

# HOUSE BILL REPORT

## EHB 1382

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### As Amended by the Senate

**Title:** An act relating to the use of express toll lanes in the eastside corridor.

**Brief Description:** Concerning the use of express toll lanes in the eastside corridor.

**Sponsors:** Representatives Clibborn, Maxwell, Llias, Eddy, Hunter and Springer; by request of Department of Transportation.

**Brief History:**

**Committee Activity:**

Transportation: 2/2/11, 2/8/11 [DP].

**Floor Activity:**

Passed House: 3/5/11, 52-46.

Senate Amended.

Passed Senate: 4/9/11, 36-13.

### Brief Summary of Engrossed Bill

- Authorizes the imposition of tolls for, and the construction and operation of, express toll lanes on Interstate 405 between the junction with Interstate 5 on the north end and Northeast 6th Street in Bellevue on the south end.
- Requires the state tolling authority, the Washington State Transportation Commission, to set toll rates for vehicles, which can vary by time of day, level of congestion, and other criteria.
- Requires the Washington State Department of Transportation to conduct a traffic and revenue analysis, develop a corridor-wide project management plan, and develop a finance plan for a 40-mile continuous express toll lane system that includes State Route 167 and Interstate 405.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 15 members: Representatives Clibborn, Chair; Billig, Vice Chair; Llias, Vice Chair; Eddy, Finn, Fitzgibbon, Jinkins, Ladenburg, Moeller, Moscoso, Reykdal, Rolfes, Ryu, Takko and Upthegrove.

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*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.*

**Minority Report:** Do not pass. Signed by 11 members: Representatives Armstrong, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Angel, Asay, Johnson, McCune, Overstreet, Rivers, Rodne, Shea and Zeiger.

**Staff:** Wendy Malkin (786-7114).

**Background:**

High Occupancy Vehicle (HOV) lanes are highway lanes reserved part-time or full-time for vehicles carrying a minimum number of occupants. The object of these lanes is to facilitate the operation of transit vehicles and other multi-occupant vehicles, allowing them to avoid congestion, and providing those vehicles with improved travel times. The Washington State Department of Transportation (WSDOT) has authority to designate HOV lanes on state highways, and there are currently over 200 miles of HOV lanes in operation in the central Puget Sound area. During certain periods, HOV lanes are operating below capacity while adjacent general purpose lanes are congested. High Occupancy Toll (HOT) lanes are lanes that are open to carpools, vanpools, transit vehicles, and toll-paying vehicles. The goal for establishing these lanes is to provide a higher level of service for multi-occupant vehicles, while permitting other vehicles to use surplus capacity in the lane by paying a toll.

The WSDOT is currently operating a HOT lane pilot project along the nine miles of HOV lanes on State Route 167 (SR 167) within King County. Tolls on the project are established by the state tolling authority, the Washington State Transportation Commission (Commission), and vary in amount by time of day and the level of traffic congestion. During peak hours, the tolls must be adjusted to maintain HOT lane performance of at least 45 miles per hour for at least 90 percent of the time during peak hours.

In 2009 the WSDOT was directed, in Engrossed Substitute Senate Bill 5352, to conduct a traffic revenue study for Interstate 405 (I-405) in King and Snohomish counties that included funding for improvements and HOT lanes. The WSDOT was also directed to develop a plan to operate two HOT lanes in each direction on I-405. The WSDOT delivered the Eastside Corridor Tolling Study to the Legislature in January 2010. After release of the study, the WSDOT decided to convene an Expert Review Panel to review the eastside corridor express toll lanes study work. The Expert Review Panel final report was distributed in December 2010.

**Summary of Engrossed Bill:**

The imposition of tolls is authorized for express toll lanes on I-405 between the junction with Interstate 5 on the north end and Northeast 6th Street in Bellevue on the south end. In addition, I-405 is designated as an eligible toll facility. An express toll lane means an HOV lane in which the WSDOT charges tolls to regulate use of the lane to maintain travel speed and reliability. The Commission is directed to set the schedule of toll rates for the express toll lanes, which can vary by time of day, level of congestion, and other criteria determined by the Commission. Toll charges may not be assessed on transit buses and vanpools. Toll revenue can be used for debt services, planning, administration, construction, maintenance, repairing, rebuilding, operation, enforcement, and the expansion of express toll lanes on I-405.

The WSDOT is authorized to construct and operate the express toll lanes and set the performance standards for the project. The WSDOT is required to automatically adjust the toll rate, using dynamic tolling, within the schedule established by the Commission to ensure that average vehicle speeds in the lanes remain above 45 miles per hour 90 percent of the time during peak hours. The Commission must periodically review the toll rates against the traffic performance of all lanes to determine if the toll rates are effectively maintaining travel time, speed, and reliability. The WSDOT is required to annually report to the Commission and the Legislature on the impact of the express toll lanes project on certain performance measures.

