



I-405 / SR 167 Express Toll Lanes

2024 Rate Setting Considerations

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Purpose



Recap legislative direction and planned approach



Review current performance and analysis results



Summarize public input & select preferred toll rate scenario



Legislative Direction & Planned Approach

Legislative Direction on I-405 / SR 167 ETL Toll Rates

- The law (*RCW 47.56.880*) directs the Commission to periodically review I-405 / SR 167 ETL toll rates against traffic performance of all lanes to determine if the toll rates are effectively maintaining travel time, speed, and reliability
- I-405 / SR 167 ETLs toll revenues are dedicated to the corridor, and may only be used to pay for the facilities' operating costs, debt service, and to fund projects identified in the corridors' master plan (*RCW 47.56.880 & RCW 47.56.820*)

Additional 2023 Legislative Direction

- In the 2023-25 transportation budget (ESHB 1125), the Legislature directed the Commission to review toll revenue performance on the I-405 / SR 167 ETL corridor, and encouraged adjustment of the I-405 ETL toll rates
 - Stated intent is to increase toll revenue to provide sufficient funds for payment of future debt and to support improvements to the corridor, within the parameters of requirements in current law (RCW 47.56.880)
 - Encouraged the Commission to make adjustments to toll rates in coordination with the planned expansion of the ETLs between Renton and Bellevue
- Further guidance and input was provided in a letter from legislative membership requesting the Commission consider potential toll rate increases for the I-405 and SR 167 ETLs as part of a solution to the funding gap for corridor projects

Situation Assessment

- Current law requires toll rates support corridor performance and funding for improvements to the 50-mile ETL corridor
- R
 - Increased traffic congestion has resulted in failure to meet corridor performance goals
 - Increased funding for improvements in the corridor is necessary to address shortfall for recently awarded corridor projects and on-going funding needs for further corridor improvements
- Toll rates have not been adjusted since they were set on SR 167 over 15 years ago, and over 8 years ago on I-405.

Planned Approach

Address the identified revenue and performance needs with a phased approach to adjusting toll rates and policies for the I-405 / SR 167 corridor.

- **Phase 1 - November 2023 – March 2024:** adjust toll rates for the current express toll lane/HOT lane facilities on the I-405 / SR 167 corridor.
- **Phase 2 - Mid-2024 – Early 2025:** consider adjustments to toll policies in preparation for the opening of the new Renton to Bellevue express toll lanes and the SR 167 toll equipment upgrade in 2025.

Phase 1: I-405 / SR 167 Toll Rate Adjustment Options

- In October 2023 the Commission advanced the initial phase 1 toll rate adjustment options below.
- Further analysis presented later in this presentation adds an option 3 & 4 for consideration.

	Current Toll Rates	Option 1	Option 2
SR 167 HOT Lanes min/max rates	\$0.50 / \$9.00	\$1.00 / \$15.00	\$1.00 / \$12.00
I-405 ETLs min / max rates	\$0.75 / \$10.00	\$1.00 / \$15.00	\$1.00 / \$12.00



Current Performance: I-405 / SR 167 Express Toll Lanes

How I-405 / SR 167 ETLs Operate

Operational goal of the ETLs is to provide travel speed reliability for HOV, transit and paid trips.

Dynamic pricing is used to manage lane operations:

- When lane use is low, toll rate goes to minimum
- When lane use approaches capacity, toll rate increases, up to maximum
- Intent is to fill, but not overfill the lanes so that speeds and performance can be maintained

Current I-405 / SR 167 ETL Corridor Performance

The I-405 and SR 167 corridors are experiencing increased congestion in both the general purpose and express toll lanes.

