

# Puget Sound Gateway Program

## **SR 167 and SR 509 Completion Projects**

ED BARRY, PE  
DANIEL BABUCA, PE  
BRENT BAKER

DIRECTOR, TOLL DIVISION  
DEPUTY PROGRAM ADMINISTRATOR, GATEWAY PROGRAM  
TOLL FINANCE, GATEWAY PROGRAM

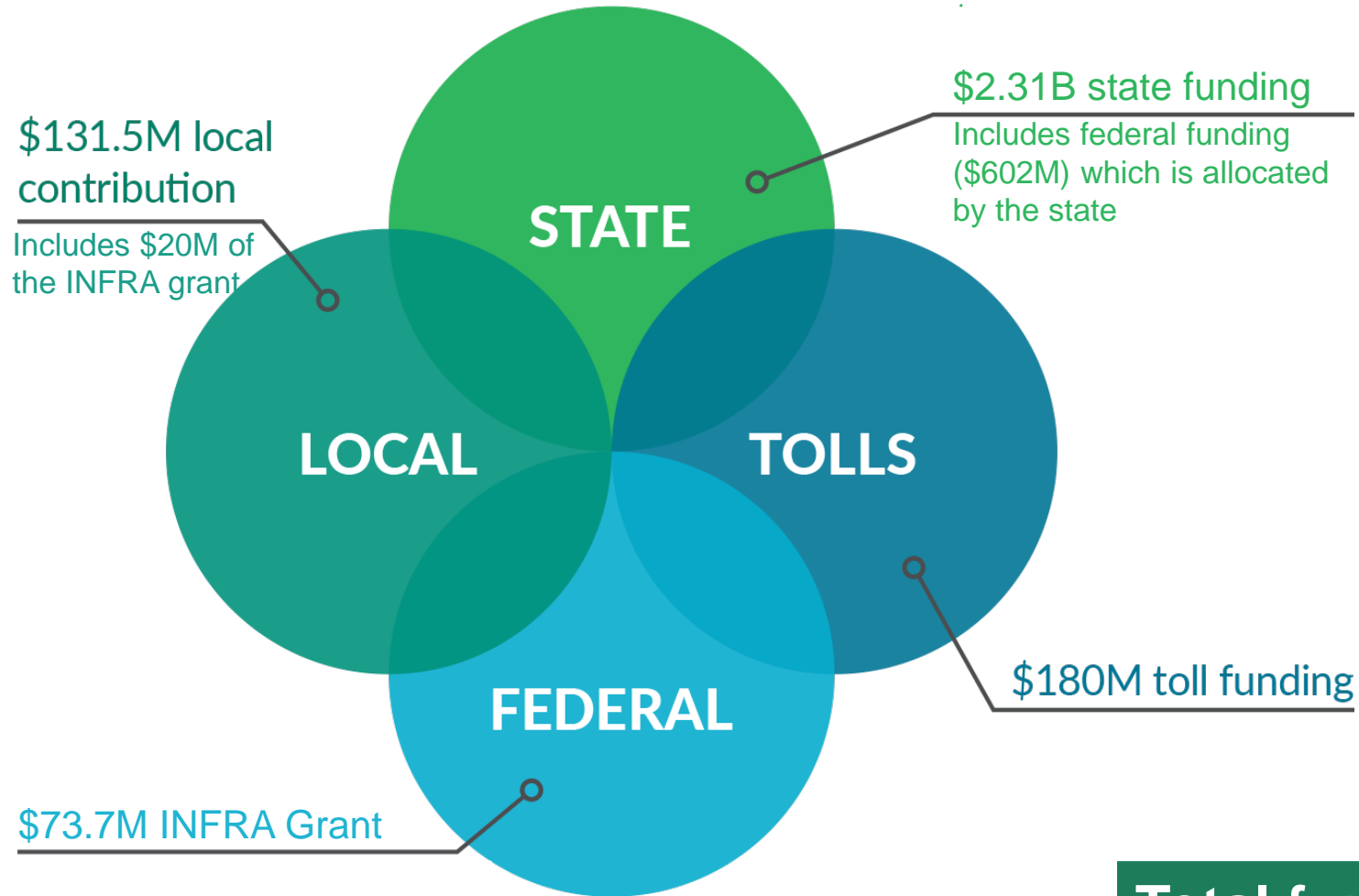
Washington State Transportation Commission Meeting  
May 15, 2024