The WSDOT is required to conduct a traffic and revenue analysis of a 40-mile continuous express toll lane system that includes SR 167 and I-405. In addition, the WSDOT must develop a corridor-wide project management plan for the eastside corridor. The WSDOT is directed to use the information from the analysis and the management plan to develop a finance plan to fund improvements in the corridor. The WSDOT must consult with certain elected officials and representatives from certain transit agencies while developing the performance standards, the traffic and revenue analysis, and the finance plan.

#### **EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment: (1) requires the WSDOT to work with local jurisdictions to minimize I-405 tolling impacts on local streets; (2) requires the construction of certain capacity improvements necessary to provide the express toll system begin as soon as practicable; (3) prohibits any contract term that includes tolling equipment on I-405 from taking effect until specific appropriation authority is provided in 2012 for the tolling equipment; (4) requires the WSDOT, in consultation with the Commission, to consider making operational changes necessary to fix any unintended consequences of implementing the express toll lanes project; (5) requires the Commission to hire independent experts to conduct the traffic and revenue analysis and requires that specific elements be included in the analysis; (6) requires the WSDOT to consult with the Commission when completing the finance plan and the corridor-wide project management plan; (7) allows funds from I-405 capital project appropriations to be used by the Commission to cover its costs in developing the traffic and revenue analysis; (8) creates the I-405 express toll lanes operations account as a subaccount of the motor vehicle fund; (9) requires the express toll lanes project to be terminated if it does not meet certain performance criteria within two years; and (10) requires the WSDOT to report on whether actual gross revenues are consistent with projected revenues as identified in a certain fiscal note for the bill.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) Dual express tolling works around the country and it can work here. Our experiences with SR 167, all the study work, and the Expert Review Panel show that it will work. It is a market-based solution that provides a choice to motorists. It will reduce accidents and improve travel speeds while producing revenue. It will allow for predictable trips on I-405, which is one of the most congested areas in the state. Express lanes carry more vehicles and more people than general purpose lanes. Interstate 405 is a vital economic link in our state, and we need this solution to move people and goods more effectively.

The express toll lanes solve our congestion problems and also produce revenue. The revenue is a key part to make the improvements we need on the eastside corridor. In general, given the state of transportation funding and the need for new revenue sources, tolling needs to be a bigger part of funding future transportation projects. The revenue study aspects of this bill are important. An investment grade traffic and revenue study is a great step; we can learn how to leverage the money from the tolls.

Transit helps highways in the region function. On I-405, King County Metro Transit (Metro) moves millions of riders annually. When the HOV system is congested, Metro buses can no longer move people efficiently. Express toll lanes will enable buses and vanpools to move more efficiently. Transit should be eligible to receive the revenue benefits of the express lanes tolling project.

(With concerns) Last year, the WSDOT did not compare the tolled scenario to a general purpose configuration as required by the master plan. The work of the Expert Review Panel during the interim was a good step to fill in the needed analysis. Through this work, the WSDOT has shown that the throughput will improve with the express toll lanes. However, the modeling that shows increased performance assumes that the HOV lanes will be three plus, not the current two plus. The modeling performance would be quite different if a general purpose configuration is compared to HOV two plus.

The state's vehicle miles traveled reduction targets could undermine any revenue source that relies on driving, like tolling does. The targets jeopardize the state's ability to bond tolls if the state is successful in meeting the reduction targets.

(Opposed) The toll on the SR 167 HOT lanes is low, much lower than the proposed toll on I-405, and people still do not use them. It is the third year into the four-year project, and the state has lost money. The Legislature should wait to see if SR 167 improves before it authorizes a new project.

When the Legislature decided to create two new general purpose lanes on I-405, there was no question that the lanes would be general purpose lanes. The Legislature should not change its mind now by allowing the express toll lanes. The proposed plan is inconsistent with the 2002 master plan.

The WSDOT does not think the toll revenue is restricted by the 18th Amendment, but it is. It should go to the Motor Vehicle Account.

In the study, toll amounts are assumed to be much higher than tolls on any other facility. Even with those, the revenues bonded pay for only a portion of the eastside corridor

improvements. The state will have to pay the rest. The state will be paying the bill for certain people to have a nice ride.

**Persons Testifying:** (In support) David Dye, Washington State Department of Transportation; Joan McBride, City of Kirkland; Randy Corman, City of Renton; Sonny Putter, City of Newcastle; Grant Degginger, City of Bellevue; Carrie Dolwick, Transportation Choices Coalition; and Genesee Adkins, King County Metro Transit.

(With concerns) Michael Ennis, Washington Policy Center.

(Opposed) Jim Horn, Dick Paylor, and Bill Eager, Eastside Transportation Association; Paul Cowles; Kevin Kelly, East King County Chamber of Commerce Legislative Coalition; and Bruce Nurse, Kemper Development Company.

**Persons Signed In To Testify But Not Testifying:** (In support) Peter Thein, Sierra Club Cascade Chapter.

(In support with concerns) Dave Overstreet, Automobile Association of America Washington.

(With concerns) Larry Walker, Washington Road Rider's Association.