



Puget Sound Gateway Program Rate-Setting

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Overview of Puget Sound Gateway Program & Traffic & Revenue Analysis

Agenda

- Objectives:
 - Provide Gateway program funding and progress update
 - Reminder of Level 3 Traffic and Revenue results

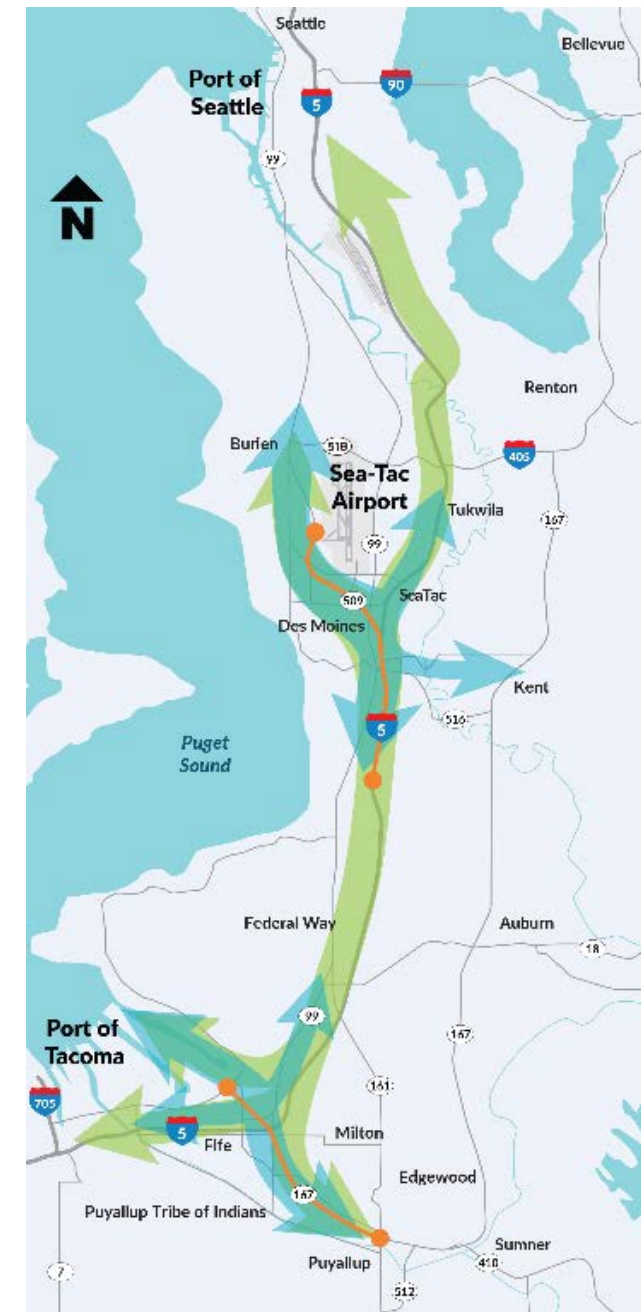
Program delivery and cost update

Gateway Program contracts

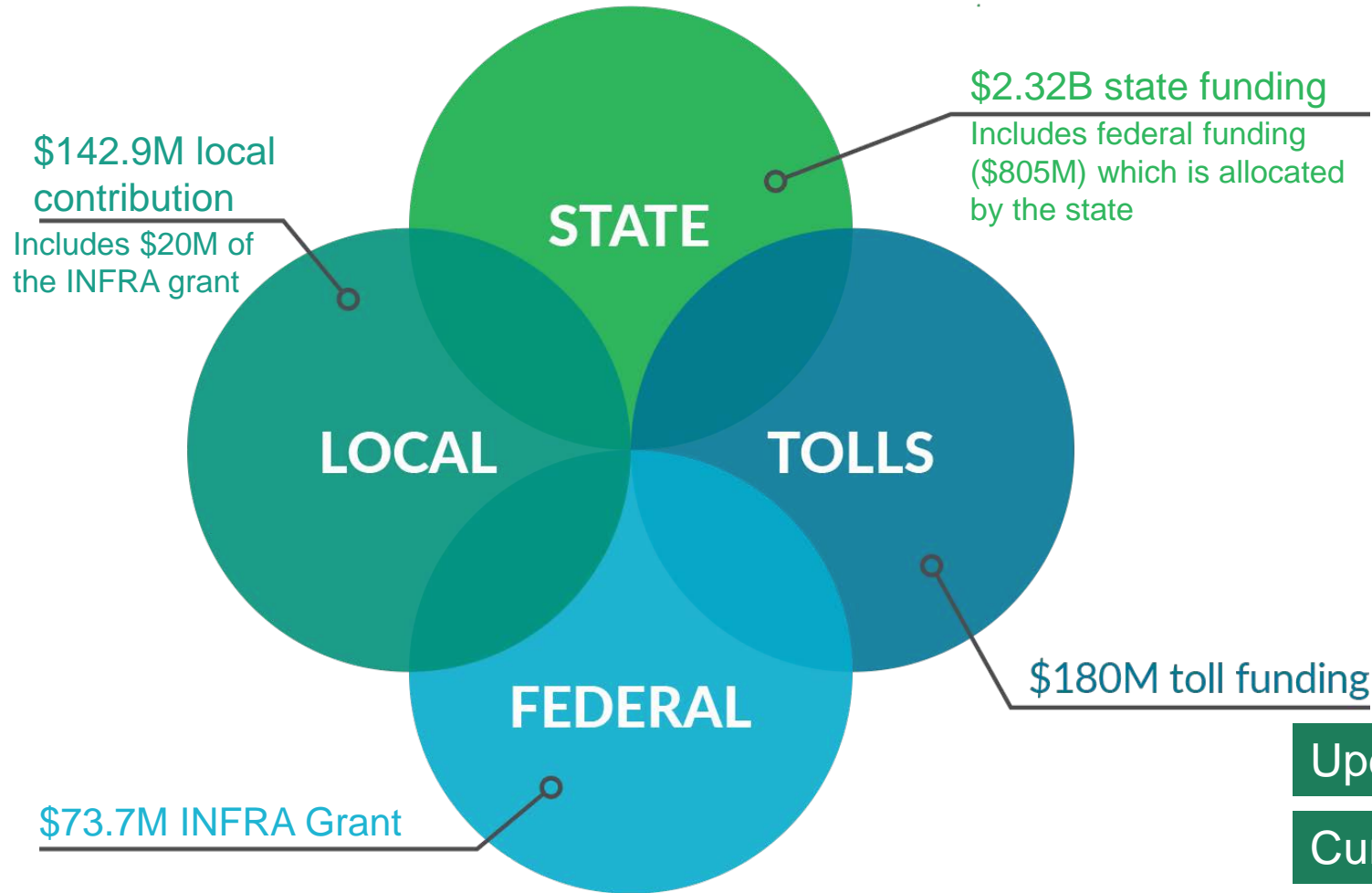
D-B CONTRACTS	STAGE 1a	STAGE 1b	STAGE 2
SR 509	Open to traffic	Under construction	Under construction
SR 167	Open to traffic	Under construction	Stage 2a Under construction ----- Stage 2b Progressive design-build Two short-listed firms (Proposals received 4/1)