# Agenda

- Program update
- Gateway Toll Program Overview
- Recap Level 2 Traffic and Revenue Study findings
- Confirm Level 3 Traffic and Revenue Study concept scenarios


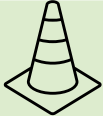

# Gateway Program update

# Puget Sound Gateway Program funding



**Total funding: \$2.68 billion**

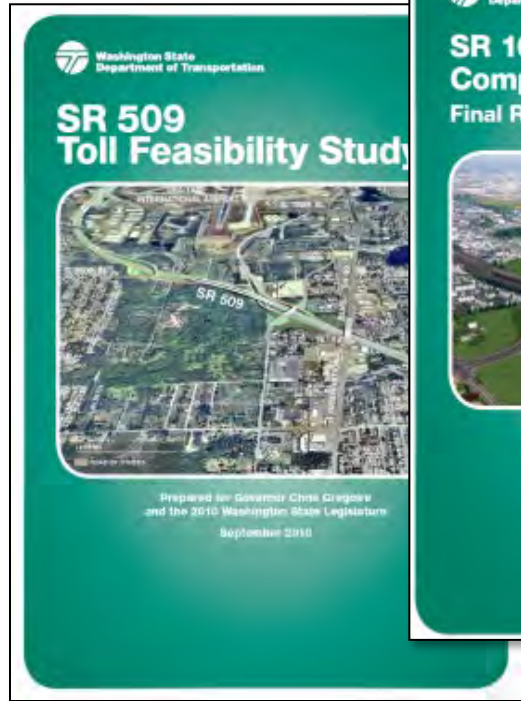
# Gateway Program contracts

CONTRACTS	STAGE 1a	STAGE 1b	STAGE 2
SR 509	Open to traffic ✓	Under construction 	Under construction 
SR 167	Open to traffic ✓	Under construction 	<p><i>Stage 2a</i> 3 firms shortlisted Aug. 21 bid-opening</p> <p><i>Stage 2b</i> Q3 2024 RFQ</p>

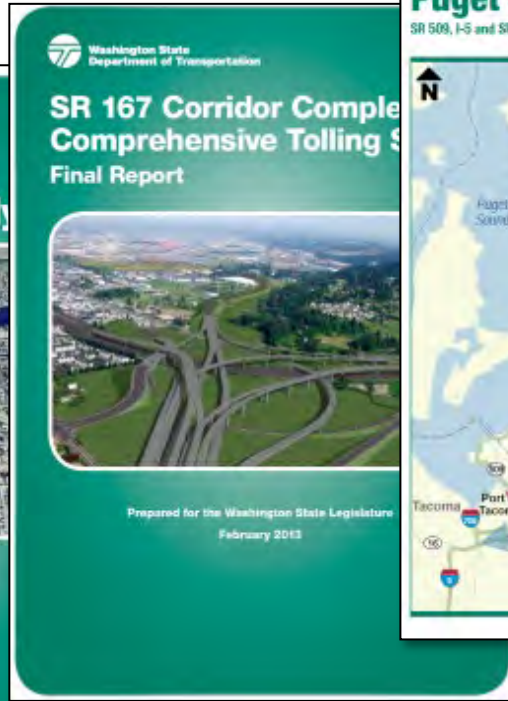
- **Clear Creek Fish Barrier Mitigation**
  - Design-bid-build
  - Project timeline: 2026-2028 (schedule still in development)



