
Transportation Committee

HB 2089

Brief Description: Modifying the bond authorization for the Interstate 405 and state route number 167 corridor and the Puget Sound Gateway facility.

Sponsors: Representatives Slatter, Duerr, Ryu, Fey, Bergquist and Kloba.

Brief Summary of Bill

- Allows the bonds previously authorized for improvements on the Interstate 405 and State Route 167 corridor and the Puget Sound Gateway facility to be issued as solely toll revenue bonds.

Hearing Date: 2/1/22

Staff: David Munnecke (786-7315).

Background:

State Route 167.

In 2008 the Washington State Department of Transportation (WSDOT) converted one lane each direction of State Route (SR) 167 between Renton and Auburn from a high occupancy vehicle (HOV) lane to a high occupancy toll (HOT) lane. Solo drivers can use a transponder to enter the lane and pay a toll to travel in the high occupancy lane during peak periods. If the vehicle has two or more people in it, they may travel in the HOT lane for free.

Interstate 405.

In 2015 WSDOT completed a widening and HOV conversion project and began tolling on the express toll lanes (ETLs) on Interstate 405 (I-405) between Bellevue and Lynnwood. Solo drivers can use a transponder to enter the lanes and pay a toll to travel in the express toll lanes during peak periods. If the vehicle has three or more people in it, they may travel in the ETLs

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for free if they have a transponder set to HOV mode. Some sections of the corridor have one ETL each direction, while some sections have two ETLs each direction. The 2015 Connecting Washington package funded a similar widening and HOV conversion project for the south half of the I-405 corridor, to construct two ETLs each direction between Renton and Bellevue.

Interstate 405/State Route 167 Corridor.

An express toll lane corridor was designated, in 2019, as beginning on the north end at I-405's junction with Interstate 5 (I-5) in Lynnwood, and ending on the south end at SR 167's junction with SR 512 near Puyallup.

Puget Sound Gateway.

The Puget Sound Gateway project will construct new segments of SR 167 in Pierce County and SR 509 in King County, simultaneously, over a 16-year period. The SR 167 portion of the Puget Sound Gateway project will complete the remaining four miles of SR 167 between North Meridian Avenue in Puyallup and I-5 in Fife. The SR 509 portion will extend the highway between South 188th Street and I-5 in SeaTac, and also includes a spur from I-5 in Fife to SR 509 in Tacoma. The Puget Sound Gateway facility, which is made up of these facilities, has been designated as an eligible toll facility and tolling has been authorized.

Bonding.

Bonding of \$1.16 billion has been authorized for the I-405 and SR 167 corridor, and directed to be used on the following projects:

- up to \$600 million for improvements on I-405 between SR 522 and SR 527;
- up to \$215 million for completion of the project on the south half of I-405 between Renton and Bellevue;
- up to \$3 million to update the SR 167 master plan;
- up to \$100 million to extend express toll lanes on SR 167 south; and
- up to \$20 million for design on the I-405/North 8th Street direct access ramp project.

Bonding of \$340 million has been authorized for the Puget Sound Gateway facility, and directed to be used on the following projects:

- to advance toll contributions and \$129 million in Connecting Washington funds in order to open stage two of the project three years earlier and realize cost savings; and
- up to \$5 million for noise mitigation on SR 509 between South 188th Street and I-5.

All of the bonds authorized for the I-405 and SR 167 corridor and the Puget Sound Gateway facility are general obligation bonds of the state, but are first backed with toll revenues, motor vehicle fuel taxes, and vehicle-related fees. Once the bonds issued for either facility are repaid, the WSDOT and the Washington State Transportation Commission are required to lower toll rates accordingly.

Toll Revenue.

For the purposes of the 520 corridor, I-405 and SR 167 corridor, and the Puget Sound Gateway facility bonds, "toll revenue" means all toll receipts, all interest income derived from the

investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities.

Grant anticipation revenue vehicle (GARVEE) bonds, which are bonds where the debt service is paid with future federal-aid highway funds, that were issued to fund a portion of the SR 520 corridor, were issued pursuant to the definition of toll revenue above.

Summary of Bill:

The \$1.5 billion of bonds that were previously authorized to fund improvements on the I-405 and SR 167 corridor and the Puget Sound Gateway facility are allowed to be issued as solely toll revenue bonds.

Appropriation: None.

Fiscal Note: Not requested.

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