst, Association of Washington Cities

Chris Herman, Senior Director, Washington Public Ports Association

An overview was given local transportation fiscal and policy priorities for the 2021 Legislative Session.

Mr. Shaw highlighted the Washington Transit Association's (WTA) legislative priorities. The COVID-19 Pandemic has highlighted the need for stable, sustainable, reliable transit funding. In response to increasing access, how to expand access to van/carpool options for traditionally underserved communities have been explored. The statutes around these programs limit the program to work commute trips during peak travel hours. Options to increase access include expanding to non-commute trips, such as trips for healthcare or educational opportunities and outside of traditional work hours. To increase electric vehicles in the van/carpool fleet.

Ms. Wall briefed the Commission on the transportation legislative priorities for the Washington State Association of Counties (WSAC) and the Washington State Association of County Engineers (WSACE). Counties feel that preservation and maintenance should be the #1 priority for the transportation system. Counties are seeking \$100 million for the County Arterial Preservation Program (CAPP) and \$140 million for the Rural Arterial Program (RAP).

Ms. Douglas spoke addressed the legislative priorities for the Association of Cities. Priorities include: increased, dedicated funding sources and incentives for transportation preservation and maintenance; continued funding for competitive grant opportunities, including TIB, FMSIB, WSDOT's Local Program; and development of equity-based transportation goals in contracting, decision-making opportunities, and multimodal capital investments.

Mr. Herman briefed the Commission on the Washington Public Ports Association's legislative priorities: toxic cleanup projects funding; tax increment financing (TIF); transportation funding, including use of a carbon pricing tool and increase to maintenance, preservation, and multimodal funding; broadband; aviation funding – Community Aviation Revitalization Program; Capital Projects Advisory Review Board reauthorization.

Presentation: There was no associated presentation.

For more detail on agenda item 12, please refer to the [TVW Meeting Recording](#), starting at 00:48:38, on the progress bar found at the bottom of the screen.

Action: None.

Follow-Up: None at this time.

Agenda Item 13:

Statewide Transportation Partners: A look Ahead at 2021 Legislative Priorities

Ashley Probart, Executive Director, Transportation Improvement Board

John Koster, Executive Director, County Road Administration Board

Brian Ziegler, Executive Director, Freight Mobility Strategic Investment Board

Alyson Cummings, Director, Legislative Relations, Washington State Department of Transportation

An overview was given on state agencies legislative priorities.

Mr. Probart provided a brief overview of the history of the Transportation Improvement Board (TIB) and indicated the following priorities for the 2021 Legislative Session: their agency Supplemental Budget Request of \$20M which includes: \$4.7M to reinstate I-976 budget reductions, \$15M additional funding to reimburse customers; and support the Governor's 2021-23 budget proposal, which includes: \$14.67M for the Complete Streets Program and \$9.67M of Connecting Washington.

Mr. Koster provided a brief overview of the history of the County Road Administration Board (CRAB) and its 2021 legislative priorities. The Rural Arterial Trust Account (RATA) has a documented need for up to \$140M per biennium in additional funding. The County Arterial Preservation Account (CAPA) has a documented need for up to \$100M per biennium in additional funding. CRAB has requested a \$10M transfer to prepare for future disasters, to be set-up as a revolving fund which if properly funded will be self-sustaining.

Mr. Ziegler updated the Commission on the Freight Mobility Strategic Investment Board's (FMSIB) Legislative Priorities. FMSIB supports the Governor's proposed budget.

Ms. Cummings provided an overview of WSDOT's legislative priorities: safety, maintenance and preservation needs, and meeting the requirements for the federal court injunction by 2030 to correct fish barriers.

Presentation:

[Transportation Improvement Board](#)

[County Road Administration Board](#)

[FMSIB - 2020 Annual Report](#)

For more detail on agenda item 13, please refer to the [TVW Meeting Recording](#), starting at 01:45:19, on the progress bar found at the bottom of the screen.

Action: None

Follow-Up: None at this time.

Agenda Item 14:

Commission Business

Reflections and Recommendations

- Good time to think about the resiliency of the system and how the system will change overtime. "Best way to predict your future is to invent it." This is a great time to do so and focus on ways that we can simplify funding streams.
- This meeting has highlighted the daunting budget shortfalls we face as a state at each jurisdictional level.
- It's helpful to see the congruity of issues, where it seems the same issues are being faced by counties, cities, and others.
- The GMA was groundbreaking when it was first enacted. It is good to hear that there is an effort to re-fresh and improve upon it.
- We talked a lot about the new normal and the opportunity of working from home through telework. However, this creates yet another possibility for pay disparities. The opportunity is there for higher income earners, but a tiered system is being created.

- The information provided by WSAC is concerning as conveyed in their County Transportation Revenue Study. It's a valuable piece of work that spotlights the challenges very clearly.
- While the GMA is important, how it is implemented across the state is a concern. By placing the county in the role of "gatekeeper" there is a level of mistrust and animosity towards county leaders, with some local elected officials feeling like the counties are not partnering with cities in determining their fate. The re-refresh of the GMA is therefore very needed in hopes improvements can be identified.

Subcommittee Reports

- Tolling Subcommittee: Continue to work with WSDOT on identifying revenue needs and the rate setting implications for SR 520 Bridge, SR 99 Tunnel, and the TNB.
- Ferry Subcommittee: The Commission continues to meet quarterly with Washington State Ferries (WSF) executive staff on ferry fare and policy matters. Efforts have begun to outline the ferry fare setting process for the 2021/23 biennium including engagement of the Ferry Advisory Committee on Tariffs.

Action: None.

Follow-Up: None at this time.

For more detail on agenda item 14, please refer to the [TVW Meeting Recording](#), starting at 02:48:52, on the progress bar found at the bottom of the screen.

Next meeting: February 16 & 17, 2021