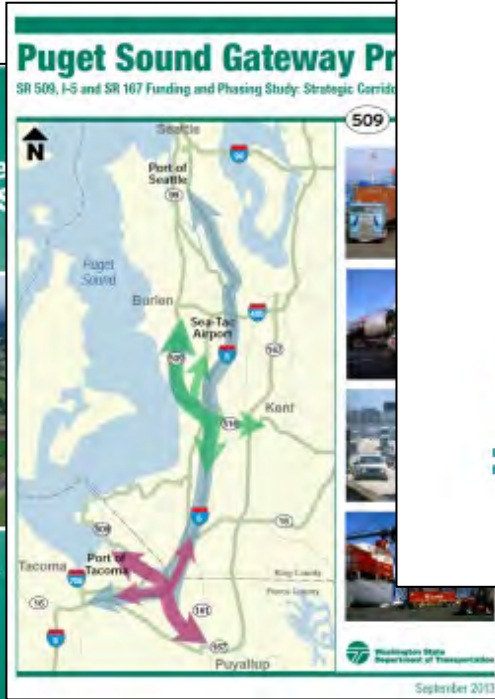
# Tolling overview



2010



2013



2013



2018



2023

# Engagement with program partners to identify toll policy scenarios

## April 2018

- Steering/Executive Committee meetings
- Introduce toll policy scenarios

## July 2018

- Steering/Executive Committee meetings
- Evaluate policy scenarios

## December 2018

- Steering/Executive Committee meetings
- Select toll policy scenarios for Level 2 Traffic and Revenue

## June 2019

- Steering/Executive Committee meetings
- Toll Authorization

## November 2020

- Steering/Executive Committee meetings
- Exec. Committee panel presentation/recommendation to WSTC on Nov. 20

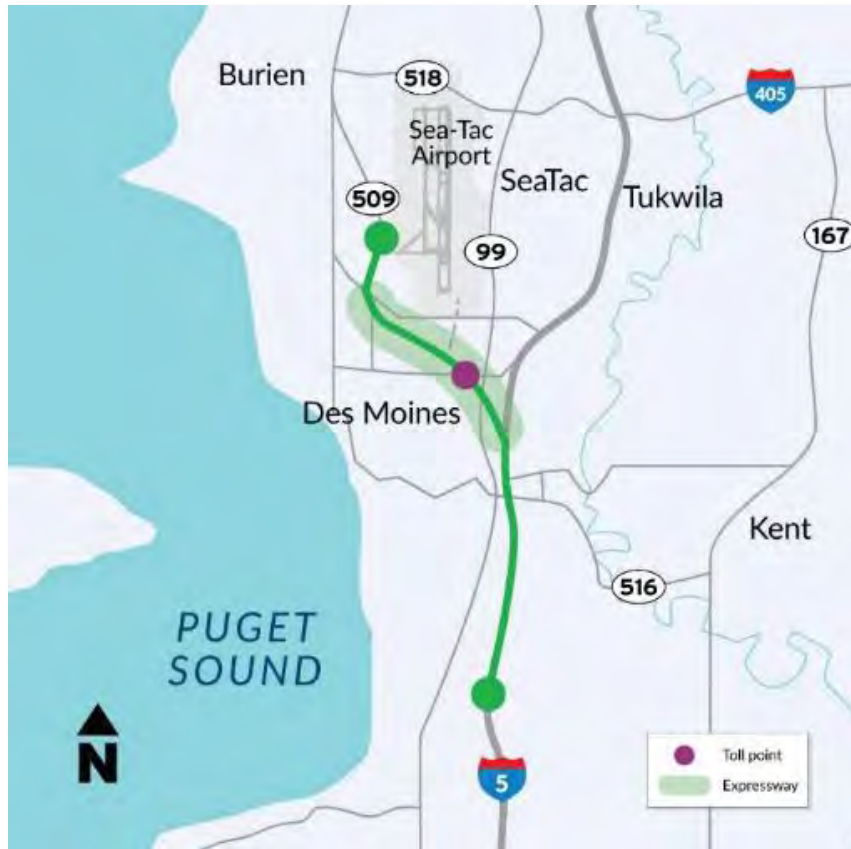
## 2021-2024

- Ongoing updates to Steering and Executive Committees
- Provided updated Level 2 analysis which considered post-pandemic conditions



# Gateway Program expressway toll points

## SR 509



## SR 167





# Level 2 Toll Traffic and Revenue Study Recap

# 2023 Toll Scenarios – Net Revenue Results

#	Scenario	Shares of Scenario 1 Net Revenues by Segment over the Forecast Horizon (FYs 2026-64)					% Change in Net Revenue vs. Scenario 1 (FYs 2026-64)
		SR 509	SR 167 West of I-5	SR 167 East of I-5	SR 167 Total	Gateway Total	
1	Base Scenario (April 2023)	100%	100%	100%	100%	100%	-
2A	Split Toll Rate with Additional Toll Point	100%	95%	85%	87%	93%	-7%
2B	Full Toll Rate with Additional Toll Point	100%	93%	99%	98%	99%	-1%
3	Base Scenario + Toll Escalation starting in FY 2031	155%	169%	151%	154%	155%	+55%
4	Base Scenario + No Truck Axle Multiplier	94%	91%	96%	95%	95%	-5%
5	Base Scenario + No Axle Multiplier and Toll Escalation beginning in FY 2031	148%	157%	146%	148%	148%	+48%