- **Clear Creek Fish Barrier Mitigation**

- Design-bid-build
- Project timeline: 2026-2028 (schedule still in development)



Puget Sound Gateway Program funding

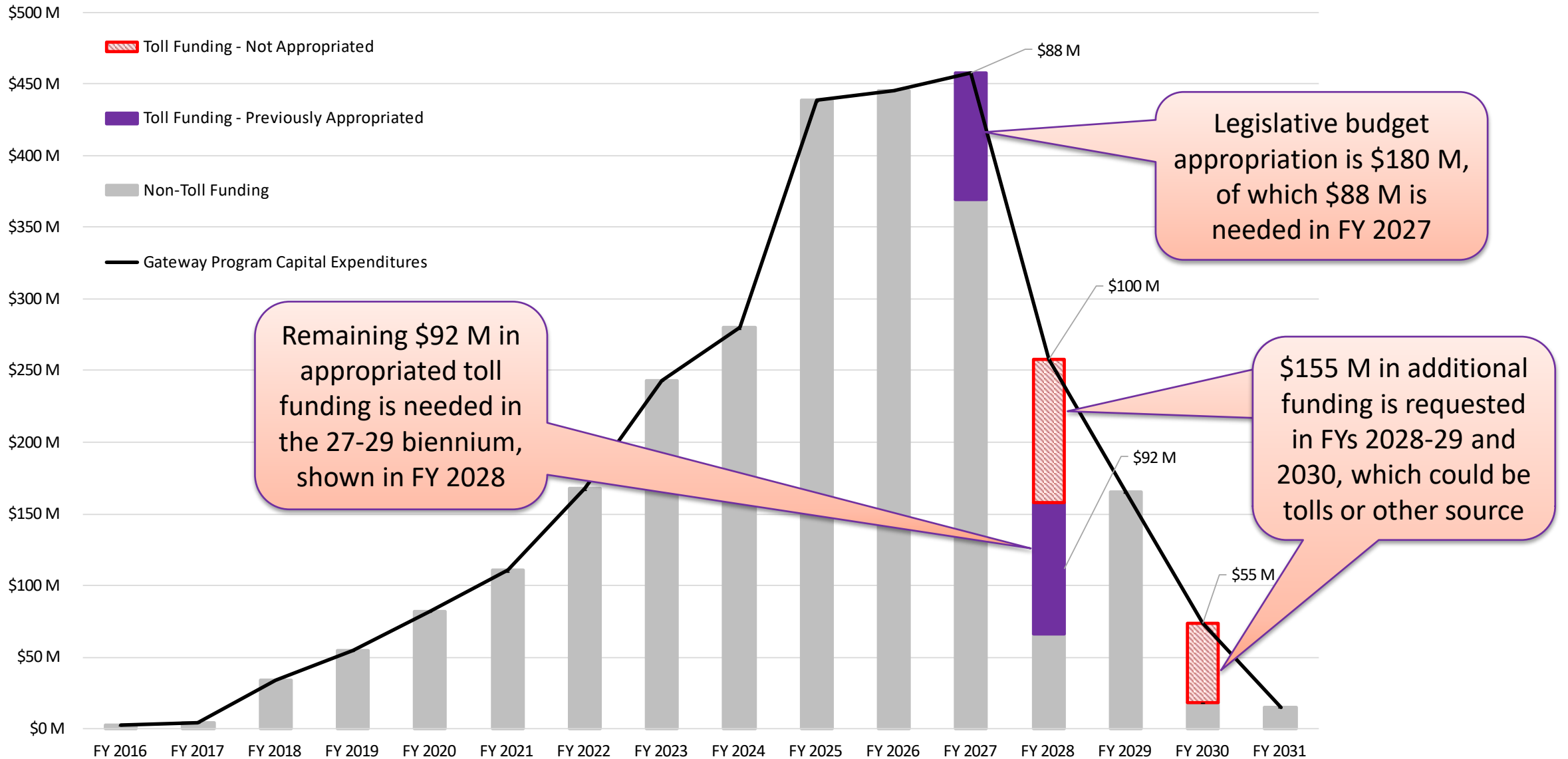


Updated cost estimate: \$2.83B

Current funding: \$2.69B

Funding gap: \$155M

Gateway Program funding need



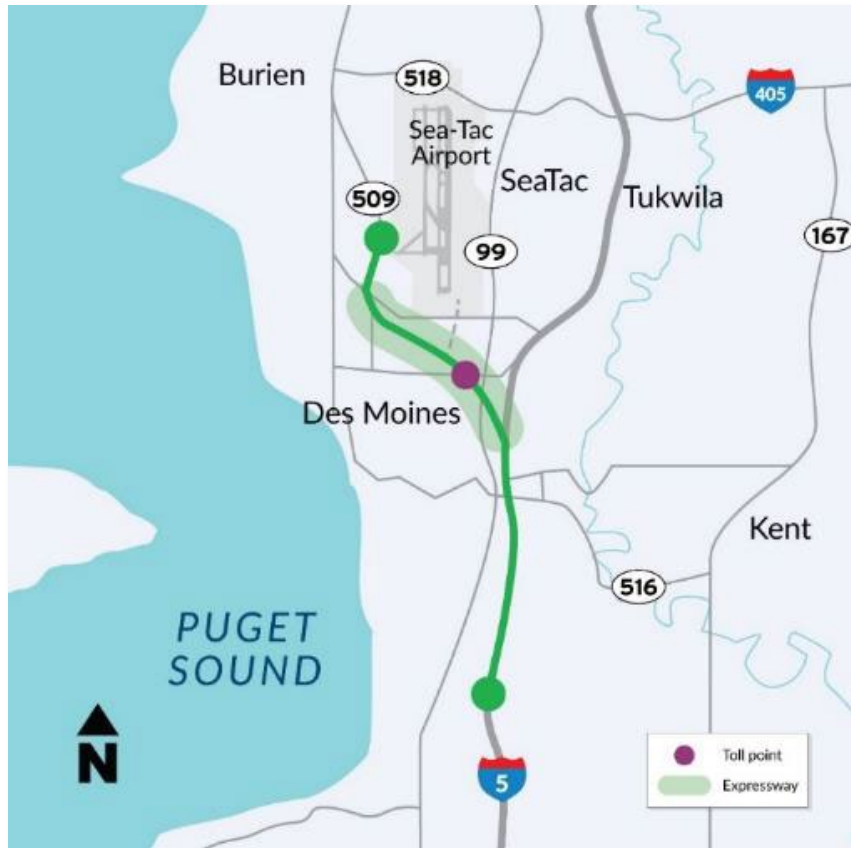
Puget Sound Gateway Program purpose



- Essential **connections** to the ports of Tacoma and Seattle.
- Ensure people and **goods move more reliably** through the Puget Sound region.
- Enhance the state's **economic competitiveness** by connecting the state's largest ports to key distribution centers.