October 2022 to October 2023 travel times* on I-405 and SR 167 indicate growing travel times:

- General purpose lane travel times increased by 3-9 minutes
- Express toll lane travel times increased by 1-3 minutes

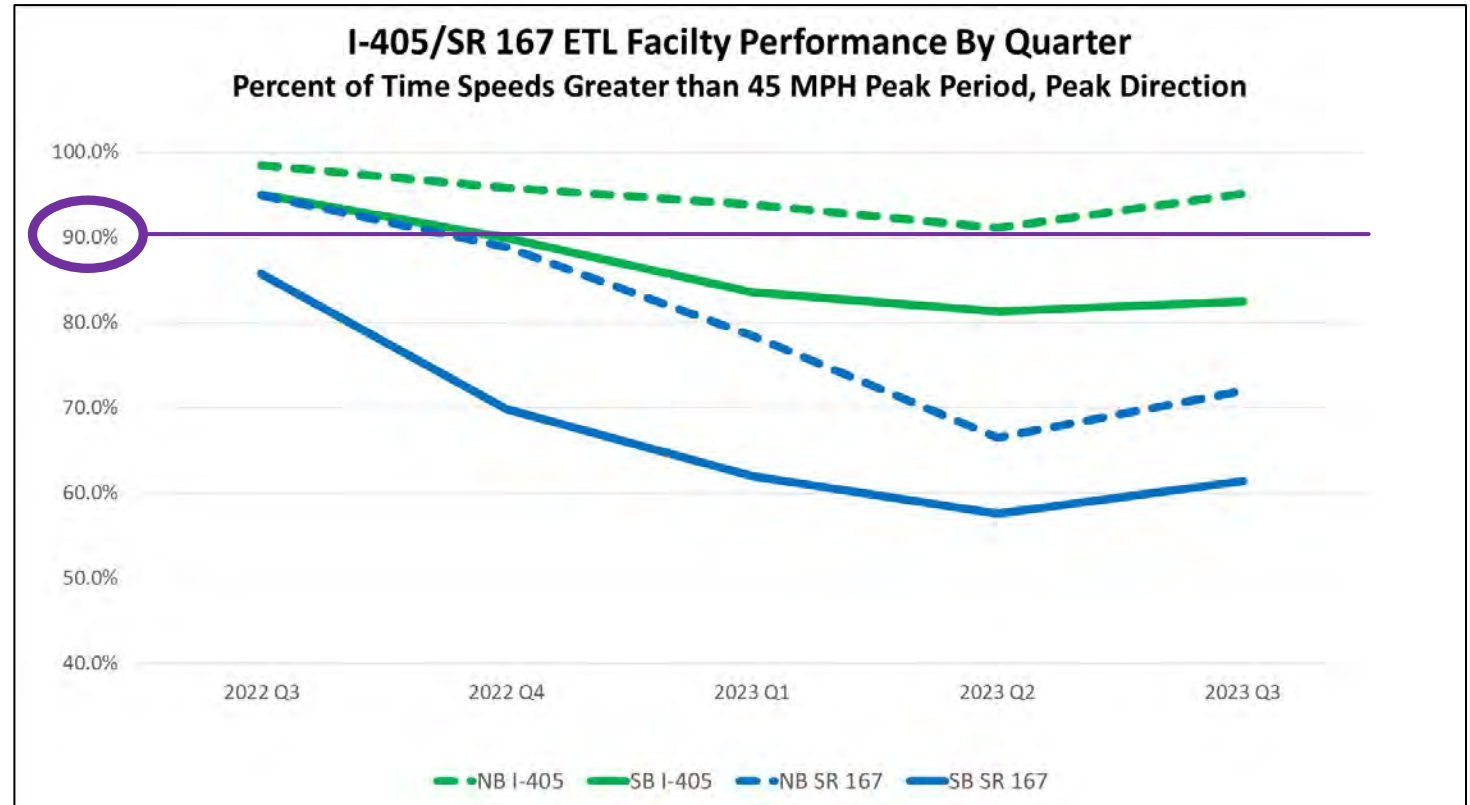
Only 2% of daily trips on I-405 and SR 167 use all three facilities (SR 167, I-405 South, I-405 North)

Transit service during peak hours can require twice as much time due to congestion levels in the ETLs.