Notes: All scenarios include a toll pre-exemption on SR 167 for the Puyallup Tribe of Indians and exclude a low-income program. Both Scenarios 2A and 2B have a toll point on either side of the Valley Avenue East interchange. Scenario 2A applies one-half the base toll at each toll point, whereas Scenario 2B applies the full base toll for any toll trip passing one or both toll points east of I-5.

# 2023 Level 2 Toll T&R Study Key Findings

- Based on the draft net toll revenue projections for Scenario 1, the Office of the State Treasurer and WSDOT have:
  - Confirmed the viability of the legislatively directed and budgeted toll funding of \$180 M
  - Confirmed the capacity of tolls to support funding up to the legislative bond authorization limit of \$340 M (approximately \$314 M in net capital funding\*)
- “Final” Scenario 1 net revenues came in about 6% higher than the draft projections analyzed by OST
  - This suggests that any of scenarios could potentially yield upwards \$300 M in capital funding

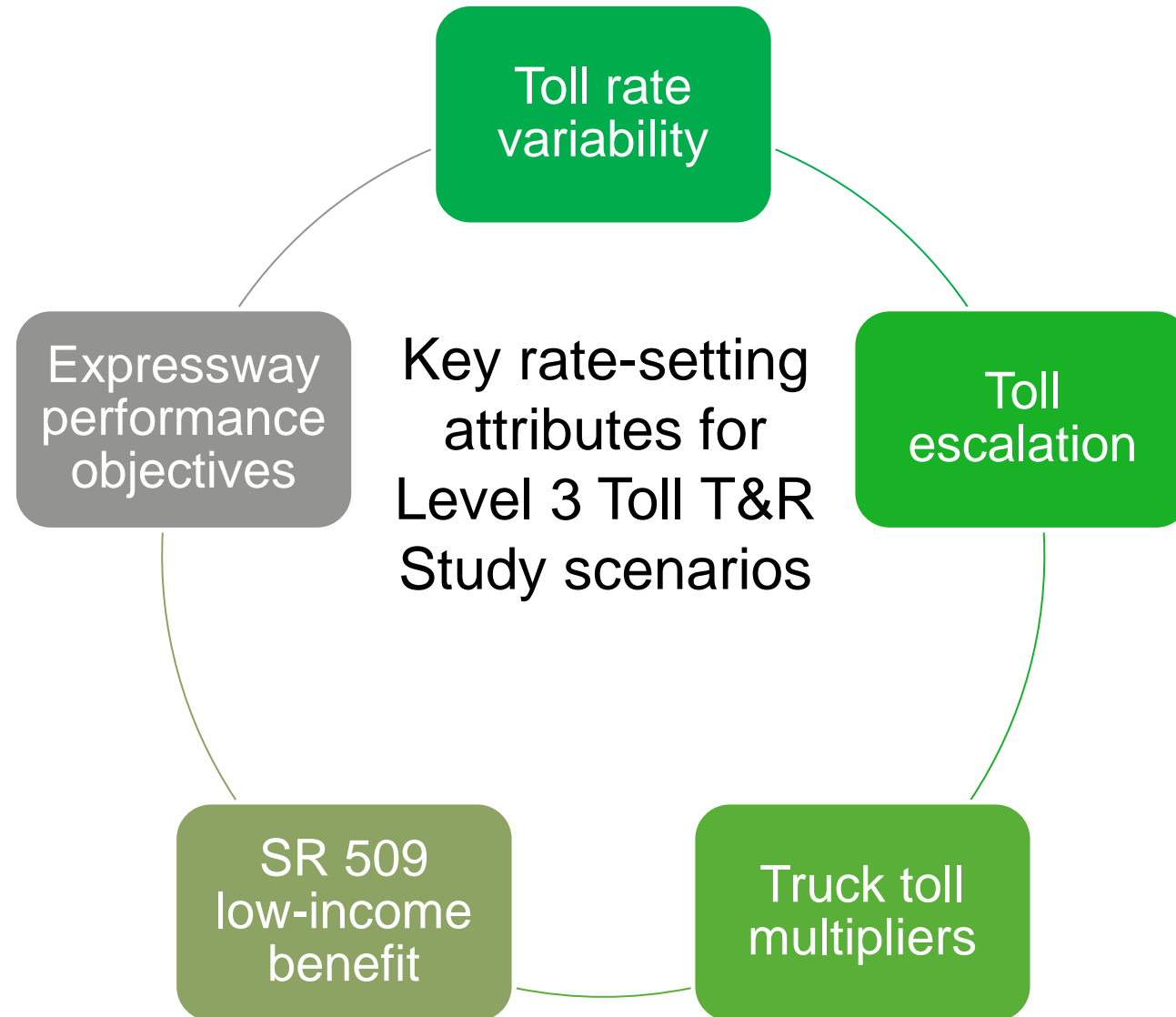
\* Actual amount will vary based upon the amount of gross bond proceeds set aside to pay capitalized interest during construction, among other factors