Gateway Program expressway toll points

SR 509



SR 509, I-5 to 24th Avenue South – October 2025
SR 509, 24th Avenue South to South 188th Street – fall 2028

SR 167



SR 167, I-5 to SR 509 New Expressway – December 2026
SR 167, I-5 to SR 161 New Expressway – fall 2029

Note: no existing portions of SR 509 and existing SR 167 general purpose lanes will be tolled

Level 3 Traffic and Revenue recap

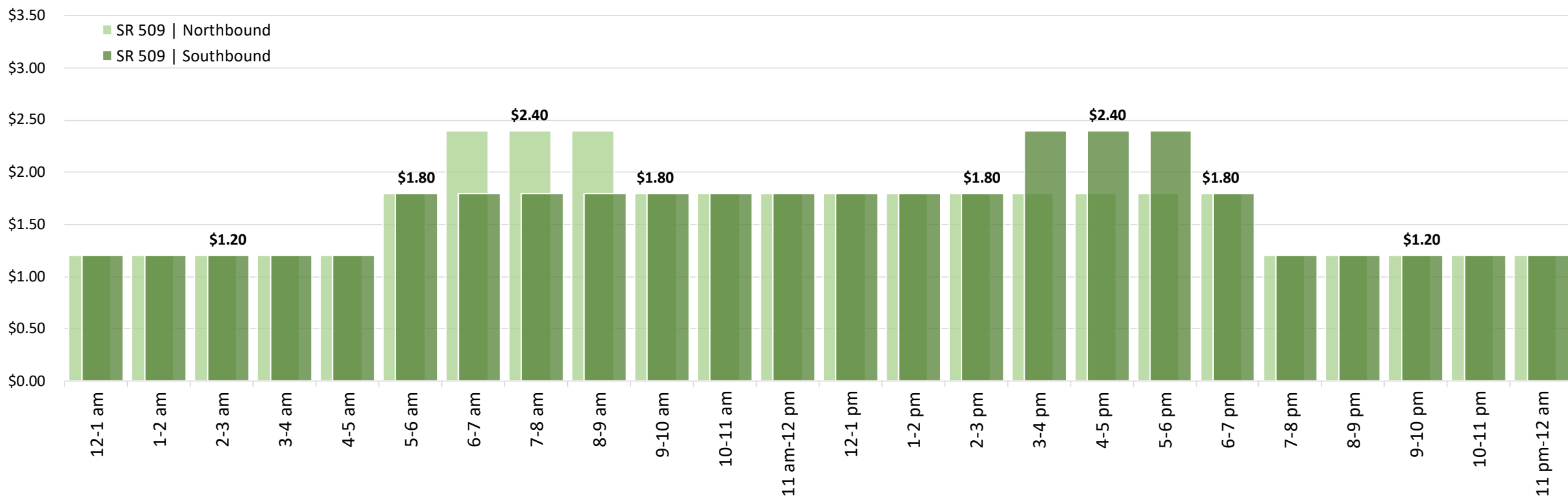
Level 3 Toll Traffic and Revenue study scenarios

Scenario	Toll Escalation	Truck Tolls	SR 509 Low Income Discount
A	2.15% escalation every year, starting in Fiscal Year 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 Federal Poverty Level
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.

L3 Study *Good To Go!* variable toll rates | SR 509

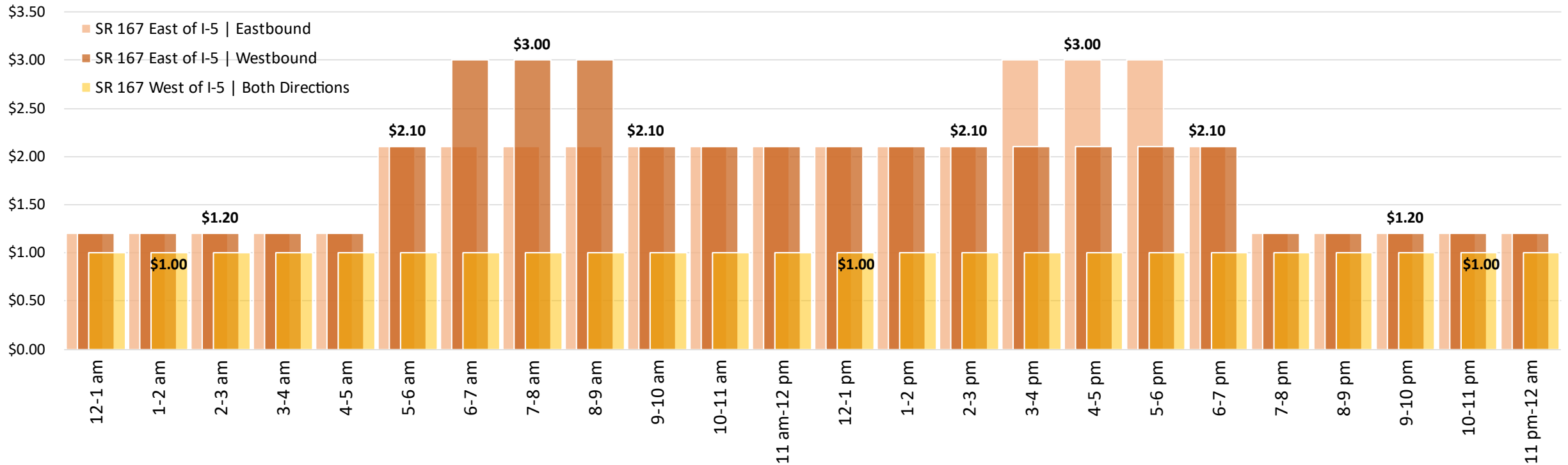
Year of opening, Monday – Friday



2.15% annual escalation starting on July 1, 2030
Weekends assume minimum toll rate for the facility

L3 Study *Good To Go!* variable toll rates | SR 167

Year of opening, Monday – Friday



2.15% annual escalation starting on July 1, 2030
Weekends assume minimum toll rate for the facility