**Peak period peak direction commutes, entire ETL length.*

I-405 / SR 167 ETL Performance Trends

- Target performance is 45 MPH 90% of the peak period
- Northbound I-405 is the only facility currently meeting the metric
- Two lane sections of the ETL system perform better than the single lane sections



Current I-405 / SR 167 Toll Rates

(September 2023)

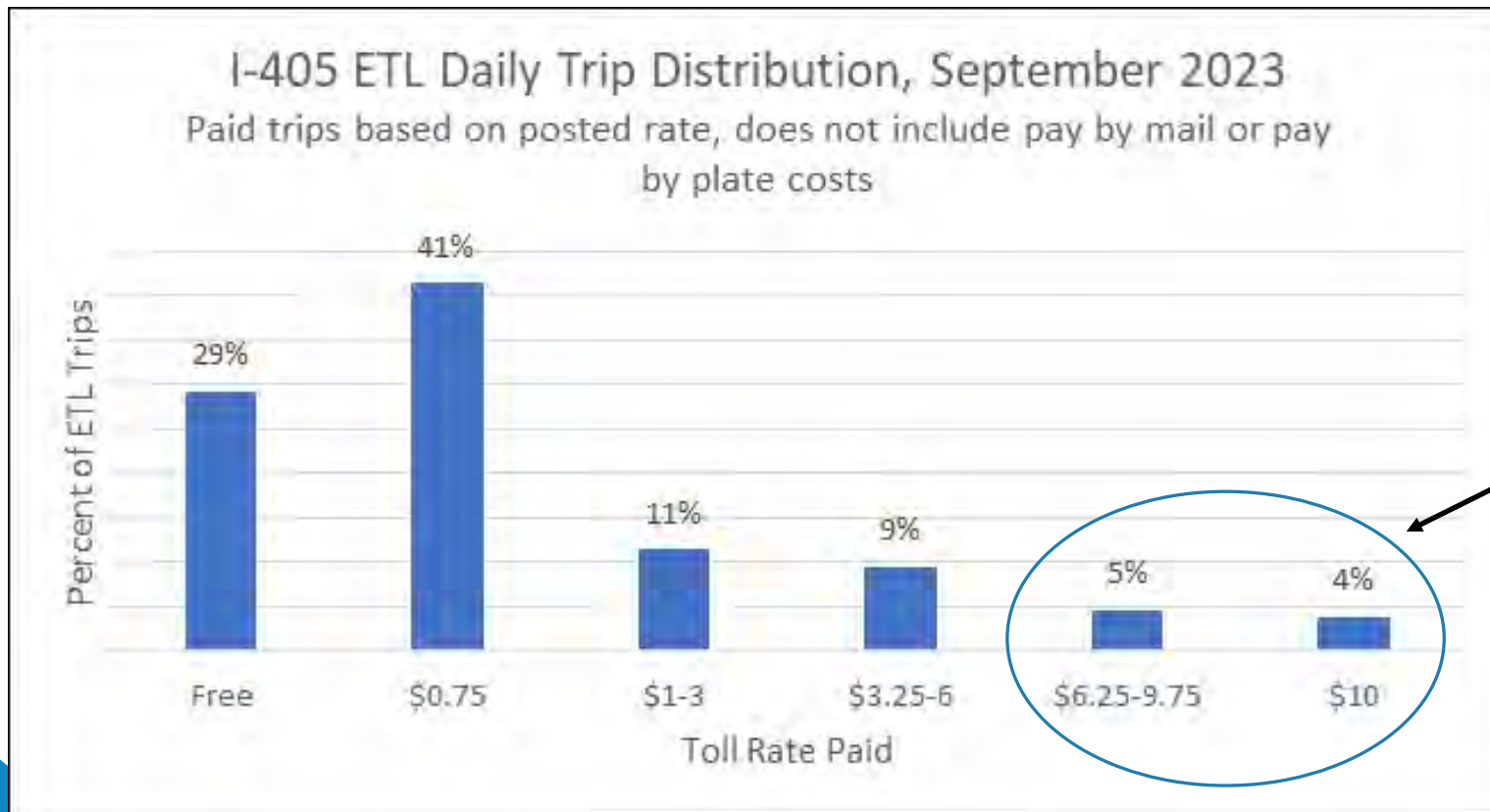
- Average daily toll rates*:
 - I-405 ETLs: \$2.41
 - SR 167 HOT lanes: \$3.36
- Maximum toll rates* apply to a small percentage of daily trips:
 - 4 % of trips on I-405 ETLs
 - 8 % of trips on SR 167 HOT lanes
 - Maximum rates only seen during peak hours, responding to high lane use.

