

HOUSE BILL REPORT

HB 2211

As Reported by House Committee On:
Transportation

Title: An act relating to the authorization, administration, collection, and enforcement of tolls on the state route number 520 corridor.

Brief Description: Addressing the authorization, administration, collection, and enforcement of tolls on the state route number 520 corridor.

Sponsors: Representatives Clibborn, Eddy, Maxwell and Liias.

Brief History:

Committee Activity:

Transportation: 2/19/09, 4/6/09 [DPS].

Brief Summary of Substitute Bill

- Imposes tolls on the State Route (SR) 520 corridor, which is defined as the portion of SR 520 between Interstate 5 and SR 202.
- Requires the tolling authority to set a schedule of toll rates to maintain travel time, speed, and reliability in the corridor as well as support the issuance of up to \$1.2 billion in bonds. The tolling authority is allowed to increase the toll rates as necessary to reflect inflation and meet the payments on the bonds.
- Restricts the expenditure of the proceeds of the bonds to construction of the replacement floating bridge and projects on the east and west ends of the bridge and caps the total cost of the project at \$4.65 billion, with caps of \$1.85 billion on the floating bridge, \$800 million on the east side of the corridor, and \$2 billion on the west side of the corridor.
- Requires any funding over \$2 billion on the west side of the corridor to come from local revenue sources.
- Grants the Washington State Department of Transportation a variety of responsibilities and authorities regarding the administration of the SR 520 corridor tolling program.

HOUSE COMMITTEE ON TRANSPORTATION

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Clibborn, Chair; Liias, Vice Chair; Campbell, Dickerson, Eddy, Finn, Flannigan, Moeller, Morris, Rolfes, Sells, Springer, Takko, Uptegrove, Wallace, Williams and Wood.

Minority Report: Do not pass. Signed by 12 members: Representatives Roach, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Armstrong, Cox, Driscoll, Ericksen, Herrera, Johnson, Klippert, Kristiansen, Shea and Simpson.

Staff: David Munnecke (786-7315)

Background:

The State Route (SR) 520 Evergreen Point Bridge is a 1.5 mile, 43-year-old bridge crossing Lake Washington in King County. The bridge is scheduled for replacement due to its vulnerability to seismic activity and storm events. In addition to the deteriorating physical condition, the bridge lacks shoulders for disabled and emergency vehicles and experiences considerable amounts of congestion.

SR 520 Bridge Replacement Project Planning.

Legislation passed during the 2007 session directed the Office of Financial Management to hire a mediator and appropriate planning staff to develop a project impact plan for addressing the impacts of the project design on Seattle city neighborhoods and parks, including the Washington park arboretum, and institutions of higher education. The final project impact plan was provided by the December 1, 2008, delivery date, and identified the three options that are currently being studied.

Legislation passed during the 2008 session created the SR 520 Tolling Implementation Committee (Committee), consisting of three members, the Puget Sound Regional Council Executive Director, the Secretary of the Washington State Department of Transportation (WSDOT) or his or her designee, and a member of the Washington State Transportation Commission from King County. The Committee was required to evaluate various issues relating to the SR 520 bridge replacement project, including the form the tolling might take, traffic diversion, tolling and traffic management technology, partnership opportunities, and also was required to survey citizens about the project. A report was delivered from the Committee to the Governor and Legislature in January of 2009.

In that same legislation, the project design is required to have six total lanes, with four general purpose lanes and two lanes that are for high occupancy vehicle travel and transit. The bridge must also be designed to accommodate effective connections for transit, including high capacity transit, to the light rail station at the University of Washington.

Lake Washington Urban Partnership.

In 2007 the WSDOT was awarded a grant from the United States Department of Transportation's Congestion Initiative, known as the Lake Washington Urban Partnership. The grant provided \$139 million, of which \$86 million was provided for active traffic management (such as traveler information and speed harmonization) and variable tolling on the SR 520 bridge. All but \$1.6 million of the grant is only accessible once a variable tolling

policy has been approved, legal authority exists for tolling to commence, and variable tolling is implemented on the SR 520 bridge project.