3+ axle vehicle multiplier observations

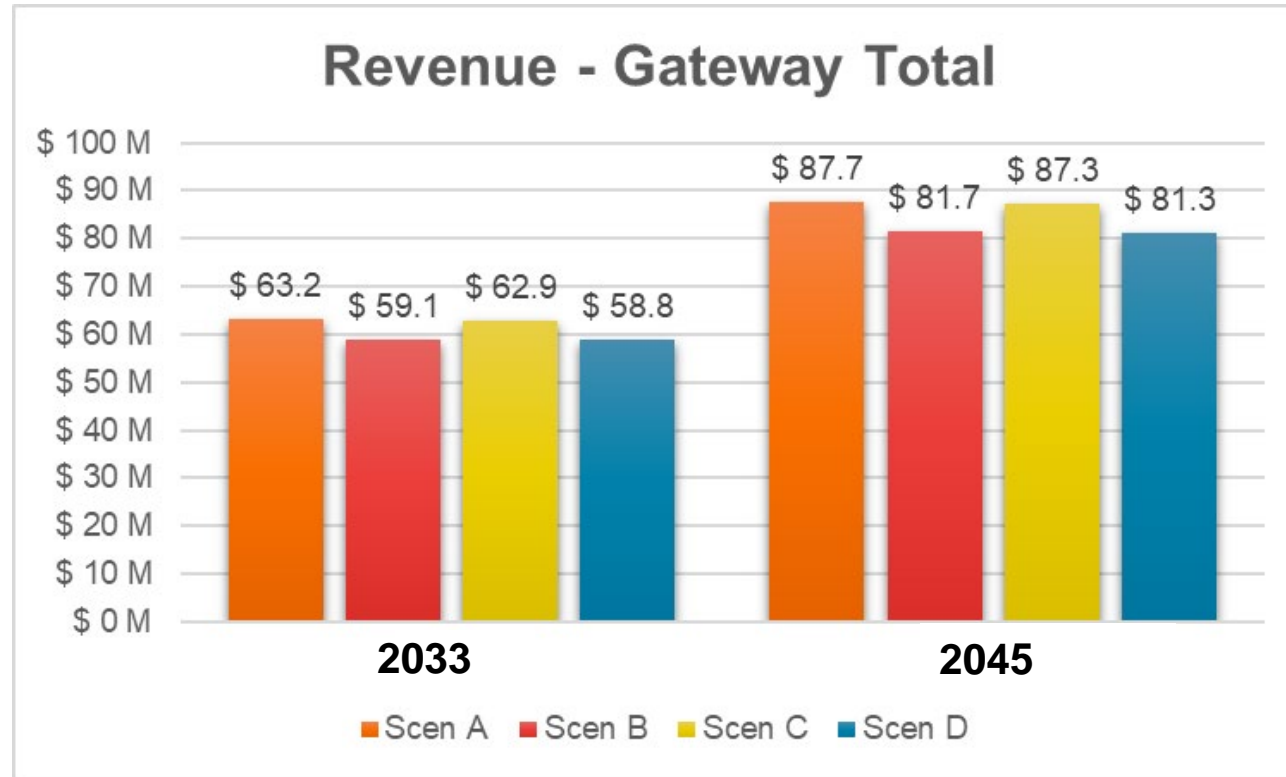
Scenario	3+ axle multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	

- All scenarios will significantly attract truck and auto trips to the new expressways, shifting them off local roadways, improving operations for all users.
- The elimination of truck toll multipliers (Scenarios B/D) will slightly increase the number of truck trips using the new SR 167 and SR 509 expressways.
- The elimination of truck toll multipliers (Scenarios B/D) is not expected to change traffic operations or overall performance on local or regional roadways.