**Based on posted rates, does not include pay by mail or pay by plate*

Current Toll Rates on I-405

70% of daily trips on the I-405 ETLs are either free, or under \$1

- 29% of the trips in the I-405 ETLs are free
- 41% of the trips in the I-405 ETLs pay the minimum toll
- 4% of the trips in the I-405 ETLs pay the \$10 maximum

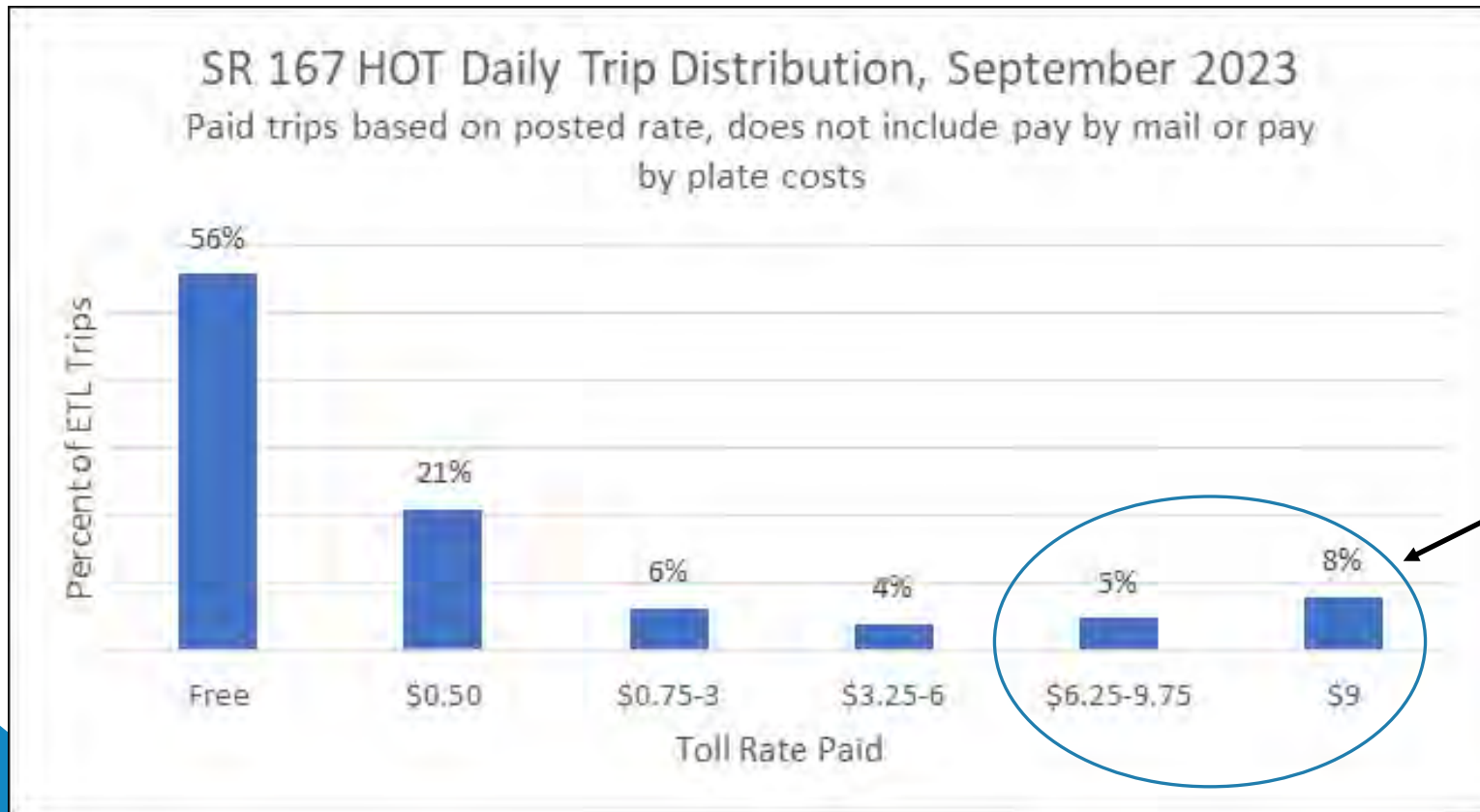


Tolls expected to be most impacted by increase in maximum rate

Current Toll Rates on SR 167

77% of daily trips on the SR 167 HOT lanes are either free or under \$0.75 cents

- 56% of the trips in the SR 167 HOT lanes are free
- 21% of the trips in the SR 167 HOT lanes pay the minimum toll
- 8% of the trips in the SR 167 HOT lanes pay the \$10 maximum



Tolls expected to be most impacted by increase in maximum rate

I-405 / SR 167 ETL Project Costs Exceed Estimates

- External cost and risk factors are creating construction cost escalations nationally and locally, largely driven by:
 - Inflation
 - Workforce shortages
 - Material cost increases and availability
- Bids for recently awarded projects for the I-405 / SR 167 ETLs corridor came in \$275 million over cost estimates and planned funding.
- The Legislature directed WSDOT to identify approaches to help close the funding gap, with a finance plan due to the Legislature by early 2024.



Phase 1 Tolling Analysis Results: Options 1 & 2

Option 1 & 2 Analysis Results – Traffic Performance

Traffic performance impacts of rate changes:

- The increased maximum toll rate will enable better management of traffic demand during peak hours, working towards our goal of 45 mph 90% of the time.
- Anticipated ETL traffic performance:
 - \$15 / \$1 –material improvement in ETL operations
 - \$12 / \$1 –little improvement in ETL operations
- Traffic performance for the general-purpose lanes is not expected to have a noticeable change.
- Transit speed and reliability is anticipated to improve.

Option 1 & 2 Analysis Results – Revenue Impacts

March 2024-June 2025

	Option 1	Option 2
Option Summary	\$15/\$1	\$12/\$1
I-405 ETLs	\$3.0m - \$4.7m	\$2.0m - \$2.4m
SR 167 HOT lanes	\$0.8m - \$1.1m	\$0.9m - \$1.3m
Total	\$3.7M - \$5.8M	\$2.9M - \$3.8M

Options 1 & 2 Analysis Results – Revenue Impacts

- Toll rate increases from Phase 1 are expected to continue to contribute higher revenues well beyond the ranges for March 2024 – June 2025 with implementation of additional policy changes as part of Phase 2 implementation in mid-2025.
- Long-term revenue impacts will be assessed through FY 2057 as part of the Phase 2 modeling analysis in anticipation of the below project's toll commencements in mid 2025:
 - I-405 ETLs - Renton to Bellevue
 - SR 167 Corridor Improvement



Phase 1 Analysis Results: Additional Options 3 & 4

Phase 1: I-405 / SR 167 Toll Rate Adjustment Options

Further analysis conducted by WSDOT now provides additional considerations for phase 1 toll rate and policy decision making, as incorporated with Options 3 & 4.