Summary of Substitute Bill:

The imposition of tolls on the SR 520 corridor, which is defined as the section of SR 520 between Interstate 5 and SR 202, is authorized. The tolling authority is required to set a schedule of toll rates to maintain travel time, speed, and reliability in the corridor as well as support the issuance of up to \$1.2 billion in bonds. The tolling authority is allowed to increase the toll rates as necessary to reflect inflation, meet the payments on the bonds, and provide for operations and maintenance of the facility. The expenditure of the proceeds of the bonds is restricted to construction of the replacement floating bridge and projects on the east and west ends of the bridge, and the collection of tolls is limited to the floating bridge portion of the corridor.

The intent of the Legislature is declared to be that:

- toll revenues be used to replace the floating bridge and help finance other projects in the corridor;
- the total cost of the corridor not exceed \$4.65 billion, with subsidiary caps of \$800 million for the east side of the corridor and \$2 billion on the west side of the corridor;
- the tolling policy for the corridor be reconsidered if the tolls on the SR 520 corridor significantly impact the performance of nearby facilities; and
- the WSDOT apply for federal stimulus funds for projects in the corridor.

The WSDOT is required to work with the affected communities and the City of Seattle to reach a final design for the west side of the corridor. If this design costs more than \$2 billion, it requires these parties to identify local revenue sources by June 30, 2010. If agreement is reached by this date, the City of Seattle and the WSDOT are required to work together to reach a decision on the design of the project and any required local funding sources.

The WSDOT is also required to ensure that the final design for the SR 520 corridor does not exceed \$4.65 billion. Within this cap, the total cost of the floating bridge is required to be less than \$1.85 billion and the total cost of the east side projects is required to be less than \$800 million. Also within the cap for the total cost of the project, the total cost of the west side portion of the project is required to not exceed \$2 billion. If the total cost exceeds \$2 billion, in order to expend any toll revenues on the west side, the cost in excess of \$2 billion must be financed through local revenues, which are defined to include contributions from local governments, local improvements districts, and private contributions.

The WSDOT is designated as the state toll agency with the authority to administer the toll collection on the SR 520 corridor, which includes the authority to:

- collect and retain toll charges and penalties;
- issue toll bills and notices of infraction;
- hold administrative hearings; and

- collect unpaid tolls including forwarding unpaid infractions to the Department of Licensing and collection agencies.

The State Route 520 Corridor Account (Account) is created, and all the proceeds of the bonds issued for the construction of the SR 520 corridor, all the tolls generated on the corridor, any interest earned on these funds, the proceeds from the sale of surplus property used for construction on the corridor, and any liquidated damages must be deposited into the Account. These revenues may only be used for purposes consistent with the tolling expenditure guidelines currently in statute and the repayment of bonds.

Substitute Bill Compared to Original Bill:

The maximum toll rate amounts are removed and the tolling authority is instead required to set a schedule of toll rates to maintain travel time, speed, and reliability in the corridor as well as support the issuance of up to \$1.2 billion in bonds. The tolling authority is allowed to increase the toll rates as necessary to reflect inflation and meet the payments on the bonds, and the collection of tolls is limited to the floating bridge portion of the corridor.

The intent of the Legislature is expanded to include that:

- the total cost of the corridor not exceed \$4.65 billion, with subsidiary caps of \$800 million for the east side of the corridor and \$2 billion on the west side of the corridor;
- the tolling policy for the corridor be reconsidered if the tolls on the SR 520 corridor significantly impact the performance of nearby facilities; and
- the WSDOT apply for federal stimulus funds for projects in the corridor.

The WSDOT is now required to work with the affected communities and the City of Seattle to reach a final design for the west side of the corridor. If this design costs more than \$2 billion, it requires these parties to identify local revenue sources by June 30, 2010. If agreement is reached by this date, the City of Seattle and the WSDOT are required to work together to reach a decision on the design of the project and any required local funding sources.