Gross revenue potential forecasts

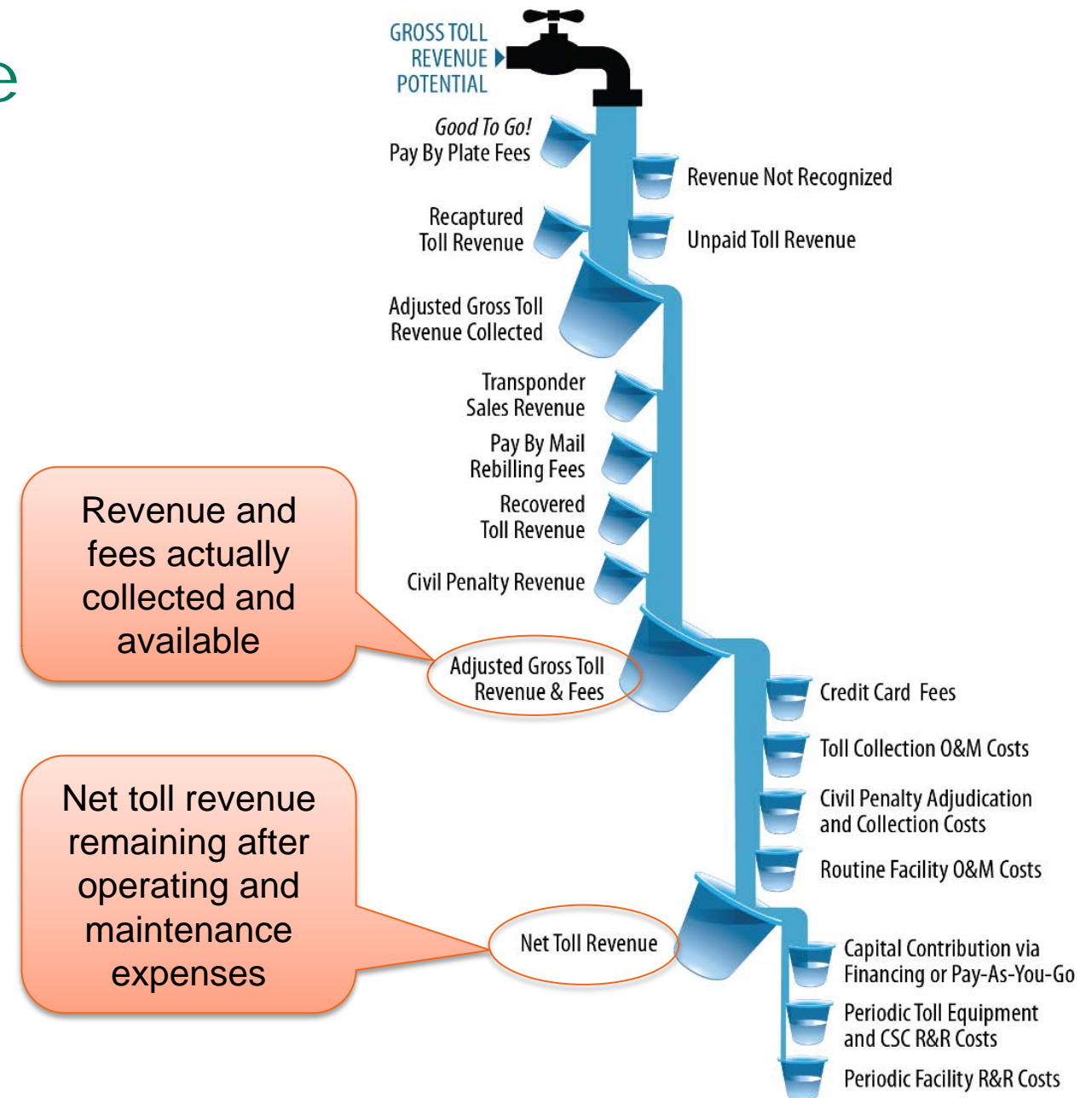
For year 2033 and 2045

Scenario	3+ axle multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



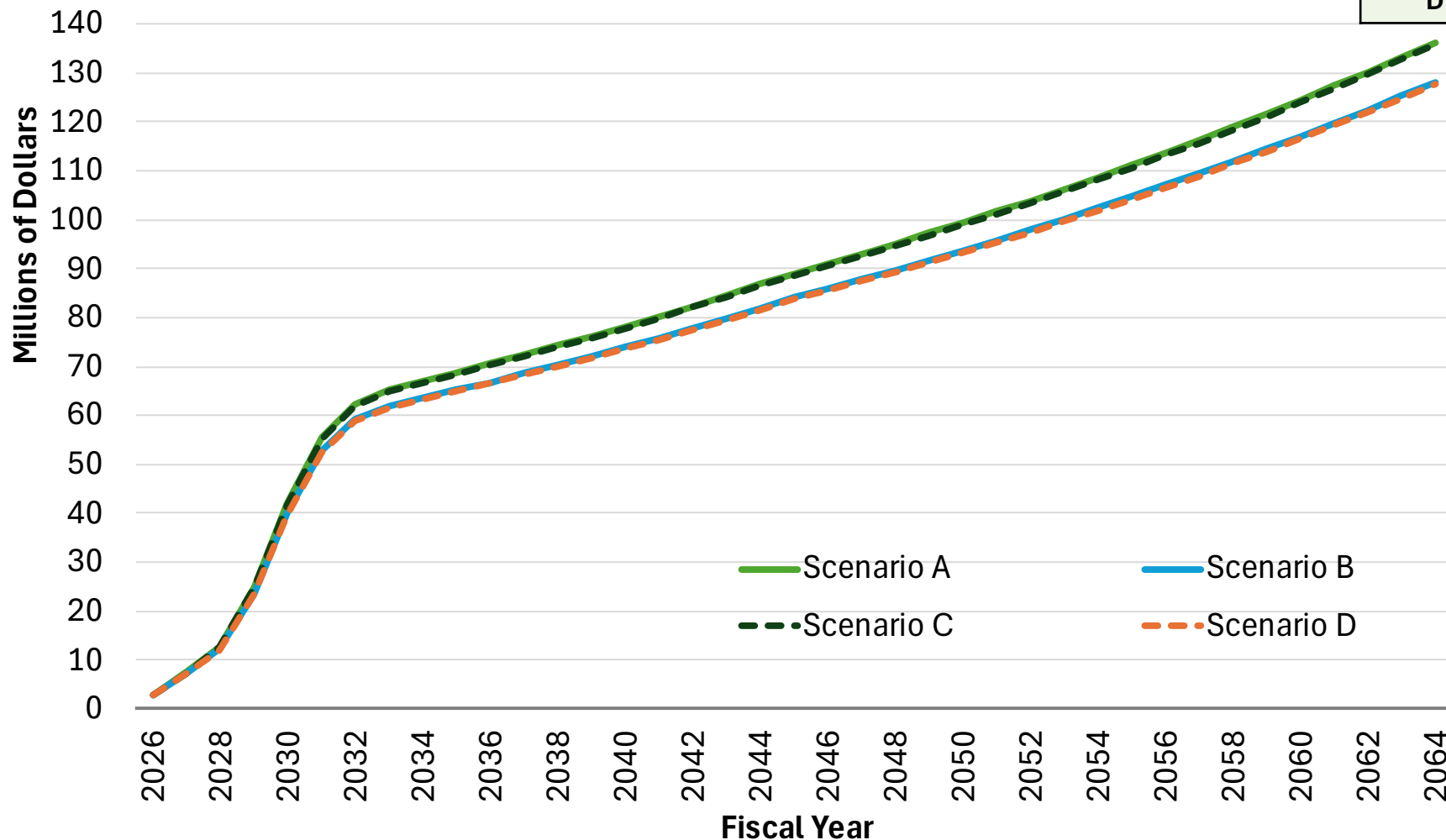
Gross-to-net toll revenue process

- Starting with Stantec's T&R forecasts at the top of the waterfall, adjustments are made for expected revenue adjustments, fees, and civil penalty collections to arrive at "**Adjusted Gross Toll Revenue and Fees**".
- Subsequent deductions for toll collection and highway operating and maintenance (O&M) costs yield "**Net Toll Revenue**" projections.
- OST evaluates the potential capital funding contribution from net toll revenues for each toll scenario.