	Current Toll Rates	Option 1	Option 2	Option 3	Option 4
I-405 ETLs min/max rates	\$0.75 / \$10.00	\$1.00 / \$15.00	\$1.00 / \$12.00	\$1.00 / \$15.00	\$1.00 / \$15.00
SR 167 HOT lanes min / max rates	\$0.50 / \$9.00	\$1.00 / \$15.00	\$1.00 / \$12.00	\$1.00 / \$15.00	\$1.00 / \$15.00
Hours of Operation for Both Facilities	5am – 7pm	5am – 7pm	5am – 7pm	5am – 8pm*	5am – 8pm*
Weekend Tolling (HOV 2+)	SR 167 Only	SR 167 Only	SR 167 Only	SR 167 Only	SR 167 & I-405

** On I-405, 7-8pm would be at HOV 3+ on weekdays*

Options 3 & 4 Analysis: Traffic Operations

Current 7-8 PM Traffic Conditions (September 2023)

- Northbound I-405 Bellevue to Lynnwood general purpose lanes experience congestion about 50% of the weekdays. Express toll lanes experience congestion around 10% of weekdays
- Southbound I-405 Bellevue to Lynnwood general purpose lanes experience congestion about 25% of the weekdays. Express toll lanes do not have congestion
- Southbound SR 167 general purpose and express toll lanes experience congestion about 30% of weekdays

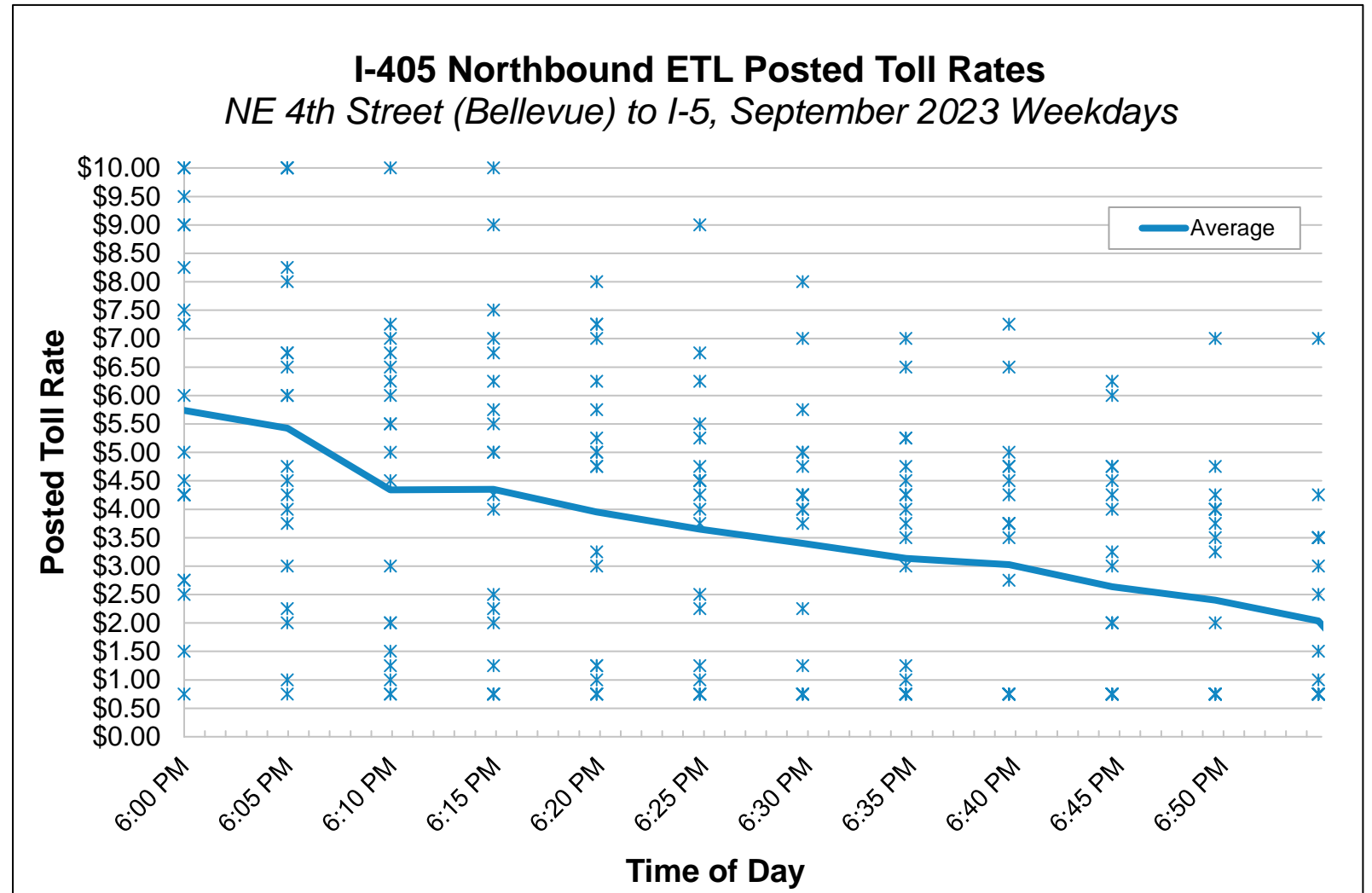
Current Weekend Traffic Conditions (September 2023)