# Level 3 Toll Traffic and Revenue Study Preparations

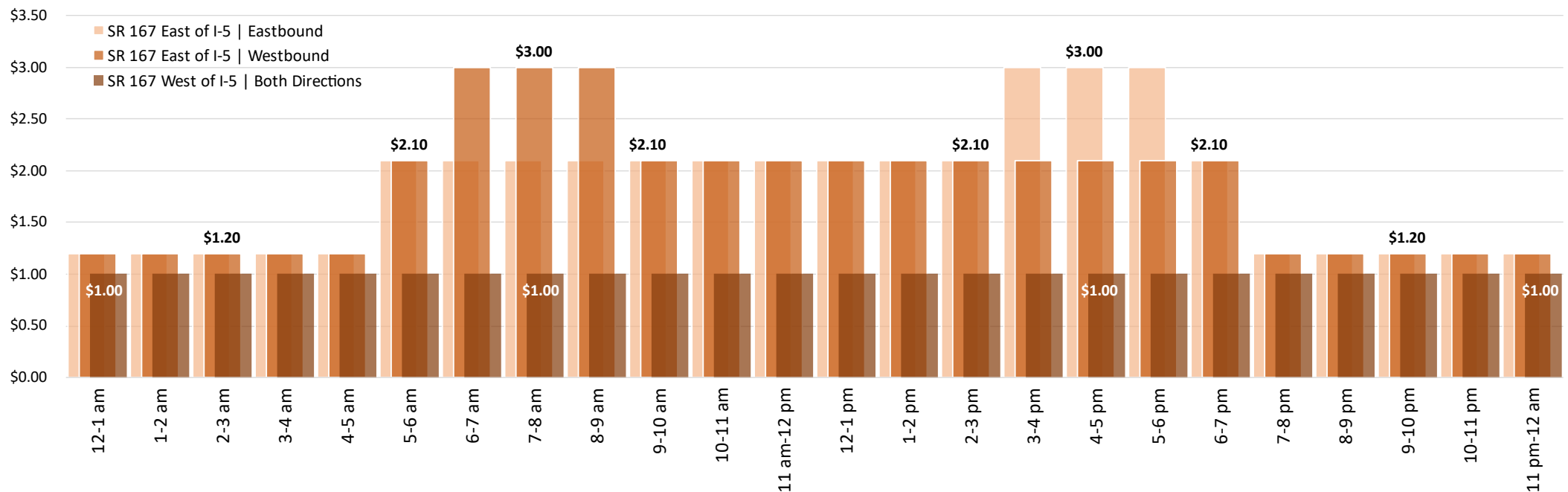
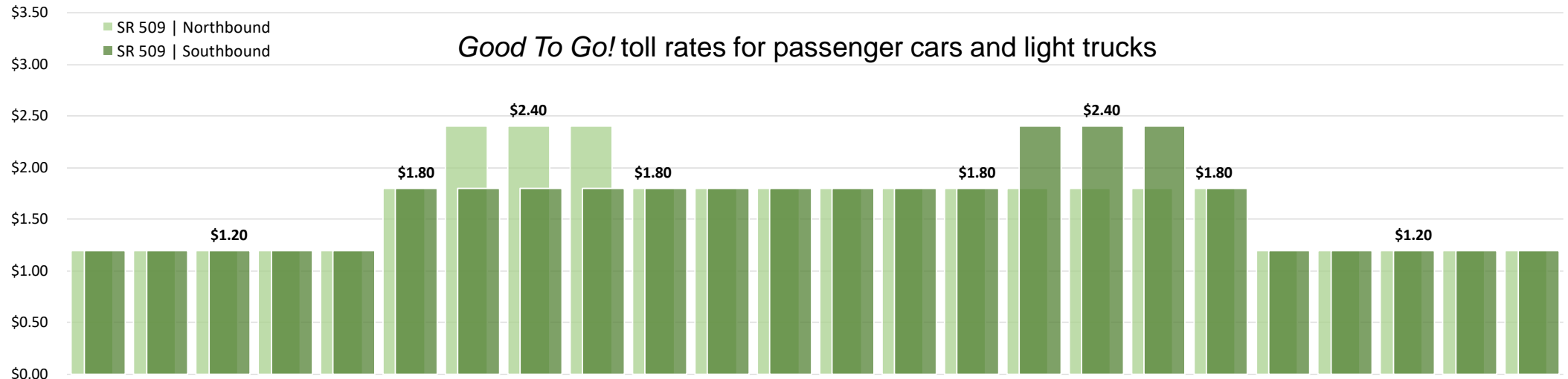
# Level 3 T&R study / Commission rate-setting coordination considerations