Adjusted gross toll revenue and fees forecasts | Program totals

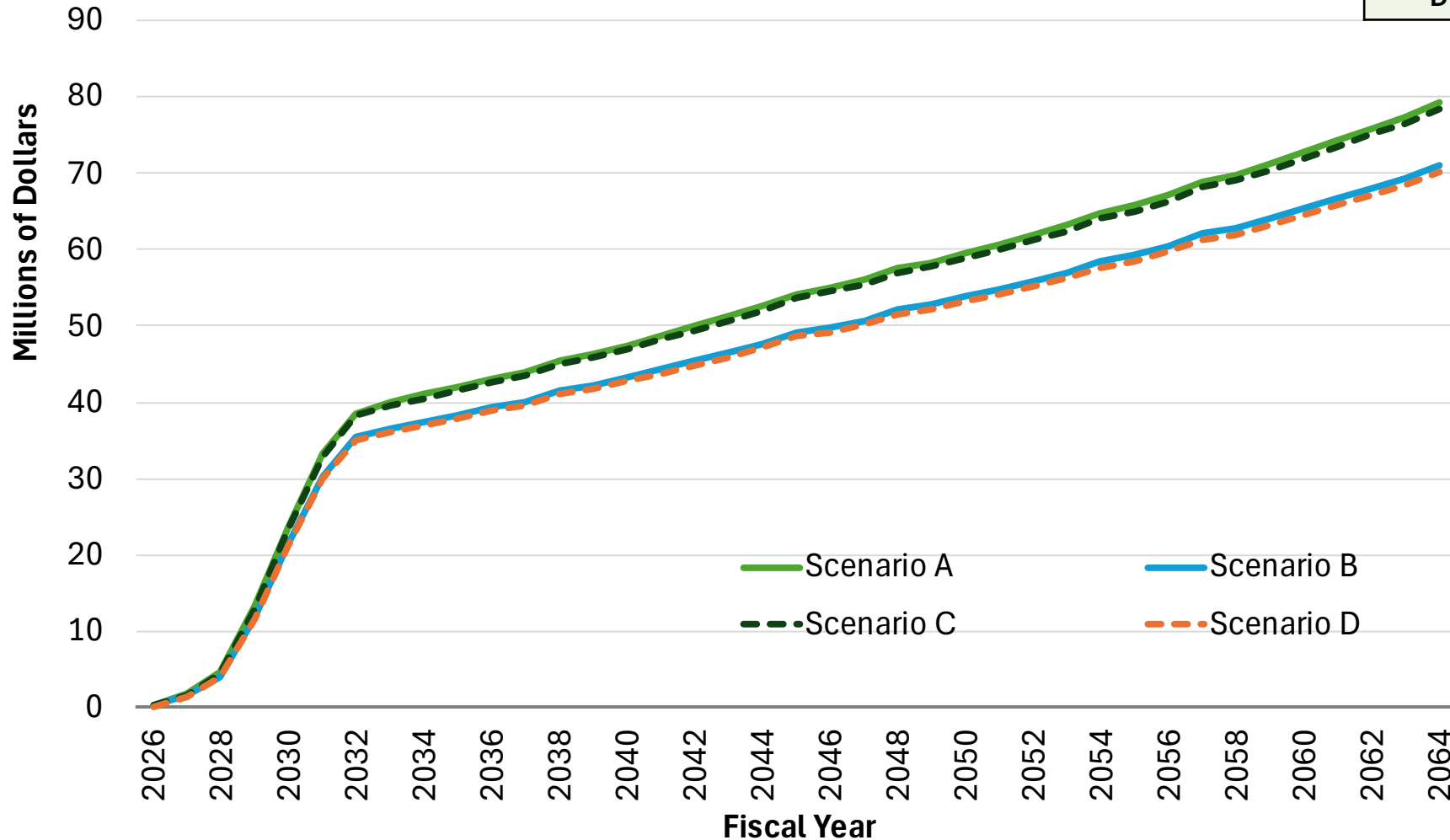
Scenario	3+ axle multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



- The SR 509 Low Income Discount policy is projected to reduce Program revenue collected by about 0.5%.
- Once the Program is complete, removing the truck toll multiplier is projected to reduce Program revenue collected by 5-6% over the forecast horizon.

Net toll revenue projections | Gateway Program totals

Scenario	3+ axle multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



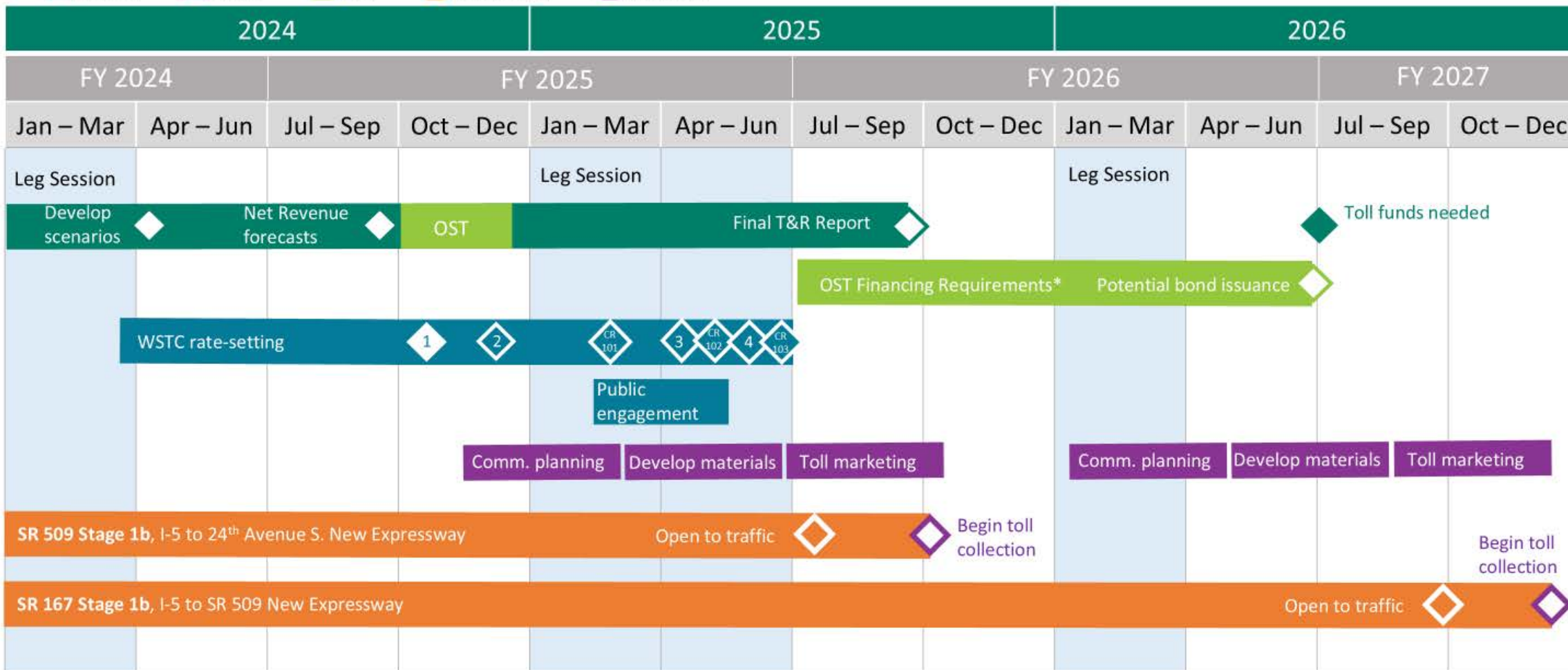
- The SR 509 Low Income Discount policy is projected to reduce Program net toll revenues by slightly over 1%.
- Once the corridors are completed, removing the truck toll multiplier is projected to reduce Program net revenues by 9-11% over the forecast horizon.