- Recurring congestion in general purpose lanes during daytime hours. Little to no recurring congestion on express toll lanes for either facility.

Range of Toll Rates During Evening Commutes September 2023 Weekdays

- Bellevue to Lynnwood average toll rate is \$2.00-3.00 approaching the 7:00 time period
- High congestion days have tolls above \$4.00 approaching the 7:00 pm time period.

Note: Blue asterisks in chart refer to specific toll rates at specified time of day



Options 1-4 Analysis Results – Revenue Impacts

March 2024-June 2025

	Option 1	Option 2	Option 3	Option 4
Option Summary	\$15/\$1	\$12/\$1	\$15/\$1, +7-8pm	\$15/\$1, +7-8pm, +I-405 weekends
I-405 ETLs	\$3M - \$4.7M	\$2M - \$2.4M	\$3.8M - \$6.7M	\$5.6M - \$10.6M
SR 167 HOT lanes	\$0.8M - \$1.1M	\$0.9M - \$1.3M	\$1M - \$1.6M	\$1M - \$1.6M
Total	\$3.7M - \$5.8M	\$2.9M - \$3.8M	\$4.8M - \$8.3M	\$6.5M - \$12.2M

Note: All four cases assume weekend toll collection on SR 167 per the current practice.



Phase 1: Summary of Outreach & Public Input To Date

Summary of Outreach & Public Input To Date

Outreach:

- Engagement with jurisdictions in the I-405 / SR 167 corridor through I-405 / SR 167 Interagency Working Group and Executive Advisory Group
- November 13 WSTC virtual public input meeting
- Information posted to WSTC website and social media feeds

Summary of Public Input:

- General Public
 - 17 emails, with 15 opposing the higher rates primarily due to increased financial burden, and 2 supporting with interest in an improved alternative to sitting in congested traffic
- Regional Stakeholders
 - Support from City of Bellevue as means to improve traffic management and help fund necessary projects
 - Opposition from King County Councilmember Reagan Dunn, Bellevue Chamber of Commerce, and a local CEO of several small businesses with concern about impacts of higher toll rates on residents, employees, and cost of business



Phase 1: Select Preferred Toll Rate Option

Phase 1: I-405 / SR 167 Toll Rate Adjustment Options

Based upon the analysis presented today, the Commission's Tolling Subcommittee recommends selection and advancement of Option 3 for further public comment.