- Narrow the number of scenarios and increase analysis precision
- Consider scenarios that meet Program funding needs yield the legislatively directed toll funding contribution
  - Current legislative budget is \$180 M (both bonds and pay-as-you-go funds)
  - Preserve the flexibility to increase toll bond funding to the \$340 M authorization limit, providing a contingency source of additional funds if Program costs or scope were to change
- Analyze the operational impacts of toll scenarios
  - Confirm that the new capacity attracts a sufficient number of trips while also remaining sustainable

# Toll scenario attributes



# Proposed Variable Toll Rate Schedules





# Proposed Level 3 Toll T&R Study Scenarios

Scenario	Toll Escalation	Truck Tolls	SR 509 Low Income Discount
A	2.15% escalation every year, starting in FY 2031	Vehicles with 3+ axles pay a multiple of the base toll	None
B		All vehicles pay the same toll	
C		Vehicles with 3+ axles pay a multiple of the base toll	50% discount for SR 509 area residents at 0-200% of FPL
D		All vehicles pay the same toll	

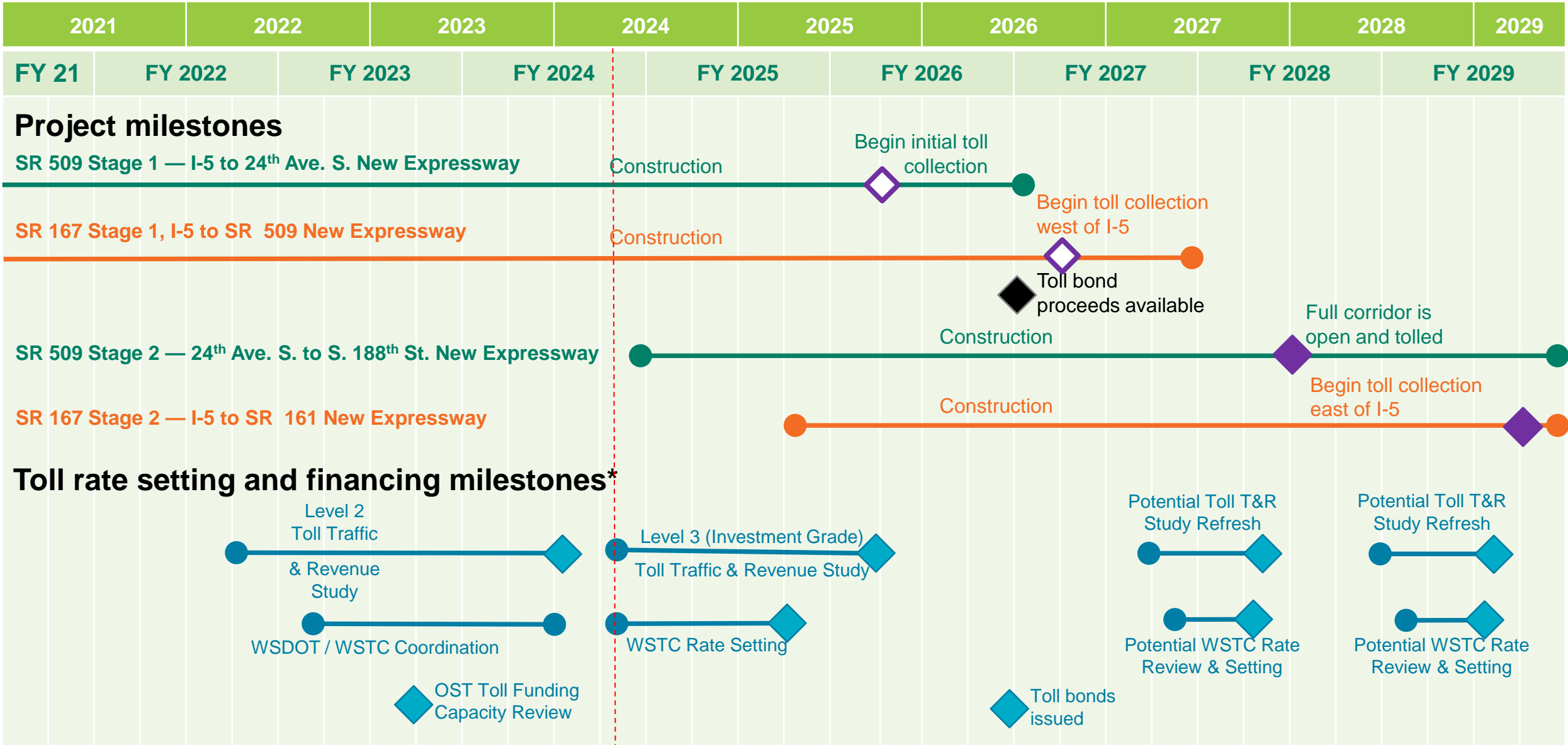
- SR 509 Low Income Proviso:** RCW [47.56.895](#): (4) Prior to setting the schedule of toll rates on the portion of state route number 509 between South 188th Street and Interstate 5 in SeaTac, the department, in collaboration with the transportation commission, must analyze and present to the transportation commission at least one schedule of toll rates that exempts, discounts, or provides other toll relief for low-income drivers during all hours of operation on state route number 509 between South 188th Street and Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the department shall consider implementing an exemption, discount, or other toll relief policy for drivers that reside in close proximity to the corridor.