Gateway Program net toll revenue summary

Scenario		Percentage Share of Scenario A (Base Case) Net Revenue over Forecast Period (FYs 2026-64)		
		SR 509	SR 167	Gateway Total
A	Base Case	100.0%	100.0%	100.0%
B	No 3+ axle vehicle multiplier	90.5%	90.3%	90.4%
C	SR 509 Low Income Discount Program	97.6%	100.1%	98.9%
D	No 3+ axle vehicle multiplier + SR 509 Low Income Discount Program	88.1%	90.4%	89.3%

Note: All four toll scenarios can fund the additional \$155 M to close the funding gap, though bond timing may need to be adjusted to remain within the \$340 M bond authorization due to capitalized interest costs.

● WSDOT
 ● WSTC
 ● OST
 ● Design-Builder
 ● Toll Division



Toll rate-setting process

- 1 October workshop – review draft level 3 results
- 2 December full WSTC meeting – WSDOT and OST present Level 3 T&R results
- 3 April full WSTC meeting – Select single toll rate proposal
- 4 June public hearing

* Master Bond Resolution (MBR) development, rating agency presentations, etc.

Next steps

Next steps

- Ongoing coordination with WSTC for toll rate-setting
- Continue construction on four contracts
- Continue to advance contract procurement for SR 167 Stage 2b contract

Overview of Toll Rate Options Analysis



Tolling the Puget Sound Gateway Expressways

- Tolled Expressways on SR 509 and SR 167 will manage traffic and help fund construction and ongoing maintenance of the roadways.
- Tolling on the first portion of the SR 509 Expressway is expected to begin in October 2025.
- Tolling on the SR 167 Expressway west of I-5 is expected to begin in December 2026.
- The WSTC will adopt toll rates for both facilities in June 2025.

SR 509 Expressway



The new tolled SR 509 Expressway will extend from South 188th Street in Burien to I-5 in SeaTac near South 212th Street.

SR 167 Expressway



The new tolled SR 167 Expressway will extend from N Meridian Ave. in Puyallup to I-5 in Fife and from I-5 to SR 509 near the Port of Tacoma.

Tolling will not be added to existing portions of SR 509 or SR 167 general purpose lanes.

Toll Rate Setting Direction

Statutory direction on setting of toll rates for the Puget Sound Gateway Expressways (RCW 47.56.895):

- The Tolling Authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the Puget Sound Gateway Expressways.
- The Tolling Authority may adjust toll rates to reflect inflation as measured by the consumer price index or as necessary to meet eligible financial obligations and to optimize system performance.
- After the bonds issued are retired, the Tolling Authority must reduce the toll rates commensurate with this reduction.
- Direction on consideration of low-income discount for residents in close proximity to the SR 509 completion project corridor.

Toll Rate Setting Guidance

Policy guidance on setting toll rates (RCW 47.56.830):

- Toll rates, which may include variable pricing, must be set to meet anticipated funding obligations.
- To the extent possible, the toll rates should be set to optimize system performance, recognizing necessary trade-offs to generate revenue.

Toll Rate Setting Guidance

Setting of toll rates should also support the policy guidelines for the use of tolling in Washington State (RCW 47.56.830):

- Contribute a significant portion of the cost of a project.
- Be fairly and equitably applied in the context of the statewide transportation system.
- Not have significant adverse impacts through the diversion of traffic to other routes that cannot be reasonably mitigated.
- Consider relevant social equity, environmental, and economic issues.
- Directed at making progress toward the state's greenhouse gas reduction goals.

Toll Rate and Policy Options

Scenarios	Toll Rates	Toll Escalation	Truck Tolls	SR 509 Low Income Discount
A	SR 509 & SR 167 – East of I-5: <ul style="list-style-type: none"> \$1.20 to \$2.40 (SR 509) 	2.15% escalation every year, starting in Fiscal Year 2031	Vehicles with 3+ axles pay a multiple of the base toll	Potential consideration of future system-wide low-income program
B	<ul style="list-style-type: none"> \$1.20 to \$3.00 (SR 167) 		All vehicles pay the same toll	
C	<ul style="list-style-type: none"> Vary by time of day & direction SR 167 – West of I-5:		Vehicles with 3+ axles pay a multiple of the base toll	50% discount for SR 509 area residents at 0-200% of Federal Poverty Level
D	<ul style="list-style-type: none"> \$1 at all times of the day 		All vehicles pay the same toll	

Assumes system-wide tolling exemptions will apply to the Expressways, including for transit and emergency vehicles.

Toll Rate and Policy Options

Financial Considerations

- Office of the State Treasurer assessed financial sufficiency of all four toll rate and policy options (Scenarios A-D) and shared results the with the WSTC in December 2024 and March 2025.
- While Scenarios A & C provide about 10 percent more net revenues than Scenarios B & D, all are projected to meet financial sufficiency requirements at the \$180 million toll funding target.
- Assessment also provided a financing approach to enable Scenarios A-D to potentially meet an additional \$155 million in program funding needs from toll revenues.

Toll Rate Escalation

- For both the SR 509 and SR 167 Expressways:
 - 2.15% annual toll rate increases, starting July 1, 2030.
 - Annual increases would initially translate to about 5 cents (\$0.05) per year.
- Toll rate escalation would be subject to annual review and approval by the Transportation Commission.
- Intent of toll rate escalation is to have toll revenues keep pace with inflation in support of operations and maintenance costs for the facilities.

3+ Axle Vehicle Toll Rate Considerations

- Effects of adopting higher toll rates for 3+ axle vehicles (Scenarios A/C) include:
 - Estimated to increase forecasted net toll revenues by 9-11 percent on both Expressways.
 - Will result in slightly smaller shift of truck trips from local facilities to the new Expressways.
- Effects of not adopting higher toll rates for 3+ axle vehicles (Scenarios B/D) include:
 - Will slightly increase the number of truck trips using the new SR 167 and SR 509 Expressways.
 - Not expected to change traffic operations or overall performance on local or regional facilities.

3+ Axle Vehicle Toll Rates

***Good To Go!* Toll Rates for Multi-Axle Vehicles on SR 509 and SR 167 Expressways (Scenarios A/C)**

Base (Two-Axle) Vehicle Rate	Three-Axle Vehicle Rate	Four-Axle Vehicle Rate	Five-Axle Vehicle Rate	Six-Axle or More Vehicle Rate
\$1.00	\$1.50	\$2.00	\$2.50	\$3.00
\$1.20	\$1.80	\$2.40	\$3.00	\$3.60
\$1.80	\$2.70	\$3.60	\$4.50	\$5.40
\$2.10	\$3.15	\$4.20	\$5.25	\$6.30
\$2.40	\$3.60	\$4.80	\$6.00	\$7.20
\$3.00	\$4.50	\$6.00	\$7.50	\$9.00

NOTE: Vehicles with three or more axles include semi trucks, vehicles towing a trailer, and large buses.