	Current Toll Rates	Option 1	Option 2	Option 3	Option 4
I-405 ETLs min/max rates	\$0.75 / \$10.00	\$1.00 / \$15.00	\$1.00 / \$12.00	\$1.00 / \$15.00	\$1.00 / \$15.00
SR 167 HOT lanes min / max rates	\$0.50 / \$9.00	\$1.00 / \$15.00	\$1.00 / \$12.00	\$1.00 / \$15.00	\$1.00 / \$15.00
Hours of Operation for Both Facilities*	5am – 7pm	5am – 7pm	5am – 7pm	5am – 8pm	5am – 8pm
Weekend Tolling (HOV 2+)	SR 167 Only	SR 167 Only	SR 167 Only	SR 167 Only	SR 167 & I-405

*** Notes on Hours of Operations:**

- On I-405, 7-8pm would be at HOV 3+ on weekdays;
- Per current operations, tolling only on weekdays for I-405, 7 days a week for SR 167

Phase 1: I-405 / SR 167 Toll Rate Adjustment Options

Option 3 provides the following benefits:

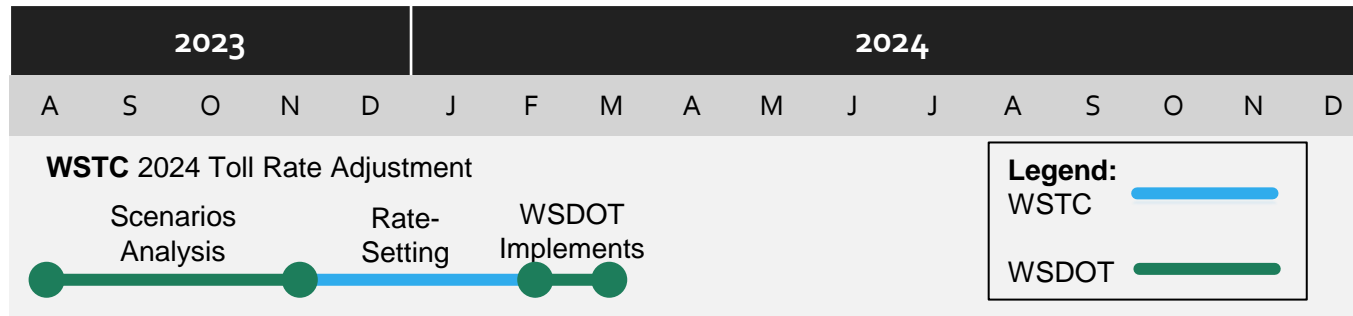
- Increases potential revenues by \$1.1 – \$2.5 million with the extension of tolling hours of operations from 7-8pm, compared to Option 1, for a total of \$4.8 - \$8.3 million.
- Tolling of the 7-8pm hour on the I-405 ETLs and the SR 167 HOT lanes will provide for traffic management during a time of day frequently experiencing congestion for peak direction traffic.

It is further recommended weekend tolling on the I-405 express toll lanes as included in Option 4, is best evaluated as part of Phase 2 rate-setting to support further performance analysis and public input.



Next Steps

Phase 1: Rate Setting Timeline



Phase 1: Key Rate Setting Steps:

- **November 13 Special Meeting:** Receive preliminary financial and performance analysis and take public input
- **December Commission Meeting (Dec 13):** receive final analysis and select toll rate adjustment proposal for public review and comment – *File CR 102*
- **January Commission Meeting (Jan 17-18):** take public input on selected toll rate adjustment proposal
- **January 29 Special Meeting (9am):** hold final hearing to take public comment and adopt toll rate adjustment – *File CR 103*
- **March 1:** toll rate adjustment takes effect

Phase 2: Assessing Toll Rate Policies for 50-miles of ETLs

Following the phase 1 rate adjustments in early 2024, the Commission will begin its phase 2 assessment of current toll rates and policies on the I-405 / SR 167 ETLs in the summer and fall of 2024.

Phase 2 rate setting will be completed in time for the opening of the I-405 Bellevue to Renton express toll lanes segment, in preparation for the future continuous 50-mile corridor

Possible toll policies to be assessed for the future 50-mile ETL corridor include:

- HOV policy
- Hours of operation
- Duration of peak periods
- Tolls on weekends
- Pay by Mail rate



Thank you!

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