The WSDOT is also now required to ensure that the final design for the SR 520 corridor does not exceed \$4.65 billion. Within this cap, the total cost of the floating bridge is required to be less than \$1.85 billion and the total cost of the east side projects is required to be less than \$800 million. Also within the cap for the total cost of the project, the total cost of the west side portion of the project is required to not exceed \$2 billion. If the total cost exceeds \$2 billion, in order to expend any toll revenues on the west side, the cost in excess of \$2 billion must be financed through local revenues, which are defined to include contributions from local governments, local improvements districts, and private contributions.

The effective date of the act is now August 1, 2009, rather than January 1, 2010.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on August 1, 2009.

Staff Summary of Public Testimony:

(In support) Replacing the SR 520 bridge is one of the WSDOT's highest priorities. Tolling has been part of the conversation regarding the replacement project from the start and it is accepted. The bill needs to explicitly authorize variable tolls though, in order to access the federal Urban Partnership funding.

The plan for tolling the SR 520 bridge includes no toll booths in order to reduce the footprint of the bridge. Toll booths create noise and pollution due to cars queuing up and then accelerating back up to speed. The WSDOT is trying to get transponders in 80 percent of the cars. If a driver doesn't have a transponder, he or she will be able to prepay on the Internet. There will be turnarounds at each end of the bridge at the interchanges for those who choose not to pay a toll. The bill also provides for a photo toll collection process. There will be a 72-hour grace period for payment of the toll and if a bill must be mailed, an administrative fee would cover the cost of the mailing. If the toll bill is not paid, it would be converted to a notice of infraction.

The eastside cities have been working on the replacement of the floating bridge and the rest of the project for over a decade. This is a vital corridor and time is of the essence. The pontoons are fragile and need to be replaced. Early tolling is beneficial because it lowers construction and financing costs, and variable tolling is beneficial because it makes for more efficient use of the current pavement. This project can be sped up if funding is authorized now.

King County is supportive of tolling SR 520 and the use of tolls for transit. The legislation is urgent to get the Urban Partnership funding for the state and the county. The Urban Partnership requires electronic and variable tolls and increases to transit.

(With concerns) This is the start of a new funding mechanism. The tolling implementation study showed that diversion to Interstate 90 (I-90) would be low, so it is a poor policy to toll one facility to pay for the other. Tolls on I-90 to pay for SR 520 is akin to tolls on I-5 to pay for the Viaduct replacement. The only disagreement on the eastside is over the tolling of I-90.

The bill should clearly say that the imposition of tolls will trigger the receipt of federal Urban Partnership funds. The Transportation Commission would prefer that the bill hold off on setting toll amounts until there is a financing plan.

Funding for transit operations is also important and should come from tolls. Climate change and mobility need to be addressed on projects such as this.

There is concern about congestion pricing for people who use the bridge. People need options, including transit. People need alternatives, especially when there are high tolls at rush hour.

(Opposed) Tolling is an additional tax burden on the middle class. Taxes on the wealthy should be raised instead in order to fund projects such as this.

The courts would like to clarify who runs the infraction process. This activity is more appropriate for district court than superior court. There were 100,000 citations in Pierce County last year for the Tacoma Narrows Bridge, and the toll facility on the SR 520 corridor is expected to have significantly more users.

Persons Testifying: (In support) Representative Clibborn, prime sponsor; David Dye, Washington State Department of Transportation; Grant Degginger, City of Bellevue; Jim Pearman, City of Mercer Island; Mark Nelson, City of Medina; Fred McConkey, City of Hunts Point; George Martin, City of Clyde Hill; David Cooper, City of Yarrow Point; Dick Ford, Washington State Transportation Commission; Jim Horn, Eastside Transportation Association; Ron Posthuma, King County; and Eva Zemlinji, No Toll on I-90.

(With concerns) Dave Overstreet, Automobile Association of America Washington; Andrew Austin, Transportation Choices Coalition; and Craig Engleking, Sierra Club.

(Opposed) David Spring; and Mellani McAleenan, Board for Judicial Administration.

Persons Signed In To Testify But Not Testifying: None.