Low-Income Tolling

Based upon Residence Location

- The Legislature directed WSDOT to work with the WSTC to assess a geographic-based low-income tolling approach specific to the SR 509 Expressway (Scenarios C/D).
 - The geographic approach assessed applying a toll discount for residents living in ZIP Codes within one mile of the SR 509 completion project corridor.
- Primary concerns about a geographic-based low-income program include:
 - WSDOT program costs and complexity required to manage residency information.
 - Provides benefit to local residents but not other low-income drivers who may also regularly use a facility.

Alternative Approach to Low-Income Tolling

Phase-In for All Facilities

To ensure all low-income drivers can seek toll relief, rather than only those who live near a tolled facility, a low-income toll discount could be phased-in on all tolled facilities, over time.

- A low-income discount would start with new facilities - Puget Sound Gateway SR 509 & SR 167 Expressways.
 - Implementation on the Expressways would be expected by December 2026 following WSTC review and approval.
 - Consideration of providing low-income discounts on existing tolled facilities would be considered as future toll rate changes occur on them.

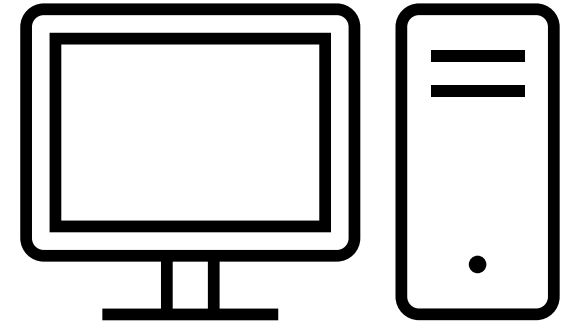
Summary of Public Input



WSTC Public Engagement

The WSTC provided the following opportunities for the public to learn about the tolling options under consideration and to provide comments:

- **Online Open House:** March 24 – April 6
- **Virtual Tolling Public Input Meetings:** April 1 & 2
 - Tuesday, April 1, 6pm – 7:30pm
 - Wednesday, April 2, 12pm – 1:30pm
- **WSTC Webpage / TransC Public Inbox**



Online Open House

Between March 24 and April 6, the WSTC hosted an Online Open House for the purpose of:

- Sharing information on the policy changes under consideration; and
- Offering the public an opportunity to provide comments on them.

During this time, **over 1,600 comments** were provided from **over 430 individuals**. This included:

- 377 comments regarding the possible toll rate ranges
- 296 comments regarding the possible 3+ axle vehicle toll rates
- 315 comments regarding the possible toll escalation approach
- 342 comments regarding the possible approaches to offering a low-income discount
- 273 “general feedback” comments

Key Respondent Metrics - Demographics

Household Income

161 respondents provided HH income information. Of these:

- **6%** under \$30,000
- **15%** \$30,000-\$75,000
- **43%** \$75,000-\$150,000
- **14%** \$150,000-\$200,000
- **17%** over \$200,000
- **About 11%** with a HH income below about 200% of the Federal Poverty Level

Race and Ethnicity

160 respondents provided information on their racial or ethnic background. Of these:

- **75%** identified as white / Caucasian only
- **25%** people of color*

Place of Residence

163 respondents provided valid zip code information. Of these:

- **83%** from King or Pierce County
- **17%** from other areas throughout Washington state

** People of color defined as those who self-identified as either American Indian or Alaskan Native/Indigenous, Asian or Asian American, Black or African American, Native Hawaiian or Pacific Islander, or other.*

Online Open House

Based on a review of the **1,600+** comments, the following key themes emerged:

- General opposition to the use of tolls.
 - Concerns regarding the impact they will have on local residents, congestion, and low-income individuals.
- Sentiment that proposed toll rates are too high.
 - Additional opposition to toll rate escalation and the variable toll rate structure.
- About twice as much support than opposition for higher tolls on vehicles with 3+ axles.
 - Those in opposition felt the higher tolls would impact the cost of goods and may divert truck traffic to other roadways such as local streets.
- More support for a low-income discount program than opposition.
 - If stating a preferred approach, significantly more support for the system-wide discount.
 - Those in opposition expressed concerns about complexity and program costs, and equity concerns for people who do not meet the income threshold but still struggle.
- Other comments included requests for additional discounts such as for seniors or local residents.

Virtual Public Meetings

86 people attended the WSTC's two virtual public meetings (April 1 & 2). **40** questions were received, and **4** comments were provided.

Key themes for the questions included:

- Potential low-income discount program
- Proposed toll rates and how long they would be in effect for
- Funding, such as why tolls are necessary
- Traffic impacts
- Project-related decisions

Topics for the four comments included:

- Input on project decisions
- Impact tolls will have on commuters
- Advocating for no truck toll multiplier

TransC Public Inbox

Over **200 emails** were also received. This included:

- 138 emails which voiced opposition to the toll rates / toll rate polices being considered.
- 15 emails which voiced support for the toll rates / toll rate polices being considered.
- 27 emails with questions for follow up.
- 43 other emails which didn't clearly state support or opposition.



WSTC Engagement with Regional Partners

- Participation with the Puget Sound Gateway Program's Executive and Steering Committees with updates on the toll rate considerations.
- Briefings offered and held with local jurisdictions and legislators.
- Input from regional partners during recent public input process included:
 - Mayor Victoria Woodards, City of Tacoma
 - The Northwest Seaport Alliance
 - Joe Vinson, City Councilmember, City of SeaTac

Selection of Preferred Toll Rate Option



Toll Rate and Policy Options: Requested ACTION

ACTION 1: Select Low-Income Tolling Program Approach.

- Provide direction on advancing a system-wide low-income program beginning with the Expressways by no later than December 2026. – **Scenarios A & B**
- Provide direction on advancing a ZIP Code based low-income tolling program for SR 509 Expressway only by Summer 2026. – **Scenarios C & D**

Toll Rate and Policy Options: Requested ACTION

ACTION 2: Select Preferred Toll Rate Scenario to advance for further public review and comment.

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B	<ul style="list-style-type: none"> \$1.20 to \$2.40 (SR 509) \$1.20 to \$3.00 (SR 167) 		All vehicles pay the same toll	
C	<ul style="list-style-type: none"> Vary by time of day & direction 		Vehicles with 3+ axles pay a multiple of the base toll	50% discount for SR 509 area residents at 0-200% of Federal Poverty Level
D	<ul style="list-style-type: none"> \$1 at all times of the day 		All vehicles pay the same toll	

Assumes system-wide tolling exemptions will apply to the Expressways, including for transit and emergency vehicles.

Next Steps

Next Steps in the Toll Setting Process

- The selected toll rate proposal will be released for public review through June 10.
- The Final Public Hearing & Adoption: June 17 at WSTC's June Commission meeting.
- New rates and policies take effect October 2025.

Thank You!

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