# The case for toll escalation

- Without regular escalation, toll revenues run the risk of not keeping up with their financial obligations
  - Routine annual operations and maintenance (O&M) costs and periodic capital repair and replacement (R&R) costs inflate over time
  - These O&M and R&R costs will be paid from tolls, as well as debt service
- Toll escalation will help keep the newly constructed sections sustainable
  - Variable rate tolling on the SR 509 and SR 167 Expressways allows for higher prices in peak periods, shifting some trips to other times to help avert congestion
  - Without regular escalation, peak period toll rates will become less effective in managing congestion over time

# Toll funding milestones

# Gateway toll funding milestones



\*Assumes concurrent rate setting activities for both Gateway Program expressways

# Next steps

- Executive Committee meeting May 21
- Continue coordination throughout Level 3 Traffic and Revenue Study

# More information:

**Ed Barry, PE**

**Toll Division Director**

**(206) 464-1217**

**[Ed.Barry@wsdot.wa.gov](mailto:Ed.Barry@wsdot.wa.gov)**

**Daniel Babuca, PE**

**Puget Sound Gateway Program Deputy Administrator**

**(206) 861-6059**

**[Daniel.Babuca@consultant.wsdot.wa.gov](mailto:Daniel.Babuca@consultant.wsdot.wa.gov)**

**Brent Baker**

**Puget Sound Gateway Program Toll Finance Manager**

**(206) 310-3291**

**[Brent.Baker@consultant.wsdot.wa.gov](mailto:Brent.Baker@consultant.wsdot.wa.gov)**